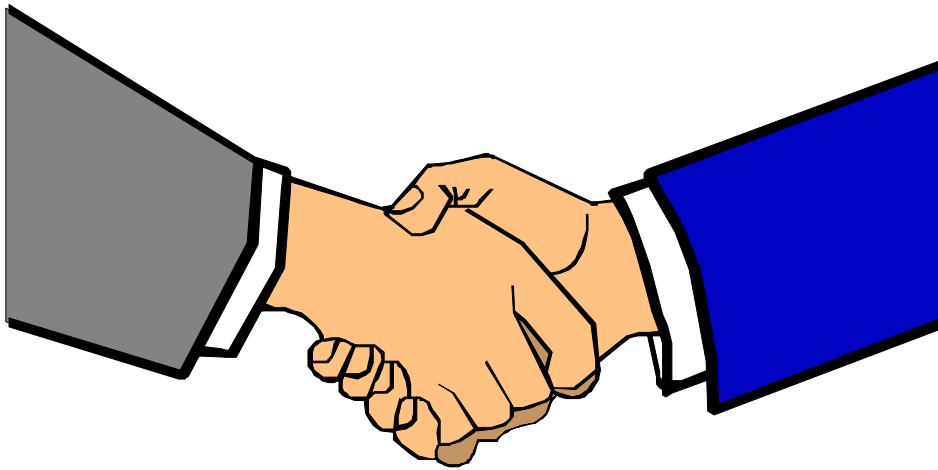




(DRAFT)

**CODE OF PRACTICE
FOR PARTNERSHIPS**



CONTENTS

	PAGE
Introduction	1
- Who should use this Code of Practice	1
- What does this Code offer	1
Drivers and Incentives for Partnerships	2
Definitions	3
Successful Partnerships	5
Challenges of Partnerships	6
Assessing the Need for a Partnership Arrangement	7
Template for Partnership Agreements	9
Membership of Partnership Boards / Management Committees	10
Financial Matters	12
Employment and Secondment of Staff for the Partnership	16
Information Sharing	17
Risk Management	18
Partnership Toolkit	
Types of Partnership	Appendix 1
Useful Checklists	Appendix 2
Signing Off Procedure and Checklist	Appendix 3
Example Heads of Terms for Partnership Agreement	Appendix 4
Responsibilities of Members and Officers	Appendix 5
Finance Flowchart	Appendix 6
Employment Flowchart	Appendix 7
Secondment Flowchart	Appendix 8
Information Sharing	Appendix 9
Partnership Risk Assessment Model	Appendix 10
Contacts Advice and Information re Partnerships	Appendix 11

1. INTRODUCTION

- 1.1 'Partnerships' are playing an increasingly important role in the future of policy development and service delivery for the public sector. At a national level the government is increasingly seeking to promote joint working and over recent years there has been a significant increase in the use of 'partnerships' to deliver the Council's core business and contribute to its achievements and priorities. The Council works and is encouraged to work in 'partnership' with other public bodies, the private sector, and the community and voluntary sector to deliver improvements in the quality of life in the Borough including regeneration, health, education, social inclusion and diversity.
- 1.2 However, extended 'partnership' is a relatively new way of working for most organisations and presents challenges for all involved. The way in which the Council works and the relationships that are developed are critical. By establishing this Code of Practice it is intended that the Council will become more consistent in its approach and that better partnership relationships will follow.
- 1.3 In particular, 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 the effectiveness of partnerships.
- 1.4 It is important to understand that involvement in 'partnerships', however small or seemingly insignificant, usually carries legal, procurement, financial, personnel, reputation and service delivery risks and implications for the Council; and for partners, some of whom as small organisations may rely heavily on that 'partnership' to sustain its existence.
- 1.5 This Code of Practice aims to ensure that the Council adopts a flexible, efficient and robust approach to engaging with 'partnerships' and forms an important element of the Council's overall regulatory framework in relation to procurement.

Who should use this Code of Practice?

All Council Members and Officers currently involved in or considering 'partnership' working. Regard should be had to this Code in developing all new partnership arrangements from 2007. In addition, all existing arrangements should be reviewed in light of this Code to ensure that a written agreement exists covering the key governance issues outlined in this Code.

What does this Code offer?

This Code will:

- Provide a corporate framework for all staff involved in considering new partnership working;
- Assist Members and officers wishing to review existing arrangements.

2. DRIVERS AND INCENTIVES FOR PARTNERSHIPS

2.1 In recent years, the focus for many public, private, voluntary and community organisations has been on the opportunities afforded by collective working in using partnership and joint working arrangements. The Council recognises the benefits partnership working can bring in delivering significant improvements to the Borough and encourages the development of partnerships at a number of levels.

2.2 Indeed, many new funding sources can only be accessed by the demonstration of multi-partner approaches to action on a wide range of issues. If planned and developed properly, partnerships can bring many benefits to the delivery of services, as below.

- Better outcomes for customers, clients, communities, members, vulnerable people particularly with respect to multi dimensional issues, e.g. Community Safety;
- Economies of scale and reduction in duplication;
- Shared skills and knowledge;
- Different perspectives and experience and approaching problems from different angles;
- Effective use and allocation of resources;
- Data sharing and improved understanding;
- Improved local support;
- Awareness of priorities enabling the planning and direction of resources;
- Mobilising additional resources;
- Staff development to enhance performance;
- Greater understanding of partners' aims, objectives and barriers;
- Improved ability to network;
- Improved understanding of the issues facing each of the partners;
- Improved public perception, i.e. seamless approach;
- Better sharing and management of risk; and
- Stronger voice / lobbying.

The CPA (Comprehensive Performance Assessment)

2.3 Comprehensive Performance Assessment guidance places increasing emphasis on the Council's partnership 'performance', as both Community leader and service deliverer. In judging the quality and impact of the Council's efforts to deliver improvements for the community, assessment will be made of the Council's leadership and influence in respect of local partnerships and other local agencies.

The Corporate Assessment process will measure the Council's ability to engage with and lead communities, deliver community priorities in partnership with others and ensure continuous improvement. This has grown in importance as a driver for cross-boundary and cross

organisation working and will reflect on the performance of the Council as a whole.

3. DEFINITIONS

- 3.1 This section is designed to give an overview of what is meant by a 'partnership' and will help to define partnership types. There can be little doubt the terms "partnership", "partnering" and "partnership working" are some of the most overused and misunderstood concepts in local authorities at the present time. For this Code of Practice the term partnership refers to:

**A RELATIONSHIP BETWEEN TWO OR MORE INDEPENDENT
LEGAL BODIES, ORGANISATION OR INDIVIDUALS
WORKING TOGETHER TO ACHIEVE A COMMON VISION
WITH CLEAR AIMS AND OBJECTIVES**

It should be noted that the selection of partners must be underpinned by a procurement process as set out in the Council's Contract Procedure Rules except for the following circumstances:

- where there is no exchange of funds (e.g. information sharing only)
 - where the Council is providing grant (e.g. this would not apply where funding depends upon detailed specified requirements)
 - where it is permitted, required or encouraged by law (e.g. joint committees, pooled budgets and Integrated Services with Health Trusts)
- 3.2 As this area can be complex and legal challenges can arise, the view of the Council's Corporate Procurement team and/or Legal Services should be sought before any discussions are held with potential partners.

It is recognised that it is beneficial to work in partnership with private contractors in order to deliver improved services, works or goods and that forms of incentive can be incorporated into the contractual relationship. Often this is referred to as 'partnership working'. This covers the manner in which the client and contractor relate to each other and is about processes and behaviours which are in place once the procurement process to appoint the contractor has been completed. As such, elements of this Code of Practice may not be appropriate.

3.3 Areas not covered by this Code

Although a number of the issues raised within this Code are worth consideration it is not expected that it be applied to:

- Groups where the Council has direct control over budgets or decision making ;
- Informal groups set up to discuss and consider specific topics (consultation groups);
- Appointments and/or financial commitments to outside bodies where the Council has no strategic or policy function (e.g. where Council provides grants and requires a place on the Board);
- “Commercial partnerships” with a view to making a profit (which are subject to the Partnership Act 1890).

3.4 This guidance document is only concerned with arrangements where the Council is **‘working with’** other parties towards a **‘common vision’**. Essentially partnerships fall into two categories:

- **Partnerships permitted, required or encouraged by law**

In these circumstances there is no requirement to undertake a procurement exercise to select the partner – although on occasions it may be beneficial to do so. Examples include:-

- formal Forums
- Joint Committees (Local Government Act 1972, s101)
- Management Committees
- Local Strategic Partnership (LSP)

- **Operational/Service Delivery Partnerships, e.g.:**

In these circumstances the requirements of the Council’s Contract Procedure Rules must be followed in selecting the partner(s) and take precedence over the principles of this guide. Examples include:-

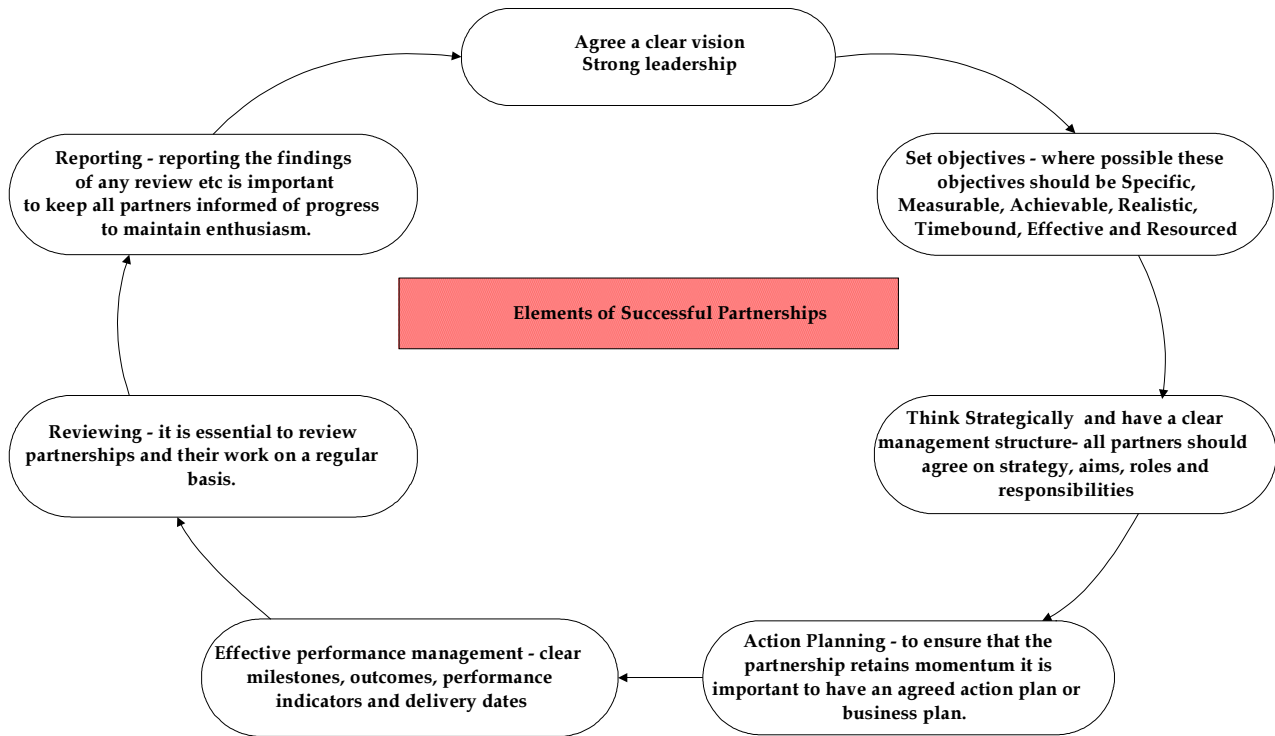
- Joint Venture Companies
- PFI projects

Fuller explanations of these types of partnerships are detailed in Appendix 1.

Whilst there are differences in each of the above types of partnership, many of the issues in respect of partnering are very similar.

4. SUCCESSFUL PARTNERSHIPS

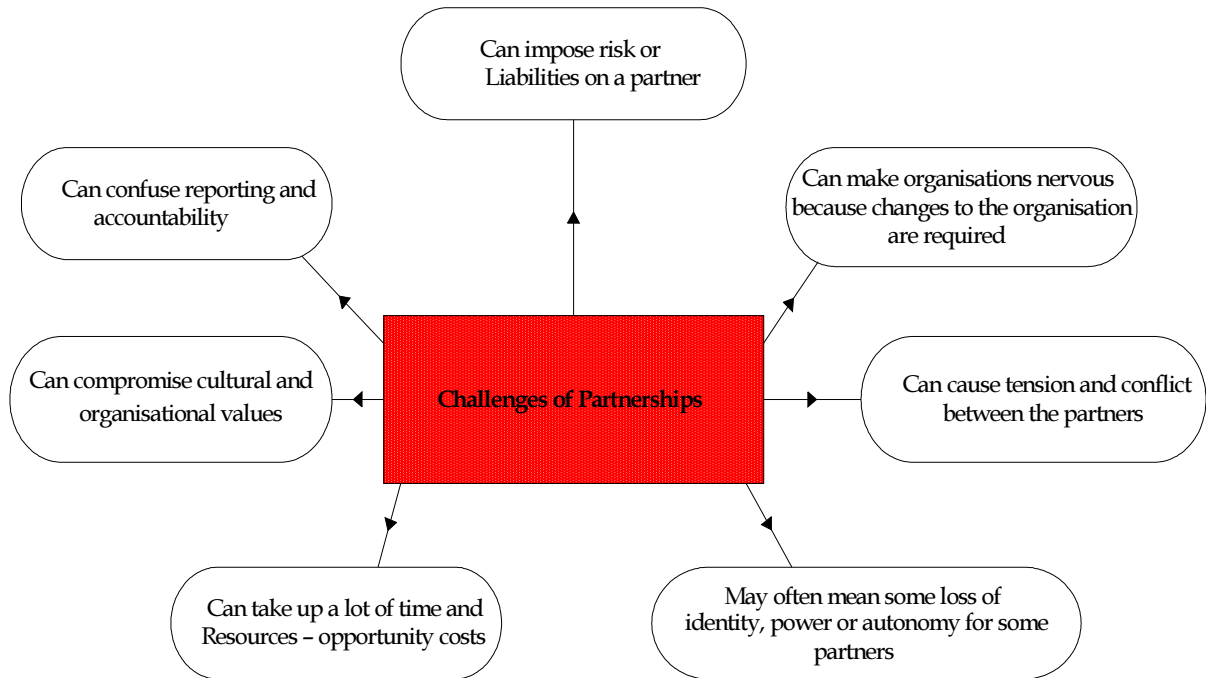
4.1 Developing a successful partnership can make a real difference to the delivery of services to the citizens of the Borough. However, there are a number of simple guidelines that that can help achieve successful partnerships. A successful partnership relationship involves the following:



The involvement of service users / stakeholders at all of the above stages should be considered

5. CHALLENGES OF PARTNERSHIPS

5.1 If partnerships are not set up correctly, poorly managed or not fully understood the Council's involvement in partnerships can give rise to financial liabilities and be time consuming, costly and ineffective and raise public concerns about the Council's operations. The following outlines some of the challenges partnerships face, which need to be considered at the outset and subsequently addressed in an appropriate written partnership agreement.



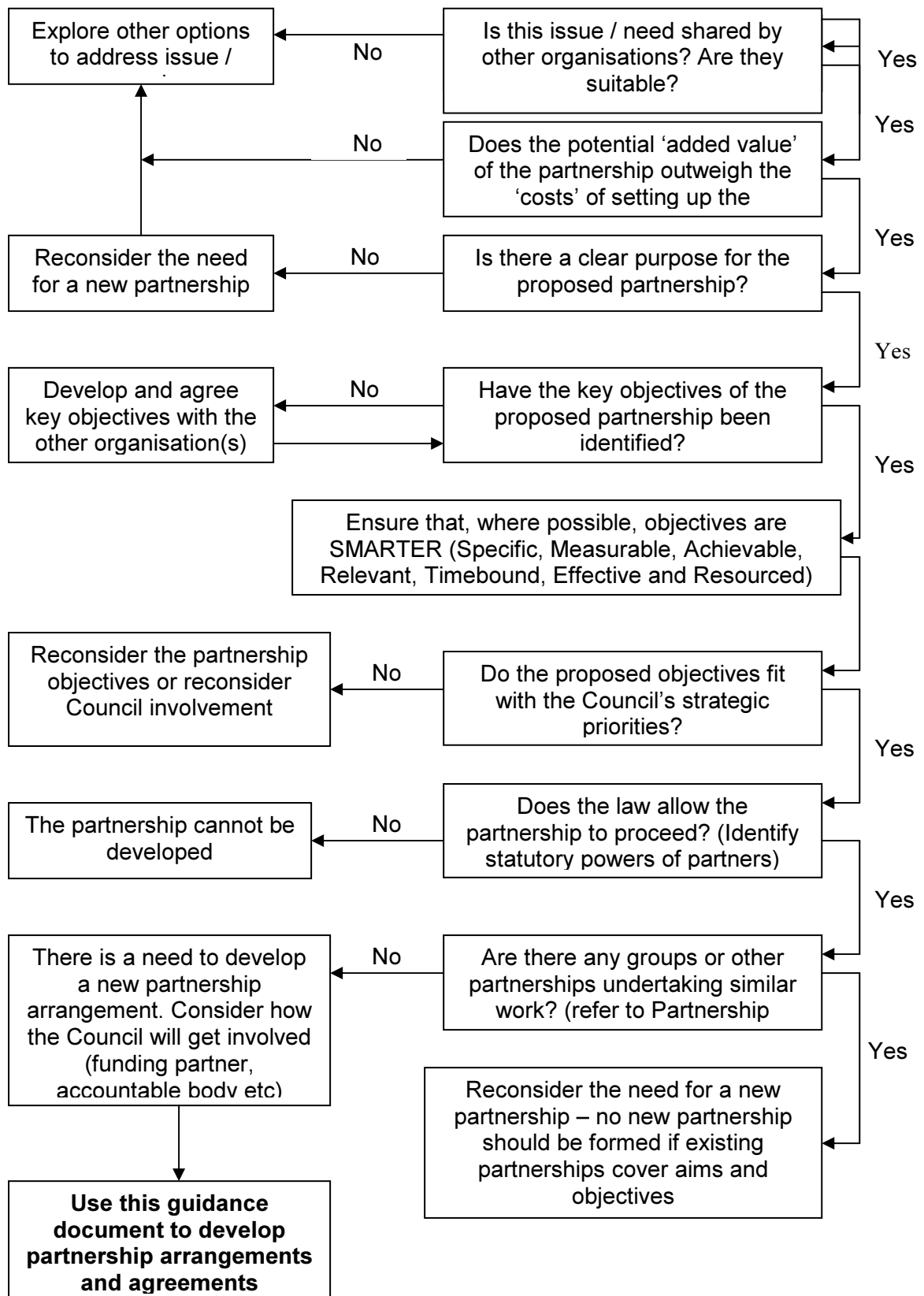
6. ASSESSING THE NEED FOR A PARTNERSHIP ARRANGEMENT

6.1 Successful partnerships are characterised by a shared vision or purpose, where partners agree to modify their own activities and resources to implement the overall partnership goal within new arrangements.

6.2 The idea of a shared vision or purpose is a vital factor, without it, a partnership is unlikely to be in a position to deliver. It is therefore essential that the partnership has agreed clear aims and desired outcomes and that these are achieved through clear terms of reference. It is recognised that in practice this can be developmental and should be kept under review.

6.3 When an issue, idea or need has been identified, it is important to thoroughly test the need for a partnership arrangement. A checklist of more specific issues to be considered and a Partnership Sign Off procedure and form are provided at Appendix 2 and 3 respectively.

6.4 Approval for entering into a partnership relationship should be agreed in principle with the appropriate Director(s) / Chief Officer(s) or by the Executive (refer to the Council's Constitution and Delegation Scheme). This should be done before any commitments or changes in service delivery or operational arrangements (e.g. staffing moves etc.) are made.



7. TEMPLATE FOR PARTNERSHIP AGREEMENTS

**ALL PARTNERSHIPS NEED A WRITTEN SIGNED AGREEMENT
OR PROTOCOL BETWEEN ALL PARTNERS**

- 7.1 A Partnership Agreement is like a rulebook or a guidebook. It should define how partners will work together, who will be responsible for what, who will report to whom, how services will be provided, how decisions will be made, how the funding will be shared etc. Any financial relationship with a partner must be fully documented and legally binding. The formal agreement will bind together all of the issues of concern including the financial arrangements, governance and exit strategy.
- 7.2 The Council's procedure for approving involvement in partnerships requires the relevant Member or Director / Chief Officer(s) to approve the partnership agreement which is in place (Executive approval may be required, please refer to the Constitution).
- 7.3 The template at Appendix 4 provides a tool to help develop new partnership agreements, review existing partnership agreements or develop constitutions into partnership agreements. It shows the areas that would be expected to be covered by the Agreement. In addition, where a procurement exercise is required to select the partner then specific forms of contract developed for the purpose of partnership working should be considered (e.g. the ECC Engineering Contract).
- 7.4 The resulting Partnership Agreement may comprise a short document or something more substantial, depending on the nature of the partnership in question and the complexity of the issues raised by it.
- 7.5 The Partnership Agreement should be reviewed at least annually and amended where agreed and appropriate.
- 7.6 **For all agreements, advice and guidance must be sought from the Director of Legal and Democratic Services (see contacts page at Appendix 7) at the earliest opportunity. All Partnership Agreements must be approved by the Director of Legal and Democratic Services, the Director of Finance and E-Government, and relevant Director/Chief Officer(s).**

8. MEMBERSHIP OF PARTNERSHIP BOARDS/ MANAGEMENT COMMITTEES

- 8.1 There are increasing numbers of local bodies that can impact on the lives of local people, and Councillors can play an important role in communicating local views to key public and private agencies and in influencing decision making.
- 8.2 It is easy for big partnerships to allot decisions between powerful agencies and to forget the local public. Councillors play a vital community leadership and representational role in ensuring that local people, individually and collectively, are not left out of partnership arrangements. It is equally important to involve service users at the earliest opportunity and at subsequent stages.
- 8.3 There are may be many types of cross-agency partnership arrangements at a neighbourhood level and Councillors will need to represent local views and interests effectively to the relevant partnerships.
- 8.4 Importantly, a Councillor might well be the only person on a partnership with democratic accountability and thus will have a duty to be very careful about what public money is used for.
- 8.5 For an informed decision to be made as to whether it is appropriate for the Council (Councillors or Officers) to be involved in a partnership arrangement, the following information should be documented and considered:
- who the partners are;
 - aims and objectives;
 - how long the partnership is expected to last;
 - the legal status of the partnership;
 - risk management arrangements;
 - what geographical area the partnership will cover;
 - the decision making arrangements;
 - the role description of its Councillors / Officers (including duties expected);
 - the regularity of meetings;
 - whether the partnership covers the expenses of its members;
 - if the Council is expected to contribute any funding or other resources;
 - insurance/indemnity arrangements;

- financial accountability arrangements; and
- proposed Exit Strategy.

The general roles of Members and Officers who are assigned to Partnerships are detailed at Appendix 5(i). More specific advice should be sought from the Director of Legal and Democratic Services where deemed appropriate.

Officer Support for Members

- 8.6 It is important for the right level of support to be available for Members who are involved in partnerships on behalf of the Council.
- 8.7 The initial point of contact for a Member who requires any support in their partnership role is the relevant Chief Officer or Head of Service.
- 8.8 Officer support for Members serving on Partnerships can come in three forms:

TRAINING	ADMINISTRATIVE SUPPORT	ADVICE & GUIDANCE
<ul style="list-style-type: none"> • Skills development • Advice and guidance on training needs and accountability issues* when working as part of a partnership. 	<ul style="list-style-type: none"> • Updating Partnership Register • Circulating documentation • Writing up action minutes and agendas • Organising meetings, venues etc (as appropriate per agreement) 	<ul style="list-style-type: none"> • Specialist knowledge • Advice on legal issues and personal liabilities • Mentoring • Helping with the decision making • Information gathering

(*In view of the potential for conflict regarding Members roles (i.e. for the Council as opposed to the Partnership) it is essential that Members are made aware of this issue.)

Partnership Register

- 8.9 The Director of Legal and Democratic Services will hold a Partnership Register, which is maintained as a comprehensive live record of the Council’s involvement in partnerships. The register is to be updated as appropriate by each Directorate.

8.10 The purpose of the Register is:

- § To allow the Council to monitor and evaluate its involvement in partnerships and identify potential risk and benefits;
- § To be a valuable reference point when entering into new partnership initiatives;
- § To reduce the risk of duplication;
- Ensure that appropriate reporting procedures are in place;
- To enable the Council to direct advice & guidance on training for Members and Officers.

9. FINANCIAL MATTERS

There is a range of financial issues to consider when setting up a partnership and a number of them are covered below.

Finance

9.1 Generally, if no finance is directly involved then, in most circumstances, this section of the Guidance could be dispensed with. However, if there is the possibility of the “partnership” committing either Council funds or Services then the implications of this must be considered, e.g.:

- § Budget implications and formal approval to incur expenditure against the commitment.
- § Where any finance is to be exchanged then it is essential, from the outset, that there is delegated authority to spend.
- § The partnership will also need to establish what happens to overspends and underspends.

Accountable Body

9.2 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 Authority” or “Lead Authority”). 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.

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

9.4 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
- 9.5 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
- 9.5 An Accountable Body may either be the partnership itself (if it has formed a legal body) or one of the members of the partnership acting on behalf of the rest of the partners
- 9.6 In principle, the Council will consider being the Accountable Body subject to a risk assessment of the responsibilities applying to being Accountable Body.
- 9.7 Before taking on the role of Accountable Body there must have been prior approval of the Director of Finance and E-Government and the Director of Legal and Democratic Services, and Executive where deemed appropriate.

Pooled Budget

- 9.8 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.
- 9.9 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

- 9.10 It is essential that regular monitoring reports are produced as an aid to good financial management; your Finance Manager will determine the frequency and style of reports and therefore consultation with him/her is essential. This is particularly important where the Council is the Accountable Body.

Procurement Procedures

- 9.11 As any funds from the Council are public money then the procurement framework of the partnership should be comparable to the Councils. The proposed arrangements must be agreed with the Council's Corporate Procurement Manager. Where the Council is the Accountable Body the Council's Contract Procedure Rules must be complied with (regardless of funding source).

VAT

- 9.12 VAT is a very complicated area and advice must be sought from the Director of Finance and E-Government. 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. Again, seek advice from your Finance Manager.

Audit Requirements

- 9.13 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 Council's Internal Audit service.

Document Retention

- 9.14 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. Seek advice (if necessary) from your Finance Manager and the Director of Legal and Democratic Services.

Grants

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

- 9.16 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 (in such cases, there is the possibility that Members should be consulted in advance). It is also necessary to avoid the potential claw back of any grant monies. In this respect seek advice from your Finance Manager.

Risk Assessment

- 9.17 It is vital that all partners and the Partnership itself carry out a full and robust process to identify, analyse and put in place effective measures to control the risks. Additionally partners should carry out regular monitoring of these risks to ensure they are successfully controlled and any risk log updated.

Liability

- 9.18 Throughout the planning and implementation stages of the partnership, there must be thorough and comprehensive attention to the liability issues for the Council.
- 9.19 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 for example, this is a contravention of Inland Revenue regulations.
 - The Council need to be indemnified against any actions that a partner (or partnership) may make.

Exit Strategy

- 9.20 Invariably, “partnership arrangements” are often set up as a result of Government initiatives, and funding is usually by way of a grant for say 3 or 4 years. Upon cessation of the grant, Central Government often expects local authorities to mainstream these projects (if evaluation indicates successful outcomes) into its normal day to day business. The Council must be fully aware, therefore, of any potential funding shortfalls, loss of assets etc.
- 9.21 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. Seek appropriate advice from the Director of Legal and Democratic Services, Director of Finance and E-Government and Director of Personnel.

Budget Holder

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

10. EMPLOYMENT AND SECONDMENT OF STAFF FOR THE PARTNERSHIP

10.1 When employing staff both part-time and full-time, there are many issues which need to be handled carefully, it is therefore essential that the Director of Personnel and directorate HR teams are consulted at the outset.

10.2 When a partnership (which is not a legal entity) ‘employs’ staff, one partner should act as the employer. This should be detailed in the Partnership Agreement.

10.3 Where the Council is to be the Employer then the Council’s Human Resources Policies and Procedures must be followed (e.g. recruitment and selection).

10.4 In the case of volunteers – consideration must be given regarding training and support needs.

10.5 For employed staff and volunteer staff – security checks with the Criminal Records Bureau must be carried out if working with children and vulnerable adults.

Specific Issues re the Secondment of Staff

10.6 In the case of seconding staff to the partnership, a clear agreement must be drawn up between partner organisations. Secondment agreements can be complex and give rise to liabilities – advice **must** be sought from Directorate Personnel Sections in the first instance.

10.7 There are a number of issues to consider when seconding staff, as below:

- Pay
- Equipment
- Which Rules apply
(re Code of Conduct, Financial Procedure Rules etc.)
- Leave
- Appraisal
- Insurance
- Training
- Grievance procedures & cost of disputes
- Home working
- Personal development

11. INFORMATION SHARING

11.1 Information is an asset of the Council and it is important that responsibility is assigned and appropriate controls are put in place. This section only applies to partnership arrangements which involve the sharing, storing or collecting of information.

11.2 The Director of Legal and Democratic Services can provide guidance on aspects such as:

- Legal Compliance - Data Protection Act, Freedom of Information Act (disclosure), Copyright
- Information Standards - to facilitate sharing

11.3 What to consider when developing Information Sharing Protocols

- Working protocols will need to be specific to the particular operational requirements arising from the client group concerned and should be developed with the support of relevant professionals and representatives of the client group.
- The partnership may choose to develop the protocol themselves or to commission someone to draft the protocol for their comment.
- The person or group responsible for developing the protocol should consult with all partners and stakeholders with a view to the adoption of a common format and common or integrated procedures where appropriate.
- Reviewing protocols developed for the same user group elsewhere or for other user groups can shorten the development process, but should be done with a clear understanding of the local requirements and environment.

Issues to be addressed:

- Disclosure of data
- Request for data
- Responding to requests
- Transfer of data
- Receiving data
- Purpose of sharing/storing of data
- Review procedures
- Professional codes of conduct (*Caldicott, Freedom of Information, Data Protection etc*)

12. RISK MANAGEMENT

- 12.1 Successful Risk Management enables the Partnership to effectively manage strategic decision making, service planning and delivery to safeguard the well-being of its stakeholders and is crucial to the achievement of all its objectives.
- 12.2 Good Risk Management is one of the principle elements of good corporate governance. The process involves identification, analysis, control and monitoring of risks and the maximisation of opportunities that can impact on the Partnership's aims and objectives. It is therefore important that adequate Risk Management arrangements are in place.

Aims of Risk Management in Partnerships

- The Partners are aware and understand the nature and extent of the risks they face individually and in partnership working.
- To have an effective strategy in place to manage those risks within the Partnership.
- Everyone effectively manages risk to ensure the Partnership's objectives are achieved.

PARTNERSHIPS PERMITTED, REQUIRED OR ENCOURAGED BY LAW

In these circumstances there is no requirement to undertake a procurement exercise to select the partner – although on occasions it may be beneficial to do so.

Formal Forums

These forums are a medium for open discussion and debate which play an important key role in the shaping and development of policies, strategies and service delivery (e.g. Regional Centres of Excellence, Modernisation and Reform Groups [Health and Social Care]).

Joint Committee

This type of partnership may be appropriate where two or more local authorities wish to undertake joint activities, e.g. to combine their resources to obtain economies of scale and greater commercial bargaining power.

Management Committee

A Management Committee is a steering group which works together to support the management of a particular project or organisation.

Management Committees generally do not have independent legal status and, therefore, each member will have to recognise what individual responsibilities and liabilities they could encounter (e.g. Sure Start Management Committees).

Local Strategic Partnership (LSP)

The final government guidance on Local Strategic Partnerships (LSPs) was published in March 2001. The aim is to bring together the public, private, voluntary and community sectors to improve the delivery of public services and the quality of life for people at local level.

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

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

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

Examples of legislation that have encouraged partnerships in local authorities include the Crime and Disorder Act 1998, the Health Act 1999 and the Local Government Act 2000.

Crime and Disorder Act 1998

This Act encourages partnerships between all local authorities and the police forces, as it places joint responsibility on these organisations to work together with other relevant organisations to develop strategies to reduce crime (e.g. Community Safety Partnership).

The Health Act 1999 and Local Government Act 2000

These Acts make it possible for health bodies and local authorities to enter into closer partnerships arrangements to facilitate more 'seamless' services and will enable the needs of service users to be met in a more holistic way, irrespective of which is the originating provider of the services they receive.

The types of arrangements that are encouraged or required by law include the following:

- pooled budgets (pooling together of money in a shared fund used for agreed services);
- lead commissioning (one agency takes on the function of commissioning the services which are delegated to it by other partners – as opposed to joint commissioning); or
- integrated service provision (allows different professionals to work within one management structure). e.g. Community Health Partnership

OPERATIONAL/SERVICE DELIVERY PARTNERSHIPS

These Partnerships are mainly engaged in the delivery of operational and support services. They can involve the public, private and community / voluntary sector.

The selection of the partners must be in accordance with the Council's Contract Procedure Rules.

ASSESSING THE NEED FOR A PARTNERSHIP ARRANGEMENT USEFUL CHECKLISTS AND SIGNING OFF PROCEDURE

This Appendix provides useful checklists to assist in developing successful partnerships. It is important to ensure that all steps shown on the checklists have been considered and acted upon, where appropriate.

Objectives / Planning / Initial Steps	
<p>The establishment of any partnership arrangement will require that all partners have clear shared objectives and are able to set a realistic plan and timetable, within a clear framework of responsibilities and accountability. The time taken to plan and set-up a partnership effectively should not be underestimated.</p>	
Question	Comments (sufficient in each case to show how each question has been considered)
Have you agreed what the shared vision and objectives are?	
If no procurement exercise is proposed to select the partner(s) have you agreed this with Corporate Procurement?	
How would the proposed partnership contribute towards the Council's ambitions and priorities?	
What legal powers will be used to create the partnership?	
What consultation has been undertaken with other relevant departments and key stakeholders about the outcomes and high-level objectives that you want the partnership to deliver?	

Have the necessary INRAs been completed (refer to Equality Standard and Policies)?	
Is there a clear, measurable plan, including appropriate timescales for delivering the partnership implementation plan?	
Have all partners agreed the implementation plan?	
Have you undertaken a risk assessment for the partnership plan?	
Are the proposed partners clear who is responsible for delivering the plan?	
Have you considered how the partnership will be sustainable into the longer term? (if not fixed term)	
Has authority been sought to implement the partnership, i.e. Executive approval?	

Inclusivity, Communication and Good Practice

Inclusivity should be about providing opportunities for stakeholders to contribute to the work of the partnership. Effective communication will concentrate on ensuring that the partnerships aims and outcomes are understood and publicised. The adoption of “Good Practice” will ensure that lessons learnt will be implemented by the partnership contributing to continuous improvement.

Question	Comments (sufficient in each case to show how each question has been considered)
What will be the impact of this partnership on the clients?	
What will the impact of this partnership be on stakeholders and other services?	
Will there be resistance to this partnership. If so, what action will be taken to resolve issues?	
How can you actively involve all the partners you need to reflect different perspectives in the local community?	
How will you ensure you are aware of best practice examples relating to the proposed partnership?	
Have you obtained and considered specific good practice guides (national or professional bodies)?	

Governance, Accountability and Probity	
<p>If governance arrangements within partnerships are weak or not fully thought through, then the partner discharging the accountable body role, often the Council, will be at risk both in terms of financial responsibility, but also in respect of the Council's good reputation and standing.</p>	
Question	Comments (sufficient in each case to show how each question has been considered)
What form / model of governance best meets the needs of the partnership? (e.g. Joint Ctte)	
How will the partnership account to the Council for its activity?	
Will the proposal meet "best value" requirements?	
How will openness / transparency in governance be achieved?	
When and how will reviews be undertaken out on partnership activities?	
Is the partnership clear what it will do if poor performance is reported?	
How will users and other stakeholders be represented on the partnership?	
What will be the risk management arrangements? (including business continuity)	
Does the performance management process include clear milestones, outcomes and delivery dates?	
How will you account / report performance to your clients?	
What process will be set up to resolve disputes?	

Are partners clear on the length of agreement and have an agreed exit strategy for the partnership?	
What formal monitoring and appraisal systems will be put in place?	
Is there a relationship of trust between the partners?	

PARTNERSHIP SIGN OFF - CHECKLIST

(to be attached to the Record of Delegated Decision sheet)

This checklist should document who has been consulted during the process of setting up or reviewing a partnership. The Director(s) / Chief Officer(s) who will be signing off the Partnership Agreement will then refer to this and identify what advice/guidance has been sought throughout the process, and whether that advice/guidance had been followed.

The Partnership Agreement should provide evidence that the recommendations have been taken into account – if there is no evidence then reasons should be sought prior to finally signing off the agreement.

Department	Key Areas for Consultation	Name and position of advising officer and advice provided
Portfolio Holder		
Director of Legal & Democratic Services (Written Approval is required)	- Legal powers - Terms of Agreement - Information Management / Sharing	
Director of Finance & E-Government (Written Approval is required)	- Funding - Accounting - Financial liabilities - VAT	
Corporate Procurement/ Legal Services	- EU Directive / CPR compliance - Procurement process	
Insurance Section & Risk Manager	- Risk Management - Insurances	
Corporate ICT	- Fit with ICT Strategy - Hardware compatibility - Software compatibility - Security	
Corporate Personnel	- Terms and Conditions - HR policies / procedures	
Corporate Performance Team	- Contribution to Strategic Objectives (strategic fit)	
Corporate Performance Team	- Measurement of Outcomes	
Other (please specify)		
<p>I have consulted the above, considered their advice and the contents of the Code of Practice on Partnerships and am satisfied that the Partnership, as proposed, should proceed.</p> <p>Director / Chief Officer: _____ Date : _____</p>		

EXAMPLE HEADS OF TERMS FOR PARTNERSHIP AGREEMENT

A. INTRODUCTION

State that this is a partnership agreement between *name of each partner*.

B. VISION / PURPOSE AND OBJECTIVES OF THE PARTNERSHIP

The Vision / Purpose of the partnership should be clearly stated. *A vision describes what you want to see in place some years down the road. It is a picture of the future.*

The specific Objectives for the partnership should be clearly stated. *The Objectives should be specific, measurable and practical so that you know what you want to achieve and whether you are achieving it. They should focus on outcomes and results rather than activities, i.e. what you will accomplish rather than on how you will work or what you will do.*

C. SERVICE PROVISION

The Services to be provided by the Partnership should be clearly stated (including duration of partnership).

D. RUNNING THE PARTNERSHIP

Document the following:

Partners' Roles / Duties / Responsibilities

Decision Making Procedures

Secretariat role

Identify ownership of assets

Information Sharing Protocols / Confidentiality Issues

Risk Management Arrangements

Project Management Arrangements

Equality Policy and objectives must be included (refer to Equality Standard)

Employment / Staffing Issues (covering employment, recruitment, discipline, standards of conduct, CRB checks, equality, secondments)

Retention of Records

How will the partnership monitor and evaluate activities (e.g. scrutiny)?

Organisational and Management structure and reporting mechanism— *it is sometimes useful to include an organisational chart indicating who is responsible for what and who is reporting to whom.*

§ Reporting mechanisms (*How often, who reporting to and what reporting on*)

§ Performance Management arrangements

§ How will complaints be handled?

§ Member Involvement (roles and responsibilities, democratic accountability, declaration of interests etc).

E. FINANCIAL MATTERS

Where applicable document:

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

Access rights for the Council's Internal Audit Service must be included within the Agreement.

F. SPECIAL CIRCUMSTANCES

- Dealing with media
- The circumstances necessary to expel a partner
- Resolving disputes (what complaints procedure should be applied in the case of dispute between partners or from service users)
- Procedures for whistle blowing/anti-fraud etc (in the case of financial irregularity – the Director of Finance and E-Government must be informed)
- Breaches of protocol procedures
- How variations to the Agreement will be handled

G. DISSOLUTION

- Termination provisions
- Exit strategy (including liabilities)
- Final reporting
- At dissolution the partners should:
 - § Inform any funders
 - § Provide appropriate final reports
 - § Share knowledge learned from the Partnership
 - § Inform all stakeholders, clients etc as appropriate

H. REVIEW

State when the agreement will be reviewed and by whom.

I. OTHER CONSIDERATIONS

- Indemnities required (consult the Director of Legal and Democratic Services, Insurance Section and Risk Manager)
- Bribery and Corruption clauses
- Conflicts of Interest

**RESPONSIBILITIES OF COUNCIL MEMBERS AND OFFICERS
INVOLVED IN PARTNERSHIPS**

- Follow the procedures outlined in this Code of Practice in the reviewing and development of partnership initiatives;
- Ensure that partnership details are up to date and accurate on the Council's Partnership Register (held by the Director of Legal and Democratic Services);
- The Council representative(s) may need to reflect the views of the Council as a whole and not restrict themselves only to their own areas of interest;
- Comply with agreed reporting procedures (Refer to Appendix 5 (ii) of this Code);
- Be fully aware of Council's procedures before any decisions are made (what authorisation is required and who needs to be consulted?);
- Where applicable – relay information to relevant departments – always ask who needs to know?;
- Representatives should attend as many meetings as possible (demonstrate level of commitment);
- Make sure that substitutes are fully briefed prior to attending any meetings;
- When reporting back (Refer to Appendix 5 (ii) of this Code), look outside the normal sphere – ensure that relevant departments are informed; and
- Regular reviewing of the partnership, training etc is essential for continued effective working (using this Code of practice as reference).

INVOLVEMENT AND REPORTING BACK TO THE COUNCIL

This table suggests what level of involvement is appropriate for different partnership types. It also suggests the reporting procedure needed for democratic accountability and effective monitoring of partnerships within the Council. Reporting procedures will be agreed with the relevant lead Chief Officer.

	Partnerships Permitted, Required or Encouraged By Law				Operational / Service Delivery Partnerships
	Formal Forum	Management Committees	Joint Committees	Local Strategic Partnership	
Council involvement	Member or Officer	Member and Officer (if requested)		Member and Officer	Officer (and Member if appropriate)
Reporting back to the Council	Only if policy issues arise	Only if fundamental policy or performance issues arise		Executive	Only if fundamental performance issues arise

PARTNERSHIP STRATEGIC RISK - CHECKLIST

Risk	Control	Check
Poorly defined shared vision and objectives	Corporate objectives of all partners need to be linked to a shared and agreed joint vision with clearly defined objectives	
Local political leadership changes and support for the partnership declines	Engage members in the debate on partnership and obtain buy-in from all parties.	
Collaborative advantage for working together not clearly defined	Partners must identify collaborative advantages of working together and processes needed to ensure a successful partnership.	
Policy changes within Government and / or partner organisations.	A partnership will only succeed if it can respond to change; therefore flexibility is an essential element of the partnership arrangements.	
The project will not be attractive to potential partners	Develop a robust strategic and outline business case that defines the scope of the partnership. Ensure a marketing exercise has been carried out as part of the business case and views of the market have been factored into the partnership development.	
Partners do not meet performance targets in a satisfactory or timely way.	Develop an agreed Performance Management framework. Encourage joint ownership of problems and solutions, building trust and cooperation.	
No strategic approach to issues of risk, costs and benefits	Define and agree a partnership risk strategy/plan and a comprehensive approach to dealing with costs and benefits of the partnership.	

Risk	Control	Check
Lack of effective and consistent leadership for the partnership	Ensure key roles are allocated and the partnership champion role is adequately resourced.	
Lack of trust within the partnership.	Develop an effective governance structure to build trust and mutual understanding of issues.	
Failure to engage key stakeholders	Identify key stakeholders, and ensure robust communication strategy is in place.	
Robust contracts not drawn up to underpin the partnership.	<p>A formal contract / memorandum of understanding must be in place, and agreed by all partners.</p> <p>Contract must define scope of partnership, respective roles & responsibilities and effective governance arrangements.</p>	
Relationship with partner breaks down and subsequently one of the major partners withdraws.	Buy-in from all key stakeholders is essential; failure to do so could be detrimental to the long term partnership objectives.	
Local authority structure and culture inappropriate for forming and maintaining strategic partnerships.	<p>Ensure mechanism for conflict resolution is agreed with all partners at negotiation stage.</p> <p>Create a joint board for the partnership that meets regularly to discuss issues.</p> <p>Draw up a joint risk register, with regular review.</p> <p>Transparent monitoring of PIs.</p>	

Risk	Control	Check
Improvements do not meet Council's and/or public's expectations.	<p>Ensure members buy-in at all stages of the partnership. Keep staff fully informed of plans for development of strategic partnerships.</p> <p>Measure customer satisfaction and manage customer expectations.</p>	
Partnership initiatives are incompatible with other local authority contracts or initiatives.	Assess the financial and non-financial implications of the new arrangements on existing contracts, commitments and initiatives	
Failure to commit resources to the business case for the fear that the investment will be abortive.	Adopt well-constructed processes to define business case and thorough financial evaluation.	
Lack of clarity about when financial benefits are to be realized	Ensure a robust financial plan.	
Contract and partnership development costs are too high.	Prepare an overarching partnership agreement and supplement this with straightforward service delivery contracts based on an output specification.	
Partner faces financial difficulty.	<p>Ensure contract covers this eventuality explicitly and provisions are made to deal with the situation if it arises.</p> <p>Ensure that the Council limits its liability for losses incurred by the partnership.</p>	
Withdrawal of Partner	The risk will need to be continually monitored and alternative strategies developed if the withdrawal of a potential partner occurs	
Partnership fails to deliver Value for Money	Ensure that appropriate benchmarking and market testing processes are in place and used regularly throughout the lifetime of the partnership.	

PARTNERSHIP OPERATIONAL RISK - CHECKLIST*TECHNICAL AND OPERATIONAL RISKS*

RISK	CHECK
Not being aware of levels of demand leads to inappropriate levels of service delivery	
Inadequate baseline calculations leading to discrepancies when comparing to actual and/or future deliverables	
Inability to measure savings and quality outcomes leading to poor partnership management	
Not ensuring a common partnership delivery/timetable with stakeholders leading to problems in communication and expectations	
No appropriate penalties/rewards established for partnership deliverables	
Impact on existing contracts not considered sufficiently	
Different starting points for the parties involved in the partnership causes operational difficulties	
Different expectation levels and required outcomes for the parties involved in the partnership	
Pressure from partners to deliver 'quick wins' could be at the expense of longer term gains	
Failing to establish and then abide by service level agreements	
Failing to meet continuous improvement targets	
Failure to establish service ownership/management of information	
Lack of co-ordination and structure to handle partnership based projects (in addition to own projects)	
Inadequate management resources to implement strategy	
Assets owned/managed by the partnership are damaged by fire, flood or by a third party (accident, vandalism etc)	
Assets owned/managed by the partnership cause damage or physical injury to a third party	
Failure to involve professional assistance and expertise e.g. legal, finance, procurement, risk at the right stage	
Contract/partnership management role not sufficiently defined	
Failure to apply an effective health and safety management and monitoring system in respect of partnership activity	
Partnership service may be subject to two separate inspectorates that could lead to differing or conflicting standards or requirements	
Inadequate accountability arrangements for training targets	
Data sharing, access to data, data protection issues not properly evaluated	
Failure to future-proof technology procured / developed by the partnership	
Failure to develop and maintain working interfaces with the systems of partners	
Failure to establish effective security / integrity of partnership systems	
Licensing considerations – software etc.	

POLITICAL RISKS

RISK	CHECK
Failure to deliver Central Government Policy or local identified priorities	
Ceding / dilution of control with the involvement of more partners	
Conflict with the policies / strategies of individual partner organisations	
Different political structures may cause inconsistencies between partners	
Political leadership changes leading to conflicts within the organization	
Change in local authority functions	
CPA Inspection or equivalent cause partners to focus on their own priorities.	
Changes to Government Funding may affect delivery.	
Lack of clarity over executive powers and the role of scrutiny	
Lack of consistent Member attention / understanding across all partners.	
Managing expectations of Members	
Risk of reputational damage	

STAKEHOLDER INTEREST RISKS

RISK	CHECK
Failure to engage each partner authority in a mutually beneficial relationship	
Failure to develop partnership focus on customer services	
Partners fail to deliver on individual responsibilities	
Over / under reliance on one partners involvement	
Failure to collaborate on key technology decisions	
Failure to identify / emulate / share / benchmark with good practice	
Level / scope of delegated powers vary across partnership that leads to conflict	
Significant differences in organisational cultures across partnership are underestimated	
Inadequate integrated arrangements to respond to a major incident	
The reputation and image of one of the partners is affected by actions of the other partners	
Mismatch in understanding / conflict of risks between partners	
Failure to define a detailed and on-going communication strategy	
Failure to involve all key stakeholders	
Lack of trust within the partnership	

FINANCIAL RISKS

RISK	CHECK
Failure to nominate a suitable “accountable body”, or partner resistance to undertaking this role	
Failure to establish clear protocol for treatment of operating surpluses / losses arising from partnership activity	
Failing to identify a legal entity for contracting / accounting purposes	
Failure to establish clear lines of accountability	
Failure to effectively manage pooled / aligned funds; clear demarcation as to which partner provides which funds, and what for.	
Differences in partners’ VAT status	
Failure to harmonise accounting / financial regulations between partner organizations	
Failure to agree adequate audit arrangements (internal & external audit)	
Responsibility for insurance not clearly defined in terms of assets, and third party / liability cover in respect of partnership activities.	
Ownership of partnership assets unclear; likewise responsibility to maintain.	
Failure to identify “lifetime costs” and to allocate responsibility for them – e.g maintenance costs may prevail beyond the life of the partnership.	
Clear policy for treatment of assets / liabilities in the event of the partnership winding up (voluntary or otherwise)	

ORGANISATIONAL MANAGEMENT/HUMAN RESOURCES RISK

RISK	CHECK
Failure to clearly identify “the employer” within the partnership	
The innovative nature of partnership activity is unacceptable or misunderstood within services	
Failure to address the HR organisational implications, including the cost of pensions	
Non-availability of skills internally to support partnership activity	
Inability to ‘carry’ staff (and unions) with the changes	
Unable to put in place new recruitment / reward / career structures	
Inability to identify and rollout appropriate training programme in a timely manner	
Lack of clarity, accuracy and completeness of employment records and salary details etc in relation to transferees.	
Differing HR sections with own policies and procedures that leads to confusion around which policy or procedure to follow.	
Operating two similar but not identical conditions of employment – impact on morale of staff that are undertaking similar work but are on different terms and conditions	
Staff are unable to adapt to new roles, responsibilities and the culture of the partnership	
Staff are seconded and it is subsequently deemed that there was in fact a transfer of undertaking	
Lack of clarity over responsibility for staff performance, discipline etc	
Divergent recruitment practise resulting in challenge to appointments and dismissals	

PROCUREMENT RISKS

RISK	CHECK
Partnership does not exist as an entity and cannot enter into contracts	
There is no agreed criteria for selecting preferred suppliers	
Inability to deliver a quick win to demonstrate benefits	
Insufficient market appetite/competition	
Lack of flexibility in partnership contracts	
Difficulties in conducting procurement in accordance with the regulatory and policy frameworks of all partners	

LEGAL RISKS

RISK	CHECK
Legal constraints (e.g. Data Protection Act) prevent or delay joining-up and partnership working	
Conflict over intellectual property rights in respect of partnership activity	
Changes to the services required as a result of new laws or regulations or changes in existing laws or regulations	
Failure of partner to comply with relevant laws and regulations (including in relation to telecommunications, health and safety, data protection and human rights) or the partner causing the Council to be in breach of any law or regulation	
TUPE challenge to secondment arrangements between the partnership	
Failure to ensure compliance with Data Protection Act	
Failure to establish compliance with Freedom of Information Act	
Failure to ensure compliance with Disability Discrimination Act	
Failure to establish compliance with equality / diversity legislation	

PARTNERSHIP RISK ASSESSMENT MODEL

This document is a guide to identify and record areas of potential problems as a supplement to the Council’s Risk Management Strategy. The risk assessment will need to be signed off by appropriate Chief/Senior Officer(s), and where necessary, high level risks must be referred through Departmental Management Teams for possible inclusion onto Departmental Strategic Risk Assessment Action Plan Registers. The Partnership Risk Assessment Action Plan Register below is there to help you record and document the risk identification process, allowing you to manage risk more effectively in partnership. Use the category list at Appendix 6(iii) and the risk checklist at Appendix 8 to help identify your partnership risks.

PARTNERSHIP OBJECTIVE							Reference:		
HOW DOES THE OBJECTIVE FIT WITH ‘TEAM BURY’S’ AMBITIONS?									
The Place to Live in the North West					Area where People feel Safe and Secure				
Healthiest Borough in the North West					Popular Visitor Destination				
Premier Retail Town in the North of Greater Manchester					Centre of Excellence for Education in the North West				
Each Township Thriving					Area with First Class Services				
Quality Jobs for Bury People									
RISK EVENT, CONSEQUENCE, IMPACT									
Date identified:							Lead Officer/s:		
Date of Review:									
CONTROL MEASURES IN PLACE	PARTNERS INVOLVED	CONTROL MEASURES PLANNED	PARTNERS INVOLVED	Impact Score	Likelihood Score	Residual Score	Target Score	High Medium Low	

CONT'D

PARTNERSHIP OBJECTIVE							Reference:	
CONTROL MEASURES IN PLACE	PARTNERS INVOLVED	CONTROL MEASURES PLANNED	PARTNERS INVOLVED	Impact Score	Likelihood Score	Residual Score	Target Score	High Medium Low
STRATEGY								
ACCEPT	CONTROL			TRANSFER		ELIMINATE		

RISK GRADING DEFINITIONS TABLE**Measure of Likelihood**

4	Almost Certain	Is expected to occur in most circumstance; greater than 80% chance
3	Probable	Will probably occur in most circumstance; 50% to 80% chance
2	Possible	Will probably occur at some time; 20% to 50% chance
1	Unlikely	Could occur at sometime; less than 20% chance

Measure of Impact

4	High	Critical impact on the achievement of the partnership objectives; Huge impact on costs, income, performance, reputation; critical opportunities missed. Difficult to recover from and may require long term recovery plan/period.
3	Significant	Major impact on the achievement of the partnership objectives; Serious impact on costs, income, performance, reputation, substantial opportunities missed. Medium to long term effect and expensive to recover from
2	Medium	Waste of time and resources. Good opportunity to innovate/improve missed. Moderate impact on efficiency, output, quality. Medium term effect which may be costly to recover from.
1	Low	Minor loss, delay, inconvenience, interruption. Opportunity to innovate/make minor improvements missed. Short to medium term effect.

RISK CATEGORISATION SCORES

Impact \ Likelihood	High	Significant	Medium	Low
Almost Certain	16	12	8	4
Probable	12	9	6	3
Possible	8	6	4	2
Unlikely	4	3	2	1

- 8 – 16 High Risk:** Immediate control improvements to be made to enable partnership objectives to be met
- 4 – 6 Medium Risk:** Close monitoring to be carried out and cost effective control improvements implemented to ensure partnership objectives are met
- 1 – 4 Low Risk:** Regular review, low cost control environment improvements sought if possible

CONTACTS

Contacts for Financial Issues:

Director of Finance and E-Government/your departmental Finance Manager

Contacts for HR and Personnel Issues:

Director of Personnel/Departmental Personnel Officer

Contacts for VAT Issues:

Contacts for Legal Issues and Partnership Register:

Director of Legal and Democratic Services

Contacts for Consultation advice:

Contact for Internal Control / Audit Issues:

Contact for Procurement Issues:

Contact for Risk Management and Insurance Issues:

Contact for Equalities and Community Cohesion Issues: