

PARTNERSHIP GOVERNANCE FRAMEWORK

1. INTRODUCTION

- 1.1. Corporate Governance is a term used to describe how organisations direct and control what they do, as well as systems and processes, including culture and values. It provides structure through which strategic objectives are set and performance monitored. In Blackpool, this is led by the Council Plan with its emphasis on working with 'Communities, Economy and Organisational Sustainability'.
- 1.2. This Partnership Governance Framework, sits alongside the Council's Code of Governance and sets out the principles of good governance (for partnerships) and what arrangements it has in place to ensure that the partnership conducts its business in accordance with the law and proper standards. In the same way that the Council's Code of Governance seeks to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively, this framework will do the same for any significant partnership.
- 1.3. Working in partnership can bring a wide range of benefits, but also produces particular risks and governance issues. To protect the interests both of the council and the residents of the borough, it is therefore important that the Council knows what its 'Significant' Partnerships are and their purpose is understood.
- 1.4. The Council's Code of Corporate Governance sets out six principles behind the Council's approach to corporate governance. These principles should also support its work with partners and this framework is based on these principles.
- 1.5. The purpose of this framework is to provide a holistic approach to the governance arrangements and to set out:
 - the steps which the Council will take before entering into a partnership;
 - the minimum governance requirements each partnership must have (subject only to any variations agreed by a relevant Director);
 - how the Council will support the governance of each partnership; and
 - how the Council monitors and reviews its involvement with each partnership.

2. GOOD GOVERNANCE IN PARTNERSHIPS

- 2.1. This framework recognises that there is great variety in the scale and nature of the council's partnerships, but provides a standardised approach by which accountability can be strengthened, risks managed and opportunities sought within a safe framework.
- 2.2. Partnerships vary in size, service area, membership and function, funding, legal status and structure. They may be affected by the same pressures and challenges as the council. These include external factors such as funding reduction, national changes in policy and legislative changes, or internal factors such as reducing staff resource, service level reviews and organisational restructures. Partnerships can provide an effective way of meeting these challenges but also carry risks because working across organisational boundaries and cultures can add complexity and ambiguity and reduce accountability.
- 2.3. It is vitally important that prior to entering any partnership, both the benefits and risks are identified and planned for and that such partnerships are reviewed to ensure they remain the most effective way of achieving the desired aim.

3. PARTNERSHIP DEFINITION

- 3.1. In defining a partnership, there is the 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.' They may create new structures of processes to achieve their goal, may plan and implement a jointly agreed project or service; may jointly provide or share staff or resources and may agree to share risks and rewards. This Framework looks at 'Significant' Partnerships which need to be formed and have a set form of governance.
- 3.2. The following relationships or groups are **not** considered to be 'Significant' Partnerships:
 - Employer and staff relationship
 - A partnership set up to consider specific topics
 - If the council has direct and sole control over budgets and decision-making, including in such circumstances Council led groups with external representation which are sometimes classed as 'partnerships'
 - The relationship between the council and a wholly owned subsidiary company (as a different governance framework covers this)
 - Where a subscription or membership payment is made for a service (e.g. the local government association)
 - A supplier of a contract.
- 3.3. In determining what is a 'Significant' partnership, the first consideration must be whether or not the establishment of a partnership is mandatory (statutory) 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.
- 3.4. Where the partnership is discretionary (voluntary) it is important to assess whether a partnership is necessary or whether the same objective could be achieved more efficiently and effectively by the council working alone, or through some other mechanism.
- 3.5. To help make that assessment the following should be considered:
 - Can the objectives, outcomes and benefits of the partnership be clearly expressed and linked to council strategies and priorities?
 - Will the benefits of the partnership outweigh the costs when 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 of strategic and operational management?
- Can the partnership provide ongoing and robust compliance with statutory and regulatory requirements?

3.6. To be considered 'Significant' partnerships should have one or both of the following:

- **Financial responsibility** – Based on a threshold for the Council's annual contribution of £100,000, excluding staffing costs; and/or
- **Strategic importance** – the partnership being critical to the delivery of key council objectives or statutory obligations, or is a fundamental component of council priorities and functions and the council's reputation could be damaged by the partnership's failure to deliver.

3.7. In determining a 'Significant' Partnership, it is advised that a risk assessment be undertaken based on this Framework.

4. PARTNERSHIP PRINCIPLES

4.1. The following key principles should be considered when establishing a 'Significant' Partnership which meets the criteria – not all will necessarily apply to every partnership, but their relevance should be considered and a proportionate approach applied (these principles should also be applied by way of good practice to partnerships which are not classed as significant).

- a) **Purpose, structure and membership** – partners should formally agree the partnership's structure, purpose and aims, activities, roles and responsibilities, membership, regulatory framework, dispute resolution, timeframe for operation and exit strategy.
- b) **Accountability and decision making** – partnerships should account for their actions through reporting, meetings, oversight and scrutiny of performance and regulatory compliance. There should be open and transparent processes such as records of delegated authority and decisions taken and effective scrutiny.
- c) **Monitoring and review** – regular review and evaluation of membership, policies, performance and risk.
- d) **Financial management** – to ensure the partnership is well resourced to deliver its aims and objectives and the responsibility for financial decisions is clear.
- e) **Meetings** – operate efficiently, are well chaired and are of sufficient frequency to facilitate business.

5. PARTNERSHIP PRINCIPLES

5.1. The officer Corporate Leadership Team will recommend partnerships for inclusion on the register of 'Significant' Partnerships, following consideration of nominations from the relevant Director who has corporate responsibility for the partnership. This will ensure that the strategic fit between the partnership and the council's objectives and priorities is maintained, strengthens lines of accountability and improves collective oversight. Draft terms of reference and governance documents should be reviewed by the Head of Legal and the Head of Democratic Governance before submission to the Corporate Leadership Team.

5.2. Approval for establishing, and resourcing significant partnerships will be subject to the appropriate council decision making processes in accordance with the Council's constitution.

6. RESPONSIBILITIES

- 6.1. All employees involved in partnership working should be aware of their responsibilities for partnership governance as shown in the table below.
- 6.2. When working with partnerships members and officers must be aware of their responsibilities under the council's code of governance and the member and employee codes of conduct. These codes apply whether directly representing the council, acting in an advisory capacity, or as part of an interest group. Members and officers should help to ensure that the principles for good governance set out in this framework are agreed, adopted and adhered to by the partnerships they are involved in.
- 6.3. The partnership will clearly define the roles of representatives of the partnership and provide appropriate support and training so that representatives perform effectively.
- 6.4. The Council will make sure that its representatives are clear about their role on the partnership and provide support and training to its representatives.

Role	Responsibility
<i>Executive</i>	<ul style="list-style-type: none"> considering and approving all Significant Partnerships which meet the criteria of a key decision for the council.
<i>Leader of the Council</i>	<ul style="list-style-type: none"> leading the council's work on improving corporate governance
<i>Members</i>	<ul style="list-style-type: none"> when representing the council on a partnership, promoting good governance in line with the council's Partnership Governance Framework
<i>Audit Committee</i>	<ul style="list-style-type: none"> monitoring the effectiveness of the Partnership Governance Framework as part of the Council's Code of Governance and the Annual Governance Statement
<i>Scrutiny Leadership Board</i>	<ul style="list-style-type: none"> scrutinising partnerships on the Council's Significant Partnership register in respect of performance, value added and financial stability
<i>Corporate Leadership Team</i>	<ul style="list-style-type: none"> ensuring effective implementation, monitoring and review of the Council's Partnership Governance Framework
<i>Director</i>	<ul style="list-style-type: none"> ensuring that arrangements for good governance of partnerships within their directorate are implemented in line with the Partnership Governance Framework signing non-key significant partnerships in line with the definition in this framework, after consultation with the relevant Cabinet Member and the officer Corporate Leadership Team, in evidence of satisfaction with documented governance arrangements reviewing and challenging the evaluation of partnerships, governance arrangements, performance, value added and financial stability and reporting in the first instance to the officer Corporate Leadership Team on the findings.

Role	Responsibility
<i>Head of Service</i>	<ul style="list-style-type: none"> • <i>supporting the Directors in ensuring that arrangements for good governance of partnerships within their service are implemented in line with the Partnership Governance Framework</i> • <i>likely to be the key point of contact between the Council and a partnership and contribute corporately to the Council's knowledge of partnerships</i>
<i>Good Governance Group (Chaired by the Director of Governance)</i>	<ul style="list-style-type: none"> • <i>regularly reviewing the Partnership Governance Framework</i> • <i>co-ordinates and reviews the evaluation of partnerships and provides guidance and recommends the officer Corporate Leadership Team accordingly</i> • <i>agrees and reviews model documents and templates for partnerships.</i>
<i>Strategy, Policy and Research Manager</i>	<p><i>On behalf of the Good Governance Group is responsible for</i></p> <ul style="list-style-type: none"> • <i>communicating and promoting the Partnership Governance Framework</i> • <i>coordinating and facilitating an annual evaluation of partnerships</i> • <i>maintaining the council's register of 'Significant' Partnerships</i>
<i>Head of Risk and Audit</i>	<ul style="list-style-type: none"> • <i>auditing key elements for the council's Partnership Governance Framework and using the information to inform the annual internal audit plan</i>

7. MONITORING AND REVIEW

- 7.1. The Director of Governance (working with the Assistant Chief Executive and Director of Strategy) has overall leadership responsibility for ensuring the effectiveness of partnership governance arrangements and working with the Strategy, Policy and Research Manager will maintain a register of 'Significant' Partnerships that includes the category of partnership, date of establishment, terms of reference, council representative(s) on the partnership, review date, risk assessment and identified link officer.
- 7.2. Partnership annual self-assessments should be considered and signed off by the relevant Director and the outcome of those assessments be included as an element within the normal quarterly performance reporting process and an annual review of the effectiveness of these arrangements will be undertaken and reported within the Annual Governance Statement.
- 7.3. Directors should ensure that a proportionate approach, based on the principles within this framework, is established for approving and reviewing the value and operation of non-significant partnerships within their corporate areas of responsibility.
- 7.4. Each partnership is also encouraged to review its own governance arrangements.

8. GUIDANCE

The officer Good Governance Group will maintain guidance notes and model documents for prospective partnerships, covering:

1. Flowchart for determining a 'Significant' Partnership
2. Risk Register template
3. Terms of reference template
4. Model partnership agreement/ Memorandum of Understanding
5. Self-Assessment review forms

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 clearly defined remits ✓ Personal interests of members do not impact on decisions. 	<p>Establish a partnership agreement which includes:</p> <ul style="list-style-type: none"> ✓ Key messages and an agreed description of what the partnership is trying to achieve (purpose and deliverables) ✓ Roles and responsibilities ✓ Structure chart ✓ Partnership board and committee criteria ✓ Declaration of personal and pecuniary interest and requirement to withdraw from meetings/decisions ✓ 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/or members supports scrutiny of decisions and activity 	<ul style="list-style-type: none"> ✓ Responsibilities for decisions are agreed and recorded ✓ Minutes of meetings record decisions, agreed action and relevant related discussion. ✓ There is regular reporting within existing democratic structures ✓ A communication strategy sets out internal and external communication processes, including how external stakeholders may engage with the partnership, spokesperson designation and process for approval of press statements
Monitoring and review	<ul style="list-style-type: none"> ✓ There is regular review and evaluation of membership, policies, performance and risk ✓ Awareness is maintained of what is working and what is not, and action is taken to address issues ✓ There are strategies for change and exit. ✓ 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 and priorities ✓ There are clearly defined indicators of performance to monitor delivery of the partnership objectives ✓ Performance and risk are actively monitored, managed and reported ✓ Processes are in place to resolve disputes, for partners to exit (or join) the partnership, and for its termination ✓ Consideration is given to internal and external audit requirements ✓ Processes are in place for dealing with external complaints and compliments
Financial management	<ul style="list-style-type: none"> ✓ The partnership is resourced to deliver its aims and objectives ✓ Responsibility for financial decisions is clear ✓ The partnership can show that it manages funding appropriately to add value efficiently and effectively 	<ul style="list-style-type: none"> ✓ The accountable body for funding is identified ✓ Financial and business plans show clearly how funding and resources will be used to deliver objectives ✓ Financial accounting budgeting and reporting arrangements are in place and subject to appropriate external scrutiny ✓ Processes are in place by which financial, legal and other technical advice

Criteria	Good governance	Good practice
Meetings	<ul style="list-style-type: none"> ✓ Meetings operate efficiently and are of sufficient frequency to facilitate business ✓ The chair ensures meetings address the agenda, promotes contributions from all and ensures decisions are open and transparent ✓ Attendees bring expertise, knowledge and experience relevant to the objectives of the partnership and have the necessary authority to make decisions 	<p>may be provided to the partnership</p> <ul style="list-style-type: none"> ✓ Partnership terms of reference specify arrangements for meetings to include quorum, voting, representation and deputising, declarations of interest and arrangements for extraordinary meetings or other procedures for decision-making ✓ Agendas and minutes are produced to specified times, and arrangements for wider access (transparency) are clear ✓ Decisions, action points and accountable leads are clearly identified within the minutes ✓ Arrangements for a secretariat and resources to support it are in place if required