

Executive – 8 October 2009

PARTNERSHIP POLICY AND GUIDANCE

Report of the Risk and Health and Safety Advisor

Statutory Powers: Not applicable

Financial Implications: Not applicable.

Purpose

To review the policy and guidance already in place to manage the Council's approach to, involvement in and monitoring of partnerships.

Recommendation

That Executive ADOPTS the draft Partnership Policy and Guidance and that the procedure for assessing significant partnerships is carried out for existing arrangements.

Background

1. The first Partnership Framework was developed in 2003 and adopted by Executive in December 2003. A review of the framework was carried out in April 2007 and its continuing use approved by Executive in June 2007.
2. At its meeting on 28 May 2009 the Executive resolved that the draft Partnership Policy and Guidance be revised in consultation with the Executive Member for Value for Money and presented back to a future meeting of the Executive.
3. A substantial revision of the document has taken place with the assistance of the Executive Member for Value for Money and the Solicitor to the Council and the revised document is presented for adoption.

Draft Partnership Policy and Guidance

4. The need for a framework has been adequately demonstrated in the past but with the greater emphasis now being placed on partnerships and the governance arrangements associated with them it is considered that more detailed information is required to assist those involved. Discussion with our external auditors in both 2008 and 2009 indicated that they saw our draft documents as being appropriate to achieve this.
5. Following detailed research involving the resources of the Audit Commission and systems in use with other local authorities the attached draft Policy and Guidelines for Partnerships has been produced. It provides definitions of partnerships, and guidance on the requirements from the initial proposal for a proposed partnership through to the exit arrangements.

6. A consultation process was previously carried out with officers including Heads of Service and others who are likely to be involved in partnerships and their comments were considered and included where appropriate. As with all guidance there will be occasions when situations arise where interpretation is required and this has been allowed for.
7. The guidance includes:
 - Checklists for governance arrangements and scrutiny;
 - Risk management guidance;
 - A methodology to enable us to identify those partnerships deemed to be “significant”;
 - An annual review process which will be the responsibility of the Head of Improvement ;
 - An annual report to Scrutiny for significant partnerships covering an appraisal of the outputs/achievements/outcomes, a review of the aims and objectives and an evaluation of whether they align with the Council’s objectives and priorities, cross-cutting themes and commitments and an appraisal of the financial commitment/staff input and whether the partnership continues to provide value for money for the Council.

Risk Assessment

8. The following are the significant opportunities, issues/obstacles and benefits identified:

Opportunity
Working with partnerships is of increasing importance for the Council and can lead to better outcomes on our objectives and use of resources.

Risks	Mitigation
Partnerships may be entered into without suitable assessments of the risks involved	<p>The proposed draft document will provide a framework to enable full assessment, agreements, monitoring and evaluation to take place for the partnerships that the Council is involved in.</p> <p>The Council will be able to demonstrate the effectiveness of its partnership risk management process.</p> <p>Liabilities for each partnership will be established which should enable better use of resources.</p> <p>Exit strategies, once in place, will enable the Council to end partnership arrangements at appropriate times.</p>
Appropriate governance arrangements may not be in place for partnerships	
A range of processes for involvement in partnerships may leave the Council exposed to unnecessary risks	
Each partnership requires an exit strategy in place which is agreed by all partners	

Conclusion

9. A common approach to forming, managing, monitoring and evaluating partnerships will assist in ensuring that they are in place for the benefit of both the Council and the community.
10. The draft document will provide the Council with an evidenced system for achieving this.

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Risk and Health & Safety Advisor

Executive
8 October 2009

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Background Documents:

None



SOUTH HAMS DISTRICT COUNCIL PARTNERSHIP POLICY AND GUIDANCE

Background

1. In 2005, the Audit Commission's report 'Governing Partnerships: Bridging the Accountability Gap' (www.audit-commission.gov.uk) recognised that local partnerships are essential to deliver improvements in local people's quality of life, but:
 - They bring risks as well as opportunities, and governance can be problematic;
 - They may not deliver good value for money, so local public bodies should ask searching questions about who they engage with;
 - Clear accountability is needed between partners to produce better accountability to the public, including redress when things go wrong.
2. Partnership working is playing an increasingly important role particularly in policy development and service delivery for the public sector. The Council must, therefore, have in place a robust mechanism to deal with existing partnership working. It is important to understand that involvement in partnership working initiatives, however small or seemingly insignificant, may carry legal and financial implications for the Council.
3. This guidance provides a framework and guide to the Council's approach to the evaluation of and commitment to partnerships, and aims to ensure that the Council adopts a consistent, efficient and high working standard of partnership working.
4. CIPFA also have practical guidance entitled Building Effective Partnerships which can be considered in association with this document.

Who should use this Partnership Policy and Guidance?

5. All Officers and Members involved in or considering partnership working initiatives in achieving outcomes for the Council and/or community.

What does this policy and guidance offer?

6. The policy and guidance will:
 - Assist any service wishing to review current partnership working arrangements;
 - Ensure a Council wide approach to developing partnership initiatives;
 - Provide advice and guidance for all Council staff involved in or considering a new partnership initiative;
 - Highlight importance to involve local people, partners and staff;
 - Ensure that partnerships apply principles and values of good governance.

Advice on the use of the Policy and Guidance

7. Advice concerning interpretation of any part of the document should, in the first instance, be sought from either the Risk and Health and Safety Advisor or the Internal Audit Manager.

Partnerships

What is a Partnership?

8. For the purposes of this document a partnership is defined as:

“A relationship between two or more independent legal bodies, organisations or individuals working together to achieve a common vision with clear aims and objectives and outcomes agreed”

Note that this is not the same as the legal definition of a partnership (individuals making a contract to work together for the purpose of profit), not only in the sense that partnerships covered by this document will rarely be trading for profit, but also that they are rarely intended to be legally binding. Despite such intentions, the partners may well acquire legal obligations as a result of entering into the partnership, particularly where they occupy property, administer money or employ staff and those engaging in partnerships must be mindful of such obligations.

9. There are however arrangements which could be considered as partnerships which fall outside the remit of this document. They are:
 - Groups where the Council has direct control over budgets or decision making;
 - Informal groups set up to discuss and consider specific topics (consultation/working groups);
 - Appointments and/or financial commitments to outside bodies where the Council has no strategic or policy function;
 - “Commercial partnerships” with a view to make a profit, which are subject to the Partnership Act 1890;
 - Other commercial agreements;
 - Contracts and arrangements defined as a legally binding agreement which:
 - May be oral, written, partly oral and partly written or implied from conduct between the Council and another legal body or individual;
 - Gives rise to obligations which are enforced or recognised by law;
 - Commits the Council to make payment or provide some other consideration (e.g. the provision of a service).

Note: There may be contractual arrangements where the failure of the contract would have a significant effect on the Council. In these cases the project planning stage should identify this and a form of partnership working may be applicable.

Working Arrangements Defined as Partnership Working Initiatives

10. This guidance document is only concerned with arrangements where the Council is '**working with**' other parties towards '**joint objectives**', **sharing responsibilities, risk and sometimes resources**. These partnerships are generally about benefiting the community and not making a profit. Therefore, the types of partnership arrangements covered are:
 - **Strategic Alliances**
 - **Partnerships required or covered by law**
 - **Not-for-profit organisations**
11. Brief explanations of these types of partnerships are at **Appendix A**.

Significant Partnerships

12. The procedures regarding forming and dissolving partnerships will apply to all arrangements however the procedures for evaluation and monitoring will only apply to those partnerships that are considered significant in terms of risk, the amount of funds channelled through the partnership, or the services being delivered.
13. To determine whether a partnership is **significant**, the assessment process at **Appendix B** is to be followed.
14. For existing partnerships this assessment is to be made within 3 months of the implementation of this policy under arrangements made by the Risk Management Group (RMG).

Partnership Risk Register

15. Once approved all partnerships and their associated significant risks will be listed in the Partnership Risk Register which will be held on Covalent.
16. This register will be reviewed annually by Scrutiny to assess whether the Council should continue with its involvement; however detailed monitoring and evaluation of the Council's partnerships will concentrate on those classed as "Significant".

Procedures for entering into a Partnership

17. There can be considered to be 4 stages in the life of a partnership:
 - a. Formation
 - Appraisal
 - Assessment of opportunities and threats
 - Governance arrangements
 - Terms of Reference
 - Approval
 - b. Core activities
 - c. Monitoring and evaluation
 - d. Exit

18. It is important to fully consider and investigate the need and working arrangements for a partnership before entering into such an agreement and, once entered into, to adhere to a strict regime of monitoring the use of resources and outcomes. The way out must also be clear to all parties from the start. The following procedures set out the requirements for carrying out the investigation, approval and monitoring processes.

Formation of a Partnership

Assessing the Need

19. Before considering a Partnership Working Initiative it is important to fully assess the need, objectives, resource requirements, expected outcomes and risks of a potential partnership, together with establishing whether the partnership will address or contribute to the delivery of the Council's priorities, cross cutting themes and commitments. If it makes no such contribution it will progress no further.
20. A '**Partnership Assessment Initial Checklist**' is attached at **Appendix C** for completion.
21. This checklist, together with any supporting evidence, will provide support to any subsequent report to the Strategic Management Team, and relevant member body, when approval is sought to set up a partnership arrangement.

Assessing Risks (Opportunities and Threats)

22. Identifying opportunities and threats at an early stage enables the proposed partnership to effectively manage strategic decision making, service planning and delivery to safeguard the well-being of its stakeholders and is crucial to the achievement of all its objectives.
23. Effective Risk Management is one of the principal elements of good Corporate Governance. The process involves identification, analysis, control and monitoring of risks and the maximisation of opportunities that can impact on the Partnership's aims and objectives. It is therefore important that adequate Risk Management arrangements are in place.
24. The aims of Risk Management in Partnerships are that:
 - All Partners are aware and understand the nature and extent of the risks faced by themselves and by the other partners both individually and through partnership working including environmental risks.
 - There is an effective strategy in place to manage those risks within the Partnership.
 - Everyone effectively manages risk to ensure the Partnership's objectives are achieved.
25. Further guidance in the area is at **Appendix D**.

Governance Arrangements

26. In general the principles of the Council's Code of Corporate Governance will apply to its partnerships. They are:
- Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 - Developing the capacity and capability of members and officers to be effective.
 - Engaging with local people and other stakeholders to ensure robust public accountability.
27. When partnership working is proposed, the Code says that consideration must be given to:
- Working with partners and community groups to maximise the use of assets for the benefit of the local community;
 - Ensuring a common vision of their work is understood and agreed by all partners;
 - Deciding how the quality of service for users is to be measured and making sure that the information needed to review service quality effectively and regularly is available (complying with data quality);
 - Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other:
 - that SHDC members and officers are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council;
 - that there is clarity about the legal status of the partnership;
 - that people representing organisations proposing to enter partnership with the Council and others both understand and make clear to all other proposed partners the extent of their ability to bind their organisation to partner decisions.
28. The Council's Constitution also considers the governance arrangements relating to partnerships. These are set out in 6.4 of the Financial Procedure Rules
29. A checklist for the review of governance arrangements is attached at **Appendix E** which includes accountability, legal compliance, formal agreements, financial reporting and recharging, asset management, insurance arrangements, performance management and procurement.

Information Sharing

30. Information is an asset of the Council and it is important that responsibility for discovering, elucidating, storing and retrieving information about the proposed partnership is assigned and appropriate controls are put in place. Detailed guidance is provided at **Appendix F**.

Terms of Reference

31. Terms of Reference must be agreed by all parties and a comprehensive partnership agreement written (drawn up either by the Council's solicitors or vetted by them) to include the following main elements.
 - The name of the partnership;
 - Dates of operation;
 - Aims and objectives;
 - Membership, including status of different members and termination of membership and schemes of delegation;
 - Information sharing;
 - Powers;
 - Respective partners' roles;
 - Income;
 - Expenditure;
 - Meetings: notice and frequency of meetings; quorum rules; chairing arrangements; voting arrangements; minutes and representation of other members
 - Decision-making processes (scope and timescales);
 - Timescales;
 - Amendments to partnership's rules;
 - Data protection and information management; and
 - Exit strategy/arrangements for dissolution
32. A list of items to be included in the Terms of Reference is attached in **Appendix G**.

Approval Process

33. A report setting out an appraisal of the partnership including risks, governance arrangements and a business case (where appropriate), will be submitted to the Strategic Management team and relevant Member body for consideration. A checklist of relevant questions to consider when seeking approval is at **Appendix H**. This report will also be supported by the assessment required at paragraphs 20 and 21.
34. This questionnaire has been developed to "test" each partnership and its operation, for use when considering the continued value of participation to the Council.

Evaluation & Review

35. A detailed annual review of each significant partnership arrangement will be carried out to include, as a minimum, the following information:
- An appraisal of the outputs/achievements/outcomes to date;
 - A review of the aims and objectives and an evaluation of whether they align with the Council's objectives and priorities, cross-cutting themes and commitments;
 - An appraisal of the financial commitment/staff input and whether the partnership continues to provide value for money for the Council.
 - Any review of the terms of reference
36. A report detailing the above will be reviewed by Scrutiny for all of the Council's significant partnerships. The checklist at **Appendix I** may be useful when producing this report. It may also be useful when reviewing the progress of non-significant partnerships.

Exit Strategy

37. To ensure that partnerships do not exist beyond their useful life it is essential that each has an exit strategy. This is to be included as part of the arrangements for the partnership.
38. The exit strategy could come into effect under any of the following circumstances but the main purpose of it is to ensure that there is a life cycle to each partnership and it can be terminated:
- When the partnership has achieved the agreed outcomes;
 - When it is identified that the partnership is no longer working towards or is unable to achieve the agreed outcomes;
 - When funding has run out;
 - On the expiration of a fixed period of time for operation;
 - Following a recommendation from Scrutiny as a result of the annual report;
 - At the recommendation of the SMT;
 - By mutual agreement of the partners.

Equality and Human Rights

39. The Policy has undergone an Initial Impact Assessment which demonstrates that the policy is fair and that there is no requirement to proceed to a full Equality Impact Assessment. The policy has also been assessed for human rights and there are no human rights implications to this policy document.

Review

40. This policy is the responsibility of the Head of Improvement and will be reviewed annually from the date of adoption. The Head of Improvement will have delegated power to make any minor amendments and updates. Substantial changes will require the recommendation of approval of the Community Policy Development Group to the Executive.

Appendices

- Appendix A Working Arrangements Defined as Partnership Working Initiatives:
- Appendix B Identifying Significant Partnerships
- Appendix C Partnership Assessment Initial Checklist
- Appendix D Partnership Risk Assessment Model
- Appendix E Checklist of Governance Arrangements
- Appendix F Information Sharing
- Appendix G Terms of Reference - Partnership Agreements
- Appendix H Partnerships Questionnaire – Checklist for Monitoring
- Appendix I Checklist for Scrutinising Partnerships:

Working Arrangements Defined as Partnership Working Initiatives:

1. Brief explanations of these types of partnerships are given below:
 - a. Strategic Alliances (formal forums, joint committees, management committees, local strategic partnerships)
 - i. Formal Forums. These forums are a medium for open discussion and debate which play an important key role in identifying / achieving service and strategic priorities and shaping/developing policies, strategies and services.
 - ii. Joint Committees. This type of partnership may be appropriate where two or more local authorities wish to undertake joint activities, e.g. to combine their resources to obtain economies of scale and greater commercial bargaining power.
 - iii. Management Committee. A management committee is a steering group which works together to support the management of a particular project or organisation. Generally, management committees do not have independent legal status and, therefore, each member will have to recognise what individual responsibilities and liabilities they could encounter.
 - iv. Local Strategic Partnership. Local Strategic Partnerships are a Government initiative and their aim is to bring together the public, private, voluntary and community sectors to improve the delivery of public services and the quality of life for people at a local level.

A Local Strategic Partnership is defined as a single body that:

- brings together, at a local level, different parts of the public sector as well as the appropriate/relevant private, business, community and voluntary sectors so that different initiatives and services support each other and work together;
- is a statutory, non-executive organisation for councils;
- operates at a level which enables strategic decisions to be taken and is close enough to individual neighbourhoods to allow actions to be determined at community level; and
- should be aligned with local authority boundaries.

Local Strategic Partnerships are intended to help local service providers co-ordinate their actions. However, it is still the individual partners who will remain responsible and accountable for decisions on their own services and the use of their own resources.

b. Partnerships required or encouraged by law

An example of this type of legislation is the **Crime and Disorder Act 1998** which encourages partnership working between all local authorities and the police forces, as it places joint responsibility on these organisations to work together with other relevant organisations to develop strategies to reduce crime.

c. **Not for profit organisations that are conducted for the benefit of the community**

Examples of these organisations include the following:

- i. **Trusts.** A Trust is an unincorporated association which is a collection of individuals drawn together to pursue a common purpose which is often charitable in nature. A Trust does not have limited liability status. This means that individuals (i.e. trustees) will be personally liable for any liabilities of the Trust, which is clearly a concern for the individuals. However, the trustees will also own, in a fiduciary capacity, all the assets owned by the Trust. Trusts are often property-based and are created where property is either being held for particular purposes or on behalf of others. It should be noted that Companies Limited by Guarantee that have a charitable trust status may be permitted to use “trust” in the title (e.g. development trusts).
 - ii. **Other unincorporated associations** such as clubs. These are also often set up for the pursuit of a common purpose (sport, recreation, social) which may or may not be charitable or registered as such. They don't have limited liability status and if they own property it will be held by a few people standing as trustees. These organisations are usually under-capitalised but can nevertheless deliver high-quality work on a local basis.
 - iii. **Companies Limited by Guarantee.** A company limited by guarantee is incorporated under the Companies Act 1985. Generally, these companies will be established on a not-for-profit basis with the aim of advancing or promoting a charitable, social or other non- trading purpose. In the event that any profit is made by such a company the profits will be used to further promote and achieve the company's objectives rather than being shared amongst its members by way of dividends (as is the case in 'Companies Limited by Shares').
 - iv. **Co-operative or friendly societies** which are regulated by law (e.g. social partnerships or credit unions).
- d. **Social Enterprise.** Businesses set up to tackle a social and/or environmental need.

Identifying Significant Partnerships

1. The Council carries out much work in partnership and this will continue. There is a need to evaluate partnerships in which the Council is involved to determine which of them are significant, with the aim of establishing the long-term value of continued involvement.
2. In order to focus this work, a scoring matrix has also been developed that abbreviates the more comprehensive information gathered through the questionnaire. This will allow the most important partnerships to be identified and, at the opposite end of the scale, the least important. The methodology used in the scoring matrix is outlined at Annex 1.
3. This exercise will produce a ranking and a decision will then be made by the SMT with the RMG as to which partnerships are to be subject to annual monitoring.

ANNEX:

Annex 1 - Key Partnerships Methodology

Key Partnerships – Scoring Methodology.

Each partnership is to be scored from 0-3 in terms of their importance, using the scoring categories below:

Spending Influence

Whether the partnership has influence over the spending of the Council, or vice versa. Movement of resources to reflect the agenda of a partnership is a significant commitment by the Council.

Cash Attached

To what extent there is potential for the Council to access funding through the partnership, or to what extent the Council contributes finances to the partnership.

Service Delivery

To what extent the partnership is concerned with delivering a service direct to the general public, or what influence over that service delivery the partnership may have.

Statutory Driver

Whether the partnership is required by legislation.

Good Practice

To what extent the partnership represents accepted good practice. Whether good practice or not, statutory partnerships do not score in this category.

Policy Influence

To what extent the partnership influences / has influenced the Council's policy development, or vice versa.

Savings / Adding Value

To what extent involvement in the partnership may produce savings for the Council, either direct cost savings, or increases in service for the same spend.

Public Influence

To what extent the public is aware of the partnership, or to what extent the strategies and policies of the partnership impact upon the public (this is related to service delivery).

The matrix below shows how each score would be achieved when assessing a partnership.

Category	Score			
	0	1	2	3
Spending Influence <i>Whether the partnership has influence over the spending of the Council, or vice versa. Movement of resources to reflect the agenda of a partnership is a significant commitment by the Council.</i>	No influence either way	Occasional influence over spending, usually within projects	The partnership has influence over SHDC spending / SHDC has influence over partnership spending. Spending is largely at district level and mainly short-term	The partnership has influence over SHDC spending / SHDC has influence over partnership spending. Spending is strategic and may be cross district / county level and medium – long term
Cash Attached <i>To what extent there is potential for the Council to access funding through the partnership, or to what extent the Council contributes finances to the partnership.</i>	No cash available from the partnership / No cash contributed to the partnership	The amount of spending / potential spending associated with the partnership is small compared to SHDC mainstream budgets	The amount of spending/ potential spending associated with the partnership is not large enough compared to SHDC mainstream budgets to have strategic potential	The amount of spending/ potential spending associated with the partnership is large compared to SHDC mainstream budgets / has strategic potential
Service Delivery <i>To what extent the partnership is concerned with delivering a service direct to the general public, or what influence over that service delivery the partnership may have.</i>	No connection to public service delivery	The partnership is not directly concerned with public service delivery, but may influence it indirectly	The partnership has influence over service delivery standards and levels	The partnership is concerned largely with direct public service delivery
Statutory Driver <i>Whether the partnership is required by legislation.</i>	Not associated with a statutory function	The partnership is an entirely local initiative to deliver a statutory function	Partnership is recognised as an effective way of delivering this statutory function, but is not a requirement	The partnership is required by legislation

<p>Good Practice <i>To what extent the partnership represents accepted good practice. Whether good practice or not, statutory partnerships do not score in this category.</i></p>	<p>This partnership is required by legislation</p>	<p>Partnership is one good practice solution to delivering this function</p>	<p>Partnership is the recognised best practice method of delivering this function</p>	<p>This partnership is recognised as best practice</p>
<p>Policy Influence <i>To what extent the partnership influences / has influenced the Council's policy development, or vice versa.</i></p>	<p>No policy influence either way</p>	<p>Any policy influence is through information sharing and best practice.</p>	<p>The partnership has influence over SHDC operational policy / SHDC has influence over partnership operational policy</p>	<p>The partnership has great influence over SHDC strategic policy / SHDC has great influence over partnership strategic policy</p>
<p>Savings / Adding Value <i>To what extent involvement in the partnership may produce savings for the Council, either direct cost savings, or increases in service for the same spend.</i></p>	<p>Partnership has little potential to improve services or save money</p>	<p>Some savings may occur through information sharing and best practice</p>	<p>Working in this partnership improves the value / has potential to improve the value of services for same SHDC spending</p>	<p>Working in this partnership saves / has potential to save considerable funds compared to delivering the function alone</p>
<p>Public Influence <i>To what extent the public is aware of the partnership, or to what extent the strategies and policies of the partnership impact upon the public (this is related to service delivery).</i></p>	<p>No public facing strategies / No connection with delivery of services</p>	<p>Little public awareness / partnership has little influence over service delivery or strategy</p>	<p>Partnership is recognised by the public/ influences service delivery</p>	<p>Partnership has a high public profile / is involved in significant work that directly affects the public/ is involved in significant strategic work that affects the public</p>

Partnership Assessment Initial Checklist

What is the issue or service delivery improvement to be addressed through the partnership?

How does this assist the Council to achieve one or more of its corporate priorities, cross-cutting themes and commitments?

Why does this require a partnership approach?

What is the Council's role in the partnership, e.g. lead organisation/accountable body, major/minor partner, observer?

Does the partnership meet a statutory duty or government requirement?

	Yes	No	Don't Know
Is there a partnership already in place which has a similar remit and which could take on this work?			
Has the added value that the prospective partnership will bring been identified?			
Will the prospective partnership contribute to streamlining existing partnerships?			
Will the anticipated benefits outweigh the likely costs (direct and indirect) of a partnership?			
Could all the benefits be achieved in a simpler or more cost-effective way?			
Are all the prospective partners willing to participate and commit resources needed to make the partnership succeed?			
Does the prospective partnership have clear, realistic and measurable objectives which are accepted by all prospective partners?			
Does the prospective partnership have agreed terms of reference?			
Does the prospective partnership have a clear action plan and is this reflected in the service plan?			
Are all partners clear about their roles and the resources they will need to commit?			
Is there a commitment to evaluating the performance of the partnership and clear identification of outcomes?			
Will the prospective partnership require a financial commitment from the Council and/or all partners?			
Are there clear procedures for making decisions and resolving conflict?			
Is the partnership time limited or set up on a task and finish basis?			
Is there a clear exit strategy?			

For an informed decision to be made as to whether it is appropriate for the Council to attend or be involved in a partnership working arrangement, the following information should be provided in writing:

- state who the partners are;
- outline aims and objectives;
- indicate how long the partnership is expected to last;
- state the legal status of the partnership;
- detail insurance arrangements;
- describe what geographical area the partnership will cover;
- advise on the role description of its Members/officers (including duties expected);
- detail the regularity of meetings;
- state whether the partnership covers the expenses of its Members;
- advise if the Council is expected to contribute any funding or other resources and
- set out financial accountability.
- The consultation process carried out with representatives of local persons

Partnership Risk Assessment Model

This document is a guide to identify and record areas of potential problems as a supplement to the Council's Risk Management Strategy. The risk assessment will need to be signed off by appropriate Head(s) of Service, and where necessary, high level risks must be referred to the Council's Risk Management Group. The table below is there to document the risk identification process, resulting in a Risk Category, and help develop an action plan to avoid risk.

CATEGORY	RISK ISSUE	LIKE-LIHOOD (see over)	SEVERITY (see over)	TOTAL (see over)	ACTION REQUIRED	PERSON RESPONSIBLE
Politics						
Governance						
Financial/ Economic						
Professional						
Stakeholders						
Communications						
Technological						
Legal						

Contractual						
Physical						
Environmental						

Likelihood

4	Very Likely	Regular occurrence. Frequently encountered daily, weekly, monthly
3	Likely	Likely to happen at some point over the next 1-2 years
2	Unlikely	Only likely to happen every 3+ years
1	Very Unlikely	Has happened rarely/never before

Severity

4	Major	Major loss of service and/or protracted period 5+ days
3	Serious	Complete loss of an important service area for a short period - 3-5 days
2	Significant	Major effect on important service area for a short period - 2-3 days
1	Minor	Brief disruption of an important service area. Service disruption up to 1 day

Risk Categorisation Scores (Continued)

Likelihood				
Very Likely 4	LOW 4	MEDIUM 8	HIGH 12	HIGH 16
Likely 3	LOW 3	MEDIUM 6	MEDIUM 9	HIGH 12
Unlikely 2	LOW 2	LOW 4	MEDIUM 6	MEDIUM 8
Very unlikely 1	LOW 1	LOW 2	LOW 3	LOW 4
Severity	Minor 1	Significant 2	Serious 3	Major 4

16 = Extreme Risk: Immediate action required, Strategic Director/Head of Services and Insurance and Risk Management Group must be involved.

12 = High Risk: Strategic Director/Head of Services attention needed and management responsibility specified and reported to Risk Management Group.

6 – 8 = Moderate Risk: Manage by **specific** monitoring or response procedures.

1 – 4 = Low Risk: Manage by **routine** procedures, unlikely to need specific or significant application of resources.

Risk Areas to Consider - Categories of Risk

<p>Political</p>	<p>Failure to deliver Central Government Policy or local identified priorities</p> <ul style="list-style-type: none"> • Ceding of control • Conflict of other Council policies/strategies • Expectations of Members • Maintenance of Comprehensive Performance Assessment rating • Compliance with other Government targets • Regional influences • Reputational damage
<p>Governance</p>	<p>Are the principles of good Corporate Governance transparent to all stakeholders e.g. Openness and Inclusivity; Integrity; Accountability</p> <ul style="list-style-type: none"> • Reporting framework/structure • Roles and responsibilities • Reporting procedures • Audit protocols • Confidentiality issues • Dispute resolution procedures
<p>Financial/Economic</p>	<p>Those affecting the ability to meet financial commitments or liabilities and affecting financial accountability, planning, control.</p> <ul style="list-style-type: none"> • Overall costs • Maintenance costs • External funding • Ability to meet/upgrade costs • Budget approval • Contribution of Members • Accountable body status • Pooled funds • Responsibility for project funds • Maintenance of financial records
<p>Professional</p>	<p>Those associated with the particular nature of the skills/profession; and roles and responsibilities of the partners, including Business/Service Continuity Planning</p> <ul style="list-style-type: none"> • Service delivery • Developing and sharing common facilities • Termination agreement • Personnel issues • Employment/Staff secondment issues • Day-to-day management responsibilities
<p>Stakeholders</p>	<p>Failure to meet the current and changing needs of stakeholders</p> <ul style="list-style-type: none"> • Expectations • Liaison/communication with stakeholders • Community Cohesion issues
<p>Communication</p>	<p>Those associated with failures of the Partnership to communicate effectively either between themselves or stakeholders. This would include failure of members of the Partnership to have a common understanding of the</p>

	<p>Partnerships Aims and Objectives</p> <ul style="list-style-type: none"> • Information sharing protocols • Reporting lines • Advice giving and decision making processes • Document management
Technological	<p>The capacity of the organisations to jointly deal with the technological requirements of the Partnership.</p>
	<ul style="list-style-type: none"> • Capacity to deliver service • Resource implications • Future-proofing • Interfacing with other systems • Security/integrity • Additional infrastructure requirements
Legal	<p>Those relating to breaches of legislation.</p>
	<ul style="list-style-type: none"> • General legal requirements • Data Protection Act • Freedom of Information • Disability Discrimination Act • Liabilities, Warranties, Health and Safety requirements • Equality and diversity and legislative compliance
Contractual	<p>Those associated with the ability of all to meet the conditions of the Partnership Agreement. To draw up effective Contract Agreements. Those associated with the failure of contractors to deliver services or products.</p>
	<ul style="list-style-type: none"> • Partnership agreement • Contract specification • Procurement strategy • Roles and responsibilities • Indemnities • Exit strategy
Physical	<p>Those relating to fire security accident prevention, health and safety etc</p>
	<ul style="list-style-type: none"> • Risk assessments re building conditions, workplace regulations, fire safety regulations, water hygiene/quality, mechanical systems, electrical systems, energy management • Risk assessments re building conditions, workplace regulations, fire safety regulations, water hygiene/quality, mechanical systems, electrical systems, energy management • Ownership of property and responsibilities • Asset management and ownership • Provision of office accommodation and equipment • Intellectual property rights • Termination strategy and liabilities
Environmental	<p>Those relating to the environmental consequences of progressing the partnerships objectives</p>
	<ul style="list-style-type: none"> • Management of environmental risks and legislative compliance • Waste management • Energy efficiency

Checklist of Governance Arrangements

	Yes	Comments
Has the partnership been approved?		
Are the governance arrangements for the partnership clearly set out?		
Is there a partnership agreement in place?		
Does the partnership have a constitution?		
Are responsibilities and accountabilities clearly defined and allocated?		
Is there a lead partner or accountable body?		
Have partners nominated members of the governing body?		
Are nominees mandated to exercise their role for employers?		
Are governing body nominees sufficiently experienced for the role?		
Does the partnership have audit arrangements?		
Does the governance document provide an arbitration process?		
Are there escalation procedures within the arbitration process?		
Is there an exit strategy for all partners?		
Is there a formal process for withdrawal by partners?		
In the event of a partner withdrawing, is there a contingency plan?		
Is there an annual review of the partnership?		
Does the partnership have an approach to lessons learned?		
Does the partnership report financial matters?		
Does the partnership have arrangements to ensure legal compliance?		
Does the partnership have arrangements to meet obligations with respect to human resources?		
Does the partnership have asset management arrangements in place?		
Does the partnership have a code of conduct?		
Does the partnership have a training and development plan?		
Does the partnership have a communications plan?		
Is performance management monitored and reported in particular outcomes?		
Does the partnership have arrangements for reporting and assurance?		
Are responsibilities for insurance cover defined?		

Information Sharing

1. Information is an asset of the Council and it is important that responsibility is assigned and appropriate controls are put in place. This applies to all partnership arrangements. There should be maximum information exchange between the parties subject only to the requirements of Data Protection. Partners should expect to have to make their information public under the FOI Act.
2. The Legal team provide guidance on aspects such as:
 - Legal Compliance - Data Protection Act, Freedom of Information Act (disclosure), Intellectual property (Copyright) - software licensing, databases¹
 - Information Standards - to facilitate sharing
 - Records Management - creating an inventory, managing the lifecycle of records from creation to disposal
 - Security - classification of information including risk management, business continuity; and
 - The Council's Information Management Strategy

3. What to consider when developing Information Sharing Protocols

4. Working protocols will need to be specific to the particular operational requirements arising from the client group concerned and should be developed with the support of relevant professionals and representatives of the client group.
5. The partnership may choose to develop the protocol themselves or to commission someone to draft the protocol for their comment.
6. The person or group responsible for developing the protocol should consult with all partners and stakeholders with a view to the adoption of a common format and common or integrated procedures where appropriate.
7. Reviewing protocols developed for the same user group elsewhere or for other user groups can shorten the development process, but should be done with a clear understanding of the local requirements and environment.
8. Refer to information sharing protocol developed by the Procurement Officer and also adapted for Performance Indicator purposes
9. Issues to be addressed include:
 - Disclosure of data
 - Request for data
 - Responding to requests
 - Transfer of data
 - Receiving data
 - Purpose of sharing/storing of data
 - Review procedures
 - Professional codes of conduct (Freedom of Information, Data Protection etc)

¹ This may need specialist legal advice and you should build the cost of that into your projections. It's expensive.

Terms of Reference - Partnership Agreements

A. Introduction

State who and what the partnership is and the background to the partnership developing.
What initiated this partnership? Who are the partners and what does each bring to the table?

B. Vision and Objectives

Vision for the partnership is:

Objectives for this partnership are: *objectives should be Specific, Measurable, Achievable, Realistic and Time specific (SMART) so that you know what you want to achieve and whether you are achieving it. They should focus on outcomes and results rather than activities, i.e. what you will accomplish, rather than on how you will work or what you will do.*

C. Indicators

These are measures which help determine partnership achievements and outcomes.

Objectives	Indicators
<i>State objective</i>	<i>List indicators i.e.</i> <ul style="list-style-type: none"> ▪ <i>Number of ...</i> ▪ <i>Fewer</i>

D. Running the partnership

Document the following:

- Information/Data Sharing and storing protocols
- Partners' Roles / Duties/Responsibilities
- Identify resources required and how they will be met
- Identify ownership of assets
- Frequency of meetings
- Decision-making procedures
- Secretariat functions
- How will the partnership monitor and evaluate activities? How often?

- Partnership structure and reporting mechanism– *it is sometimes useful to include a chart indicating who is responsible for what and who is reporting to whom.*
 - Reporting mechanisms (*How often, who reporting to and what reporting on*)
 - Performance Management arrangements
 - How will complaints be handled?
 - Elected Member Involvement (roles and responsibilities, democratic accountability, declaration of interests etc)

E. Management and Timescale

Produce a timeline identifying key milestones and describe the management structure.

F. Financial Matters

Where applicable document:

- Accountable Body agreement²
- Partnership capital
- Income & expenditure
- Grants and funding
- Banking and financial arrangements
- Accounting arrangements
- Making provision for tax payments and VAT

G. Special Circumstances

- Risk assessment - A risk assessment **must** be completed to meet SHDC standards
- Dealing with media/communications issues
- The circumstances necessary to expel a partner
- Resolving disputes (what complaints procedure should be applied in the case of dispute between partners or from service users)
- Procedures for whistle blowing/fraud, etc
- Breaches of protocol procedures

H. Dissolution/Exit Strategy

- Termination provisions
- Exit strategy – There **must** be an exit strategy
- Final reporting
- At dissolution the partners may need to:
 - Inform the funders
 - Provide appropriate final reports
 - Inform all stakeholders, clients etc as appropriate

I. Review

State when the agreement will be reviewed and by whom.

² If the Council is the Accountable Body this doesn't mean that it pays all the bills out of its own money.

Partnerships Questionnaire – Checklist for Monitoring

(References are to “**Governing partnerships – Bridging the Accountability Gap**”
(Audit Commission October 2005))

Governing Partnerships		
Name of Partnership:		
Lead SHDC Officer:		
1	Rationale for the partnership	
	a	Why should this partnership exist?
	b	What are its agreed aims?
	c	Where have they been published?
	d	What are its Terms of Reference?
	d	Can you identify a better way of serving the public?
2	Added value from the partnership:	
	a	How does this partnership add value? (Paragraphs 67-71 in Chapter 2.)
	b	How do you demonstrate this added value to the public? (Table 1 in Chapter 3.)
	c	How do you know whether funds are being well spent? (Case study 2 in Chapter 2 and paragraphs 101-104 in Chapter 3.).
	d	How does the public know that partnership funds are being well spent? (Table 1 in Chapter 3.)

3	Governance arrangements:	
	a	How do your partnership's corporate governance arrangements link to those of individual partners? (Paragraphs 72-74 and Table 1 in Chapter 3, and paragraphs 140-143 in Chapter 5.)
	b	How are decisions made?
	c	How are they recorded?
	d	Who makes sure that they are acted on?
	e	Who scrutinises them?
	f	To who are they reported? (Paragraphs 75-79 and Case study 4 in Chapter 3.)

4	Performance management: (Paragraphs 94-100, and Case study 7 in Chapter 3)	
	a	How do you know which partnership targets you are meeting and which you are failing to meet?
	b	Who manages and reports progress?

5	Financial management: (Chapter 3)	
	a	What are the financial implications?
	b	Who provides the funding?
	c	Who decides how to spend it?

	d	Can the money be reallocated?
	e	What are the financial reporting arrangements?

6	Risk management:	
	a	How do you know when things are going wrong?
	b	Who can take action when things are going wrong? (Chapter 1, Chapter 3 and Chapter 5.)
	c	How do you resolve conflicts of interest? (Paragraph 80 in Chapter 3)

7	Termination arrangements: (Paragraphs 136-139 in Chapter 5)	
	a	What are the arrangements if this partnership comes to an end?
	b	Or if you decide no longer to be involved?
	c	How will resources be reallocated back to partners?

8	Serving the public: (Table 1 in Chapter 3 and paragraphs 127-132 in Chapter 4)	
	a	How effectively does this partnership communicate with the public?
	b	How can the public and service users obtain redress when things go wrong?
	c	Is there a complaints and suggestions process the public can use?

Checklist for Scrutinising Partnerships:

Internal Governance

- What is the legal status of the partnership?
- Does it have a memorandum and articles of association, written constitution etc, which define its role and power?
- Have you asked the legal team to vet what you propose?

Accountability

- What are the reporting procedures for the partnership? Are there public documents? Are these disseminated within the Council?
- Does the partnership prepare an annual budget, or business plan? Is this a public document? Is it available for the Council?
- Does the partnership prepare annual accounts?
- Is it subject to external audit?
- Is it subject to external inspection? If so, by who?
- Is it required to agree targets with other bodies?
- Are there regular performance management reports to the constituent partner organisations as to progress against objectives and value for money?

Public Accessibility

- Are meetings of the partnership open to the public?
- Are papers available to the public prior to or after meetings?
- Is there an Annual General Meeting that the public can attend?
- Are community groups and residents involved in setting objectives?
- Do local residents or representative organisations become involved in decision making as to the standard of delivery of services?
- Do local residents or representative organisations receive feedback as to performance?

Member Conduct

- Is there a code of conduct to regulate the behaviour of partnership members?
- Is there a register in which board members detail their financial and other interests? Is this compulsory? Is it open for public inspection?
- Are members of the partnership required to declare conflicts of interest at meetings? Are these defined in any way? Are members of the partnership who declare conflicts of interest required not to take part in that decision?

Partnership members and employment

- Who appoints staff?
- Who dismisses staff?
- Who determines salaries?
- Who determines terms & conditions of employment?
- Are there equal opportunities policies?

Accountable Body Responsibilities

- Is there a designated accountable body?
- What are the responsibilities of the Accountable Body?