



Managing our partnerships

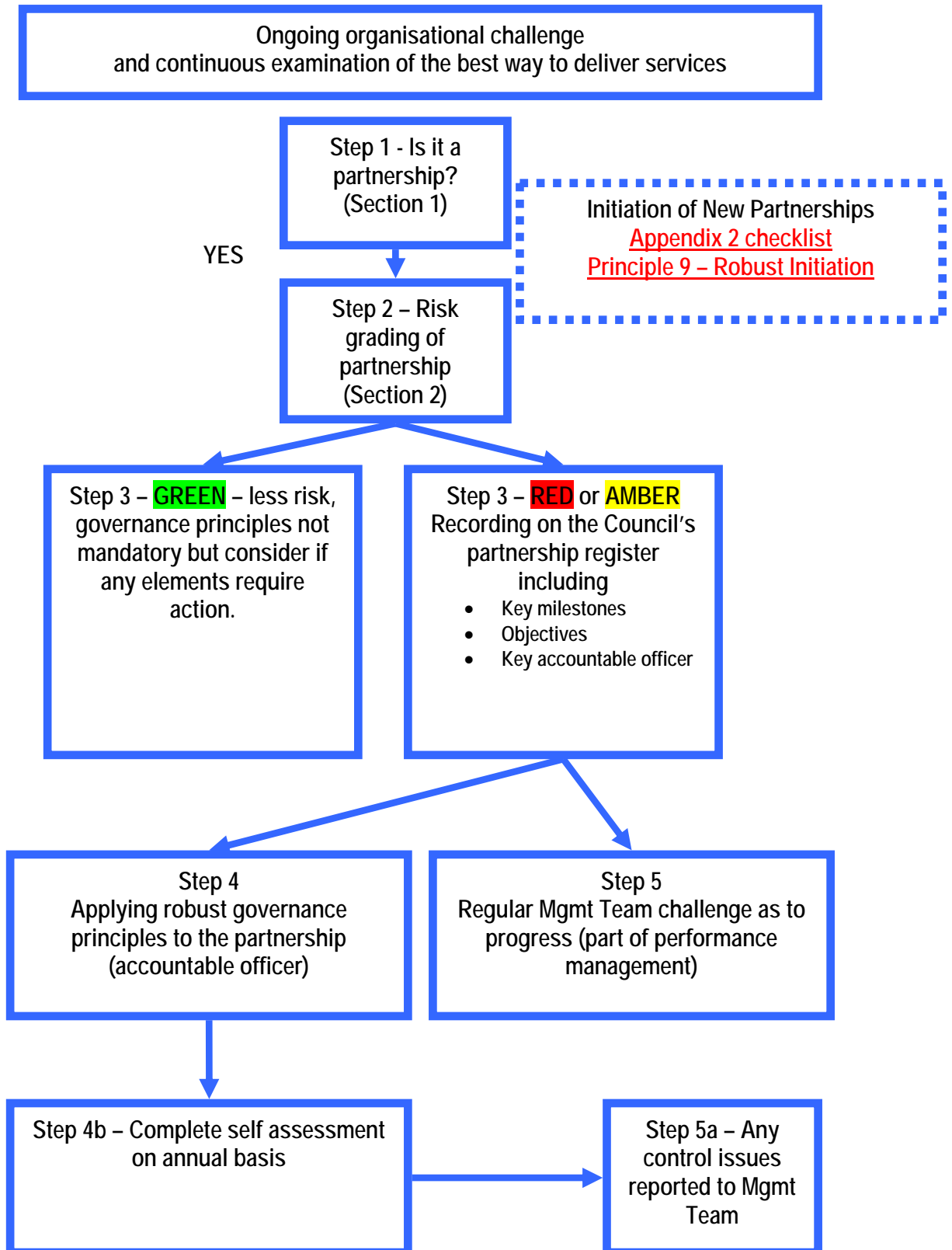
PARTNERSHIP FRAMEWORK AND PRINCIPLES

July 2008

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Zurich Municipal Risk Management

Summary – simple steps towards partnership success



Part 1

Partnership Framework

Partnership Definition

Partnership risk grading

Partnership challenge and review

Summary partnership principles

Step 1 - Partnership Definition

To allow appropriate control of partnerships, a definition of partnerships must be agreed and understood. Great Yarmouth Borough Council has adopted the Audit Commission definition which is:

'an agreement between two or more independent bodies to work collectively to achieve an objective'

Governing Partnerships report, October 2005

For Great Yarmouth Borough Council this means

- Elements of **joint problem solving**
- **Shared Governance**
- **Collective responsibility**
- Longer term **mutual support**
- There are **shared aims / vision and an interdependency**

This tends to rule out arrangements with the private sector which will be managed as contracts / procurements.

This does not include

- Procurements (unless they are delivering major services in a strategic arrangements)
- Informal discussion / consultation groups
- Short term arrangements

It is assumed that definition will change over time as we question and challenge our partnerships

Is it a partnership? If in doubt, answer "yes" – a risk of saying yes is you apply good governance principles!

Step 2 – Partnership risk grading

Not all partnerships carry the same degree of risk. A level of pragmatism has to be built into any arrangements in that smaller or innovative partnerships are not strangled by **inappropriate** burden or red tape. To achieve this, a risk grading system has been agreed. It is a simple mechanism to this organisation to gauge in rough terms the level of risk associated with each partnership

It is intended that partnerships will be managed at the Departmental level but with an overview and challenge at the corporate level for those partnerships defined as presenting the greatest level of risk. These partnerships are termed as either “amber” or “red” partnerships. These are determined from the table below.

GREEN	AMBER	RED
<p>Limited governance principles need to be applied</p>	<p>Moderate and appropriate governance principles need to be applied</p>	<p>Robust governance principles need to be applied</p>
<ul style="list-style-type: none"> • Expenditure of up to £50K • Minimal resource commitment • If partnership fails then the fallout is an inconvenience • Partnership does not impact in a material way on key priority services or strategic objectives • Minimal reputation impact • Low vulnerability, small organization, volunteer based. 	<ul style="list-style-type: none"> • Expenditure between £50K and £250K • Moderate resource commitment • If partnership fails then the fallout is an short term problems • Partnership does impacts in a moderate way on key priority services or strategic objectives • Moderate reputation impact (local papers) • Established but reliant on volunteers 	<ul style="list-style-type: none"> • Expenditure greater than £250K • Considerable resource commitment • If partnership fails then the fallout could potentially stretch beyond a couple of weeks and have longer term service implications • Partnership does impacts in a serious way on key priority services or strategic objectives • Serious reputation impact (national journals) • Established / professional

Checking each statement – two ticks in the highest area determines the classification

Step 2 – Current partnership risk grading

Current partnerships examples

Note: for full listing see the partnership register

GREEN	AMBER	RED
Limited governance principles need to be applied	Moderate and appropriate governance principles need to be applied	Robust governance principles need to be applied
<div data-bbox="240 562 424 674" style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">GY Marketing Initiative</div>	<div data-bbox="643 562 826 674" style="border: 1px solid black; padding: 5px; margin-right: 10px;">Sea Change Trust</div> <div data-bbox="850 562 1034 674" style="border: 1px solid black; padding: 5px;">Tourist Authority</div>	<div data-bbox="1061 562 1244 674" style="border: 1px solid black; padding: 5px; margin-right: 10px;">Leisure Trust</div> <div data-bbox="1252 562 1436 674" style="border: 1px solid black; padding: 5px; margin-right: 10px;">CCTV</div> <div data-bbox="1061 707 1244 819" style="border: 1px solid black; padding: 5px;">GYB Services</div>

Step 3 – Challenge and review

The Partnership register contains not only a corporate overview of all the partnership but key information including

- Partnership accountable officer
- Broad partnership outcomes
- Key milestones

It is fundamental that partnerships are regularly challenged to ensure benefits are still being gained and the partnerships are fit for purpose. This register will be reviewed on a six monthly basis alongside the review of the strategic risk register.

This challenge can take the form of questions to the accountable manager

For the “red” and “amber” partnerships

- Achieving key milestones for the year?
- Do the objectives still hold true?
- Regular performance management of partners?
- Strategic fit?
- Any governance or partnership concerns?

Step 4 – Agreed governance principles that need to be applied

The toolkit outlines the approach to be applied when considering both introducing new partnerships and reviewing existing arrangements for red and amber partnerships. It provides a basis for examining the key issues that require consideration, to ensure that any potential problems identified in relation to partnership working are confronted, assessed, overcome and avoided in the future.

The main objective is to ensure we partake in successful partnerships. This is undertaken through ensuring robust governance practices are in place. Governance in general terms is defined on the following page. Specifically as an organisation we have sought to focus on eight areas of principle which are:

Area 1 – Clarity – Part 1 - clear objectives, outcomes and milestones; Part 2 – Roles and responsibilities.

Area 2 – Proper financial management and control.

Area 3 – Proper constitutional and legal framework (this may be a contract or SLA). Partnerships are properly authorised and empowered, and their legal status understood. This includes a robust trail of accountability in terms of decision making and accountability.

Area 4 – Codes of conduct - defined standards as to the way individuals within partnerships should behave. This includes avoidance of conflict of interest.

Area 5 – Capacity and skills (the partnership has in place the right skills and capacity in the key areas)

Area 6 – contingency arrangements have been thought through (exit strategies if appropriate, break clauses and alternative providers)

Area 7 – Robust performance management - partnership involvement, activity and outcomes are monitored and reviewed in line with our Performance Management Framework;

Area 8 – Risk Management - Risks for the council and for the partnership are assessed and agreed, e.g. in achieving delivery of statutory or other targets.

Area 9 – Robust initiation. There is a clear rationale and mandate for the partnership. This includes a clear terms of reference and political support.

These principles provide greater clarity to the details contained currently in the Council's financial regulations

"Key controls

5.07 The key controls for authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the authority's financial regulations and Standing orders relating to contracts for the supply of works, goods or services.
- (b) to ensure that risk management processes are in place to identify and assess all known risks
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution"

Part 2

Partnership Principles

Area 1 – Clarity

Part 1 - Clear objectives and outcomes

One of the main reasons that partnerships fail is the lack of clear objectives and plans. The first step of setting up a partnership is for partners to identify the main objectives of the partnership. **What is it intended to achieve?** Partners should then turn these objectives into specific outcomes – that is, answer the question, 'How will I know when these objectives have been achieved?' The next step is to identify which of these outcomes can be measured / monitored. This can be done by setting either specific performance measures or specific milestones.

The fundamental test for the partnership is whether the Council can evaluate how well it is performing at any point in time. This can be considered at two levels.

Step 1 - Defining objectives

Objective – what does the service hope to achieve and how does this link to corporate and community objectives?

- **Targeted output** -- what level of output is expected. Outputs may be quantifiable levels of service, such as number of families re-housed or the occurrence of single event. Output targets should be SMART (specific, measurable, achievable, realistic and time bound). This will mean that part of a targeted output will include an indication of how the performance will be measured.
- **Targeted outcome** – what is the expected impact as a result of a key action or group of actions. Outcomes may be less easy to define with straightforward quantifiable measures, but clear indicators of performance will be included as part of the targeted outcomes. For example, a targeted outcome could be about reducing homelessness, which might be measured by specialist survey or a reduction in the number of registered homeless.

Step 2 converting the objectives into specifics

- **Task** – a brief, one-line description of the planned activity. Include only key tasks for this level of plan.
- **Completion deadline or milestone** - date by when the task is to be completed or in certain cases (for example: improvement to be achieved in a PI) a milestone per quarter etc. could be set for regular monitoring.
- **Lead person** – a named person responsible for ensuring the task is completed
- **Resources** – what resources will be required to complete the task. These resources will be about people as often as about money. What skills will staff need to ensure success? If any development is required (whether through training, mentoring or even learning on the job) is this reflected in their personal development plans? The bottom line has to be reflected in terms of financial, personnel and other resources. And if all actions can't be adequately resourced, that's an indication that prioritisation must be more robust. Final implications of the plan have to be clearly demonstrated.

If the partnership with which you are engaged has both unclear objectives and unclear specific deliverables then serious consideration should be given to ceasing the activity.

Individuals who are involved in a partnership MUST be

- Clear on the objectives of the partnership
- Be clear as to their role / involvement
- Be able to make the required resource commitment
- Be aware of the elements and principles within this toolkit.

No officer should be involved in a partnership unless they can answer "yes" to those questions

Part 2 - Clear roles and responsibilities

Wider than this there are a number of fundamental roles that will exist for all partnerships.

Role of accountable "Partnership Officer" (set out in the partnership register)

- To provide a point of contact between the council and the partnership
- To assist the partnership work
- To facilitate the Council's input into the partnership
- To review performance against agreed procedures and targets and to report regularly.
- To report on an exception basis if any issues arise between regular reports
- To alert relevant officers to any issues e.g. Internal Audit, Personnel etc.
- To facilitate an annual self-assessment of the partnership's activity and make recommendations about any action required.
- To report on progress with 'their' partnership
- To assess findings of review and evaluation and make formal recommendations
- To contribute to overall assessment of effectiveness of partnerships
- To action any points arising from the review and/or evaluation
- To identify any learning issues
- To ensure organisation benefits from learning
- To troubleshoot any problems that arise in the day-to-day operation of the partnership which impact on or involve the Council.

Role of Management Team acting as Role of Monitoring and Co-ordination Group

- To receive reports on individual partnerships as necessary and agree any actions which do not require a member decision
- To ensure that partnerships are properly supported and that resources are provided to allow partnerships to succeed
- To monitor overall impact of partnerships and advise the Cabinet on any action required
- To liaise with link officers and heads of service to address any issues arising from the reviews and/or evaluations
- To produce an annual report summarising the outcome of the reviews and evaluations
- To identify learning from the past year and make recommendations as appropriate to ensure that the organisation benefits
- To ensure fit with the Council's Performance Management Framework.

- To lead on the facilitation of self-assessments
- To champion the use of this toolkit
- To comment on the viability and strategic fit of any new partnership, and relevance of existing partnerships
- To consider if necessary the annual evaluation report summarising involvement in partnerships, analyse and challenge outcomes, impact and direction
- To refer reports to relevant scrutiny committees where necessary.
- To make recommendations to Cabinet in response to the evaluation/continued involvement or changes to partnership arrangements

Role of Cabinet

- To receive a report annually from the Managing Director (as appropriate) on the effectiveness of partnership arrangements
- To agree where necessary future direction and/or any actions arising from the evaluation
- To assess and challenge continued involvement in partnerships

Area 2 – Robust financial management and control

Great Yarmouth Borough Council has its own financial regulations. The partnership relationship should not contradict this but seek to encapsulate those standards.

Extract from Financial Regulations

GREAT YARMOUTH BOROUGH COUNCIL, FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES,
Version 2.0 – Approved by Council 26 July 2006

Partnerships

E.2 Cabinet is responsible for approving delegations, including frameworks for partnerships. Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

E.3 Cabinet can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that forms part of the authority's constitution. Where functions are delegated, Cabinet remains accountable for them to the full council.

E.4 The Head of Paid Service (or his nominated representative) represents the authority on partnership and external bodies.

E.5 The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the authority.

E.6 The Head of Financial Services must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

E.7 Heads of Departments are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

There is a range of financial issues to consider when setting up a partnership and a number of them are covered below. This section sets out a number of headings to be considered. The general rule is to seek advice!

Finance

Generally, if no finance is directly involved then, in most circumstances, this section of the guidance can be dispensed with, however, if there is the possibility of the “partnership” committing either funds, resources or services then the implications of this must be considered, e.g. budget implications and formal approval to incur expenditure against the commitment.

Consider two key elements

- The need to obtain delegated authority to spend.
- The implications of overspends and underspends.

Accountable Body

Normally, where projects are funded by grants, the funding body requires that one of the partners takes on the role of Accountable Body (sometimes this is referred to as ‘Host Organisation’). The Accountable Body is responsible for the financial administration of the grant and any agreed deliverables / outputs. Accountable Body status can only be granted to an entity which has a “legal personality” for example, a company registered at Companies House, a local authority or health trust.

If the Council takes on the role of Accountable Body it “cash flows” (bankrolls) the projects pending receipt of the grant. This generates a small cost. More importantly, it represents a risk in the event of the project incurring costs which are not reclaimable from the grant funding body.

The Accountable Body also implements the partnership’s reasonable decisions. This means it will do things like securing and signing contracts or service level agreements and paying out funds. This involves:

- Administering and taking responsibility for the funding
- Providing resources (e.g. staff, facilities) to carry out the obligations of the partnership (Inc. procurement, finance, information systems support)
- Ensuring that the grant allocated is spent according to the agreed plan
- Establish and maintain effective systems for monitoring and auditing spend

In order to qualify as or be appointed an Accountable Body, the organisation must be:

- Nominated to act on behalf of the partnership
- A legal entity
- Capable of meeting legal obligations

An Accountable Body may either be the partnership itself (if it has formed a company limited by guarantee) or one of the members of the partnership acting on behalf of the rest of the partners. Before taking on the role of Accountable Body there must have been prior approval of the Cabinet where deemed appropriate.

Pooled Budget

A “pooled budget” is purely an amount of money placed in a common fund by each partner. However, where partnerships include a partner from a health trust then reference is sometimes made to two types of pooled budget:

- ‘Parallel Budget’ with discretely identifiable resources – where contributions made to the “pool” do not lose their identity to the funding partners, i.e. expenditure is separately accounted for against each individual contribution to the pool.
- Pooled Budget – where on pooling, all resources will lose their identity to the funding partner.

From the outset agreement must be reached on each partner’s contribution to the partnership as well as deciding who will administer the pooled budget.

Financial Reporting

It is essential that regular monitoring reports are produced as an aid to good financial management. You should with advice determine the frequency and style of reports. As general good practice reports should be at least annually to the Cabinet.

Procurement Procedures

The procurement framework of the partnership should be comparable to ours. The proposed arrangements must be agreed in advance.

VAT

VAT is a very complicated area and advice must be sought. Without proper adherence to VAT legislation the “partnership” may find that its funding is less than expected, and if VAT rules are not followed this might mean that interest and penalties have to be paid.

Audit Requirements

From the outset, the “partnership” agreement must provide both Internal and External Auditors with rights of access to documents. The wording for each agreement must be obtained from the Internal Audit service.

Document Retention

It will need to be established who is going to be responsible for holding documents and for that party to be aware of the legal requirements of retaining documents for various statutory and grant body requirement periods.

Grants

Quite often, grants form the main funding for partnership arrangements and the terms and conditions of those grants, including document retention must be clear.

It is important, also, to consider who is to become the accountable body as referred to above and the possibility of mainstreaming the service should the service continue beyond the grant funding period. It is also necessary to avoid the potential claw back of any grant monies.

Liability

Throughout the planning and implementation stages of the partnership, there must be thorough and comprehensive attention to the liability issues.

In the first instance legal advice must be sought. Considerations include:

- Infringement of legislation by staff or members of the partnership.
- If staff are paid from petty cash, this is a contravention of Inland Revenue regulations.
- Need to consider being indemnified against any actions that a partner (or partnership) may make.

Exit Strategy

In addition to the above, a clear exit strategy needs to be in place for both the planned and unplanned cessation of a partnership arrangement.

Budget Holder

In terms of accountability it is essential that a Budget Holder is appointed to the "partnership" with clearly defined duties and responsibilities.

Area 3 - Proper constitutional framework / legal framework

All partnerships should have a governing document, for all key partnerships, there should be a formal agreement. The process of agreeing a document is itself an important element of partnership governance; it will help clarify roles and relationships and build goodwill and trust.

Whilst there is no single form of document that will suit the size and scope of all partnerships, the main elements that should be considered are

- Name of partnership
- Aims and objectives
- Membership, including status of different Board members
- Powers
- Roles
- Income and financial matters, including right of access of Internal Audit
- Meetings
- Decision making processes
- Timescales
- Amendments to rules
- Minutes
- Exit strategy

Area 4 – Defined codes of conduct

Members and employees will, at all times, need to observe the Council's Codes of Conduct.

For a partnership to be effective, certain standards of conduct and accountability are required by both officers and members involved in the partnership. This guidance outlines the standards that should be expected of all partnership members and these are detailed in **Appendix 1**.

Set out below are some general principles

General Principles of Conduct for Partnership Working

Selflessness

Members of the partnership should serve only the public interest and should never improperly seek or confer an advantage or disadvantage on any person or organisation.

Honesty and Integrity

Members of the partnership should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity

Members of the partnership should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

Members of the partnership should be accountable to the public (where appropriate) for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness

Members of the partnership should be as open as possible about their actions and those of the organisation they represent, and should be prepared to give reasons for those actions.

Personal Judgment

Members of the partnership may take account of the views of others, including those of political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

Members of the partnership should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion or belief, gender, sexual orientation or disability. They should respect the impartiality and integrity of the local authority's employees.

Duty to Uphold the Law

Members of the partnership should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members of the partnership should do whatever they are able to ensure that the organisation they represent authorises use of their resources prudently and in accordance with the law.

Leadership

Members of the partnership should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

It is up to each partnership to adopt its own shared standards.

Area 5 – Adequate Capacity and skills

There are three parts to having the right capacity and a skills in place

- Part 1 – The correct capacity (in broad terms having the general level of resources to deliver)
- Part 2 – Skills – having the specific skills required
- Part 3 – Being mindful of equality and diversity

Part 1 - Capacity

Having the right capacity and skills is (apart from having clear objectives) one of the main reasons that partnerships fail. All too often the same managers are pulled in many different directions by many partnerships and ultimately fail to deliver. The same situation is undoubtedly true for out partners.

The simple assessment below allows you to assess whether your particular partnership has capacity issues. This assessment will change over time but considers some of the major fundamental issues that create capacity issues.

There is a maximum of three (3) points per statement. After you complete all the questions, add up your scores It is suggested that for the ten questions where your score exceeds 15 you seek advice.

Please use the following scale, and mark your best sense about the capacity and capability issues.

- 3 – No.
- 2 – Potentially not true.
- 1 – Partly true.
- 0 – True.

Please remember that there is no “right” answer to any of these questions. Your best judgment *is* the right answer, because the tool’s most important value is the opportunity for thoughtful reflection that it seeks to give you. The point is an honest self-assessment that will help you decide a few things to do next, either to maintain your strengths or develop new ones.

No	Area	Question	Score
1	Planning	The partnership has clear objectives on which we can assess the scale of our contribution	
2	Plan	The partnership has a clear plan of action that details the resource requirements and responsibilities from all of the partners.	
3	Time	Our service can devote time to the required partnerships or participation in collaborative efforts in concert with our ability to perform major tasks.	
4	Staff	Staff members who have the right mix of knowledge, skills and abilities are available for	

		existing or new partnerships or collaborations (see below)	
5	Staff	In our partnership, staff stay in place long enough to complete partnerships and collaborations (and the same is true for our partners). This creates limited turnover and stronger relationships	
7	Staff	Our area is organised so that if one person devotes time to partnerships or collaborations other staff / service issues / KPIs will not suffer	
8	Culture	People are able to raise issues and discuss differences openly and constructively, even with those to whom they report. [The partnership is able to resolve issues quickly and officers do not become dragged into a war of attrition"]	
9	Approach	Our partners have a strong and sound approach to the partnership [they are "pulling their weight" which will not create an unnecessary burden on us]	
10	Management	Our unit has good mechanisms for staff to ask for help when they run into difficulties, and staff feel comfortable asking for help.	

Part 2 – Potential Skills

It is likely that the individuals that are brought together will have different levels of partnership capability and experience. In considering the needs of team members as well as training to enable them to demonstrate the competencies, considerations should include the following, which is not exhaustive but highlights the areas to be considered:

§ Communication skills

- Negotiation and reaching agreement
- Marketing and promotional skills
- Media handling
- Effective communication
- Influencing skills

§ Technical knowledge specific to the partnership

- How to use this framework
- Understand governance & structures
- Legal & regulatory requirements

§ Planning and organising

- Effective meeting planning
- Project Management

§ Financial Skills

- Financial Management Skills
- Investment Skills
- Applying for funding

§ ICT skills

Part 3 – Equality and Diversity

For a partnership, apart from having the correct capacity and skills in place it is also fundamental that it recognises equality and diversity. We are committed to equality for all our people regardless of age, sex, responsibility for dependents, race, religion, sexuality, transgender, disability, social class or trade union membership. This applies to the services we deliver and our employment practices. **This also applies where we are involved in partnership working. We must seek to ensure that our standards and good practices in the area of equality of diversity are recognised and taken seriously by our partners.**

There are 3 main reasons why the Council (and in turn our partners) should be committed to equality and diversity.

- Meeting legal and regulatory requirements and good practice standards
- Making better business sense
- Improving the quality of life for all members of our local community

What this means for each partnership is that it follows general policy principles including

- acknowledgement that the existence of 'institutional' discrimination, inappropriate treatment, misunderstanding and ignorance can lead to unfairness and injustice for specific groups within our society.
- Belief that diversity and difference should be valued, so that everyone can play a full and active part in community and social life, free from fear, discrimination and restricted opportunity.
- Support specific local policies covering social inclusion, community cohesion, community engagement and access to services.

- As a provider of important local services, we want to make sure these services meet our citizen's needs. We will carry out research and consultation to understand your needs and the impact of any service changes or new policies being proposed.
- We will use this information to ensure we do not unfairly discriminate on any grounds. We are committed to reviewing and where necessary changing how we do things to address disadvantage and to continuously improve overall equality performance levels.
- In order to provide high quality services, knowledgeable, skilled and motivated employees are needed, aware of the organisation's attitude to customer and community relations and with the ability to serve a range of customers from diverse backgrounds.
- As an employer, we will ensure that we meet and exceeds all its legal requirements and becomes a workplace where equality of opportunity is a model of good practice and where discrimination is eliminated in all employment practices.
- The Council's approach to diversity intends to involve everyone according to their particular circumstances and individual needs. In other words, to aim for an inclusive approach where no member of the community feels left out or unable to participate in activities.

Summary

The policy includes specific statements on

- Race
- Religion and belief
- Gender
- Sexuality
- Disability
- Age

Area 6 – Clear contingency arrangements

You shouldn't go into a partnership with the fear or expectation of failure - however you should have thought through the implications.

Need for a plan B (exit strategy) allows for

- Minimal disruption
- Smooth transition (away from the partnership)
- No nasty surprises

Key elements of an exit strategy

Trigger points

At which point would we need to consider exiting this partnership arrangement?

Key Areas

- Managing assets - how will assets (whether people, contracts, physical assets, data, intellectual property rights or intangibles) be managed
- Identifying assets - how will parties determine assets to be transferred on exit
- Valuation - how will parties determine the price to be paid for any assets on exit and the price to be paid for any transitional services
- How will the assets be transferred or be made available?
- Levels of support to ensure a smooth transition

Change / recovery plan

- Need to plan in broad terms the specific steps from short term to long term (moving from partnership position to the revised position). (first 24 hours, first week, first month)

Include communications, reputation management and decision making (defining key data or assets that you may well require)

Area 7 – Robust performance management and monitoring arrangements

There is an expectation from the Council that it will only become involved in partnerships that have in place at least basic arrangements for performance management.

This means that there should be aims, objectives and measures (or performance indicators) in place and that performance against these aims and objectives should be regularly checked.

Some partnerships with a more formal workload, more onerous responsibilities and larger resources will have more sophisticated performance management arrangements in place. Council representatives on partnerships should give consideration to aligning these arrangements with our own performance management system.

There must also be appropriate performance monitoring linkages.

Reviewing the partnership itself will provide assurance that proper systems are in place and that the partnership's outcomes and performance can be monitored and evaluated. It will also provide the partnership with reassurance about the effectiveness and value of its own input, and whether our requirements are being met.

Area 8 – Embedded risk management within the partnership

Risk Management Principles

Risk management is essentially about identifying and managing significant obstacles and weaknesses that exist within the partnership. When the obstacles have been identified the next stage is to prioritise them and compare their level of priority against the partnership or organisation's appetite to risk. Once prioritised it is essential that steps are taken to then effectively manage those key obstacles / risks. The aim is that major obstacles or blockages that exist within the partnership can be mitigated to provide the this organisation with a greater chance of being able to achieve its objectives.

Typical risks associated with partnership working are for example;

- Unclear governance arrangements;
- Unclear financial and legal liabilities;
- Service delivery failures;
- Differing cultures – poor relationships;
- Incompatible systems and processes;
- Failure of partners to perform;
- Lack of commitment from other partners;

These risks should be considered prior to entering into a partnership (**Appendix 5**) and the level of risk that the Council is exposed to helps to inform the decision whether to engage in the partnership or not. Any significant risks that are to be accepted and managed should be recorded in a risk register.

Risk Management within the partnership.

Good risk management is a key tool in delivering a successful partnership. All partners should achieve a common understanding of the potential business risks associated with achieving partnership objectives, their relative seriousness, and how they can be managed. Whilst all partnerships regardless of size and scope need to consider risk, for the more significant partnerships it may be appropriate to carry out a more formal risk assessment and to maintain a joint risk register which should also specify which agency or agencies are responsible for managing the action plan to reduce individual risks. A designated member of the partnership management group should be named as being accountable for maintaining the risk register and for ensuring its completion and timely review by relevant partners.

The partnership governing document should identify when, and in what format, the risk assessment and risk management plan will be monitored and reviewed, and by whom. However, consideration should also be given to significant events, milestones, or incidents that may indicate a need for the partnership to review its risks at particular times.

Each partnership board (or management team) should ensure that effective risk assessment is undertaken in all key decision making processes, and that, where necessary, the partnership implements risk management plans to alleviate these identified risks. The plans should set clear deadlines and allocate responsible individuals for particular tasks.

A risk checklist is included at **Appendix 3**.

Area 9 – Robust Initiation

NOTE: For the Council it is assumed that reports to the Cabinet seeking agreement will act as the business case. No prescribed template is set, however managers must be mindful as to what a good business case looks like.

The Business Case is used to obtain management commitment and approval for investment in business change, through rationale for the investment. The Business Case provides a framework for planning and management of the business change.

Fitness for purpose checklist:

- Is the business need clearly stated?
- Have the benefits been clearly identified?
- Are the reason for and benefits of the partnership consistent with the origination's strategy?
- Is it clear what will define a successful outcome?
- Is it clear what the preferred option is?
- Is it clear why this is the preferred option?
- Is it clear how the necessary funding will be put in place?
- Is it clear how the benefits will be realised?
- Are the risks faced by the partnership explicitly stated?
- Are the plans for addressing those risks explicitly stated?

High level suggested content:

The Business Case should contain information covering five key aspects: strategic fit, options appraisal, commercial aspects, affordability and achievability.

Strategic fit

Minimum content needed for this section:

- Description of the business need and its contribution to the organisation's business strategy
- Objectives
- Why it is needed now
- Key benefits to be realised
- Critical success factors and how they will be measured.

Options appraisal

Minimum content needed for this section:

- High level cost/benefit analysis of (ideally) at least three options for meeting the business need

- Include analysis of 'soft' benefits that cannot be quantified in financial terms
- Identify preferred option and any trade-offs.

Commercial aspects

This section is applicable where there is an external procurement; this section outlines the potential deal. Most of this information will be produced for the Outline Business Case.

Minimum content required for this section:

- Proposed sourcing option with rationale for its selection
- Key features of proposed commercial arrangements (e.g. contract terms, contract length, payment mechanisms and performance incentives)
- The procurement approach/strategy with supporting rationale.

Affordability

Minimum content for this section:

- Statement of available funding and 'ballpark' estimates of projected whole-life cost of the partnership
- Including departmental costs (where applicable).

Achievability

Minimum content for this section:

- High level plan for achieving the desired outcome, with key milestones and major dependencies (e.g. interface with other projects)
- Outline contingency plans e.g. addressing failure to deliver service on time
- Major risks identified and outline plan for addressing them
- Provider's plans for the same, as applicable, skills and experience required.

Source information:

- Area plans
- Previous plans and documentation
- High level requirements / survey's etc
- Business Strategy

Appendix 1

Guide to Conduct and Standards within Partnerships

Introduction

Board members and staff will, at all times, observe the Council's Codes of Conduct. In particular, attention is drawn to the disclosure of personal interest, register of hospitality and the Protocol on gifts and hospitality. Many other partnership members will have their own standards and codes from employing bodies to follow, but some may not.

It is important that each partnership design their own shared codes of conduct that all members can agree to conform to.

This is intended as a guide, to indicate the standards of conduct and accountability which are expected of individuals who take up a position on a partnership board or are involved in partnership working.

It is designed to assist the partnership as a whole, and all its associated groups, to function efficiently, and to understand what conduct is expected of individuals when they are operating as a member of the board, its sub groups, forums, task groups (and any other meeting which takes place under the auspices of the partnership).

These guidance notes have been developed in line with the Nolan Principles and seek to recognise that:

- Any board is made up of a diverse set of individuals with varying and sometimes **conflicting** interests, motivations, expectations and characters;
- Any board is made up of a diverse set of individuals with varying but potentially **similar** interests, motivations, expectations and characters.

Equal Opportunities

We aim to promote equality in everything we do. This includes the way in which we work in partnership with other organisations. We will train and develop our employees in equality issues and monitor and review the way we work. This will help us address any disadvantages that may impact on any members of the community for any reason, but particularly because of their age, gender, sexual orientation, disability, race, ethnicity religion or belief.

We require all partners to share these values.

In all the partnership's work this will be demonstrated by:

- Treating others with **dignity** and **respect**;
- Not making **assumptions** about a person or a group of people;
- Not making **judgements** about a person or group of people;
- Promoting equality by not **discriminating** unlawfully against any person or group of people;
- Not doing anything which compromises or which is likely to compromise the impartiality of those who work for, or on behalf of, the local authority.

Behaviour During Meetings

The vast majority of the work of the partnership will be undertaken at meetings, small and large. The effectiveness of these meetings is crucial because they will be:

- The principal decision making tool of the partnership;
- Part of wider community and partner involvement;

The behaviour of participants at a meeting is important to the success of the meeting. Many people lack the confidence to express themselves fully in a meeting with other people, whereas others may dominate the discussion. Effective meetings can be achieved if all individuals are committed to some simple ground rules for behaviour before and during meetings:

- Individuals have a responsibility to be properly prepared for meetings, by reading the paperwork beforehand and by committing themselves to attending and participating in meetings, briefings and training events, as required;
- Individual and personal disputes should not be allowed to affect conduct within the meeting, but should be resolved elsewhere;
- All contributions should be addressed to the meeting through the Chair;
- Individuals wishing to speak should seek the attention of the Chair and wait their turn to speak only when directed by the Chair;
- Individuals should not have "meetings within meetings" by discussing issues with other individuals or groups of individuals when another person has been directed by the Chair to speak. All comments and queries should be directed to the whole meeting through the Chair;
- Individuals should respect the contributions of others by not interrupting when someone is speaking, even when you may not agree with what they are saying;
- In contributing to the meeting, individuals will ensure that comments they make do not amount to a personal attack on or criticism of another individual and should avoid using heated, emotional and value loaded language and behaviour;
- Individuals should be constantly aware of their remarks, in terms of their equal opportunities responsibilities, and avoid the use of potentially offensive language and comments;
- Individuals should, above all, remember that partnership work means not always getting the decision **you** want and accepting the need to abide by majority decisions.

It is very important that decisions taken in meetings are well informed by having appropriate, accurate information and constructive debate on the topics concerned. The wider local community must be able to feel that decisions, particularly those affecting the spending of public funds, are fair and have not been influenced by the vested interests of those making these decisions. For this reason, one of the most important areas of appropriate behaviour during meetings, in addition to the above, relates to declarations of interest.

Declarations of Interest

Members of the partnership should have regard to the highest standards of behaviour in the conduct of public business and, in particular, should declare any personal or prejudicial interests they may have on any matter under discussion.

At the beginning of a meeting, the Chair will ask individuals in attendance to declare whether they have any personal, prejudicial, financial or other material interest in any item on the agenda. The Chair and the remaining voting members of the meeting will then decide whether individuals declaring an interest must leave the meeting for the relevant item or just not take part in the discussion or decision making on that particular topic.

Behaviour Outside Meetings

It is just as important that individuals conduct themselves appropriately outside official meetings, since they will be seen by the public as representatives of the partnership and its views in other contexts, including non-partnership meetings.

Confidentiality

Partnership meetings may occasionally receive information which is not in the public domain, often relating to individuals, or commercially sensitive matters. It is the responsibility of each individual to ensure that this information remains confidential to the meeting, unless prior authorisation has been given by the Chair for this to be discussed elsewhere. Individuals must never use confidential information for their personal advantage or the advantage or disadvantage of anyone known to them, or to disadvantage or discredit the partnership.

Hospitality and Gifts

Individuals must declare any gifts or hospitality they are offered in connection with their role within the partnership to the Chair/ Deputy Chair. **Anything which could be construed as a means of influencing the way in which decisions of the partnership are made should be refused.** Advice should be sought from the Chair/Deputy Chair if in doubt before accepting gifts or offers of hospitality.

Conflict of Interest

There is a need for a partnership to adopt a formal written procedure for the avoidance of conflicts of interest. This should cover cabinet members, trustees, directors, partners, employees and officers of a partnership, together with connected persons, including members of the same household. This applies, in particular, to decision-making as it relates to project appraisal /approval and, to the extent that it is within the partnership's remit, the letting of contracts or the provision of grant aid, other funds or material benefits.

It is acknowledged that many of those involved in a partnership will, due to its nature, have an interest of some sort, at sometime. However, such interests must not be allowed to result in actual or perceived undue benefit and consequently to unsound decision-making.

Where a conflict of interest exists, or potentially exists, a declaration of interest should be made to the Chair of the appropriate meeting, as outlined in the meeting behaviours section. The Chair must ensure such declarations are recorded formally (in the notes/minutes of the meeting). The partnership board member should then agree formally with the partnership as to his/her involvement with matters associated with the declared interest or, if the interest will inhibit the member's reasonable contributions on a frequent basis, then the member should not take part and should advise their Head of Service/Group Leader. Another individual could then be chosen to represent the Council.

The potential types of conflict of interest include:

- Where an individual or a connected person stands to gain financially from a partnership decision, either directly or indirectly. For example, where a project approval or decision on the letting of a contract would benefit an individual directly or an organisation or company the individual was involved with. This would also apply if a member of the individual's household would benefit or if they were similarly involved with an organisation or company who would benefit
- Many individuals "wear more than one hat", i.e. some residents in decision making positions will be also employees of potential beneficiaries and some board members will be employees of partner organisations bidding for funds or contracts etc.

This can seem a confusing area for those not used to operating within these types of guidelines and, if in doubt as to whether a potential conflict of interest exists, this should be clarified with the Chair either before or during the relevant meeting.

Duties - Staff

Employees must remember that when working within a partnership they remain employees of the Council and are bound by their contract of employment, the Council's policies and procedures (including the Code of Conduct), Contract Procedure Rules and Financial Procedure Rules. They should actively encourage the partnership to follow similar practices and procedures and must immediately report to their manager when they feel that the partnership is not acting in a manner acceptable to the Council's interest.

Whistleblowing.

Employees are also reminded of the Whistleblowing (Confidential Reporting) Policy. This policy is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside. This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This policy applies equally to the work that staff do within partnerships.

It is intended to cover serious concerns such as: conduct which is an offence or a breach of law, health and safety risks including risks to the public, damage to the environment and sexual or physical abuse of clients.

Appendix 2 - Partnership Checklist

SET UP

Rationale for the Partnership

Why does this partnership exist?

What are the partnerships shared vision, values and, if appropriate, agreed service principles?

What are its agreed aims and objectives? Are they realistic and measurable?

Is there a documented options appraisal?

Is there a strong and robust business case?

Where and how was the decision to go into partnership agreed by our organisation?

How does the partnership help to achieve organisational objectives?

Added Value from the Partnership

How does the partnership add value?

How do you demonstrate this added value?

Governance Arrangements

Does the governing document address key elements?

Are accountabilities clearly stated and understood?

Are each partner's areas of responsibility clear and understood?

Are all partners signed up and committed to these arrangements?

How often are the governance arrangements reviewed?

How are decisions made? How are they recorded?

To whom are decisions reported and how?

Have scrutiny arrangements been developed?

How does the partnership account for its activity?

How do your partnership's corporate governance arrangements link to our organisation?

MANAGEMENT

Business Planning

Does the partnership have an agreed action plan or business plan?

How often is it reviewed?

How are new opportunities planned and assessed?

How are decisions taken on new opportunities?

Who scrutinises those decisions?

Project Management

Are activities project managed where appropriate?

Does the partnership have a formal, consistent project management methodology?

How are projects monitored and reported?

Performance Management

Does the action plan or business plan include clear milestones, outcomes, performance indicators and delivery dates?

What arrangements are in place to monitor and review how successfully targets are being met?

What arrangements are in place to ensure that monitoring and review findings are widely shared and disseminated amongst the partners?

Are partnership aims, objectives and working arrangements reconsidered and, where necessary, revised in the light of monitoring and review findings?

Is the partnership clear what it will do if poor performance is reported?

Financial Management and Planning

Is it clear what financial resources each partner and other organisations are contributing to the partnership?

Are timescales around funding adequately planned for?

Can the money be reallocated?

Are budget setting and monitoring procedures in place?

Who is responsible for administering the budget?

Are effective systems in place for monitoring and auditing spend?

What are the financial reporting arrangements?

Who is the accountable body?

Risk Management

How are risks identified, prioritised and managed?

How are risks allocated? Is there clear allocation of risk?

Do the risk management procedures meet our standards?

Does the partnership have appropriate business continuity arrangements in place?

Stakeholder Management

What consultation has been undertaken with key stakeholders about the outcomes and objectives that the partnership wants to deliver?

How have service users and the wider public been communicated with to explain how the partnership works and where responsibility and accountability lie?

Does the partnership have a joint complaints procedure? If not, how can redress be obtained?

CLOSING

Termination arrangements

What are the arrangements if this partnership comes to an end, be it planned or unplanned? How often are these arrangements reviewed?

What are the arrangements for our organisation leaving the partnership?

How will resources be reallocated back to partners?

Who do any residual liabilities rest with?

How will the impact of the cessation of the Partnership be assessed?

Appendix 3 - Partnership Risk Identification Prompt List

There are so many potential risks there is a need to focus on the key risks. It may be useful to begin by focusing on what you see as the top "five" initially

Strategic / commercial risk

- Collaborative advantage for working together cannot be defined
- Under-performance to specification (time / quality / cost)
- Management will under-perform against expectations
- Partnership initiative is incompatible with other contracts or initiatives
- Excessive dependence on one partner
- Collapse of contractors
- Financial shortfall in business plan
- Over ambitious
- Insolvency of promoter
- Market interest

Economic / financial / market

- Proposal not attractive enough to market or prospective employer

- Exchange rate fluctuation
- Problems in the affordability case
- Savings cannot be quantified or obtained
- Unanticipated financial costs
- Insufficient financial support
- Interest rate instability
- Inflation
- No objective approach to sharing costs
- Development costs too high
- Supply costs changes
- Shortage of working capital
- Inspection reveals poor VFM
- Input costs escalate e.g. fuel
- Failure to meet projected revenue targets

Law and regulatory

- Adherence to current legislation
- Lack of robust underpinning agreement
- New or changed legislation
- Challenges e.g. TUPE, licences

- Failure to obtain appropriate approval e.g. planning consent
- Unforeseen inclusion of contingent liabilities
- Loss of intellectual property rights
- Failure to achieve satisfactory contractual arrangements
- Title issues

Organisational / management / human factors

- Poor leadership / lack of buy-in from key player
- Lack of clarity over status of partnership
- Management incompetence
- Inadequate corporate policies
- Cultural issues – do not embrace change
- Inadequate adoption of management practices
- Key people cannot devote required time
- Not all key stakeholders engaged
- Unclear roles and responsibilities
- Unclear outcomes / milestones / plans

- Business continuity event e.g. fuel strike, pandemic
- Cannot train staff in time
- Industrial relations / union opposition
- HR policy incompatibilities
- Failure to manage expectations
- Unwilling to commit appropriate resources
- Lack of capacity in key areas
- Lack of skills in key areas (internal and external)
- Inappropriate communication style
- Lack of specialist skills

Political

- Lack of shared vision
- Lack of political support
- Lack of trust
- Change in local politics
- Key local policy changes
- Loss of interest by partner
- Fail to agree
- Friction between partners
- Inability to make decisions at key points

- Adverse public opinion / media intervention
- Key stakeholder negative stance or intervention
- Change of government policy
- Change of government
- War and disorder

Environmental

- Natural disasters
- Site contamination
- Storms, flooding, tempests
- Pollution incidents
- Transport problems

Technical / operational / infrastructure

- Inadequate design /poor design
- Professional negligence
- Human error / incompetence
- Infrastructure failure
- Inherent structural issues
- Construction problems
- Changes in service demand
- Commissioning issues

- Ownership risks over assets e.g. vandalism, fire, flood or theft



Appendix 4 - Partnership Self Assessment

Principle	Poor (score 1 or 2)	Mid (score 3)	Good (Score 4 or 5)
Area 1 – Clear objectives, outcomes and milestones, roles and responsibilities	Limited outcomes or definition around purpose.	Some objectives and milestones, not always updated – some more clarity required	Buy-in from all parties to a plan / vision with clear objectives and milestones
Area 2 – Proper financial management and control.	Arrangements are not clear, limited information presented.	Some information to enable basic management of the financial affairs	Clear and robust financial management, budgeting and monitoring.
Area 3 – Proper constitutional and legal framework (this may be a contract or SLA). Partnerships are properly authorised and empowered, and their legal status understood. This includes a robust trail of accountability in terms of decision making and accountability.	Unclear constitution or framework. A robust trail of accountability for decision making is not always clear.	Some gaps or areas for concern	Robust framework e.g. roles & responsibilities, key processes e.g. decision making defined
Area 4 – Codes of conduct - defined standards as to the way individuals within partnerships should behave. This includes avoidance of conflict of interest.	Clear expectations are not set – conflicting interests	Partially defined – but not all areas!	Very clear code of conduct
Area 5 – Capacity and skills (the partnership has in place the right skills and capacity in the key areas)	Limited resources in terms of personnel. Significant gaps in skills required	Majority of required capacity and skills in place. Some gaps or limited commitment – not fundamental.	Complete commitment in terms of having the rights skills and capacity in place.
Area 6 – contingency arrangements have been thought through (exit strategies if appropriate, break clauses and alternative providers)	No continuity arrangements have been thought through	Some continuity arrangements (could be more robust and formalised)	Clear exit strategy / continuity arrangements have been formalised
Area 7 – Robust performance management - partnership involvement, activity and outcomes are monitored and reviewed in line with our Performance Management Framework;	Virtually no process in place for managing performance (no	Some performance management	Regular, timely, robust and formalised framework for managing performance
Area 8 – Risk Management - Risks for the council and for the partnership are assessed and agreed, e.g. in achieving delivery of statutory or other targets.	No consideration of the risks	Risk MAP (may be limited / out of date)	A regular risk view between partners, clear understanding of risk allocation and mitigation measures.
Area 9 – Robust initiation. There is a clear rationale and mandate for the partnership. This includes a clear terms of reference and political support.	Limited business case issues thought through. Limited support	Some thinking around Business Case.	A robust business case has been prepared and approved by the Cabinet

How does my partnership compare – partnership score card

Partnership Name		Assessment Date and Completed By	
Main findings		Actions Required	

