



MANCHESTER
CITY COUNCIL

Annual Governance Statement (AGS) 2025/26

1. Executive Summary

Manchester City Council (“the Council”) operates in a complex financial, policy and legislative environment; the role, responsibilities and funding models of local government continue to be in a period of rapid transition.

In 2025/26, the Council launched its ten-year plan to address systemic inequalities in health, skills and outcomes, ‘Our Manchester 2025-2035’. Alongside its partners and residents, the Council continues to deliver an ambitious vision for the city. The changes taking place in our city present both opportunities and challenges. In response, the Council continues to engage in a broad programme of system-wide innovation and reform work so that it can maintain services for residents which are efficient, effective and deliver value for money using available resources.


The Council has a legal responsibility to conduct an annual review of the effectiveness of its governance framework, including systems of internal control. This Annual Governance Statement (AGS) outlines its responsibilities under the framework as well as the evidence which supports appropriate oversight.

The governance arrangements described below have been applied throughout the year, and up to the date of the approval of the Annual Statement of Accounts, providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year, the Council will continue to operate its governance framework and carry out the improvement actions identified in the Action Plan.

Any significant events or developments relating to the governance system that occur between the year end and the date on which the Statement of Accounts is signed by the City Treasurer (Chief Finance Officer and Section 151 Officer), will be reported by the City Treasurer to Audit Committee prior to the final audited AGS being signed off.

The Council has assurance that its governance arrangements and systems of control are robust and operate effectively to meet the principles of the Code of Corporate Governance.

Signed



Cllr Bev Craig
Leader of the Council

Signed



Tom Stannard
Chief Executive

2. Introduction

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and 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. Finally, the Accounts and Audit (England) Regulations 2015 regulation 6(1) requires all relevant bodies to prepare an Annual Governance Statement.

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's Code of Corporate Governance sets out its governance standards, which ensure the Council is doing the right things in the right way, in a timely, inclusive, open, honest, and accountable manner. Some of these standards are required by law, while others are a matter for the Council to choose. The AGS explains how the Council has complied with the Code of Corporate Governance.

The Council's approach to the production of the AGS is reviewed annually to ensure that it remains consistent with the principles of the CIPFA/SOLACE Joint Framework for Delivering Good Governance in Local Government. (CIPFA is the Chartered Institute of Public Finance and Accountancy; SOLACE is the Society of Local Authority Chief Executives and Senior Managers)This was published in 2016, with an Addendum being issued in 2025. Additionally, the Local Government Association's Improvement and Assurance Framework from 2024 states that 'All members have a responsibility to oversee effective governance, and all officers have a duty to comply with good governance and provide information to demonstrate that compliance.'

Corporate governance provides structure for how organisations direct and control what they do. The governance framework at Appendix 1 outlines the systems by which the Council is directed and controlled, and through which it is accountable to, engages with and leads the city. It provides links to example sources of assurance demonstrating compliance with each principle in the Code of Corporate Governance. The framework enables the Council to monitor the achievement of the city's strategic objectives as set out in the Our Manchester Strategy 2025-2035, and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The map at Appendix 2 provides a visual representation of the governance framework, illustrating how key aspects of the Council's governance interact.

The Council's system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level (see Appendices 1 and 2). However, it cannot eliminate all risk of failure to achieve the Council's aims and objectives and therefore cannot provide 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.

3. Our assessment of effectiveness

The Council has a legal responsibility to conduct an annual review of the effectiveness of its governance framework, including the systems of internal control. The Council has assurance that its governance arrangements and systems of control are robust and operate effectively to meet the principles of the Code of Corporate Governance.

The effectiveness of governance arrangements is monitored and evaluated throughout the year, with activity undertaken including:

- **Corporate Management Team (CMT).** Responsibility for governance and internal control lies with the Chief Executive and the Corporate Management Team (CMT), which meets on a weekly basis to steer the organisation's activity.
- **Outcomes assurance** – CMT is provided with quarterly progress updates against the eight themes in the Council's Corporate Plan. This ensures that performance, activities and outcomes are regularly monitored at senior levels, to inform effective decision making.
- **Scrutiny and challenge by Council and its Committees.** The Council has four bodies responsible for monitoring and reviewing the Council's governance:
 - **The Executive** - Proposes the budget and policy framework to Council and makes decisions on resources and priorities relating to the budget and policy framework.
 - **Audit Committee** - Approves the Council's Annual Accounts, oversees External Audit activity and oversees the effectiveness of the Council's Governance, risk management and internal control arrangements.
 - **Resources and Governance Scrutiny Committee** - Considers the implications of financial decisions and changes to corporate, partnership and city region governance arrangements.
 - **Standards Committee** - Promotes high standards of ethical conduct, advising on the revision of the Codes of Corporate Governance and Conduct for members.
- **Audit and Risk Management Annual Opinion 2025/26.** For the year to March 2026, the Assistant Director of Audit and Risk Management will provide an assurance level on the Council's governance, risk, and control framework. The assurance level and full opinion detail will be set out in the Annual Audit Opinion 2025/26 report, which will be taken to Audit Committee on 16 June 2026.
- **External Auditor's Review of the Effectiveness of Governance Arrangements.** The Council's external auditor is Forvis Mazars:
 - Auditor's Annual Report 2024/25
- **CIPFA Financial Management Code 2019 (FM Code).** The Council has carried out a credible and transparent financial resilience assessment. This includes consideration of the CIPFA Financial Resilience Index. The results show the Council to be relatively well placed on earmarked reserves and in a reasonably comfortable mid position on the other reserves. The only ratio classed as high risk relates to the low council tax base, which is well understood. This is mitigated by attempts to grow other income streams and highlighting the importance of council tax equalisation in all funding discussions and consultation with the government. The CIPFA Index is not intended to represent the entire story on the financial sustainability of a Local Authority but provides some indicators of potential risk. In addition, the Chief Finance Officer has examined the major assumptions used within the budget calculations and associated risks. The Medium-Term Financial Strategy and Capital

Strategy have been updated to reflect the ongoing impact of the financial pressures faced in the current year.

- **Annual Report of the Standards Committee.** 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 Annual Report of the Standards Committee is one of the Council's sources of governance assurance.
- **Governance of Significant Partnerships.** Assurance relating to governance arrangements of the Council's significant partnerships is recorded on the Register of Significant Partnerships. Each partnership is self-assessed annually to provide assurance that effective arrangements are in place, and to highlight any governance challenges which need to be addressed.
- **Commercial Governance.** The Council has oversight and assurance for governance in relation to companies, Joint Ventures, Charities, loans and equity investments it is party to via the Commercial Board and Shareholder Panel. Regular performance reporting is reviewed via these forums to ensure that the expected governance standards are met. The Council keeps the governance of its companies, charities and partnerships under review to be able to address any gaps.
- **Best Value Working Group.** This group reports to the Commercial Board and provides assurance for commercial governance functions through a focus on commercial strategy, directorships, organisational awareness of Best Value and governance of effective decision-making.
- **Local Government Cyber Assessment Framework (CAF).** A national framework to manage organisational cyber security risk, built around four high-level objectives, each supported by Indicators of Good Practice (IGPs). The Council has been working toward the first two of these and an external assurance exercise was undertaken independent assessors, which demonstrated that the Council aligns strongly with the requirements defined within the framework, with some individual improvement areas to be addressed. The CAF provides the Council with a clear, structured and externally assured view of its cyber governance and resilience, supporting continuous improvement rather than a one-off compliance exercise.
- **Consideration of evidence sources** to identify the Council's key governance challenges looking ahead to 2026/27. These sources include:
 - Responses to an annual online Service Governance Questionnaire (SGQ) from Heads of Services service (51 responses) which provides a self-assessment rating of compliance with the Code of Corporate Governance together with supporting narrative evidence.
 - Assurance statements from Strategic Directors on the extent of their assurance that senior leaders above service lead level are complying with the expected high standards of corporate governance, and to moderate service ratings in the SGQ if they considered it necessary.
 - Risks identified in the Corporate Risk Register.
 - Significant governance challenges in partnerships as identified by the Council's Register of Significant Partnerships assessment process
 - Emergent challenges identified by the work of Internal Audit.
 - A meeting of key Senior Officers with responsibility for governance, to identify and discuss emerging governance issues.
 - Where appropriate, carrying forward elements of actions from last year's action plan if substantial further challenges remain and ongoing monitoring is required.

4. Addressing the Council's Governance Challenges in 2025/26

A summary of actions taken to address the four governance challenges identified in last year's Annual Governance Statement (2024/25) Action Plan for 2025/26.

Action 1 - Within the changing context of health governance arrangements across Greater Manchester, ensure the sustainability of Manchester Local Care Organisation (MLCO), deliver the Making Manchester Fairer programme and embed the Achieving Better Outcomes Together transformation programme into Adult Social Care.

- Responsible officers (CMT): Director of Public Health, Director of Adult Social Services, City Solicitor
- Responsible officers (Directors or Heads of Service): Director of Adult Social Services, Director of Public Health
- How this is monitored: Health Scrutiny Committee

Actions taken over the past year to address this challenge:

A. Making Manchester Fairer

The governance of the Making Manchester Fairer programme is well established, with good attendance across all boards and groups. This year, there has been additional progress in embedding the MMF Community Forum into decision-making for the programme; the following is taken from the Programme Board's Terms of Reference:

- Proposals for programme delivery requiring endorsement from the Programme Board will be taken to the Community Forum for scrutiny in advance of Programme Board meetings; where this is not practicable items will be taken to the Community Forum following the Programme Board. No item will be considered to be fully endorsed without Community Forum scrutiny.
- The Programme Board have a key role in endorsing plans to invest resource in new Kickstarter projects and this provides an opportunity to develop and implement innovative approaches to decision-making that will facilitate genuine collaborative governance and power sharing with the Community Forum. A framework for this approach is being developed and if necessary the Programme Board Terms of Reference will be subsequently reviewed to take account of this.

B. Manchester Local Care Organisation and Adult Social Care

Further development of integrated care arrangements for the benefit of Manchester residents will be progressed through the creation of a new Joint Leadership Board (JLB). Work to design this board and its associated governance has been undertaken by system leaders across the Council, the Integrated Care Board (ICB), and Manchester Foundation Trust (MFT), through the joint structures of the Local Care Organisation (LCO).

The new board, which brings together the former Provider Collaborative Board and Joint Commissioning Board, took on its formal role from April 2026. It brings senior leaders together across commissioning and direct service delivery to prioritise joint

change programmes. The board will advocate for a “left shift”, moving activity from secondary care (specialist medical care, usually provided in a hospital) into community-based care, and will embed longer-term community prevention approaches across all service pathways.

2025/26 has been a period of transition, with changes across both the LCO and Adult Social Care (ASC) senior teams due to restructures and several retirements. The ICB has also undergone a significant restructure to meet central government requirements to reduce running costs under the NHS 10-Year Plan and in response to the dissolution of NHS England. These substantial organisational changes were completed by April 2026, enabling the re-establishment of new senior relationships required to drive shared priorities.

The Section 75 agreement must be updated to reflect these developments. Section 75 of the NHS Act 2006 enables NHS bodies and local authorities to contribute to a pooled fund used to commission health and/or social care services. This legal mechanism allows local authorities to commission health services and NHS commissioners to commission social care, supporting joint commissioning and the delivery of integrated services. The refreshed Section 75 will be a key tool for driving local integration work.

The system continues to face significant financial pressures due to rising demand and increasing complexity, and Manchester remains the fourth most deprived area in the country. Long-term improvements in health outcomes must be achieved within constrained system budgets. To do this, local plans must align with the national ambitions of the NHS 10-Year Plan, which advocates a shift from reactive to proactive care—strengthening primary care and community services to prevent escalation into more costly secondary care.

Service plans across the LCO are focused on delivering this left shift. Partners across the system will need to work transparently regarding their financial positions, as there is a real risk to strong joint working if savings plans are not understood, aligned, and shared. Failure to do so risks unintended consequences elsewhere in the system. Newly appointed senior leaders will need to build strong working relationships within the new governance arrangements to collectively mitigate these risks.

The Council continues to invest in and deliver its transformation programme, Achieving Better Outcomes Together (ABOT). All new investments and savings proposals within Adult Social Care, from digital solutions and operational efficiencies to increasing intermediate care capacity and expanding occupational therapy support, are shared with wider LCO partners through the shared governance framework. The ABOT programme has a bi-monthly programme board and weekly meetings for Senior Responsible Officers across its workstreams and projects.

Action 2 – Effective updating, communication, and accessibility of key defined policies, including assurance over policy being put into practice for online and offline staff. Ensure accountability for effectively supporting the continued development of manager capabilities, to ensure policies are consistently implemented and adhered to.

- Responsible officers (CMT): Deputy Chief Executive

- Responsible officers (Directors or Heads of Service): Director of HRODT
- How this is monitored: Resources and Governance Scrutiny Committee

Actions taken over the past year to address this challenge:

- Employee policies are reviewed on a cyclical basis in addition to any reviews on account of planned legislative or system changes. This year this has included the Annual Leave Purchase Scheme, Annual Leave, Special Leave, Recruitment and Selection, Performance Management, Family Friendly, Sponsorship, Code of Conduct.
- These policies are reviewed through the standard governance route; depending on the scale and impact of possible changes, the staff equality networks are engaged, formal policy meetings are held with trade union colleagues, policies are signed off by trade unions and Corporate Joint Consultative Committee prior to being signed off by Personnel Committee for most changes, with minor changes being signed off internally. Equality Impact Assessments are also completed.
- Policies are available on the intranet and on request. Changes and updates are communicated to staff and managers through existing communication channels in line with the plan agreed with Communications colleagues as well as ad-hoc communications. Policy changes are reviewed with Learning and Development officers within HRODT to ensure training reflects any updates or changes.
- A refresh of the Good Manager Guide was launched in February 2026. This second edition provides more comprehensive support for managers, alongside a suite of new resources, guidance and training.
- All new employees are required to attend the Corporate Induction within their probation period. New employees are also provided with the Code of Conduct and Welcome to the Council pack on joining the Council.
- Embedded relevant policies into associated training such as Induction, Recruitment and Selection and Managing of Attendance.
- Ensured that Team Talk email communications to staff feature policies on a rotation basis, which is usually on a seasonal basis or where there are updates to policies. Articles have also been shared through internal communications such as The Forum newsletter to all staff.

Action 3 - Effective governance and leadership of major systems including strong post-implementation governance, data governance, ownership, and quality. In scope are systems used by multiple services including ICT systems such as CoreLogic (LiquidLogic) and Microsoft 365.

- Responsible officers (CMT): Deputy Chief Executive
- Responsible officers (Directors or Heads of Service): Director of ICT
- How this is monitored: Resources and Governance Scrutiny Committee

Actions taken over the past year to address this challenge:

Over the past year, the Council has strengthened the governance framework for major corporate systems, improving strategic oversight, accountability and risk management for systems used across multiple services, including Liquid Logic and Microsoft 365.

Corporate governance is provided through the ICT & Digital Design Authority Board and Delivery Board, which ensure alignment to strategy, consistent scrutiny of major system

decisions, and escalation into senior officer and Executive governance. This has strengthened visibility, corporate ownership and assurance over system level risks and investment decisions.

Clearer accountability arrangements have been embedded through dedicated system governance, including two LiquidLogic System Boards (for Adult Social Care and Children & Education) and formal Product Manager roles for key corporate systems. These arrangements support cross-directorate oversight and address previous reliance on service-specific governance for multiservice platforms. Governance controls for risk, change and resilience continue to operate through established ICT risk, change management, data protection and contract management frameworks.

A significant governance improvement has been the introduction of an Enterprise Architecture management application, providing improved corporate visibility of major systems, dependencies and lifecycle risks, and supporting more informed, evidence-based decision making. This continues to be developed across the estate.

While good progress has been made, there is more work to do in 2026/27 with a focused emphasis on embedding and maturing governance. Further work is required to fully operationalise enterprise architecture governance, strengthen and standardise cross-directorate ownership for all major systems, and continue to develop corporate data governance arrangements. This reflects a move away from establishing governance structures and towards embedding their consistent and effective application across the Council's major systems landscape. As new systems are being introduced, we are ensuring that proportionate system-specific governance boards are in place.

Action 4 - Effective governance of the delivery of the Council's Equality Objectives 2024-2028 and Workforce EDI Plan 2025–2028, to be mitigated through development of a Corporate Accountability Board.

- Responsible officers (CMT): Chief Executive
- Responsible officers (Directors or Heads of Service): Director of HRODT, Joint Director of Equality, Inclusion and Engagement
- How this is monitored: Resources and Governance Scrutiny Committee, Communities and Equalities Scrutiny Committee

Actions taken over the past year to address this challenge:

A. Workforce update

Over the past year, we have strengthened governance arrangements supporting delivery of the Workforce Equality, Diversity and Inclusion Plan. Clearer leadership accountability has been established through the appointment of senior leads for anti-racism and for disability, providing defined oversight and decision-making responsibility. Leaders are also required to include EDI objectives in their annual appraisals.

The Council's Workforce Equality, Diversity and Inclusion Plan forms part of the Council's Workforce Strategy, which reports formally into Resources and Governance Scrutiny Committee (RAGOS) on an annual cycle. Our governance framework has been enhanced through more robust formal policy review cycles, strengthened

escalation routes and improved assurance mechanisms. Workforce insight and reporting have been expanded, enabling more effective monitoring of risk, performance and organisational compliance. Workforce insight is also included in reports to RAGOS.

Recruitment and people-management controls have been strengthened through revised standards for inclusive practice, clearer expectations for line-manager capability and improved process assurance. Implementation of Business Disability Forum (BDF) recommendations is now overseen through formal governance and scheduled reporting.

Looking ahead, we will publish our first disability pay gap report in 2026/27, continue delivering BDF-aligned recruitment improvements, and maintain our Disability Confident Leader status.

B. Equity and Engagement update

Effective governance of the delivery of the Council's Equality Objectives 2024-2028 and Workforce EDI Plan 2025–2028 was intended to be mitigated through development of a Corporate Equality Accountability Board in 2025/26. This governance mechanism was not progressed due to the wider piece of work around corporate governance in the development of an Organisational Assurance Board. It is proposed that governance for the Equality Objectives will be through CMT and the publication of our Public Sector Equality Duty annual report.

In addition, over the past year, the Equity and Engagement team have:

- Continued to implement a cross-directorate accountability framework and delivery plan for the Council's corporate Equality Objectives 2024-2028. There is a refreshed delivery plan for Year 2 which is overseen by an Equalities Operational Group.
- Published an annual [Public Sector Equality Duty report](#) which is presented to Communities and Equalities Scrutiny Committee. It provides assurance around the delivery of our equality objectives with information on the programmes of work and actions which demonstrate that we are meeting our Public Sector Equality Duty.
- Further developed our cross-organisational Equality Impact Assessment peer review panel as part of our quality assurance approach to meeting our Public Sector Equality Duty.

In 2026/27 we will continue to align our corporate equality objectives with other corporate objectives under the governance of the Organisational Assurance Board or through an alternative mechanism.

5. Action Plan for 2026/27

This year's review of governance arrangements has identified that all four challenges from 2024/25 should be retained, with revisions to reflect their current context, and included in the 2025/26 Action Plan. Seven further areas of challenge have also been identified by the activities mentioned in Section 3 (Our Assessment of Effectiveness) throughout 2025/26. The increase in the number of areas of focus compared to the previous financial year does not imply a reduction in assurance over the robustness of the Council's governance overall. Completion of, or substantial progress against, these challenges is due by the end of the financial year, in March 2027.

Action 1: Ensure that local partnership and integration arrangements (including via the Manchester Local Care Organisation and with other key health partners) have appropriate internal governance, oversight and scrutiny. This is within the changing context of health governance arrangements across Greater Manchester, and the implementation of the NHS 10 Year Plan.

- Responsible officers (CMT): Strategic Director of Adult Social Services
- Responsible officers (Directors or Heads of Service): Director of Adult Social Care Operations
- How this is monitored: Health Scrutiny Committee

Action 2: Effective governance and assurance mechanisms for the delivery of currently delegated Adult Social Care functions to Greater Manchester Mental Health Trust (GMMH) before, during and following the return of these functions to the Council (due October 2026).

- Responsible officers (CMT): Strategic Director of Adult Social Services, City Solicitor
- Responsible officers (Directors or Heads of Service): Director of Adult Social Care Operations
- How this is monitored: Health Scrutiny Committee

Action 3: Effective governance and leadership of major systems including strong post-implementation governance, data governance, ownership, and quality. In scope are systems used by multiple services including ICT systems such as those provided by System C (LiquidLogic and contrOCC systems) and People & Money (P&M).

- Responsible officers (CMT): Interim Deputy Chief Executive and City Treasurer
- Responsible officers (Directors or Heads of Service): Director of ICT
- How this is monitored: Resources and Governance Scrutiny Committee

Action 4: Housing, Fire and Building Safety – governance of actions to address fire and building safety risk management and improvement actions across Council housing stock and priorities managed through tenant management organisations and private finance initiatives (PFIs).

- Responsible officers (CMT): Strategic Director of Neighbourhoods
- Responsible officers (Directors or Heads of Service): Director of Housing
- How this is monitored: Resources and Governance Scrutiny Committee, Economy and Regeneration Scrutiny Committee

Action 5: Housing maintenance insourcing (Equans) – governance of priorities and plans for the safe, secure and cost-effective insourcing of appropriate functions.

- Responsible officers (CMT): Strategic Director of Neighbourhoods
- Responsible officers (Directors or Heads of Service): Director of Housing
- How this is monitored: Resources and Governance Scrutiny Committee, Economy and Regeneration Scrutiny Committee (Manchester housing providers board)

Action 6: Effective governance of the delivery of the Council's Equality Objectives 2024-2028 and Workforce EDI Plan 2025–2028.

- Responsible officers (CMT): Deputy Chief Executive
- Responsible officers (Directors or Heads of Service): Director of People and Organisational Development, Joint Director of Equality, Inclusion and Engagement
- How this is monitored: Resources and Governance Scrutiny Committee, Communities and Equalities Scrutiny Committee

Action 7: Ensure senior leader accountability for effective governance of the support for continued development of manager capabilities. This should enable key corporate policies to be consistently implemented and adhered to across the whole of the Council. This includes ensuring the provision of the data necessary for senior leaders to do this effectively.

- Responsible officers (CMT): Chief Executive
- Responsible officers (Directors or Heads of Service): Director of People and Organisational Development
- How this is monitored: Resources and Governance Scrutiny Committee

Action 8: Establishing and embedding a governance and policy framework for the appropriate use of AI across the Council including via commissioned third party applications and systems.

- Responsible officers (CMT): Interim Deputy Chief Executive and City Treasurer
- Responsible officers (Directors or Heads of Service): Director of ICT
- How this is monitored: Resources and Governance Scrutiny Committee

Action 9: Information governance: governance of responses to statutory requests for information (FOI/EIR/SARs). In scope is effective oversight of the identification of Information Asset Owners (IAO) of offsite data storage and unstructured digital data and improving compliance with data retention policies across the organisation.

- Responsible officers (CMT): Interim Deputy Chief Executive and City Treasurer, City Solicitor
- Responsible officers (Directors or Heads of Service): Assistant Director Legal Governance, Assistant Director Assurance and Risk, Director of ICT
- How this is monitored: Resources and Governance Scrutiny Committee

Action 10: Ensuring that the appropriate considerations are evidenced and corporate governance routes are followed for establishment of commercial activities.

- Responsible officers (CMT): Interim Deputy Chief Executive and City Treasurer, City Solicitor

- Responsible officers (Directors or Heads of Service): Assistant Director Legal Services, Assistant Director Corporate Energy and Commercial Governance, Assistant Director Assurance and Risk
- How this is monitored: Resources and Governance Scrutiny Committee

Action 11: Governance of consistent application of key decisions and delegated authority processes.

- Responsible officers (CMT): Interim Deputy Chief Executive and City Treasurer, City Solicitor
- Responsible officers (Directors or Heads of Service): Assistant Director Legal Governance, Assistant Director Assurance and Risk, Deputy City Treasurer
- How this is monitored: Resources and Governance Scrutiny Committee

Appendices

1. Governance Framework

Set out below are evidence sources showing how the Council delivers against each principle of good governance.

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
<i>Sub-principle</i>	<i>Sources of assurance</i>
A1 – Behaving with Integrity	<ul style="list-style-type: none">• Our Manchester Behaviours• Code of Conduct, annual declaration of interest requirements and gifts and hospitality records• <u>Workforce Strategy Update 2025/26</u>• Anti-Fraud and Anti-Corruption Policy, Whistleblowing Policy, Anti-Money Laundering Policy and Anti-Bribery Policy
A2 – Demonstrating Strong Commitment to Ethical Values	<ul style="list-style-type: none">• <u>Standards Committee Annual Report 2025/26</u> (published in March 2026, including figures of complaints against members)• <u>Members Code of Conduct</u>• <u>Ethical Procurement policy</u>• <u>Social Value policy</u>
A3 - Respecting the Rule of Law	<ul style="list-style-type: none">• <u>Statutory Officers roles as described in the Constitution</u>• Compliance with CIPFA/SOLACE's 2016 Framework and 2025 Addendum

Principle B	Ensuring openness and comprehensive stakeholder engagement
<i>Sub-principle</i>	<i>Sources of assurance</i>
B1 – Ensuring Openness	<ul style="list-style-type: none"> • <u>Manchester City Council website</u> • <u>Website accessibility statement</u> • <u>Meeting agendas and reports</u> • <u>Webcasts archive of Council and Committee meetings</u> • Descriptions of planned decisions can be found on the <u>Register of Key Decisions</u>
B2 – Engaging Comprehensively with Institutional Stakeholders	<ul style="list-style-type: none"> • Delivery against the Our Manchester Strategy themes and priorities is reviewed by a quarterly board, which sits above other governance boards across the system. • <u>Register of Significant Partnerships 2024</u> (published in June 2025) • <u>Annual Commercial Activity, Investments and Governance Report</u> (published in January 2026)
B3 - Engaging with Individual Citizens and Service Users Effectively	<ul style="list-style-type: none"> • Amongst others, public engagement on strategies and developments such as <u>Making Manchester Fairer</u>, the city's action plan to tackle the social determinants of health inequalities, works alongside a Community Forum and Anti-Poverty Insight Group, to ensure that resident voice is central to their work. • Community consultation and involvement is delivered in accordance with the <u>Campaigning Engagement Framework (CEF)</u>. • Progress towards the Council's recognition as a <u>UNICEF Child Friendly City</u> has included ensuring that the voices, needs and priorities of children are an integral part of decision-making processes influencing their lives, and embedding a Child Rights-based approach to all we do in Manchester. • All services to have ensured methods of community involvement or participation are included in their service planning for 2026-29 • E-bulletins and social media • <u>2024/25 Complaints report to Audit Committee</u> (published in November 2025)

Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Sub-principle	Sources of assurance
C1 - Defining Outcomes	<p>The Our Manchester Strategy 2025-2035 priorities are listed below. All organisational and service delivery focuses on achieving one or more of these.</p> <ul style="list-style-type: none"> • Be happy, healthy and active from childhood to adulthood • Have a great education and be able to learn new skills as they grow older, so they can get the best jobs • Be proud of our diversity, feel valued and included, knowing they belong • Participate, engage, and influence decisions about their communities and neighbourhoods • Be safe in person and online • Have enough good-quality, genuinely affordable homes • Be attractive and well-kept with good facilities, services and green spaces • Have a growing economy that provides jobs and equal opportunities for everyone • Adapt to a changing climate and rapidly reduce carbon emissions • Have world-renowned things for everyone to see and do, showcasing our talent for sport and culture • Have reliable transport that gets you where you want to go, quickly, cheaply, safely and cleanly • Embrace technology to achieve our aims, safely and ethically <p>All services develop annual Service Plans which contribute to delivering the Corporate Plan priorities. The current Corporate Plan themes are:</p> <ul style="list-style-type: none"> • Inclusive and sustainable economy where every resident benefits • Tackling climate change and create a healthy, green, socially just city • Achieving equity and inclusion for a diverse city • Ensure all children and young people have the best start in life, attend and achieve in education and progress to further education, training or employment post 16 where possible • Improving health and wellbeing for all • Inclusive communities, thriving neighbourhoods • Good quality, affordable homes <p style="text-align: center;">Well-managed Council</p>

Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Sub-principle	Sources of assurance
C2 - Sustainable Economic, Social, Equality and Environmental Benefits	<ul style="list-style-type: none"> • Annual Public Sector Equality Duty report 2025/26 • Making Manchester Fairer action plan 2025 • Making Manchester Fairer progress report (published in December 2025) • Manchester Climate Ready (MCR) Climate Change Action Plan 2025-2030 • Child Friendly City • Child Friendly City Manchester - update 2025/26 • Age Friendly Manchester Strategy 2023-2028 • Age Friendly Manchester - update report 2025/26 • Anti-Poverty Strategy 2023-2027 • Anti-Poverty Budget update (published in September 2025) • Economic Strategy progress report (published in June 2025) • Housing Strategy annual progress report (published in July 2025) • Work and Skills Strategy progress report (published in October 2025) • Building Stronger Communities Together strategy - update report 2025/26

Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Sub-principle	Sources of assurance
D1 Determining Interventions	<ul style="list-style-type: none"> • Executive Reports
D2 - Planning Interventions	<ul style="list-style-type: none"> • The Council Budget and Business Plan are underpinned by individual service plans which set out the core priorities and activities for each service. Council Budget 2025/26
D3 - Optimising Achievement of Intended Outcomes	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Social Value Policy 2025

Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Sub-principle	Sources of assurance
E1 - Developing the Organisation's Capacity	<ul style="list-style-type: none"> • Workforce Strategy Update 2025/26 • Our Transformation programme update (published in March 2026) • Performance Management and the Good Manager Guide update (published in September 2025)
E2 - Developing the Capability of the Organisation's Leadership and Other Individuals	<ul style="list-style-type: none"> • Staff capacity and capability are managed through the delivery of the Employee Health and Wellbeing Strategy and monitoring via training data, the annual staff survey and the Our Conversation process • The Standards Committee receive an annual report on Member Development and Training (2025)

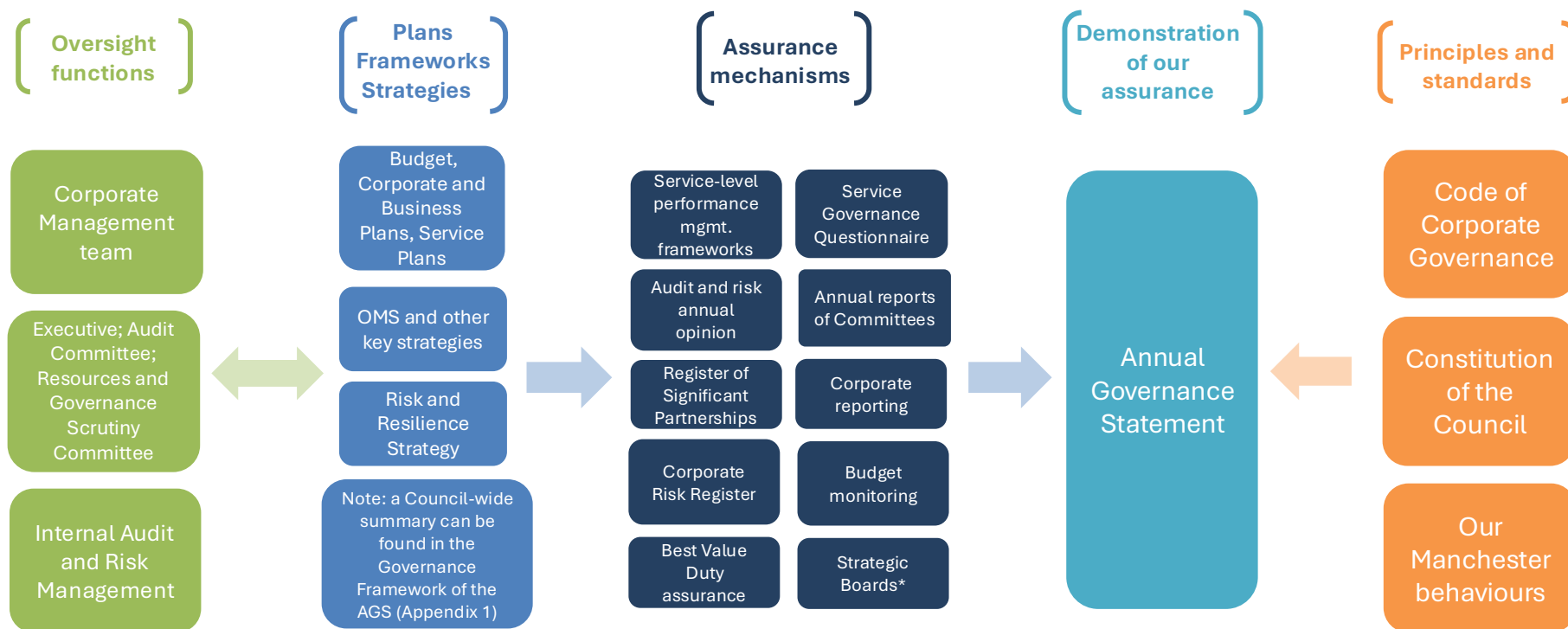
Principle F	Managing risks and performance through robust internal control and strong public financial management
Sub-principle	Sources of assurance
F1 – Managing Risk	The <u>Corporate Risk Register</u> is published twice a year, most recently in November 2025, and shows progress against the <u>Risk Management Strategy</u> . Additional progress and risk updates are provided to CMT and Audit Committee throughout the year.
F2 – Managing Performance	The Council puts in place Key Performance Indicators (KPIs) to monitor service delivery whether services are internal or through external providers. A Corporate Plan Monitor report is provided to Corporate Management Team (CMT) four times a year. This brings together analysis of performance, finance, Corporate Plan priority delivery highlights, and risk - to support effective resource allocation, and to shine a light on any challenges so that they can be addressed.
F3 – Effective Overview and Scrutiny	<ul style="list-style-type: none"> • <u>Scrutiny Committees information</u>
F4 – Robust Internal Control	<ul style="list-style-type: none"> • <u>Internal Audit Plan 2025/26</u> (published in June 2025) • <u>Internal Audit Assurance Update</u> (Q3 update, published in February 2026) • <u>Audit Committee webpage</u> • Compliance with the Anti-Fraud and Anti-Corruption Policy; Whistleblowing Policy; Anti Money Laundering Policy and the Anti Bribery Policy.
F5 – Managing Data	<ul style="list-style-type: none"> • <u>Data Protection</u> • <u>Corporate Data Management policy</u> • 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). • <u>Freedom of Information</u> • <u>Environmental Information Regulations</u> • <u>Subject Access Requests</u>
F6 – Strong Public Financial Management	<ul style="list-style-type: none"> • <u>Medium Term Financial Strategy</u> • The Constitution (Part 5) details the financial regulations which underpin the financial arrangements. • <u>Our Constitution (Part 5)</u> • The <u>CIPFA Financial Management Code (FM Code)</u> sets out the standards of financial management expected for local authorities and is designed to support good practice and to assist local authorities in demonstrating their financial sustainability. Information about the financial resilience assessment which the Council has carried out is set out in Section 3: Assessment of Effectiveness. • <u>Commercial Activity, Investments and Governance Update</u> (published in January 2026) • The <u>Register of Significant Partnerships 2024</u> (published in April 2025) provides additional assurance through the detailed review of a number of entities and is reported to Audit Committee every six months. • <u>Capital Strategy and Budget 2025/26 to 2029/30</u> (published in February 2026) • <u>Treasury Management Strategy Statement</u> (published in February 2026)

Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Subprinciple	Sources of assurance
G1 – Implementing Good Practice in Transparency	<ul style="list-style-type: none"> • <u>Local Government Transparency Code</u> • <u>Manchester City Council website</u>
G2 – Implementing Good Practices in Reporting	<ul style="list-style-type: none"> • <u>Our Manchester Progress Update</u> • <u>Annual Public Sector Equality Duty report 2025/26</u>
G3 - Assurance and Effective Accountability	<ul style="list-style-type: none"> • The Council welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies and gives thorough consideration to arising recommendations. • The most recent inspection of Local Authority Children’s Services for Manchester was published on the Ofsted website in September 2025. This grades the overall effectiveness of children’s services as ‘Outstanding’: <u>Inspection of Manchester local authority children’s services</u> • The Regulator of Social Housing (RSH) completed a consumer standards review of Manchester’s housing service in January 2026, and awarded a C2 grade: <u>RSH Inspection report</u> • The Council’s annual Local Government and Social Care Ombudsman performance is presented to the Executive as part of the <u>Complaints and Information Requests performance report</u> (published in November 2025) • The Council monitors the implementation of internal and external audit recommendations. Assurance reports are presented to Audit Committee and Forvis Mazars (the Council’s external auditors), summarising the Council’s performance in implementing recommendations effectively and within agreed timescales. • Global Internal Audit Standards (GIAS) have been put in place since 1 April 2025.

2. Governance Map

In the interests of continuously improving our accessibility and public transparency of governance, the below representation of key aspects of the Council's system of corporate governance is included.

System of Corporate Governance



*Note that boards can be citywide (eg OMS Board), Council-wide (eg Commercial Governance Board), partnership-focused (eg Mayfield Partnership), or strategy/programme level (eg Making Manchester Fairer Programme Board; Work and Skills Board).