

# Partnership governance framework

## Purpose

1. Herefordshire Council must conduct its business in accordance with the best interest of residents, within the law, and transparently ensure that public money is spent efficiently and effectively. This requirement also applies to the council's partnerships which have become an increasingly important way locally for planning and delivering services and for delivering strategic objectives. Nationally there is a continuing focus on ensuring that councils and the wider public sector work together to deliver efficiencies and drive both service improvement and economic growth.
2. 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 county it is therefore important that we know what our significant partnerships are, we understand their purpose, we understand the costs and benefits of working in that way, and have assurance that partnerships' governance supports their operation particularly in key areas such as making decisions and accountability.
3. This framework is intended to help council officers and members to evaluate and influence partnership governance by:
  - Defining what a significant partnership is
  - Setting out the principles of partnership governance
  - Providing guidance, model policies and templates.
4. The framework recognises that there is great variety in the scale and nature of the councils' partnerships, but provides a standardise approach by which accountability can be strengthened, risks managed, and working arrangements rationalised.
5. The framework may also be of interest to those who already, or may in the future work with the council, as a way of understanding the way in which the council conducts business.

## Benefits and risks of partnership working

6. 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.
7. It's important to acknowledge both the benefits and risks when establishing and reviewing partnerships to ensure they remain the most effective way of achieving the desired aim.

### Potential benefits

- Better co-ordination and integration in the delivery of services
- Greater understanding of challenges and greater capacity to plan and develop solutions
- Pooling of expertise and resources

### Potential risks

- Lacking clarity of purpose, of partner expectations or of partner responsibilities
- Setting unrealistic goals or expectations, or being unaware of the extent of financial or legal implications
- Financial or time commitments outweighing potential benefits or gains

### Potential benefits

- Flexibility and innovation; learning from each other to produce better policy and stronger delivery than when working alone
- Effective communication and engagement to achieve outcomes
- More efficient and effective use of resources (money, people, assets, data) to deliver value for money.

### Potential risks

- Differing cultures, policies and behaviours leading to conflict, distrust, manipulation of domination
- Inadequate governance and scrutiny over planning, decision-making, management of resources, risk or performance
- Lack of public transparency and/or perceived lack of democratic accountability.
- Mixed or confusing messaging to audiences.

### Framework principles and practice

#### *What is a partnership?*

8. The term partnership is used when two or more organisations agree to work collectively to achieve an objective or goal. 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.
9. The following relationships or groups are not considered to be partnerships:
  - Employer and staff relationship
  - If the council has direct and sole control over budgets and decision-making
  - Where a subscription or membership payment is made for a service (eg the local government association)
  - Where a grant is being made to another body for a specific purpose
  - A supplier of a contract not meeting the criteria below.
10. A client and contractor relationship is not usually considered to be a partnership but may be if it is:
  - Of strategic importance to the council;
  - Critical to the delivery of the council's key objectives or statutory obligations;
  - Critical to the reputation of the council where failure to deliver could damage the council's reputation; or
  - responsible for spend of significant public funding.

#### *Is a partnership needed?*

11. Partnerships will not always be the best way in which to achieve a particular goal or deliver a service. The first consideration must be whether or not the establishment of a partnership is mandatory (statutory) or discretionary. Although mandatory partnerships may be regulated in specific ways and have particular structure or governance requirements it is still important to provide assurance about the management of that partnership.
12. 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. 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?
- Are there alternative delivery arrangements that could be considered?
- Is there a shared vision and purpose across the partners, or is it dominated by one partner?
- Are there a clear set of jointly agreed goals with respective values, capabilities and capacity of partners understood by all?

### *Principles*

13. Having established that a partnership is appropriate the following key principles should be considered – not all will necessarily apply to every partnership, but their relevance should be considered and a proportionate approach applied.
- a) Shared understanding – partners should formally agree and record how the partnership operates. This will include: structure, purpose and aims, activities, roles and responsibilities, membership, regulatory framework, dispute resolution, timeframe for operation and exit strategy. Relevance to the agreed purpose should be maintained during the lifespan of the partnership.
  - b) Accountability – partnerships should account for their actions through reporting, meetings, oversight and scrutiny of performance and regulatory compliance, openness and engagement, and complaints and redress processes.
  - c) Decision-making – there should be clearly allocated roles, responsibilities and accountabilities, open and transparent processes such as records of delegated authority and decisions taken, and effective scrutiny.
  - d) Value for money – costs and benefits should be understood and monitored to ensure that the partnership continues to provide value for money over alternative arrangements.
  - e) Corporate governance processes – To ensure high quality cost effective operation to meet agreed priorities, proportionate processes should be in place for managing issues such as risk, performance, finance, and information. These should be periodically reviewed during the lifespan of the partnership.
  - f) Standards – high standards of conduct and leadership of the partnership should be agreed to ensure the needs of all partners are met, conflicts of interest can be identified and managed, differences are respected, disputes may be resolved quickly and effectively and public confidence in the way in which the partnership operates can be maintained.

### *Strategic partnerships*

14. To be considered ‘significant’ partnerships should have either:
- a) Financial responsibility – based on a threshold for the council’s annual contribution, or for directing council funding of £100k (excluding staffing costs); and/or

- b) 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.

*Practice*

- 15. The table below shows how these principles can be put into practice either in the formation of a new partnership or when evaluating the effectiveness of an existing partnership.
- 16. Appendix A provides a model structure for a partnership agreement – it is intended for guidance but, in accordance with the need for proportionality, should be customised to suit the characteristics of the partnership.

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Criteria	Good governance	Good practice
Purpose, structure and membership	<ul style="list-style-type: none"> <li>✓ Aims, objectives, outputs and outcomes are agreed and communicated</li> <li>✓ Membership is aligned to objectives to provide relevant interests experience and expertise</li> <li>✓ There is an appropriate board and committee structure with clearly defined remits</li> <li>✓ Personal interests of members do not impact on decisions.</li> </ul>	<p>Establish a partnership agreement which includes:</p> <ul style="list-style-type: none"> <li>✓ Key messages and an agreed description of what the partnership is trying to achieve (purpose and deliverables)</li> <li>✓ Roles and responsibilities</li> <li>✓ Structure chart</li> <li>✓ Partnership board and committee criteria</li> <li>✓ Declaration of personal and pecuniary interest and requirement to withdraw from meetings/decisions</li> <li>✓ Exit strategy for partners and the partnership</li> </ul>
Accountability and decision-making	<ul style="list-style-type: none"> <li>✓ Good leadership promotes supportive culture and behaviour</li> <li>✓ Roles, responsibilities and accountabilities are understood</li> <li>✓ Decision-making is open and transparent</li> <li>✓ Reporting to officers and/or members supports scrutiny of decisions and activity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Responsibilities for decisions are agreed and recorded</li> <li>✓ Minutes of meetings record decisions, agreed action and relevant related discussion.</li> <li>✓ There is regular reporting within existing democratic structures</li> <li>✓ 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</li> </ul>
Monitoring and review	<ul style="list-style-type: none"> <li>✓ There is regular review and evaluation of membership, policies, performance and risk</li> <li>✓ Awareness is maintained of what is working and what is not, and action is taken to address issues</li> <li>✓ There are strategies for change and exit.</li> <li>✓ Disputes between partners are addressed effectively</li> </ul>	<ul style="list-style-type: none"> <li>✓ The partnership is regularly reviewed to ensure it remains fit for purpose and aligned to council objectives and priorities</li> <li>✓ There are clearly defined indicators of performance to monitor delivery of the partnership objectives</li> <li>✓ Performance and risk are actively monitored, managed and reported</li> <li>✓ Processes are in place to resolve disputes, for partners to exit (or join) the partnership, and for its termination</li> <li>✓ Consideration is given to internal and external audit requirements</li> <li>✓ Processes are in place for dealing with external complaints and compliments</li> </ul>
Financial management	<ul style="list-style-type: none"> <li>✓ The partnership is resourced to deliver its aims and objectives</li> <li>✓ Responsibility for financial decisions is clear</li> <li>✓ The partnership can show that it manages funding appropriately to add value efficiently and effectively</li> </ul>	<ul style="list-style-type: none"> <li>✓ The accountable body for funding is identified</li> <li>✓ Financial and business plans show clearly how funding and resources will be used to deliver objectives</li> <li>✓ Financial accounting budgeting and reporting arrangements are in place and subject to appropriate external scrutiny</li> <li>✓ Processes are in place by which financial, legal and other technical advice</li> </ul>

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

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## **Key council roles and responsibilities**

### *Elected members and officers*

17. Elected members may be appointed to partnership boards or bodies, may determine the resources to be made available to a partnership, or may scrutinise the effectiveness of partnerships through overview and scrutiny. Officers may be appointed to a partnership board or body, or may provide support to the partnership.
18. When working with partnerships members and officers must be aware of their responsibilities under the council's code of corporate 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.
19. It should be remembered that acceptance of a role as either a charity trustee or company director (even if accepted as part of work for the council) carries a personal responsibility. In these circumstances there will be particular responsibilities to the Charity Commission or under company law that must be fulfilled. The duty to act in the best interests of the charity or company must be balanced with the duty to the council as an elected member or a council officer, and as a representative within its community leadership role. Further advice can be sought from the monitoring officer if required.
20. If an elected member or officer feels the partnership is not acting in a way that is acceptable to the council or in the public interest they should raise the concern at the earliest opportunity initially with the relevant link officer, or with either the director for economy, communities and corporate or the chief executive.

### *Link officers*

21. Link officers provide the key point of contact between the council and a partnership. They are responsible for:
  - ensuring that corporately the council is informed of partnership activity and progress;
  - ensuring that the partnership is appropriately advised regarding its governance arrangements;
  - leading the periodic self-assessment of the effectiveness of those governance arrangements; and
  - ensuring that the partnership that terms of reference have themselves been subject to appropriate governance and the appropriate entry on the register of strategic partnerships is kept up to date.

### *Assurance and review*

22. The director for economy, communities and corporate has overall leadership responsibility for ensuring the effectiveness of partnership governance arrangements and will maintain a register of strategic 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.
23. Within the register, the categories of partnership will be:
  - Incorporated partnership (i.e. a separate and distinct legal entity)
  - Statutory partnership

- Non-statutory partnership
- Contractual

24. Risk assessment, based on the information within the annual self-assessment return, may be:

- **Low risk** – there is a sound system of governance in place and being followed, which is designed to achieve the partnership and council’s objectives
- **Medium risk** – While there is a basically sound system of governance either there are some weaknesses or it is not consistently followed, resulting in some of the partnership and council objectives being at risk.
- **High risk** – Controls are generally weak leaving the partnership’s system open to significant error or abuse. It is likely that the partnership and council objectives will not be met.

25. Management board will recommend partnerships for inclusion on the register of strategic 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 legal and governance services before submission to management board.

26. Approval for establishing, and resourcing, strategic partnerships will be subject to the appropriate council decision making processes in accordance with the council’s constitution.

27. 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 considered by audit and governance committee.

28. 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-strategic partnerships within their corporate areas of responsibility.



## Appendix A – Model partnership agreement

<b>1.</b>	<b>General information</b>
1.1	Name of partnership
1.2	Type of partnership (public/public; public/private; voluntary and community; other specified bodies) and legal status
1.3	Principle reason for establishing (eg statutory requirement; to access government funding; to deliver a service; to consult....)
1.4	Council priority and aim to which the partnership will contribute
1.5	Date partnership commenced
1.6	Expected life span
<b>2.</b>	<b>Partnership objectives</b>
2.1	Partnership vision (clear, long-term, agreed by all partners, achievable and contributes to all partner priorities and defined service outcomes)
2.2	Partner contribution (how and what each partner contributes; business plan define how goals will be achieved by which partner and when)
2.3	Publication (to promote understanding and ownership)
<b>3.</b>	<b>Terms of reference</b>
3.1	Purpose (what the partnership is for including expected benefits and outcomes)
3.2	Scope (what the partnership is and isn't intended to do)
3.3	Agreement (documented agreement to the scope by all partners at an appropriate level)
3.4	Code of conduct (partners may be bound by their own organisation's code and if so this should be stated and a link to those codes provided for clarity)
<b>4.</b>	<b>Partnership principles</b>
4.1	Referring to the principles in the framework, the principles agreed by the partners should be set out
<b>5.</b>	<b>Membership</b>
5.1	Partners ( the full list of agreed partners, number of representatives each partner may have and whether they must be member or officer, and names of nominated representatives)
5.2	Non partner participation (explain why they are their eg professional or technical advice, provide view of service users, representational role etc, and how they were selected)
5.3	Voting powers (terms of office and voting rights of partners.
5.4	Time limits (frequency of membership review, limits of time an individual representative can serve on a partnership)
5.5	Representation (if/how the membership is expected to reflect the characteristics of the area/people it serves)
5.6	Roles and responsibilities (for each constituent member; it may be appropriate to list members by sector and areas of activity they are responsible for; list each partner and specify what, where and when they will provide to the partnership activity)
5.7	Secretariat (who will provide it; who pays for it)
5.8	Chair (method and criteria for appointing; term of office; vice chair)
5.9	Accountable body ( who will be accountable for the finances; who will pay for that function)
<b>6.</b>	<b>Accountability and communication</b>
6.1	1. Reporting (how will the partnership report, to whom is it accountable to include: reporting lines between various levels within the partnership and to constituent bodies; statement on members accountability to each other including behaviour; communication strategy for reporting externally and internally; boundaries between activity of the partnership and of individual partners)
6.2	Audit (arrangements for internal and external audit and how these will be resourced)
6.3	Value for money (how the partnership adds value, how it measures and monitors that added value)

<b>7.</b>	<b>Governance</b>
7.1	Corporate and individual governance (how governance arrangements link to partner bodies arrangements, how decisions are recorded, who makes sure they are acted on, who scrutinises them, to whom are they reported)
7.2	Statutory powers/obligations (specify and legislative or regulatory requirements the partnership must comply with and say how it will be assured that it does so)
7.3	Transparency (say how the principles of transparency will be complied with including access to meetings and information; register of interests)
7.4	Delegations (who is responsible for what decisions and any limits on that delegation)
7.5	Policies (any policies of the partnership needed to operate, or policies of individual partners which must be adopted by the partnership)
7.6	Meetings arrangements – to include: <ul style="list-style-type: none"> <li>• Setting dates of meetings</li> <li>• Minimum number of meetings in a period</li> <li>• Publicity re meetings (and if open or private)</li> <li>• Process for convening extraordinary meetings</li> <li>• Responsibility for setting agenda, circulating papers, minutes etc</li> <li>• Venues/timing/duration</li> <li>• Representation/deputising and quorum</li> <li>• Expectation of behaviours/attendance</li> <li>• Declarations of interest and withdrawal</li> <li>• Voting</li> <li>• Written procedure</li> <li>• Attendance via video/tele conference facility</li> </ul>
7.7	Timescales (review of governance, review of partnership, exit strategy once objectives achieved)
<b>8.</b>	<b>Financial and resource management</b>
8.1	Inputs (sources of funding including partner funds and grant funding; assets, in kind resources, staffing and any limits on the use of these resources by partners)
8.2	Financial regulations (may follow those of the accountable body but must be agreed by the partners)
8.3	Financial decision making (limits both upper and de minimis)
8.4	Financial reporting (what information will be provided, to whom and when)
8.5	Accountability (how staffing and in kind resources will be managed and accounted for)
8.6	Services (what services will the partnership require and how will they be procured)
8.7	Assets (how will the assets of the partnership be recorded, who retains ownership of them, and how they will be distributed when the partnership is dissolved; to include intellectual property rights)
<b>9.</b>	<b>Performance and risk management</b>
9.1	Arrangements (performance management methodology and arrangements, targets and indicators; complaints and compliments processes)
9.2	Data quality (arrangements for assuring quality of data, information storage and management; data sharing)
9.3	Delivery (how the partnership will monitor and report on progress towards objectives)
9.4	Outputs and outcomes (list deliverables linked to objectives, and give timescales)
9.5	Risks (arrangements for recording, reporting and managing risk)
<b>10</b>	<b>Disputes and termination</b>
10.1	Resolution of issues (systems and processes to resolve conflicts within the partnership)
10.2	Termination (how partners may exit and how the partnership may be dissolved)
<b>11.</b>	<b>Equality duty</b>
11.1	How the partnership will operate to ensure the duties under the Equality Act are met?