

# **PART 7 – THE CODES, PROTOCOLS AND ADVICE**

## **J - Partnership Protocol**

## PRINCIPLES OF PARTNERSHIP WORKING

### 1.1 Introduction

Partnership working is playing an increasingly important role in the future of service delivery for the public sector. Partnerships can bring significant benefits, providing flexibility, innovation and additional financial and human capital resources to enhance service delivery to the community. However, partnerships also bring risks. Working across organisational boundaries potentially brings complexity and ambiguity that can generate confusion and weaken accountability. Residents need assurances that public money is spent wisely in partnerships and it should be confident that their quality of life will improve as a result of this form of working.

If planned and developed properly, partnership working can bring the following significant benefits to the delivery of services:

- a) **Greater impact** – Increased benefits for residents and businesses; greater critical mass – ability to reach and deliver beyond capabilities of any one partner.
- b) **More resources** - Able to attract funding where policy requires partnership bids and evidence of partner ability to deliver joint projects (not available to single organisations); strengthened negotiating power.
- c) **New and better ways of working** - Innovation: new / more effective ways of doing things; new perspectives and challenging views within the partnership; improved intelligence about needs and opportunities.
- d) **Spread risk** - Complementary strengths, resources, perspectives; greater flexibility within a team.
- e) **Reduce risk** - Pool resources; share costs of common functions.

This protocol establishes minimum standards of governance and management which the council will follow in order to ensure that its partnerships are well run and delivering the expected benefits. It outlines key requirements for initiating, approving, setting up, operating, reviewing and exiting partnership arrangements

### SECTION 1 – DEFINITION OF A PARTNERSHIP

The word partnership is used with increasing frequency across all sectors. It can mean different things to different groups.

***For the purposes of this protocol, a partnership is defined as:***

- An arrangement involving the Council and one or more other organisations, from any sector, **who share the responsibility for agreeing and then delivering a set of actions and outcomes** that improve the economic and/or social and/or environmental well-being of people living in, working in, or visiting the borough.

**This includes** partnerships where the partners:

- a) Are otherwise independent bodies.
- b) Agree to cooperate to achieve a common goal including situations where one partner receives income from the other partner.
- c) May create a new organisational structure or process to achieve their goals, separate from their own organisations.

- d) Plan and implement a jointly agreed programme, often with joint staff or resources.
- e) May pool risks and rewards.
- f) May have objects of achieving profit, in addition to delivering to the council's corporate priorities.

## **SECTION 2 - PARTNERSHIP PROTOCOL**

### **2.1 Introduction**

This protocol sets out the principles by which partnerships should be governed. The council engages in a wide variety of partnerships and these may vary in size, service area, membership and function. These principles of good partnership governance are scalable to apply to all partnerships.

This protocol aims to ensure that, in partnership working:

- a) The council is clear about the purpose of its partnerships and the expected outcomes for the people of the borough.
- b) The council's own agreed priorities and objectives are being met.
- c) There is clarity about accountability and responsibility for outcomes.
- d) Partnership activity and outcomes are monitored, reviewed and evaluated to make best use of resources.
- e) Risks for the council, and for the partnership, are assessed and agreed.
- f) Each partnership remains committed to its agreed purpose during its lifespan and has in place an effective exit strategy.

### **2.2 Applicability of the protocol**

This protocol is not applicable to:

- a) Groups where the council pays a third party to deliver one or more services on its behalf, unless the council also has control over strategic direction and significant decision making of the third party in relation to delivery of the services.
- b) Informal groups set up to discuss and consider specific topics (consultation groups).
- c) Appointments and / or financial commitments to outside bodies where the council has no strategic or policy function.
- d) Private Finance Initiatives (PFI).

### **2.3 Rationale for entering into partnerships**

The number of partnerships in which the council is involved has grown over the years in order to secure efficiencies and more recently, as a result of its move to a 'commissioning council' operating model where significant services and functions are delivered by partners on behalf of the Council.

The council has chosen to form or join partnerships for a number of reasons, including:

- a) To deliver coordinated packages of services to residents.
- b) To tackle cross-cutting issues.
- c) To respond to an identified strategic or operational issue which is too large, or multifaceted, to achieve in isolation.
- d) To reduce the impact of 'silo-working'.
- e) To maximise limited funds and / or to bid for, or gain access to, resources.
- f) To fulfil a statutory requirement.

### **2.4 Potential risks to the council of partnership working**

The council recognises the common weaknesses of some public sector partnerships and in its partnership working, works to avoid:

- a) Failure of the partners to understand the extent of their involvement in partnerships, or their implications, including their financial and legal liabilities.
- b) The partnership operating in isolation, duplicating effort and activity.
- c) Weak alignment between the partnership and the council's plans and governance.
- d) A lack of monitoring or evaluation of the effectiveness and impact of partnerships and a focus on activity, rather than outcomes.
- e) A lack of monitoring or evaluation of the contribution of partner organisations, including limited opportunities or willingness to challenge the performance of partners or give feedback on their performance.
- f) Underdeveloped arrangements for scrutiny of partnerships through council processes.
- g) Insufficient thought given to planning an exit strategy, including management of any continuing financial liabilities and the ownership and disposal of any assets.
- h) A lack of formal systems for recording conflicts of interest or for assessing the risks of funding proposals.

## **2.5 Entering into a partnership**

Before entering into any partnership, the council will give consideration to its ability to contribute effectively to the partnership. The council will be mindful of the resource implications of entering into any partnership, particularly for staff, financial and operational assets, and existing commitments. The council will ensure that the objectives of the partnership are in line with its corporate priorities, and be clear how the partnership will assist in their delivery. The council should not enter into any partnership, which requires an unbudgeted financial commitment, without seeking appropriate approval first.

Appendix 1 sets out the principal matters that the council should consider when entering into a partnership.

## **2.6 Putting arrangements in place**

Any partnership that the council enters into must be clear on its purpose and the expected outcomes. The council will ensure that all partnerships have in place robust performance management arrangements.

When entering into partnership arrangements, the council will ensure the following arrangements are in place:

- The partnership has an officer accountable for monitoring its performance.
- Performance reporting takes place in agreed time frames and to an agreed body and/or partners.
- The partnership has a sound evidence base to inform its objectives, planning and target setting in a formal business case.
- Objectives and outcomes to be delivered are formally reviewed and evaluated annually through an agreed process.
- All partners are clear on the outcomes being delivered by the partnership and the links to their own business or corporate priorities.
- Each partner ensures that their actions are embedded into organisational plans to ensure delivery and accountability.
- Agreed action plans are reviewed and refreshed annually by all partners.
- Action plans are supported by a risk register which is reviewed in agreed time frames and maintained by partners.
- Partners share information to enable effective performance monitoring and option appraisal.

- Data sharing complies with data quality and transparency requirements to ensure accountability.
- Information is provided in formats that meet partner requirements.
- There are mechanisms in place for performance management between all partners, including Cabinet and Overview & Scrutiny oversight.
- There are clear channels and processes in place to ensure accountability.
- Arrangements are in place to tackle issues of non and/or poor performance.
- All partners can evaluate at any time the added value of being a member of the partnership and the performance and outcomes being achieved by it. Performance can be challenged through agreed processes.

## **2.7 The governance framework**

Sound governance is key to effective partnership working and requires agreement between partners about purpose, membership and accountability of the partnership. All partnerships must have a governance framework, setting out the roles and responsibilities of the partner organisations and the decision making processes.

When determining the governance framework for a partnership, the parties should consider:

- a) Membership, including status of different members.
- b) Aims and objectives, including the purpose of the partnership, its added value and success measures.
- c) Strategy and activities.
- d) Timescales including how long the partnership is expected to last.
- e) Powers and legal status.
- f) Roles and responsibilities.
- g) Funding, taxation and financial accountability.
- h) Management and operation, including performance management arrangements.
- i) Meetings, including notice and frequency, quorum rules, chairing arrangements, voting arrangements and representation of other members;
- j) Decision-making processes (scope and timescales).
- k) Staffing and property assets needed.
- l) Conflict avoidance / dispute resolution.
- m) Information sharing protocols.
- n) Amendments to the partnership's rules.
- o) Exit strategy / arrangements for dissolution.

Examples of documentation and protocols that could form the governance framework include:

- a. Articles of Association (in relation to a company).
- b. Contracts for services between the council and third party – the contractual obligations – or Commissioning Agreement.
- c. Partnership Agreement.
- d. Shareholders' Agreement.
- e. Reporting processes and procedures, including links to council reporting.
- f. Directors or Trustees terms of reference or service contracts.
- g. Use of council officers or members on boards.
- h. Oversight by the council's Overview and Scrutiny function.
- i. Utilising a Council Shareholder's Reference board with or without decision making powers as a first point of reporting or accountability by the Partnership.
- j. Agreed operating protocols and procedures.

The purpose of the governance framework is not to recreate the same controls and processes as the council but to ensure that the public purse and services are delivered with sufficient oversight to ensure that principles of sound decision making, transparency and accountability are maintained.

## **2.8 Decision making**

Partnerships need clear lines of accountability and transparent decision-making processes, particularly for decisions that commit and/or allocate partnership resources.

A partnership's work can be impeded if decisions have to be separately ratified by the partners in advance and if the partner's decision making processes or timetables do not fit well together. Therefore, it is important that agents representing the partner organisations have the necessary authority to take decisions on its behalf and that those decisions can be scrutinised and challenged effectively.

Partnerships should also plan their work carefully so that they know well in advance when decisions with significant policy or financial implications will need to be made. It is important that all partners have sufficient time to evaluate the implications of major prospective decisions and to consider their own legal and financial advice.

It is vital for the partnership to agree and record how decisions are made.

The governance framework should address:

- a) How the partnership makes decisions, e.g. simple majority vote, casting vote by Chairman etc.
- b) The quorum (minimum number of voting members required to be present at any meeting for the decisions taken at the meeting to be considered as legitimate decisions of the body) for decisions made by the partnership.
- c) How decisions are communicated to people not present.
- d) How required actions are put into operation.

It is also recommended that the partnership establish the procedures and processes that govern its meetings. These should be kept to a minimum to avoid bureaucracy but be sufficient for clarity and effective operation.

## **2.9 Performance management**

The council will ensure that agreed partnership involvement, activity and outcomes are part of the council's performance management systems, and thereby the effectiveness of specific partnerships are monitored and reviewed as part of its performance management framework.

## **2.10 Communications strategy**

Each individual partnership should adopt a communications strategy specific to the work of the partnership and in agreement with partners. Where appropriate, one organisation should be identified as the lead agency for partnership communications. The lead agency will be responsible for ensuring liaison with the communications functions within other partner organisations.

## **2.11 Information sharing**

The council's data protection and freedom of information policies will generally apply where council business is concerned. The council will secure an information sharing protocol within

a partnership and between partnership organisations. The council will also have regard to any existing data sharing statements that may have been agreed.

### **2.12 Standards of conduct**

Partnerships should agree high standards of conduct that govern the way in which they work.

### **2.13 Interests and conflict**

Members of the partnership should have regard to the highest standards of behaviour and transparency in the conduct of public business and, in particular, will need to consider any personal or prejudicial interest they may have either as an officer or Member of the council. Where appointed in a position with a fiduciary duty (such as an officer of a company or trustee), any council officer or Member will need to consider any duties they have that may conflict with that associated with the council.

### **2.14 Exit and termination**

The governance framework should include provisions for both the planned and unplanned end of the partnership, regardless of the intended length of the partnership, including minimum notice periods. This may also include provisions for termination on grounds such as legislative changes, overspends or a breach of regulations where a minimum notice period may not be necessary.

### **2.15 Consultation arrangements**

A partnership may wish to undertake consultation, for example, on an issue or to help identify priorities. The council will endeavour to ensure that any consultation programmes and publicity exercises for the council, its partnerships and its partners are co-ordinated as effectively as possible.

### **2.16 Role of councillors and officers**

The council will be represented on any agreed partnership by specified councillors or officers. Each partnership on which the Council is represented will be allocated a sponsoring officer (usually a Head of Service) who, although they may personally not be the representative on the partnership, will be responsible for ensuring the delivery of this protocol in respect of the relevant partnership.

Any specified officers or councillors attending approved partnerships (as representatives rather than holding a duty such as directorship) will represent only the council and no other organisation. They shall abide by the council's Codes of Conduct at all times.

### **2.17 Scrutiny**

The scrutiny arrangement for a partnership should be clear and referenced in the governance framework.

### **Role of the council's Overview and Scrutiny in partnerships**

Scrutiny of other organisations external to the council is also a key element of Overview and Scrutiny's work. In relation to the council's partnerships, this means:

- Involving local people and community organisations in scrutiny activity of partners.
- Developing a dialogue with service providers and other stakeholders outside the council who interact with the partners.
- Taking up issues of concern to local people in respect to the partnership.
- Reviewing whether goals are being achieved by partners.

- Examining what can be done to solve problems and enhance performance and achievement.

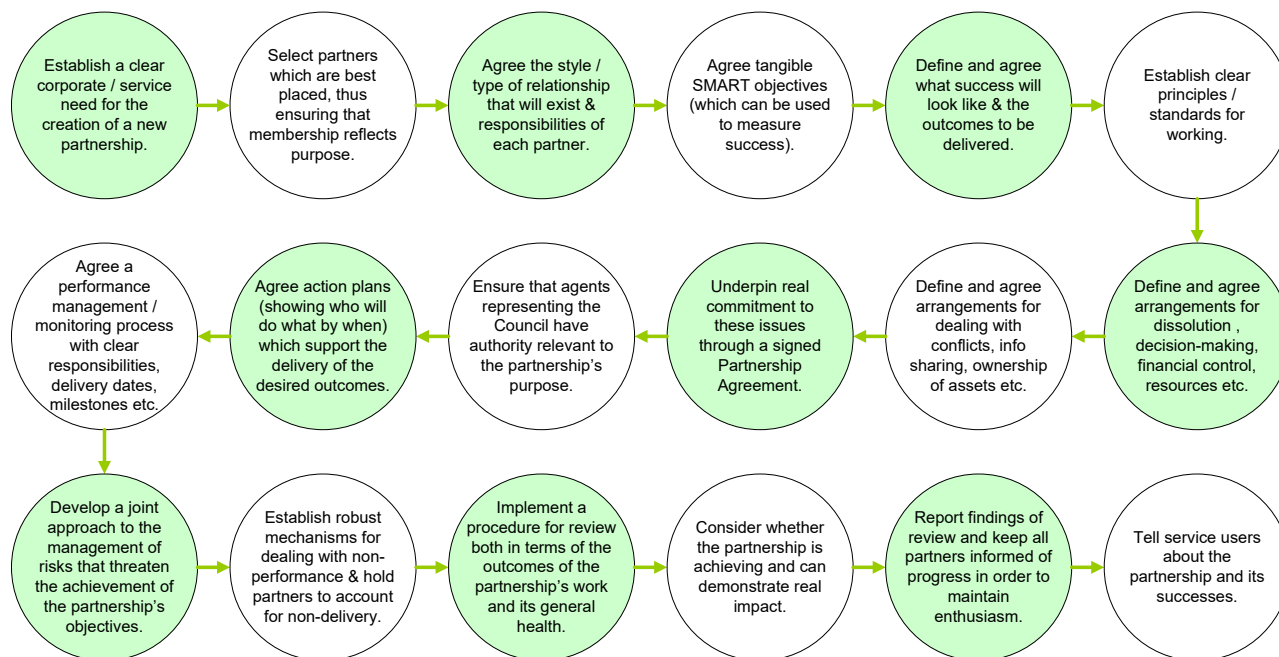


## Appendix 1

## Points to consider for setting up successful partnerships

Developing a successful partnership working relationship requires good planning, see diagram 1 for a partnership implementation flowchart.

**Diagram 1: Partnership development flowchart**



### Points to consider

#### 1. Legal power

The council should determine whether it has legal power to enter into the partnership arrangement and ensure there is no law or other provision that prevents the council from entering into the partnership arrangement.

#### 2. Form of partnership

The Council should decide the legal status of the partnership. Specific advice should be taken to determine most appropriate form of partnership which include:

- **Informal arrangements** – which may be appropriate for matters such as specific initiatives with limited financial impact, knowledge sharing or temporary arrangements to cover an immediate problem.
- **Contractual arrangements** – with one party providing goods or services under contract to another authority or to residents either on a cost recovery or for profit basis.
- **Delegation of functions** – a delegation of functions (based on statutory powers rather than contract) to another authority.
- **Corporate/Joint Venture** – where two or more authorities (or a third party) establish a corporate vehicle (usually a company) as the vehicle for providing services back to themselves and/or to trade with a view to generating additional income.
- **Joint committee** – this model usually involves one authority hosting the service with the other collaborating partners contributing to costs incurred.

- **Local Authority Trading Company (LatCo)** – a company set up and wholly owned by the Council for the purpose of providing services back to the Council, undertaking a particular project and for the purpose of trading and generating an income for the Council.
- **Community Interest Company** – a not for profit company set up and either wholly owned by the Council or owned with other parties with the primary object of a social purpose or providing a benefit to the communities they serve.

### 3. Outcome indicators and measures of success

These are measures based on the actual outcomes the partnership is aiming to deliver i.e. they define what success will look like and can be used to determine the partnership's effectiveness and impact in achieving its strategic objectives. Outcome indicators or clear measures of success should be defined for each strategic objective.

### 4. Running the partnership

As a minimum, this should define arrangements for:

- General principles of conduct.
- Partners' roles / duties / responsibilities.
- Resource commitment for each partner.
- The ownership of assets.
- Decision making procedures.
- How the partnership will monitor and evaluate its activities.
- Meetings; notice and frequency of meetings; quorum rules; chairing arrangements; voting arrangements; and representation of other members.
- Information sharing principles / protocols.
- Organisational structure and reporting mechanism (how often, who reporting to and what reporting on).
- Performance management arrangements.
- How complaints will be handled.
- Member involvement (roles and responsibilities, democratic accountability, declaration of interests etc).

### 5. Financial matters

Where applicable, the governance framework should document:

- Partnership capital.
- Income and expenditure.
- Profits and liabilities apportionments.
- Grants and other sources of funding.
- Banking and financial arrangements.
- Accounting arrangements.
- Provisions for tax payments and VAT.

### 6. Other considerations

The governance framework should define:

- Arrangements for dealing with the media and other stakeholders.
- The circumstances necessary for the suspension, exclusion and removal of a partner.
- Arrangements for resolving conflicts and/or disputes.
- Procedures for whistle blowing / fraud etc.
- Right of access for appropriate audit bodies (Council's Business Assurance).

## **7. Dissolution**

The Partner Agreement should define:

- Termination provisions.
- Exit strategy (including surpluses and mediation).
- Final reporting arrangements.
- Arrangements for informing funders and all stakeholders/service users at dissolution.