



MANCHESTER
CITY COUNCIL

Partnership Governance Framework and Guidance

Manchester City Council, Issue 3, Updated December 2013



How to use this document

This document standardises the Council's approach to partnership working and helps nominated officers and partners to strengthen accountability, manage risks and rationalise working arrangements. It sets out key governance principles that the Council thinks should operate in the significant partnerships with which it is involved, and provides advice on their application.

It is principally aimed at Council officers and elected members who are involved in partnership working, but may also benefit those already in, or considering entering into, a partnership with the Council.

Partnership leads and Link Officers will need to understand the guidance and refer to it when completing partnership registration and self-assessment forms. Guidance on supporting processes, procedures and documents is also included.

Where to go for further information

Contact details

For general queries about the Framework, including the register of significant partnerships and the registration and self-assessment processes, contact:

Performance and Intelligence – Corporate Core,

Chief Executive's Department
Sean Pratt, Performance and
Intelligence Officer

Tel: 800 1853 (internal)

Tel: 0161 234 1853 (external)

Fax: 0161 274 0025

Email: s.pratt@manchester.gov.uk

For queries about partnership definitions or legal structure contact:

Democratic Services, City Solicitors

Chief Executive's Department
Kathryn Saldanha, Solicitor

Tel: 800 3029 (internal)

Tel: 0161 234 3029 (external)

Fax: 0161 274 7007

Email: k.saldanha@manchester.gov.uk

For queries about the nature and effectiveness of governance arrangements contact:

Internal Audit and Risk Management

Corporate Services

Mark Baskerville, Lead Auditor

Tel: 800 5289 (internal)

Tel: 0161 234 5289 (external)

Tel: 07940 575485 (mobile)

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Introduction

1 Framework, purpose and structure

Partnerships have become an increasingly popular vehicle for planning and delivering Council services and there is a sustained national focus on their use. It is important for the Council to ensure that partnerships continue to perform well and to deliver both value for money and added value. To protect the position of the Council and Manchester's residents, we need assurance that partnership governance supports its operation, including in such key areas as decision-making, accountability and regulatory compliance. The Council's Corporate Plan makes robust assurance and governance arrangements key to delivering priorities, and this must include arrangements in significant partnerships.

This Framework is for those already involved in partnerships or who are looking at establishing new partnerships. Its purpose is to help officers and members evaluate and influence partnership governance by:

- Defining what a 'significant partnership' is
- Setting out the principles of partnership governance
- Providing practical guidance, model policies and templates.

The Framework complies with good practice, including 'Delivering Good Governance in Local Government' (CIPFA/SOLACE) and 'Governing Partnerships: Bridging the Accountability Gap' (Audit Commission).

2 Background and context

A key principle of partnership working is that the whole is greater than the sum of the parts. Partnerships have the potential to tackle complex, cross-cutting issues more effectively, co-ordinate services better, increase capacity and access additional resources, and deploy them more effectively.

The Council works with more than fifty significant partnerships, defined in terms of scale, structure and their contribution to delivering our strategic objectives and services, including the most sensitive Council activities. Partnerships vary in size, service area, membership and function, as well as legal status, which includes voluntary, statutory, executive and non-executive, service delivery and contractual relationships. Some provide a strategic focus while others direct operational activity. Funding arrangements also vary, as grant funding is available for some, while others are funded by partners.

3 Benefits and risks of partnership working

Partnerships are affected by the same pressures and challenges as the Council. These include external issues such as budget reductions, local government financial reform and deregulation, and internal issues such as organisational restructure/ reorganisation, reductions in staffing and service level reviews. Partnerships can be an effective way of addressing some of these issues, which often cannot be tackled alone effectively. But there are also risks, as working across organisational boundaries can increase complexity and ambiguity, and reduce accountability.

Potential benefits of partnership working

- Better co-ordination and integration in the delivery of services for users
- Flexibility and innovation, producing better policy and implementing more credible solutions than those achievable by single agencies
- Improved communication and information-sharing
- More efficient and effective use of resources to deliver value for money, including access to additional skills and expertise
- Greater capacity to plan and develop solutions, including pooling expertise and resources

Potential risks of partnership working

- Lack of clear purpose or setting unrealistic goals and expectations
- Unaware of the extent of financial and legal implications, such as breach of statutory duty or failure in the exercise of statutory functions
- Financial and time commitments outweigh potential benefits
- Different or conflicting cultures, behaviours and policies lead to conflict, distrust, manipulation or domination
- Lack of clarity over partner expectations and responsibilities
- Inadequate governance and scrutiny over planning, decision-making and management of finance, risk and performance

4 Key Council roles and responsibilities

4.1 Council members and employees working with partnerships

Elected members may be appointed to partnership boards and may scrutinise partnership working at Overview and Scrutiny Committees. When working with partnerships, outside bodies and voluntary groups, members and employees must be aware of their responsibilities under the Council's Code of Corporate Governance and Codes of Conduct for Members and for Employees. These apply whether directly representing the Council, in an advisory capacity, or as part of an interest group. Members and officers should also strive to ensure that governance as set out in this Framework is agreed and adopted by the partnerships they are involved in.

Also bear in mind that acceptance of a role as a charity trustee or company director (even if accepted as part of work for the Council) is a personal responsibility. There will be responsibilities to the Charity Commission and under company law that must be fulfilled. The duty to act in the best interests of the charity or company must be balanced with the duty to the Council as an elected member

or officer, and as a representative within its community leadership role. If there is any doubt about this, advice should be sought from Democratic Services.

Officers should refer copies of governing documents to Democratic Services for review before committing the Council to formal involvement. They should discuss any issues that are not understood or that require clarification with managers/supervisors.

Elected members and officers must immediately report to their group leader or chief executive when they feel the partnership is not acting in a way acceptable to the Council or in the public interest.

4.2 Senior Council officers

The Deputy Chief Executive (Performance) has overall responsibility for the Council's partnership governance arrangements. The Significant Partnerships Register is considered annually by SMT Use of Resources subgroup and SMT prior to submission to members, including the outcome of the self-assessment process. These bodies also consider any revisions to the Partnership Governance Framework.

Nominations to include a partnership in the register should be made through the relevant Head of Service or Senior Management Team member, who has corporate responsibility for the partnership. This ensures the strategic fit with the Council's objectives is maintained, strengthens lines of accountability and provides some assurance over partnership activity. Partnership annual self-assessment documents should be considered and signed off by the SMT member prior to submission to Performance and Intelligence.

4.3 Lead/Link Officers

These officers are the key point of contact between the Council and a partnership and contribute corporately to the Council's knowledge of partnerships. They are responsible for completing and submitting the Partnership Registration Form and for the annual self-assessment of governance arrangements.

Assurance Framework: Knowing our partnerships

5 Defining significant partnerships

What is a partnership?

We have adopted the following broad definition of partnerships used by the Audit Commission and CIPFA:

'An agreement between two or more independent bodies to work collectively to achieve an objective, normally excluding the familiar relationships between client and contractor or employer and staff.'

In addition, the Council's significant partnerships may:

- Co-operate to achieve a common goal or shared objectives
- Create new structures or processes to achieve objectives
- Plan and implement a jointly agreed programme (often with jointly provided staff or resources)
- Make joint investments and share risks and rewards.

Client and contractor relationships can be considered to be partnerships if they are:

- Of strategic importance to the Council, critical to the delivery of the Council's key objectives or statutory obligations and/or to the delivery of the Community Strategy
- Critical to the reputation of the Council, where failure to deliver could damage the Council's reputation
- Responsible for spend of significant public investment.

A group is not considered to be a partnership if:

- The Council has direct and sole control over budgets and decision-making
- It is set up to consider specific topics
- Grants are made to other organisations for specific purposes
- Subscriptions/membership payments are made to outside bodies
- Procurement agreements are made for the acquisition of goods and/or services from a supplier governed under contract.

Officers can also use the following checklist to decide if a partnership exists, what type of partnership it is, and whether it is significant enough to be registered:

Type of partnership	Key indicators
Statutory/ Contractual	<ul style="list-style-type: none"> → The requirement for co-operation between local partners to agree and deliver national or local priorities is set down in statute or in contracts → The partners are defined in statute or in contracts → National and local funding is directed towards achieving shared priorities and outcomes
Voluntary	<ul style="list-style-type: none"> → The Council consults and works with external agencies to better align and streamline ways of working to meet its targets → Co-operation is dependent on member agencies working together voluntarily → Funding on agreed priorities is not necessarily pooled
Executive	<ul style="list-style-type: none"> → Set up to deliver specific, jointly agreed, possibly time-limited outcomes → Collaborative working – whereby the Council has specific investment and executive responsibilities, and powers
Non-executive	<ul style="list-style-type: none"> → Provides a forum for cross-agency discussion and information-sharing → The Council has no direct responsibility or powers to direct specific outcomes → The Council's objective is primarily to influence the priorities of other organisations
Service delivery	<ul style="list-style-type: none"> → Council services are delivered jointly with external organisations → Additional capacity or efficiencies are achieved through partnership working → Responsibilities are documented in service level agreements

This list is not exhaustive and alternative ways of working may also be defined as partnerships, such as:

- Strategic partnerships
- Partnering contracts
- Collaboration
- Outsourcing.

If you would like to discuss whether to register a partnership, please contact Democratic Services (contact details listed above).

Significant

To be considered 'significant', partnerships should have:

Strategic importance – The partnership is critical to delivery of key Council objectives or statutory obligations and is a fundamental component of Council priorities and functions. The Council's reputation could be damaged by the partnership's failure to deliver.

Financial responsibility – Based on a threshold for the Council's annual contribution of £100,000, excluding staffing costs.

6 Is a partnership needed?

Before setting up a new partnership always consider whether it is the best way of delivering a project or service, or achieving an objective. A key consideration is whether it is mandatory or discretionary. Mandatory or statutory partnerships may be covered by more regulation, with fewer options in terms of structure or governance, but must still be carefully managed. Where there is discretion it is important to consider whether a partnership is really necessary or whether the Council could achieve desired outcomes more effectively and efficiently itself. The following questions should help to reach a decision:

- Can objectives, outcomes and benefits be clearly expressed and linked to Council strategies and priorities?
- Will benefits outweigh costs compared to other arrangements, including issues such as co-ordination of activity and resources?

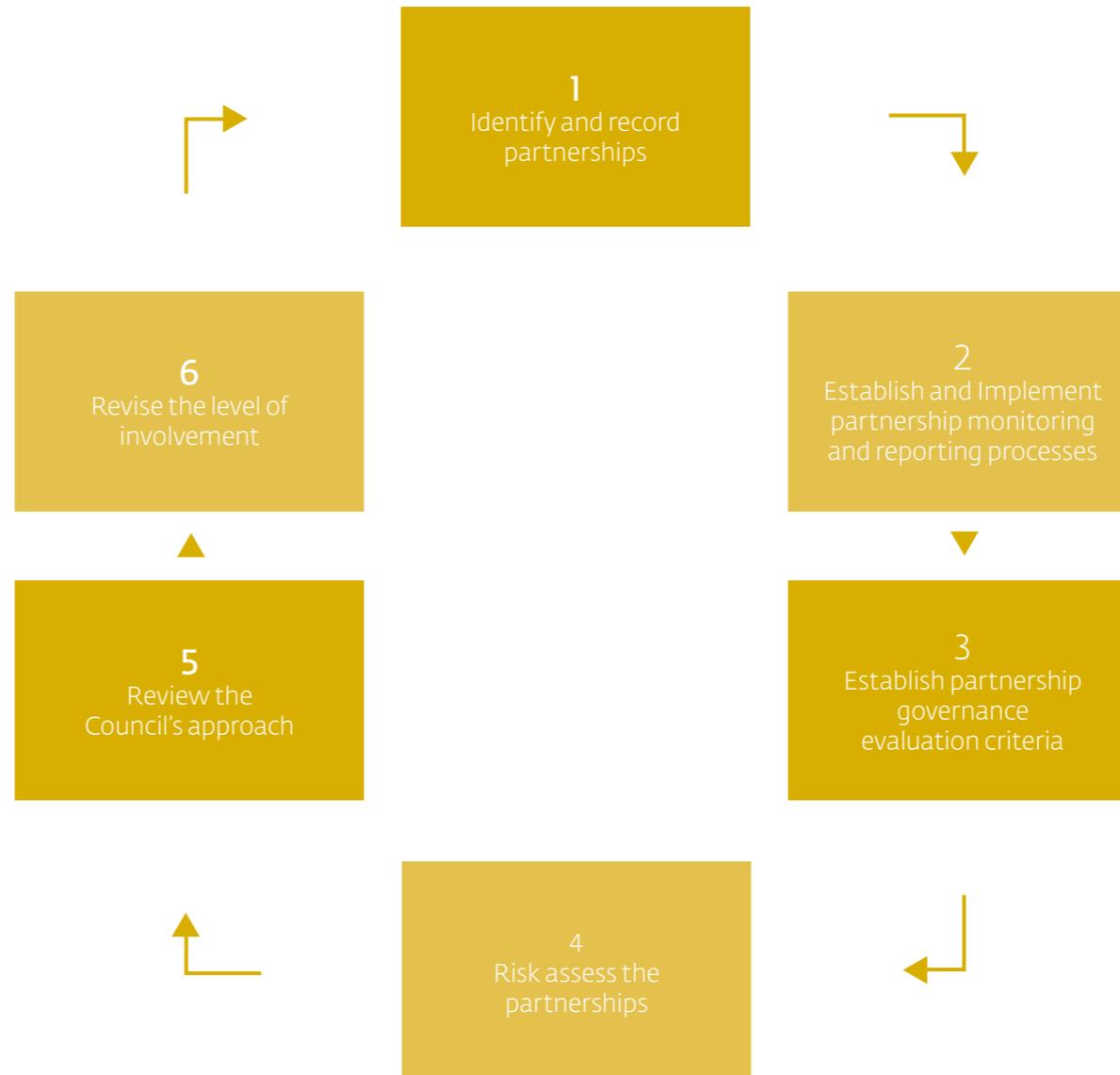
- What is the resource impact and who will meet the costs of delivery and strategic and operational management?
- Can ongoing and robust compliance with statutory and regulatory obligations be ensured?
- Are there alternative delivery arrangements that could be considered?
- Is there shared vision and purpose or is it dominated by one partner?
- Are the values, capabilities and capacities of partners understood?

It may be helpful to document the issues and arguments in a business case.

7 Managing partnerships – the governance life cycle

The Framework is based on the following life cycle, which is designed to enable the Council to exercise adequate monitoring and control:

The following process and procedures have been put in place to ensure significant partnerships are identified, registered and reviewed in line with the life cycle.



8 Identify and record: registration

The Council needs to maintain a register of new and existing significant partnerships. To ensure this is accurate and complete, lead/ Link Officers must complete a Partnership Registration Form (available on the Council's internal website) to notify details of each significant partnership with the Performance and Intelligence Section. This records the partnership's status, purpose, finances, governance arrangements and key contacts. For newly formed partnerships, where the Council is joining an existing partnership, or to register an existing partnership as 'significant', the process is as follows:

Step 1 – A nomination for registration is submitted to Performance and Intelligence (Sean Pratt s.pratt@manchester.gov.uk or 0161 234 1853) through the relevant Head of Service or Senior Management Team (SMT) member.

Step 2 – A registration form is sent by Performance and Intelligence to an identified Link Officer for completion.

Step 3 – Once the form has been completed and returned, Performance and Intelligence provisionally enter the partnership onto the Significant Partnership Register for subsequent discussion and approval.

Where a significant partnership ceases to function, Performance Division should be informed and brief details given so that it can be removed from the register.

9 Monitor and report: Significant Partnership Register

Partnership Registration Forms are used to populate the Council's Significant Partnership Register under five partnership categories:

- Incorporated (a separate and distinct legal entity)
- Statutory partnerships
- Non-statutory partnerships
- School leadership
- Private Finance Initiatives.

The Register includes the following information about each partnership:

- Class of partnership:
 - **Public/public** – All partners are public organisations
 - **Public/private** – Includes one or more private sector companies
 - **LSP** – Part of the Local Strategic Partnership family
 - **Academy** – A school granted 'academy' status

→ **Self-assessment rating** – an assessment of governance and related risk, based on the completed self-assessment document.

→ **Risk assessment** – assess risk as High, Medium or Low assurance over risk, based on a range of considerations:

- **Low** – There is a sound system of governance designed to achieve the partnership's and the Council's objectives.
- **Medium** – While there is a basically sound system of governance, there are weaknesses that may put some of the partnership's and the Council's objectives at risk.
- **High** – Controls are generally weak leaving the partnership's system open to significant error or abuse. It is expected that the partnership's and the Council's objectives will not be met.

Performance and Intelligence co-ordinate an annual review and refresh of the Register through the Annual Governance Statement (AGS) Working Group. Group members are from Performance, Finance, Audit and Legal

Services, and it reports to the SMT Use of Resources Subgroup, chaired by the Assistant Chief Executive (Finance and Performance). The Register is submitted for review and approval to the SMT and then to the Audit Committee for annual consideration and approval. It is publicly available in the Audit Committee's meeting papers published on the Council's website.

This process contributes to assurances supporting the AGS and any significant concerns are considered for inclusion in the AGS.

10 Risk assessment: Annual Self-assessment and Evaluation

In November, Link Officers complete a self-assessment form to:

- Confirm partnership details or notify any changes; and
- Provide assurance over the nature and effectiveness of partnership governance arrangements and any consequent risk to the Council.

Step 1 – The Annual Self-assessment form is sent annually to Link Officers for partnerships on the Register and to newly registered partnerships. Link Officers complete and submit it to Performance and Intelligence.

Step 2 – Performance and Intelligence collate and analyse the forms and produce a draft Significant Partnerships Register recording the Link Officer's Self-assessment Rating Score and a proposed Governance Assurance Assessment rating.

Step 3 – The AGS Working Group reviews the draft Register to agree, challenge or amend proposed ratings. Particular focus is given to new partnerships and any where circumstances have changed significantly or where there are other reasons deemed appropriate.

Step 4 – Performance and Intelligence contact Link Officers where the rating has changed since the previous year or where Self-assessment ratings differ to the AGS Working Group's view of the Governance Assurance Assessment. This allows the Link Officer to raise any queries prior to finalising the Register.

Step 5 – Performance and Intelligence report the draft Register to SMT Use of Resources for consideration and approval.

Step 6 – Performance and Intelligence circulate partnership summaries to relevant SMT leads for consideration and approval prior to sign off of the new Register at December's SMT meeting. This provides greater oversight and assurance.

Step 7 – Final clearance of the Register is first by SMT then the Audit Committee. Information from the Register provides assurances to support the AGS.

Governance Framework – Principles and Practice

11 Key principles of effective partnership governance

This section describes key principles and how they can be put into practice, including model governance arrangements. The expectations and needs of all partners will need to be considered and it is not necessarily expected that all significant partnerships should fully apply or adopt all these measures – the principle of proportionality should apply. However, their relevance to each partnership should always be considered.

11.1 Shared understanding

Partners should formally agree and record how a partnership operates, including structure, purpose and aims, activities, roles and responsibilities, membership, regulatory framework and exit strategy.

11.2 Accountability

Partnerships should account for actions through reporting, meetings, oversight and scrutiny of performance and regulatory compliance, openness and engagement, and complaints and redress procedures.

11.3 Decision-making

There should be clearly allocated roles, responsibilities, accountabilities and open and transparent processes, such as records of delegated authority and key decisions and effective scrutiny.

11.4 Value for money

Costs and benefits should be understood to ensure arrangements provide value for money over alternative arrangements.

11.5 Corporate governance processes

Good governance contributes to delivering high-quality, cost-effective services through effective systems and processes for managing issues, such as risk (including insurable risk), performance, finance and information.

11.6 Standards of conduct and leadership

High standards should be agreed to govern the way the partnership works, to ensure the needs of all partners are met, to identify conflicts of interest and to resolve disputes.

12 Proportionality in governance arrangements

Governance should be proportionate to responsibilities and risks. Differences in objectives, membership and legal form make it difficult to propose a one-size-fits-all approach. In general, arrangements should promote financial and management accountability between partners and with clients, and should support good governance by ensuring:

- Partners respect differences between them, behave openly, deal with conflict promptly and have an equal say in decisions.
- Purpose and outcomes are clear and accountability and responsibility is agreed.
- The legal status and associated obligations are understood and the partnership is empowered to perform them.
- Objectives, targets, milestones and outcomes are set, monitored, and reported on to ensure best use is made of resources.
- Risks are assessed and managed.
- Relevance to the agreed purpose is maintained during the partnership's lifespan and there is an exit strategy.
- Periodic reviews are undertaken to evaluate the costs and benefits of partnership working, challenge processes and improve governance.

13 Good governance practice

The key governance principles should be considered when evaluating the governance arrangements operating in specific partnerships.

The following table can be used to help evaluate arrangements and is expanded on in Appendix 1.

Criteria	Good governance	Good practice
Purpose, structure and membership	<ul style="list-style-type: none"> → Aims, objectives, outputs and outcomes are agreed and communicated. → Membership is aligned to objectives to provide relevant interests, experience and expertise. → There is an appropriate board and committee structure with a clearly defined remit. → Personal interests of members do not impact on decisions. 	<p>Establish a partnership agreement which includes:</p> <ul style="list-style-type: none"> → Purpose and deliverables → Roles and responsibilities → Structure chart → Partnership, board and committee criteria → Declaring personal or pecuniary interests and withdrawing from meetings → An exit strategy for partners and the partnership
Accountability and decision-making	<ul style="list-style-type: none"> → Good leadership promotes supportive culture and behaviour. → Roles, responsibilities and accountabilities are understood. → Decision-making is open and transparent. → Reporting to officers and Council members supports scrutiny of decisions and activity. 	<ul style="list-style-type: none"> → Responsibilities for decisions are agreed and recorded. → Meeting minutes record decisions, actions and related discussion. → There is regular reporting within existing democratic structures. → A communication strategy sets out how external stakeholders view the partnership and its activity.
Monitoring and review	<ul style="list-style-type: none"> → There is regular review and evaluation of membership, policies, performance and risk. → An awareness is maintained of what is working and what is not and action is taken to address issues. → There are change and exit strategies. → Disputes between partners are addressed effectively. 	<ul style="list-style-type: none"> → The partnership is regularly reviewed to ensure it remains fit for purpose and aligned to Council objectives. → Clear, defined indicators of performance monitor delivery of objectives. → Performance and risk are actively monitored and managed. → Processes are in place to resolve disputes, for partners exiting the partnership and for its termination. → Consideration is given to internal and external audit.
Financial management	<ul style="list-style-type: none"> → The partnership is resourced to deliver aims and objectives and agree funding sources and responsibility for financial decisions. → The partnership shows that it manages funding securely to add value in an economic, efficient and effective way. 	<ul style="list-style-type: none"> → The accountable body for funding is identified. → Finance and business plans show how funding and resources will be used to deliver objectives. → Financial accounting, budgeting and reporting arrangements are in place and subject to external scrutiny.
Meetings	<ul style="list-style-type: none"> → Meetings operate efficiently and sufficiently frequently to facilitate conduct of business. → The Chair ensures meetings address the agenda, promotes contributions from all and ensures decisions are open and transparent. → Attendees bring expertise, knowledge, experience or opinions and have authority to make decisions. 	<ul style="list-style-type: none"> → Meetings are supported by terms of reference, quorum, voting, representation and deputising rules, declarations of interest and arrangements for extraordinary meetings. → Agendas and minutes are produced, including key decisions and action points.

Appendices

Appendix 1: Governance procedure

1 Purpose, structure and membership

1.1 Purpose

Partnership purpose, aims and objectives and outputs and outcomes should be clearly articulated, recorded and communicated and should be cohesive and compatible. Lack of common understanding makes it less likely that the partnership will work effectively to deliver its own and the Council's priorities. A partnership agreement is an effective way of recording and approving these issues (Appendix 2).

1.2 Executive and non-executive bodies

Executive bodies generally deliver specific, jointly agreed, time-limited outcomes. They involve collaborative working in which the Council has a specific investment, executive responsibilities and powers.

Non-executive bodies generally provide a forum for cross-agency discussion and information-sharing. The Council may have no direct responsibility or powers to direct specific outcomes on behalf of the partnership. The Council's objective would be primarily to influence the priorities of other organisations.

1.3 Structure

The partnership structure chart should describe relationships and responsibilities of individuals and groups, including partner representatives, individual roles and Board and committee arrangements.

1.4 Key roles and responsibilities

Each partner's role and their contribution should be defined and agreed at the outset, preferably in a partnership agreement to reduce the risk that partner needs will not be met and to prevent uncertainty over accountability.

Membership – The composition must directly support delivery of objectives and reflect the structure. Members should be chosen for their relevant authority, interests, experience and expertise to best complement the work of the partnership. The Council will need to ensure the most appropriate officer and elected member represent the Council. Membership should be regularly reviewed to ensure it remains fit for purpose and the limits on the length of time individuals can be a member should be specified.

The Board – Partnership boards ensure good governance by defining and agreeing key policies and procedures and by regulating conduct, behaviour and conflicts of interest. Membership should represent all partners and can include other stakeholders. Members should have appropriate skills and decision-making powers. Rules should be set out for electing the Chair and Deputy Chair.

1.5 Conflicts of interest and conflict resolution

Dispute can break down co-operation and adversely impact on the delivery of agreed aims and objectives. A process or protocol for resolving conflict or differences in opinions should be agreed, including arrangements to declare any interests to ensure conflicts can be avoided so that members:

- Do not use their position improperly, confer on, or secure for themselves or any other person, an advantage or disadvantage
- Ensure activities are not undertaken for political purposes
- Do not unduly influence any person in the paid employment of any of the partner agencies.

1.6 How partners terminate their involvement

There should be a protocol for partners wishing to leave a partnership, including any notice period or exceptions.

1.7 Equalities and inclusion

Partnerships should operate on principles that actively value the benefits of diversity and which ensure fair treatment in service delivery in terms of equal access to, and equal outcomes from, local service delivery to meet identified local needs.

2 Accountability and decision-making

2.1 Leadership and culture

Partners need to work together at the highest level to deliver objectives and domination of the agenda by a particular partner can undermine effectiveness. Effective and robust leadership can develop and maintain the constructive working relationships essential between partners from different organisations.

2.2 Partner accountability

Lines of accountability should be discussed openly, agreed and promoted through policies and protocols. The accountable body will generally be the principal partner for financial matters, responding to complaints and representing the partnership in legal proceedings. The Council will therefore not always be the accountable body for its significant partnerships, but it is important to clarify who is. The partnership's governing documents should make it clear which of the Council's policies and procedures, constitutional requirements and financial regulations apply to elected members and officers representing the Council.

Partners represent different organisations with different behaviours, cultures and priorities. A close, supportive working relationship will increase trust, shared understanding and openness. This should promote information-sharing, willingness to meet all partners' needs, and a co-ordinated approach to resourcing, joint working and consultation.

2.3 Public accountability

The public and service users will hold partnerships to account for the work they do and the money they spend. Partnership governance structures should therefore link to and fit the Council's own democratic processes and achieve public accountability through:

- Open, transparent decision-making activity and effective communication
- Engaging service users through consultation and involvement on boards
- Providing a means of redress when things go wrong.

These principles can be delivered through a communication strategy, which could:

- Identify the audience and stakeholders
- Determine what information it is necessary or desirable to share

- Establish and deliver appropriate, effective engagement tools, including annual reports, consultation exercises, public forums, community representation on boards, questionnaires, websites, newsletters, and procedures for handling feedback including complaints.

2.4 Decision-making

Partnerships take decisions themselves or take decisions that will affect executive decisions made by others. Clear lines of accountability and transparent decision-making processes ensure decisions are within a partnership's authority, properly considered and approved and subject to scrutiny and supervision. Responsibilities should be described and allocated, in terms of reference and/or a scheme of delegation. Partners need to understand the autonomy they have to make decisions on behalf of the organisation they represent.

Most partnership decisions will be discussed and made at meetings of the Board or other established groups, so each one should be clearly set out, recorded and communicate what type of decisions they can take.

2.5 Reporting and access to information

There should be regular reports to key stakeholders, including officers and elected members, to support scrutiny and challenge of decisions, activity and performance. Partners should share information to support management of business, including monitoring performance, options appraisal and decision-making. Data-sharing protocols can assist this and help to identify and share good practice.

The Information Commissioner can levy large fines on organisations that breach Data Protection legislation, and partnerships need to consider compliance through protocols covering issues such as confidentiality in meetings, data-sharing and handling. Data protection and confidentiality obligations apply equally to individual partners. It should be noted that the Council's Data Quality Strategy and Policy includes arrangements for partnership working.

2.6 Complaints and redress

A policy for dealing with external complaints, compliments and comments should be established to ensure they are dealt with effectively to promote confidence in engagement with stakeholders, and to provide redress if necessary. Where the Council is the accountable body, it would be sensible and practical for the partnership to adopt the Council's corporate complaints procedure. Otherwise, partnerships will need to develop their own complaints-handling procedure. The Local Government Ombudsman investigates complaints against partnerships where local councils carry out functions through it.

2.7 Financial management

In the Council a range of controls and constraints promote accountability and prevent fraud and mismanagement, addressing the need for effective stewardship of public resources. At the outset, partnership responsibilities and minimum standards for financial management should be clearly defined and recorded. Arrangements should be proportionate to size, complexity and function and should reflect regulatory and operating environments. Consideration should be given to:

- Where funding comes from and who the accountable body for the funding is
- Ensuring sufficient human and financial resources to operate effectively
- The most VAT-efficient way of structuring the partnership
- Ensuring appropriate accounting, budget management and audit arrangements are in place.

Organisational, legislative and accounting constraints vary, but general principles that should always apply include ensuring a budget is prepared on a realistic and prudent basis and that it does not expose the Council to financial risk. Mechanisms should be established to share funding and resourcing subject to approval by the planning executive of each partner, including co-ordinating joint bids for external funding and control of a 'virtual' budget based on annual review of resource requirements. A financial plan should be developed and translated into a budget to ensure that resources are allocated in line with aims and objectives.

Proper consideration should be given to resources required and budget-holders should be accountable for managing their budget and therefore be involved in budget preparation and setting. To ensure transparency, the budget-setting process should be open to all stakeholders and consequences of particular budgetary proposals should be laid out clearly before budget approval.

Officers or elected members representing the Council cannot commit the Council to use of resources or expenditure not contained in approved budgets, even where the Council has an agreed partnership contribution. Normal Scheme of Delegation and key decision rules will apply to the establishment of partnerships and the allocation of funding. Decisions to commit funds should normally be approved by the City Treasurer and Chief Executive, in consultation with the Leader of the Council.

2.8 Provision of professional advice

Financial, technical, legal or other advice should usually be given or confirmed in writing and should include any implications of not following the advice, which could lead to an illegal act, health and safety issues, financial or similar consequences. A copy should be given to the Officer's line manager. Agreement to provide financial advice and support must be approved by the City Treasurer or his authorised officers. Finance managers should consider relevant issues such as budgetary control, financial monitoring and any VAT implications initially with the Council's Lead/Link Officer.

3 Meetings

Effective meetings are essential to successful partnership working, not least due to their role in decision-making, and should be supported by effective protocols to facilitate the conduct of business.

3.1 The Chair

The Chair's primary role is to lead the meeting, ensuring discussions and decisions address the agenda and that all attendees have an opportunity to contribute. The Chair can arrange for new items or issues arising to be included in future meetings.

3.2 Secretariat

Any need for a secretariat and resources to operate it should be identified when a partnership is established. Responsibilities would include arranging and giving notice of meetings, preparing minutes, as well as co-ordinating and issuing agendas and papers.

3.3 Frequency

Frequency of meetings of boards, groups and other bodies should be set according to their roles and responsibilities and should be reviewed to ensure they continue to meet partnership needs. Needs of attendees should be taken into consideration when planning a venue, date and time to ensure that the arrangements are suitable for all attendees. The policy on extraordinary meetings should set out in what circumstances they can be convened and the process for requesting them.

3.4 Agendas, papers and minutes

Agendas should be set for all meetings giving the date, time and place of the meeting and items to be discussed. Any related papers should be sent with the agenda to support productive and informed discussion and decisions.

Minutes should be a true record of key relevant responses to items but do not need to record all discussion. All key decisions and agreed actions should be recorded, including action required, responsibility and timescales.

Draft minutes should be circulated with the next meeting's agenda for agreement over completeness and accuracy.

3.5 Representation and quorum rules

Partners should nominate a deputy if the principal representative cannot attend a meeting. Deputies may be given the decision-making powers of the original member, but in practice may not have full freedom to make decisions for their organisation.

For executive bodies the number of attendees that must be present for meetings to be quorate should be formally agreed. For non-executive bodies no quorum is necessary as decisions are made by agreement. Voting arrangements should be defined and recorded depending on the nature of the partnership (executive or non-executive) ranging from consensus to a formal majority voting system with provision for a casting vote.

3.6 Declarations of interest and withdrawal from meetings

Partnership members should have regard to the highest standards of behaviour in the conduct of public business and should declare any personal or prejudicial interests they may have (as defined by the Council's Code of Conduct) on matters under discussion. Agendas should include an opportunity for partners to declare any personal, prejudicial, financial or other material interests in any agenda item that may preclude them from participating in discussions or decisions relating to that matter, or require them to withdraw from meetings while the item is discussed.

4 Monitoring and review

4.1 Reporting

Partnerships should establish their own internal procedures for monitoring and reporting, based on the nature of their activity and who their stakeholders are. Officers and heads of service should ensure they consider their relationship and involvement with significant partnerships as part of normal business planning, and monitoring and reporting should align with the Council's performance management processes.

4.2 Risk management

Partnerships should have adequate, proportionate arrangements in place to identify and manage risks to deliver its objectives. These should consider the nature of partnership working that crosses organisational boundaries, providing increased opportunity for innovation, pooling of resources and economies of scale, but also consider the increased levels of risk. A Risk Register template is shown in Appendix 3 below and the elements of good risk management include:

Identification and assessment – Understand what risks there are to delivery of objectives and how critical they are.

Joint Risk Register – Record of risks, ratings, assessments, actions and responsibilities.

Risk ownership – Who owns which risks and what the requirements are for providing information.

Monitoring risks – Review effectiveness and impact of agreed actions and priorities.

Reviewing and managing risks – Joint risk review meetings as part of partnership performance management arrangements.

Risk communication – Sharing risk information to promote shared understanding and open dialogue.

Contingency planning – Clarity over action to be taken to 'step in' if risks are realised.

Insurance plays a role in managing risks. As premiums rise and organisations increasingly self-fund there is greater emphasis on internal

risk management. There are a number of areas where insurance decisions may need to be taken by the partnership. Advice can be obtained from the Council's Risk Manager.

4.3 Performance management

Effective management of progress with the delivery of partnership objectives is a key component of good governance; it measures what the partnership is achieving, how it is working, and provides a basis for informed decision-making, enabling more effective planning and improved performance in delivering priorities and outcomes.

4.4 External/Internal audit

The need for internal and external auditing and reporting should be considered and put in place at the outset.

4.5 Exit strategy

Partnership agreements should include an exit strategy that sets out how partners can leave a partnership or how it can be dissolved, covering partnerships:

- With a fixed term that ends when funding ends or when objectives are met
- That continue in a different way, eg. become self-sustaining or change role
- Subsumed by another partnership, body or organisation
- That end due to internal conflict, loss of partners etc
- That dissolves for financial, legal or statutory reasons.

5 Governing documents

Governance arrangements should be fully documented to promote openness, transparency and shared understanding. Where the partnership is a separate legal entity, its governing documents will depend on its status, and legal advice should be sought where necessary. The appendices contain templates for a model partnership agreement and Risk Register.

5.1 Partnership agreement: Memorandum of Understanding

This records agreement of the basis and scope of the relationship between partner organisations. It covers partnership purpose and objectives, terms of reference, roles, responsibilities and accountabilities, information and resource sharing, management structure and exit strategy. It should be periodically reviewed and updated as necessary to reflect any changes in partnership structure or aims. It is not a contractual document, imposes no legal obligation on partners and is independent of any other agreements signed by or between the partners.

5.2 Risk Register

The Risk Register is the output from the risk assessment process. It records key risks to achieving objectives, as well as risk ratings, mitigating actions and ownership of each risk. It should be periodically reviewed to ensure the list of risks remains relevant and up to date and to check progress with agreed action on specific risks.

5.3 Registration form

This form should be completed to register the details of a new significant partnership with the Council. On receipt, consideration will be given to the need to include the partnership in the Council's Register of Significant Partnerships.

5.4 Partnership governance arrangements self-assessment form

This form is completed annually by partnership Lead/Link Officers, and signed off by the relevant Senior Management Team member. The information provides insight into and some assurance over governance in key Council partnerships and forms part of the assurance framework supporting the Council's Annual Governance Statement.

Appendix 2: Partnership Agreement: Memorandum of Understanding

This model structure is for illustrative purposes and can be customised according to the characteristics of each specific partnership.

1 General information

- 1.1 Name of partnership
- 1.2 Type of partnership (public/public; public/private; voluntary and community; other specified bodies)
- 1.3 Principal reasons for establishment (is the partnership required by statute; to access government funds; consultation with communities/service users/partners)
- 1.4 Council aim (to which partnership objectives will contribute)
- 1.5 Date partnership commenced
- 1.6 Expected life

2 Partnership objectives

- 2.1 Partnership vision (clear, long-term, agreed by all partners, achievable and contributes to all partner priorities and defined service outcomes)
- 2.2 Partner contribution (how and what each partner contributes; business plans define how goals will be achieved, by which partner and when)
- 2.3 Publication (to promote understanding and ownership)

3 Terms of reference

- 3.1 Purpose (what the partnership is for, including expected benefits and outcomes)
- 3.2 Scope (what the partnership is and is not intended to do)
- 3.3 Agreement (documented agreement to the scope by all partners at an appropriate level)
- 3.4 Code of Conduct (partners, especially in the public sector, may be bound by their own organisation's Code, but this should be stated).

4 Partnership principles

These are agreed by all partners, based on the principles described above.

5 Membership

5.1 Members (full, agreed list of partners and their representatives, including Council officers and members).

5.2 External sector participation/Inclusiveness (list representatives from organisations in the public, private, voluntary and community sectors actively involved in the area [equal representation is not a requirement] and say why they were chosen; consider how the partnership actively involves key stakeholders)

5.3 Member representatives (list members and the number of representatives on the partnership)

5.4 Voting powers (set out the terms of office and voting powers of members)

5.5 Time limits (how often the membership is reviewed and any time limits that an individual representative can serve on the partnership)

5.6 Representation (how the membership reflects the characteristics and aspirations of the area/people it serves)

5.7 Roles and responsibilities (for each constituent member; it may be appropriate to talk in terms of the various sectors members bring – voluntary and community, business and public, and the areas of activity they will be responsible for; list the partner providing the service and what, where and when they will provide it)

5.8 Secretariat (who will provide this function)

5.9 Chair (the method and criteria for appointment should be agreed and documented)

6 Accountability

6.1 Reporting (record how and to whom the partnership is accountable and what this includes):

- Reporting lines between various levels of authority and to constituent bodies
- Statement on members' accountability to each other including behaviour
- Communication strategy for reporting externally
- Boundaries between activity of the partnership and partners)

6.2 Auditable processes (arrangements for internal and external audit).

6.3 Partnership agreement (signed by all partners, reviewed regularly and covers all key governance criteria)

- 6.4 Added value/Value for money (how the partnership adds value, including:
- How the partnership achieves more than if partners acted alone
 - How it ensures public funds are spent efficiently, effectively and economically
 - How delivery of added value and value for money is communicated publicly)
- 7 Governance**
- 7.1 Corporate and individual governance (how governance arrangements link to partner arrangements, how decisions are made and recorded, who makes sure they are acted on, who scrutinises them and to whom are they reported)
- 7.2 Statutory powers/Obligations (any specific legislation and regulation covering partnership activity, including that acting on the Council)
- 7.3 Formal constitution
- 7.4 Decision-making body (who is responsible for decisions, including procurement limits)
- 7.5 Scheme of Delegation (any aspects of partnership business covered by the Council's Scheme of Delegation)
- 7.6 Policies (list policies needed to operate, including agreement to adopt policies of partners)
- 7.7 Meetings (arrangements for the governance of meetings, including:
- Minimum number of meetings in a period
 - Posting of meetings, including if open or closed
 - Convening extraordinary meetings
 - Responsibility for setting meetings, agendas, papers, minutes etc
 - Venues
 - Acceptability of meeting times
 - Representation and quorum
 - Expectation of behaviours
 - Deputising and any associated protocols
 - Declarations of interest and withdrawal)
- 7.8 Timescales (including:
- Arrangements for recording and notifying meeting dates for the year
 - A plan for dissolving the partnership after objectives have been achieved)

8 Financial management

- 8.1 Provision (sources of funding, including partner contributions and grant funding)
- 8.2 Financial regulations (the regulations that will be used to manage finances; these could be those of a partner organisation but this will need to be agreed by partners)
- 8.3 Decision-making (delegated responsibility for finance decisions including any de minimis financial limits)
- 8.4 Reporting arrangements (the information that will be reported, to whom and when)

9 Resource management

- 9.1 Inputs (nature and extent of resources committed to by partners, including any in-kind contributions)
- 9.2 Capacity, capability and deployment (how the resources will deliver partnership aims in terms of capacity, capability and how they will be used)
- 9.3 Accountability (ensure that human resource time and action can be accounted for)
- 9.4 In-kind (ensure that resources partners bring to the partnership, other than funding, are understood; list all in-kind inputs)
- 9.5 Services (the type of service the partnership will use or purchase)

10 Performance management

- 10.1 Arrangements (the performance management methodology and arrangements, including the nature of likely targets and indicators)
- 10.2 Data quality (where data will be obtained from and how quality will be assured – complete, accurate and timely)
- 10.3 Delivery (how the partnership will monitor and report on progress towards meeting its objectives and how it will address the lack of progress)
- 10.4 Outputs/Outcomes (list the key partnership deliverables linked to objectives)

11 Risk management

- 11.1 Key risks (describe how risks to achievement of objectives will be managed, including identification, assessment, recording, owning and managing risks)
- 11.2 Monitoring (how risks will be monitored, including arrangements for regular review and progress with delivery of mitigating action)

12 Conflict of interest

- 12.1 Resolution of issues (systems and procedures to resolve conflicts of interest within the partnership)

13 Equality and inclusion

- 13.1 Ensuring equality (how the partnership will operate and actively value the benefits of diversity, and ensure fair treatment and equality of opportunity, including representation and participation on the partnership)
- 13.2 Frequency of assessments (how and when the partnership will carry out Equalities Impact Assessments on its functions, policies and services)

Appendix 3: Risk Register template

Risk Register

Ref	Date created	Risk description	Existing controls	Risk score	Response actions	Risk owner
1	The date the risk was identified and accepted for inclusion on the register.	The nature of the risk identified and the potential impact on delivery of partnership objectives.	What controls – systems, policies, procedures, activities etc – are currently in place that mitigate against the risk occurring?	High, medium or low The priority assigned to the risk in terms of its potential impact and likelihood of occurrence.	Any action identified to mitigate the effect of the risk, should it occur, or to reduce the likelihood of its occurrence.	Who is responsible for managing actions to mitigate the risk?

