

REPORT FOR DECISION

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| Agenda Item | |
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MEETING: Audit Committee
DATE: 19th April 2007
SUBJECT: Partnership Working
REPORT FROM: Head of Strategic Finance
CONTACT OFFICER: Stephen Kenyon

TYPE OF DECISION: KEY DECISION

**FREEDOM OF INFORMATION/
STATUS:** For Publication

SUMMARY:

This report outlines the Council's approach to establishing an effective governance / control environment in respect of Partnership working.

OPTIONS AND RECOMMENDED OPTION (with reasons):

Members are requested to note the contents of the report and to endorse the work done to date.

IMPLICATIONS -

**Corporate Aims/Policy
Framework:**

Do the proposals accord with the Policy
Framework? Yes No
See DoFEG Statement below

**Financial Implications and
Risk Considerations**

**Statement by Director of Finance
and E-Government:**

As Partnership working increases, it is essential that arrangements are entered into for the right reasons, and that an effective governance framework safeguards the

Council's interests.

Equality/Diversity implications
Considered by Monitoring Officer: Yes No

Are there any legal implications? Yes No

Staffing/ICT/Property: No

Wards Affected: No

Scrutiny Interest: Resource & Performance Scrutiny
Commission

TRACKING/PROCESS

DIRECTOR: Finance & eGovernment

| Chief Executive/ Management Board | Executive Member/ Chair | Ward Members | Partners |
|--------------------------------------|-------------------------------|-----------------|--------------------------------|
| 26/3/07 | | | Public Services Board – May |
| Scrutiny Commission | Executive | Audit Committee | Council |
| | | 19/4/07 | |

1. BACKGROUND

- 1.1 The Authority engages actively in Partnership working and this trend is certain to continue as Partnerships play an increasingly important role in the future of Public Sector service delivery.
- 1.2 Partnership working is a relatively new way of working and presents challenges and opportunities for all involved.
- 1.3 Procedures need to be in place to ensure careful selection of Partners, the adoption of appropriate governance standards and the effective monitoring and evaluation of Partnership activity.
- 1.4 The Council's recent "Use of Resources Auditor Judgement" stated;

"The Authority needs to identify it's significant partnerships and should monitor the financial performance of these on a regular basis (KLOE 2.2)"

"The approach to the inclusion of partnerships in departmental risk registers should be consistent across the Authority. Significant

partnerships should be included with specific risks related to those partnerships identified and documented (KLOE 4.1)”

“The Authority should identify its significant partnerships and ensure that appropriate governance arrangements are in place to meet the “must have” criteria for 2007. These arrangements should also be regularly reviewed (KLOE 4.2)”

1.5 This report outlines a proposed “Code of Practice” for Partnership working – full version attached.

2. AIMS OF THE CODE

2.1 The Code of Practice aims to ensure the following are in place for all new and existing Partnership arrangements;

- Clear governance arrangements; accountability, legal safeguards etc
- Effective controls / business case to support the creation of Partnerships
- Full register of all Partnerships entered into by the Authority
- Clearly defined objectives
- Clear finance monitoring & reporting framework
- Clear performance monitoring & reporting framework
- Full risk assessment at “Authority level”
- Shared risk assessment at “Partnership Level”

3. SUMMARY OF CODE

3.1 The Code is currently in draft format, and being circulated within Departments for comment.

3.2 The overall structure of the code is as follows;

- Applicability of Code of Practice
- Drivers & Incentives for Partnerships
- Definitions
- Successful Partnerships
- Challenges of Partnerships
- Assessing the need for a Partnership Arrangement
- Template for Partnership Agreements
- Membership of Partnership Boards / Management Committees
- Financial matters
- Employment and secondment of staff for the Partnership
- Information Sharing
- Risk Management (register template & checklist)
- Partnership Toolkit

4. IMPLEMENTATION OF CODE

- 4.1 Consultation within Departments is expected to conclude at the end of April 2007.
- 4.2 Thereafter, a final version of the Code will be formally launched with briefings through Departmental Management Teams, Chief Executive's Briefing, Metro Matters etc.
- 4.3 The Code proposes a clear definition of Partnerships, and recommends the adoption of a "Partnership Register". Work is already well underway to complete this for key Partnerships, and this will continue for all Partnerships within the scope of the definition.

5. RISK MANAGEMENT

- 5.1 Management of risk associated with Partnership activity needs to be applied at 2 levels;

- At **AUTHORITY** level – ie the risks the Partnership may pose to Bury MBC
- At **PARTNERSHIP** level – ie the risks facing the Partnership as a whole

5.2 Authority Level

The Council's existing risk management approach is to be used to record, monitor and report risks posed to the Authority.

The Code of Practice includes a "Partnership Risk Template" to record risks, score their likelihood / impact and to document control measures in place.

To assist managers, a checklist of "common" Partnership risks is included in the Code.

5.3 Partnership Level

Partnership working presents a number of new risks;

- Partner organisations will have different aims and objectives
- Often Partnerships are innovative, and there is no proven track record for the work they are undertaking.
- By definition, they involve different organisations, with different cultures and systems.
- It is likely each organisation will have a different approach to the management of risk
- Organisations will have differing risk thresholds / risk "appetite"

It is essential that the Partnership manages risks (and maximises opportunities) that can impact upon the aims and objectives of the Partnership as a whole.

Meetings have been held with principal Partners (Police, Fire, PCT) to assess the risk management models they operate, and specifically how they assess the risks of working in Partnership.

These models are to be aligned with the Council's own model to develop a shared "Partnership Level" Risk Register for adoption by the Public Services Board.

6. RECOMMENDATIONS

- 6.1 Members are requested to note the work done to date, and to endorse the approach taken with regard to formalisation of Partnership activities and management of risk.

List of Background Papers:-

(Draft) Partnership Code of Practice

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