



# **Partnership Policy**

**2008**

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## **Introduction**

Partnerships are playing an increasingly important role in central government's policy development. Local Authorities are being encouraged to work in partnership with other public bodies, private sector and the community and voluntary sector.

Central government is also emphasising the need to work in partnership by including measures in the use of resources as part of the CAA.

This policy aims to ensure that South Kesteven District Council adopts a structured approach to entering into new partnerships and to ensure governance of existing partnerships.

## **Objectives**

- ❖ To provide guidance on the term 'Partnerships' and what is in scope and out of scope.
- ❖ To provide guidelines on entering into new partnerships
- ❖ To provide guidelines on ensuring appropriate governance on existing partnerships
- ❖ To provide guidelines on exiting partnerships
- ❖ To provide support to the Bridge Toolkit practitioners in assessing the health of partnerships.

## **Partnership Definition**

There are various partnership definitions available from the Audit Commission, The Institute of Public Policy Research and other government bodies which provide the same intention. For this policy the definition has been taken from the partnership toolkit framework adopted by the county.

The definition from the Bridge Toolkit is:

*'A relationship where two, or more, organisations work together with trust, openness and honesty to deliver mutually beneficial outcomes they cannot achieve alone'*

Within this policy there are varying levels of engagement and for this purpose these have been defined as:

- ❖ Strategic
- ❖ Local
- ❖ Networking
- ❖ Other

**Strategic** is used to describe partnerships across more than one public organisation and pertinent to all of (insert organisation). These partnerships will be engaged in the commissioning or delivery of outcomes.

**Local** is used to describe partnerships formed within one or more service areas and other partners engaged in the delivery of outcomes.

**Networking** refers to those groups that meet to share knowledge amongst the partners.

**Other** includes groups with service level agreements, ad hoc meeting arrangements or groups coming together for a short term common purpose.

This policy does not apply to commercial contracts and partnerships formed out of procurement of services. These will remain out of scope in this context as they have specific governance arrangements.

For this reason the term 'Partnership' relates only to those groups without formal contractual arrangements in place.

This document is primarily aimed at the Strategic and Local level partnerships however the best practice guidelines can be used for the others.

For example – South Kesteven District Council's definition of a 'significant partnership', from which its partnerships register has been created, was determined by whether:

- we are required to have one by statute (e.g. Community Safety Partnership)
- we are the accountable body (manage budgets e.g. LSP, Town Centre Management Partnerships)
- the partnership has a budget of more than £100K a year (e.g. Grantham Growth)

## Target Audience

- ❖ Elected Members
- ❖ Partnership Lead Officers for ensuring appropriate governance arrangements are in place
- ❖ Bridge Toolkit Practitioners for programme of review.
- ❖ South Kesteven District Council employees looking to establish new partnerships

## South Kesteven District Council Policy for Partnerships

South Kesteven District Council is committed to working in partnership and relies on many partnerships to deliver wider outcomes reaching the communities we serve.

South Kesteven District Council needs to have a clear and consistent approach to partnership working in order to ensure that:-

- ❖ South Kesteven District Council achieves best value in the provision of its services
- ❖ South Kesteven District Council can plan to use resources effectively
- ❖ It can provide innovative working and positive outcomes
- ❖ Community leadership and engagement is promoted effectively
- ❖ Partnership risks are mitigated
- ❖ South Kesteven District Council can meet its statutory responsibilities where partnerships involve the delivery of statutory services which are the responsibility of the authority

In addition to this as part of the Audit Commission key lines of enquiry, the authority must be able to demonstrate that:

- ❖ South Kesteven District Council has identified its significant partnerships and has appropriate governance arrangements in place for each of them.
- ❖ The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon

- ❖ The risk management process specifically considers risks in relation to significant partnerships and provides assurances to be obtained about the management of those risks.
- ❖ The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships
- ❖ Governance arrangements with respect to partnerships are subject to regular review and updating

South Kesteven District Council policy in relation to partnerships is to ensure its formal partnership arrangements:

- ❖ will promote at least one of the authority's priority themes and thereby also deliver the South Kesteven District Council Vision
- ❖ reflect the authority's core values
- ❖ will include the requirement of agreed SMART objectives for each partnership
- ❖ will provide mutual benefits for each partner in proportion to the contribution
- ❖ satisfy the authority's obligations to deliver value for money
- ❖ be consistent with the Local Area Agreement and the Sustainable Community Strategy
- ❖ provide accountability where decisions are being made about expenditure of public money
- ❖ promote the authority's duties in respect of equality and diversity and the Duty to Involve
- ❖ comply with the authority's requirements for governance, risk management and probity

## Delivery

To achieve this, the following delivery actions have been identified:

- ❖ Training of Bridge Practitioners within the authority
- ❖ Establishment of a partnership register, incorporating financial, risk, performance and health of the partnership.
- ❖ Methodology to determine the authority's significant partnerships
- ❖ Annual programme of review for Bridge health checking the significant partnerships
- ❖ Checklist of governance arrangements for partnerships to complete
- ❖ Evidence collection for the key lines of enquiry/CAA
- ❖ Officer support (Lead Officers) to the development of the partnership

The **partnership register** has been compiled using evidence provided by individual lead officers by means of an audit approved checklist. The register is held centrally on the shared area of the authority's intranet under Partnerships and Community Safety.

To provide robust evidence in support of the checklist the preferred **method** for South Kesteven District Council to identify its significant partnerships will be to use Strategic Risk Management (see Corporate Risk Management Strategy). This will take into consideration the risk to the authority across 4 key areas, Service Delivery, Finance, Reputation and People. The resulting score will determine the priority of the partnership in the programme of review.

An annual **programme of review** will be presented to Management Team and Cabinet by the Corporate Head for Partnerships and Organisational Improvements (or his deputy) for endorsement with the expectation that members of the partnership will arrange for the necessary resources to be available to the Bridge Practitioner.

The Lead Officer for each partnership will present the findings of the review back to their partnership and work with the partnership on a **development plan**. It is important to note that this should be an ongoing process for the partnership.

A further health check of development implementation will form part of the evidence chest.

## **Entering into New Partnerships (where South Kesteven District Council is not the lead body)**

When approached to enter into a partnership where South Kesteven District Council is not the lead organisation the individual should consider the following:

- ❖ Does it meet at least one of the authority's aims and objectives?
- ❖ Does it have the appropriate governance?
- ❖ What resources will you be required to input (time, money, stationery)?
- ❖ Does the withdrawal of a partner increase the financial risk?
- ❖ Will it be able to add value?

If you are able to answer all of the above then the process outlined in appendix A should be followed and a partnership checklist should be completed. If there is some doubt surrounding any of the above it should be referred to senior management.

## **Setting up New Partnerships (where South Kesteven District Council is the lead body)**

Developing a firm foundation is essential in ensuring that an organisation is ready to partner and doesn't develop the wrong partnerships or fails to achieve what they set out to.

When developing a new partnership you should be clear as to how the partnership can achieve your organisation's goals. It includes detailing:

- ❖ How many partnerships you need and the type of organisations you will partner with
- ❖ What each partnership needs to deliver for you, your partners and the people of South Kesteven in line with the Sustainable Communities Strategy.

- ❖ What resources you and your partners will need to bring to bear to achieve those aims
- ❖ The criteria to enable you to select and understand how to work with partners
- ❖ The activities can be focused on a single business area or across a whole organisation. In deciding the scale it is important to consider who will be working through these steps, their authority and the level of sponsorship
- ❖ How the partnership will add value to existing arrangements
- ❖ Making sure the appropriate monitoring body is aware of the partnership

Organisations that approach partners without thorough completion of these measures risk the following outcomes:

- ❖ Partnership Overload
  - Without a clear partnership policy duplicate partnerships will be developed and activity will not be co-ordinated across a number of business areas
- ❖ High failure rate during Partnership Development
  - Without clarity of why partnerships are being developed and what's in it for partners, negotiation can become difficult and often fail
- ❖ Over promising under delivering
  - Failing to recognise if the resources needed to deliver the partnership exist, and can be accessed within your own organisation can lead to expectations being set which cannot be met
- ❖ Partnership Fatigue
  - The true power of developing partnership which create something you couldn't do alone is lost and they become a by-word for a range of relationships

The partnership must understand clearly what each partnership must deliver for itself and its partners, the resources that are needed to deliver the proposition and the actions to progress each partnership to launch.

Included in this should be:

- ❖ SMART objectives linked to strategic aims and objectives

- ❖ A description of the proposition the partnership will deliver and its benefit for the organisation, each of the partners and the people of South Kesteven
- ❖ The detailed information that will enable stakeholders to understand the resources they will provide and those needed from partners
- ❖ A high level action plan through to the partnership's launch including structure, governance and terms of reference
- ❖ Legal & financial regulations
- ❖ Associated risks and issues

The Bridge toolkit aims to cover the stages in preparation and development of a partnership and advice can be sought from Bridge toolkit practitioners (appendix A)

When developing a partnership the flow chart in appendix C should be followed.

## **Nominated Officers**

All partnerships must have a nominated (lead) officer who is responsible for the day- to-day relationship with any partner organisation.

The responsibilities of the nominated officer are:-

- ❖ To ensure that the partnership is registered with Service Manager - Partnerships and Community Safety (or his deputy)
- ❖ To ensure that the Bridge Partnership Framework on governance and accountability is followed
- ❖ To report on the progress of the partnership as required and in the case of strategic partnerships to implement a bridge health check.
- ❖ To assess and report on any new risks arising
- ❖ To comply with the equality and diversity agenda
- ❖ To report on any breach of standards on governance and accountability.

## Recording Partnerships

The partnership register of South Kesteven District Council services three main functions

- ❖ To provide an overview of the partnerships that South Kesteven District Council has
- ❖ To provide a framework to allow a robust challenge and scrutiny of the partnerships to take place
- ❖ To identify the top strategic partnerships
- ❖ This register will be maintained by Service Manager - Partnerships and Community Safety (or his deputy) and available on the intranet under the shared area of Partnerships and Community Safety

## Risk Methodology

Not all partnerships carry the same degree of risk. A level of pragmatism has to be built into any arrangements in that smaller or innovative partnerships are not burdened by process.

To achieve this, a risk grading system has been agreed. It is a simple mechanism to allow officers and members to gauge in rough terms the level of risk associated with each partnership.

This will allow greater focus to be placed on higher risk partnerships and less focus on lower risk partnerships.

The simple risk scoring examines the impact of failure across four categories

- Service delivery (score 1 low to 4 high)
- Finance (score 1 to 4)
- Reputation (score 1 to 4)
- People (score 1 to 4)

<b>RED - Partnerships</b>	Those considered the most critical and receiving the highest level of focus and requiring the greatest degree of governance.	<b>Score &gt; 81 (scoring four "3's" or above)</b>
	Those considered the critical and receiving	<b>Score 36 to 81</b>

<b>AMBER - Partnerships</b>	the appropriate level of focus and require the greatest degree of governance.	
<b>GREEN - Partnerships</b>	Those considered the least critical and receiving the lowest level of focus and lightest touch in terms of governance.	<b>Scoring less than 36</b>

It is intended that partnerships will be managed at the directorate level but with an overview and challenge at the corporate level for those partnerships defined as presenting the greatest level of risk. These partnerships are termed as either "amber" or "red" partnerships.

## Setting Priorities

- ❖ Partnerships must be aware that they must manage all the different priorities of the individual partner organisations
- ❖ Partners must work together to integrate their respective priorities to ensure added value and avoid duplication of effort
- ❖ To improve effectiveness partners should develop a shared evidence base to determine priorities and collect data relating to outcomes
- ❖ Priority setting needs to link to partners internal strategic planning to promote buy in to the partnership.

## Risk Management

A risk register must be compiled for each identified significant partnership with assistance from the authority's Risk Management team. Recommendations for ownership of risk and mitigation must be included in the register and it must be reviewed at each formal meeting of the partnership.

## Information Sharing

Where partnership arrangements involve sharing, storing or collecting of information, responsibility needs to be assigned and appropriate controls put in place.

The following need to be considered:

- ❖ Legal Compliance - Data Protection Act, Freedom of Information Act (disclosure), Copyright - software licensing, databases, confidentiality etc
- ❖ Information Standards - to facilitate sharing
- ❖ Records Management - creating an inventory, managing the lifecycle of records from creation to disposal
- ❖ Security - classification of information including risk management, business continuity
- ❖ The Council's Corporate Policies and Procedures with regards to Information Governance.

## Performance Management

Monitoring and reporting should take place within the partnership to understand how it is progressing.

This should include regular review of

- ❖ Progress against milestones
- ❖ Performance against key indicators
- ❖ Progress against budgets
- ❖ Progress against key actions
- ❖ Governance arrangements
- ❖ Actions from Bridge Healthchecks

Slippage or deviation in these areas must be reported back to the partnership.

'Regular' may vary from partnership to partnership depending on statutory requirements, size and accountability.

## Financial Management

The financial arrangements in partnerships must seek to encapsulate the organisations financial management procedures.

There are a range of financial issues to consider when setting up or entering into a partnership and a number of these are covered below.

On occasion the partnership may not have any financial accountability.

If in doubt the **general rule is to seek advice**.

The arrangements must set out

- ❖ the accountable organisation
- ❖ frequency of reporting
- ❖ level of reporting
- ❖ procedures for expenditure decisions
- ❖ procedures for authorisation of expenditure

“Partnerships” 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 and the Council must be fully aware, therefore, of any potential funding shortfalls, loss of assets etc. Furthermore, 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 Monitoring Officer.

## Document Retention

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.

## Value for Money

To assess whether Partnerships deliver services as economically, efficiently and effectively as possible, it is important to assess the costs and benefits associated with this model of service delivery. Such an assessment is challenging as Partnerships are multi-functional, long-term arrangements. It may not be possible to make definitive statements about the value for money of all Partnerships. This is because each Partnership is unique, and an overall statement on value for money would not account for the variation in experience between those Partnerships with successful outcomes and those that have terminated.

For South Kesteven District Council, it is important that members as well as officers understand the basics of the value for money assessment of their partnerships. Although aspects of the evaluation are very technical, members should, at least, be aware on what basis it is being made.

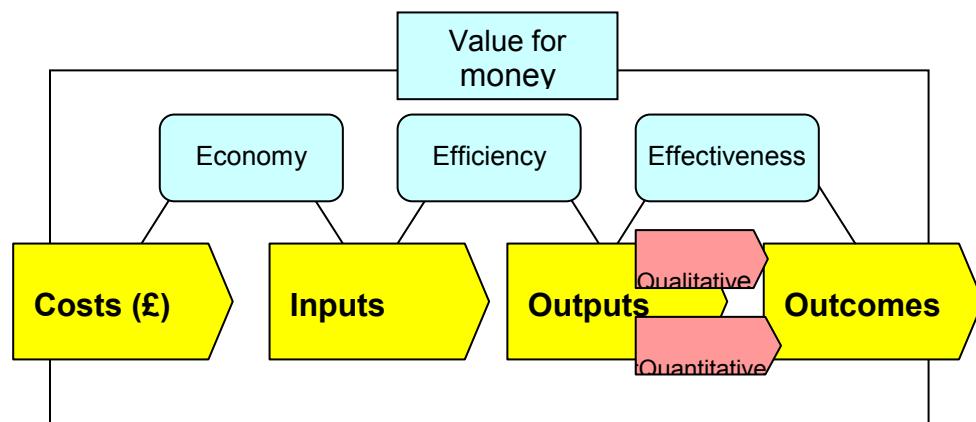
The value for money case for Partnerships is heavily subjective, can be subject to adjustment to meet the necessary criteria, and has to be seen in the context of the public sector client being faced with no viable alternative.

## Principles of VFM

The key principles that underpin the Audit Commission's approach to VFM are, where possible, to:

- ❖ take a community-wide perspective rather than that of individual service users
- ❖ take account of local context and quality of service
- ❖ take account of long-term costs and benefits and the wider social and environmental impact
- ❖ consider arrangements to ensure equity of access to services
- ❖ use data on costs and performance to provide a starting point for questions
- ❖ allow for local policy choices (alongside a national policy context) about priorities and standards of service
- ❖ review current performance in achieving VFM and how VFM has improved over time, for example, using trend analysis; and rely on evidence of outcomes achieved and the effectiveness of activity to improve VFM.

Value for money has long been defined as the relationship between economy, efficiency and effectiveness. It is sometimes known as the 'value chain' and is illustrated by the following diagram.



- ❖ 'Economy' is the price paid for what goes into providing a service
- ❖ 'Efficiency' is a measure of productivity – how much you get out in relation to what is put in.
- ❖ 'Effectiveness' is a measure of the impact achieved and can be quantitative or qualitative.

Value for money or best value is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcomes. The Improvement and Development Agency in its guidance has defined value for money as the *'optimum combination of whole life costs and benefits to meet the customer's requirement'*.

## Monitoring and Evaluation

Monitoring and evaluation takes place in two areas, within the partnership (see performance management) and reporting back to the individual bodies who need to understand how the partnership is progressing.

The partnership must have clearly defined reporting arrangements setting out:

- ❖ Date
- ❖ Period covered
- ❖ Links to NI's, Service Plans, Community Strategy etc
- ❖ Status of key (SMART) objectives
- ❖ Where added value is being achieved

In addition to this, partnerships in the RED category of risk methodology will be subject to annual Bridge Healthchecks by the lead officer from within the authority responsible for the partnership with support from the Bridge Toolkit Practitioner

## Exiting Partnerships

All partnering arrangements have a life span and an important consideration in managing them is to identify when they no longer meet the needs of the partners.

When it is clear that the arrangement is no longer effective the partnership should meet to discuss:

- ❖ The circumstances under which a partnership may be dissolved
- ❖ The legalities
- ❖ Financial implications/final account
- ❖ Any outstanding work or business
- ❖ End of partnership report
- ❖ Communication to stakeholders not directly involved in the management of the partnership.

- ❖ Communication to the Service Manager for Partnerships and Community Safety for removal from the partnership register

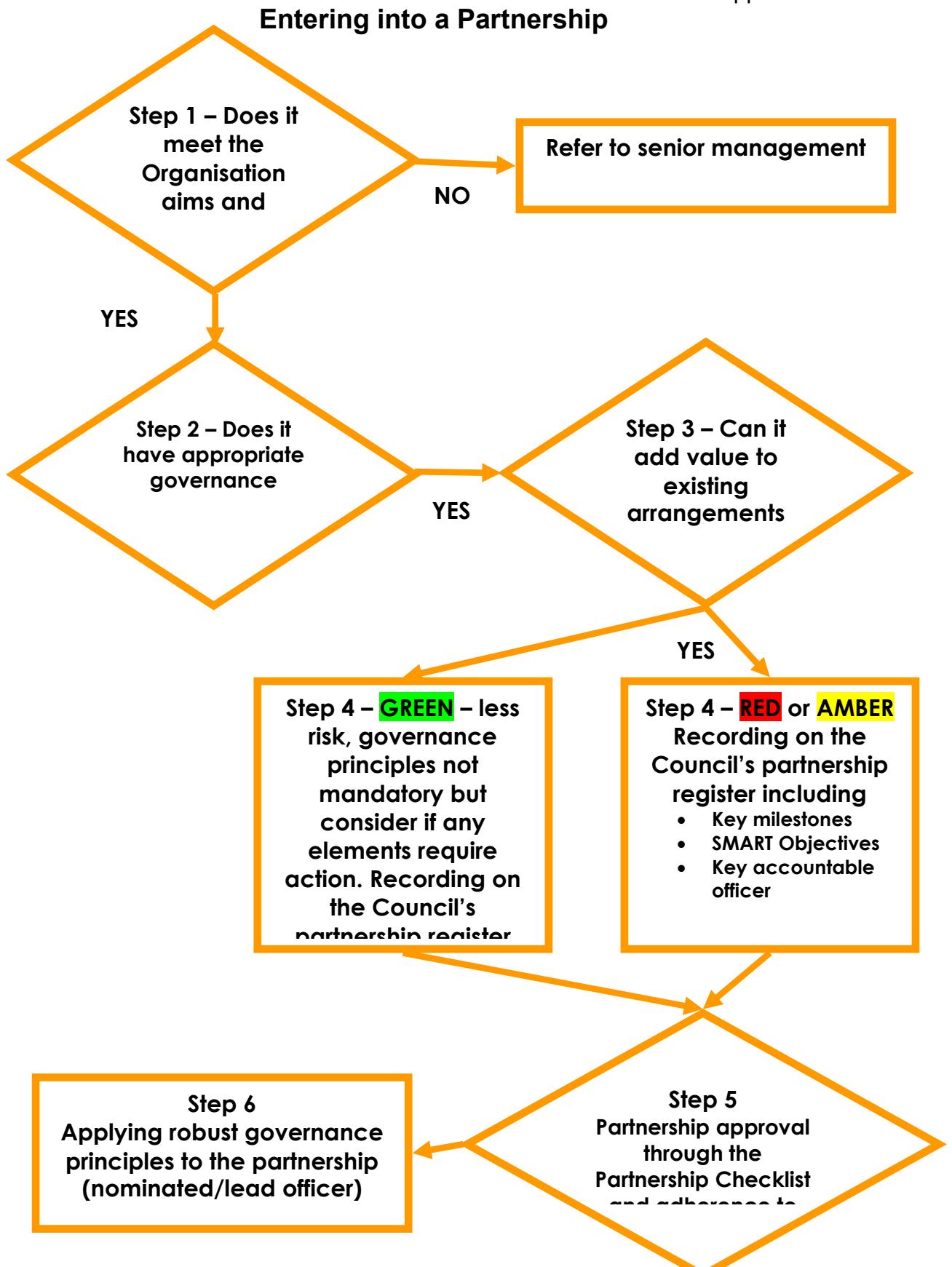
## **Implementation Risks**

The risks of not implementing this policy could result in a negative review under CAA.

Immediate risks include embedding the Bridge Toolkit across the authority, having the resources available to deliver the review programme, using appropriate methodology to determine the top strategic partnerships and having this endorsed by Lincolnshire Assembly.

## **Timescale**

Timescales can be seen in the partnership development action plan. These will be reviewed annually.



## Appendix B

PARTNERSHIP TITLE:

DATE ESTABLISHED:

STRATEGIC LEAD:

CORPORATE LEAD:

SERVICE HEAD:

PURPOSE:

MEMBERSHIP:

Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
<b>1 Entering into Partnership</b>				
1.a	Have SMART aims and objectives of the partnership been agreed up front?			
1.b	Has a lead partner/accountable body been agreed?			
1.c	If the other partners opt to terminate the partnership agreement, have the financial liabilities of the Council been considered?			
1.d	Have the annual costs to the Council of entering into this partnership been estimated?			
1.e	Is it a statutory requirement to form the Partnership?			
<b>2 Legal Responsibilities</b>				
2.a	Will arrangements be in place to ensure compliance with the law, e.g. health and safety, freedom of information, data protection and service specific legislation?			

2.b	Have required records been specified to ensure that all legal obligations have been met?			

Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
<b>3 Risk Assessment</b>				
3.a	Does the risk assessment process link into the Council's overall risk management framework?			
4	<b>Written Agreement</b>			
4.a	<p>Is there a written partnership agreement that includes the following: (please attach a copy) answer yes/no for each point below</p> <p>A partnership plan has recently been developed but has yet to be signed up to.</p> <ul style="list-style-type: none"> <li>• constitution;</li> <li>• common aims, objectives &amp; statement of intent;</li> <li>• structures and procedures;</li> <li>• legal, financial and personnel responsibilities;</li> <li>• exit strategy;</li> <li>• resources (core resources &amp; project resources);</li> <li>• budgetary and accounting arrangements;</li> <li>• audit and review arrangements; and</li> <li>• monitoring of service delivery?</li> </ul>			
5	<b>Financial Responsibilities</b>			
5.a	Have insurance requirements been considered, e.g. personal indemnity, third party, etc.?			
5.b	Has responsibility been delegated for maintaining financial records?			

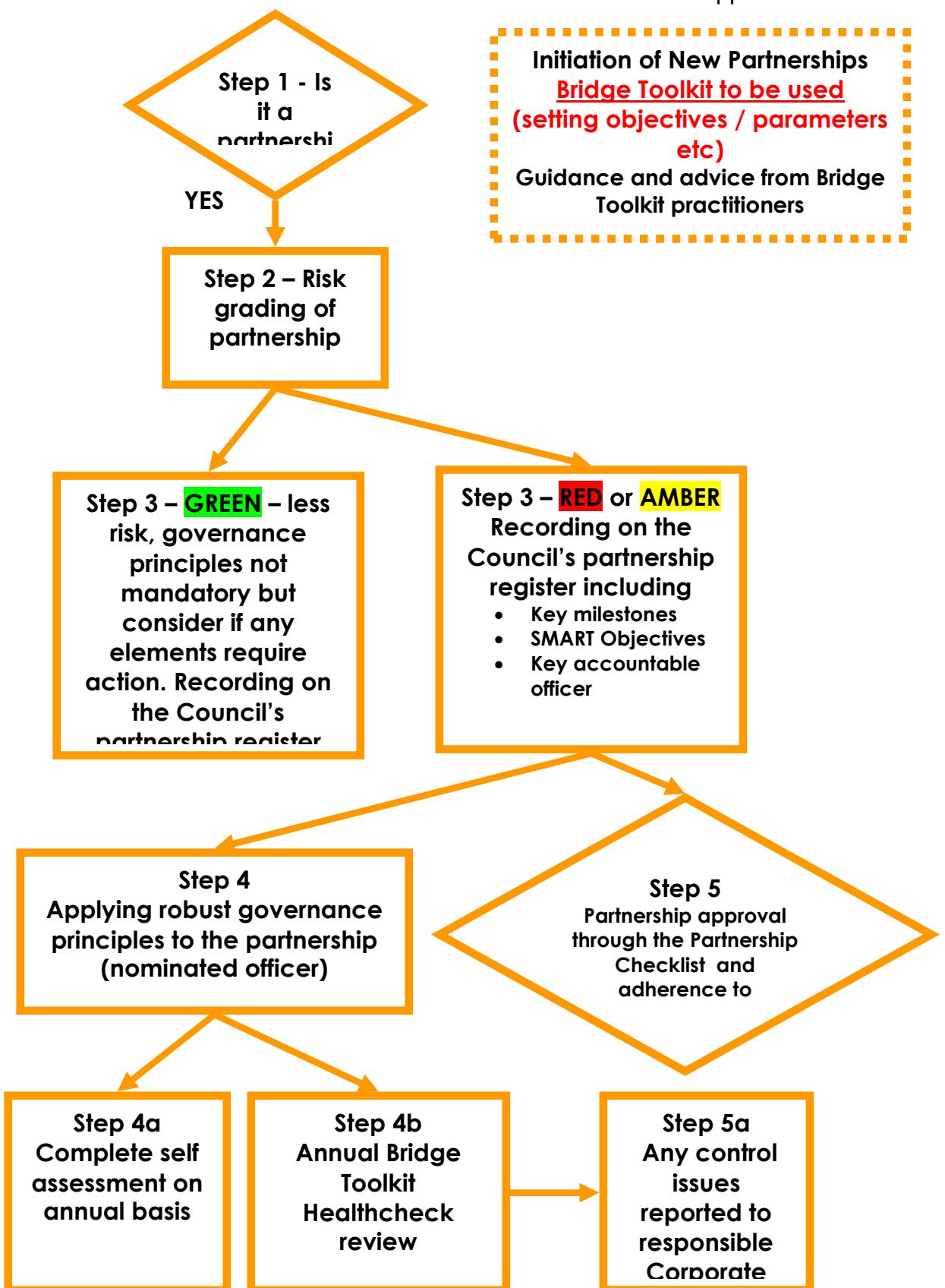
5.c	Has advice been sought on the VAT arrangements applying to the partnership?			

Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
<b>6 Consultation</b>				
6.a	Does the governance structure encourage open and active decision-making?			
6.b	Does the governance structure include effective information exchange and communication within and outside the partnership?			
<b>7 Performance Management</b>				
7.a	Have mechanisms been introduced to allow the partnership to measure the impact of its work?			
7.b	Is there a service plan including a profiled budget and performance indicators?			
7.c	Has consideration been given to how service delivery will be reported?			
7.d	Is there a mechanism in place to report the performance of the Partnership to Cabinet?			
<b>8 Audit Arrangements</b>				
8.a	Have arrangements been made for internal audit, including the following?: <ul style="list-style-type: none"> <li>• an internal audit programme resulting from an objective risk assessment; and</li> <li>• appropriate reporting structures for internal audits?</li> </ul>			
8.b	Will the partnership arrangements be			

	reviewed on a periodic basis?			
9	Staff Responsibilities			
9.a	Are staff aware about their roles, responsibilities and the governance framework?			
9.b	Have staff made any declarations regarding conflicts of interest?			
10	Budgeting Arrangements			
10.a	Have arrangements been agreed for approving budgets and monitoring expenditure?			
10.b	Have arrangements been agreed for making payments to the lead authority?			
10.c	Where the partnership will recover grant income, is there an agreement that ensures all partners will comply with the requirements specified?			
	Final Sign-Off	Person Responsible	Date of Sign-Off	

We would advise that the checklist be signed off by an appropriate senior officer prior to entering into any partnership agreement. The assessment results should then be presented to Members.

This checklist is based on an audit checklist published by the Chartered Institute of Public Finance and Accountancy (CIPFA).



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