

## EXECUTIVE

### 12<sup>th</sup> October 2023

<b>Report Title</b>	<b>Partnership Governance Framework and Register of Significant Partnerships</b>
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<b>Lead Member</b>	Cllr Lloyd Bunday, Executive Member for Finance and Transformation

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

#### List of Appendices

**Appendix A** – Draft Partnership Governance Framework

**Appendix B** – Draft Register of Significant Partnerships

#### **1. Purpose of Report**

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- 1.1. The purpose of this report is to ask the Executive to approve the Partnership Governance Framework, and to update on the progress of creating the Register of Significant Partnerships.

#### **2. Executive Summary**

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- 2.1. The Council has drafted a Partnership Governance Framework to support the assurance of the governance and effectiveness of significant partnerships that the Council is a member of.

- 2.2. Using the criteria set out in the Partnership Governance Framework, an initial Register of Significant Partnerships has been created, which contains 16 significant partnerships.
- 2.3. The work on the Register will continue, with a view to the self-assessment being completed in November 2023 including a presentation of the Register to the Corporate Leadership Team, followed by a report to Audit and Governance Committee.

### **3. Recommendations**

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- 3.1 It is recommended that the Executive:
  - (a) approve the adoption of the Partnership Governance Framework as a policy that forms part of the assurance framework for the Council; and
  - (b) approve the proposed next steps with regard to progressing the work on the Register and ensuring an annual cycle of self-assessment.
- 3.2 Reason for Recommendations: These recommendations are made to support improved assurance around partnerships as part of the Council's assurance framework.
- 3.3 Alternative Options Considered: The alternative option of not introducing the Partnership Governance Framework has been rejected as it will not improve assurance or support risk management in areas where the Council has significant risks because partnership services are delivering statutory obligations/key objectives and/or overseeing the expenditure of significant resources.

### **4. Report Background**

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- 4.1 North Northamptonshire Council is a key member of a number of partnerships with other public sector bodies, as well as with the private and voluntary sectors. Partnerships support the delivery of the Council's corporate strategy. The structure of partnerships can take many different forms depending on the motivation and need for working in partnership, and the different circumstances in the large range and variety of services and legal obligations that the Council is responsible for.
- 4.2 A partnership might take the form of a limited company, or a statutory partnership might be formed without a separate legal entity. This means that the Council needs to manage a complex set of risks associated with the partnerships it is involved with. In order to maintain an overview of the effectiveness, efficiency and governance of partnerships, a Partnership Governance Framework has been drafted, and a Register of Significant

Partnerships has been created. This paper sets out the framework and the Register and follow up actions.

4.3 The draft Partnership Governance Framework (see **Appendix A**) outlines the approach to partnership working and should be used as an aid to officers and elected members who are involved in these arrangements. Its purpose is to ensure that the Council's interests are protected, by identifying who our significant partners are, understand the purpose of partnerships with them, how they are operated and governed, and have procedures in place to influence these arrangements when necessary.

4.4 The Framework identifies the following benefits and risks around partnerships:

#### BENEFITS

- Working together can produce better results, flexibility and innovation
- Better communication and engagement with residents
- More efficient and effective use of resources to deliver value for money
- Greater capacity to plan and develop solutions, including pooling expertise and resources

#### RISKS

- Merging cultures can lead to distrust and both parties not being as open and transparent as they could be
- Inadequate governance and scrutiny over, decision-making, management of resources, risk or performance to deliver value for money.
- Lack of public transparency and/or perceived lack of democratic accountability.
- Mixed or confusing messaging to audiences

4.5 The Framework proposes a mechanism for gaining the benefits and managing the risks around partnerships by introducing a set of roles and responsibilities for officers and Members involved in partnerships, particularly the 'Lead Officer', who is the main point of contact between the Council and the partnership. The Framework also introduces an approval process for entering new partnerships, and an annual self-assessment process to be completed by the Lead Officer.

4.6 The Framework uses the Chartered Institute of Public Finance and Accounting (CIPFA) definition of partnerships, 'An agreement between two or more independent bodies to work collectively to achieve an objective' and distinguishes between 'significant' and 'non-significant' partnerships for the purposes of governance. 'Significant' partnerships are when there is strategic importance, defined as:

- The partnership is critical to the delivery of the Council's key objectives or statutory obligations; or
- The partnership is a fundamental component of Council priorities and functions; and the Council's reputation could be damaged by the partnership's failure to deliver.

Or, where there is financial importance, defined as a threshold for the Council's annual contribution, or directing Council funding, of £100,000 (excluding staffing costs).

4.7 This broad definition of partnerships captures many arrangements which are already governed in a different way. For example, an agreement between the Council and a supplier to purchase services may be described as working 'in partnership' but would involve a specific contractual monitoring arrangement of the agreement between the parties. A partnership such as this could be important from a service delivery perspective, but risks and transparency issues will be adequately managed through the Council's contract procedure regulations. This is an example of a 'non-significant' partnership from the perspective of the Partnership Governance Framework. Non-significant partnerships, which are excluded from the Register, are defined as those where:

- The Council has direct and sole control over budgets and decision-making
- A subscription or membership is made for a service
- A grant is being made to another body for a specific purpose
- The Council have procured goods or services from a supplier under a contract

4.8 Finally, the Partnership Governance Framework contains details on what good governance and good practice looks like in practical terms, as a guide for officers and Members. This is based on a set of principles, and includes areas such as clarity on purpose, structure and membership; decisions are made in an appropriate open and transparent way; meetings are efficient and well-run; and there is regular review of performance, finances and risks.

4.9 It is recommended that this Framework is adopted as a policy that forms part of the Council's broader assurance framework.

4.10 The Framework recommends that an annual self-assessment is conducted for all partnerships on the Register. To prepare for this self-assessment, and to provide initial assurance over the Council's significant partnerships, the Performance, Intelligence and Partnerships service has engaged with Directors and Assistant Directors to compile a first draft of the Register and overview documentation. The summary draft Register is included at **Appendix B**. It lists 16 significant partnerships which meet the criteria set out in the Framework. Information was collected by means of a standard form, and includes:

- General information about the partnership (name, Lead Officer, service area, others involved)
- Overview of the partnership
- Aims and objectives
- Formal reporting line and scrutiny arrangements
- Roles and responsibilities of the members of the partnership
- Make-up of the Board

- Affiliations and / or subsidiaries
- Employee policies
- Complaints / GDPR / whistle-blowing / conduct / interests / gifts policies
- Financial regulations
- Assurance of financial processes
- Risk, performance, finance reporting

## **5. Issues and Choices**

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- 5.1 It is good practice in governance and risk management to ensure adequate assurance procedures to manage risks across all areas of the Council's business. The draft Partnerships Governance Framework seeks to fill a gap in assurance arrangements surrounding partnerships which are described as 'significant' but which are not governed in another way currently.
- 5.2 The methodology of ensuring a Lead Officer for every partnership, an annual self-assessment, and support from the Performance, Intelligence and Partnerships service seeks to balance the need for assurance against additional workload burden. The alternative option of doing this work only within corporate services has been rejected because the Lead Officers know the detail of the work of the partnerships. A further alternative option of requiring Lead Officers to do this without any support from the centre has been rejected because there will not be enough co-ordination to ensure systematic and co-ordinated oversight.
- 5.3 The Partnerships Governance Framework will be part of the Council's broader assurance arrangements. It may need to be amended from time to time to ensure alignment with other policies, e.g. specific governance around Council-owned companies. This aligns with the work of the Audit and Governance Committee, so one of the proposed next steps is to include the assessment of governance and performance of significant partnerships within the terms of reference of the Audit and Governance Committee.

## **6. Next Steps**

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- 6.1. Subject to the approval of the Framework by Executive, the proposal is that going forward the assessment of the governance and performance of significant partnerships will be included within the terms of reference of the Audit and Governance Committee, to ensure that the Council has the assurance needed for such arrangements.
- 6.2. To take this work forward, the Performance, Intelligence and Partnerships service will:
- Provide feedback to Lead Officers from this initial review,
  - Complete the first self-assessment
  - Present the Register to the Corporate Leadership Team in November 2023

- Provide a report to Audit and Governance Committee for consideration.
- 6.3. Assurance will be further supported by an Internal Audit review of partnerships to be undertaken as part of the future audit work programme.

## **7. Implications (including financial implications)**

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### **7.1. Resources, Financial and Transformation**

- 7.1.1. There are no resources or financial implications arising from the proposals.

### **7.2. Legal and Governance**

- 7.2.1. This report recommends that actions in the draft Partnership Governance Framework be undertaken to support assurance over the governance of the significant partnerships the Council is a member of.

### **7.3. Relevant Policies and Plans**

- 7.3.1. This report recommends the adoption of the Partnership Governance Framework as part of the Council's framework of assurance policies.

### **7.4. Risk**

- 7.4.1. The recommendation in this report will support the mitigation or avoidance of risks relating to working in partnership, as identified in the Partnership Governance Framework. Specific risks which the new Framework relates to include Risk 1 'Children's Trust fails to deliver to the agreed standards / failure of the Council's Intelligent Client Function (ICF)', and Risk 2 'Failure of corporate governance/meeting statutory requirements/ poor decision making.'

### **7.5. Consultation**

- 7.5.1. No consultation has been undertaken in relation to this report.

### **7.6. Consideration by Executive Advisory Panel**

- 7.6.1 This report has not been considered by an Executive Advisory Panel.

### **7.7 Consideration by Scrutiny**

7.7.1 This report has not been considered by the Council's Scrutiny function.

## **7.8 Equality Implications**

7.8.1 There are no equality implications associated with this report, as it recommends the adoption of an assurance framework for all significant partnerships rather than relating to a specific partnership.

## **7.9 Climate and Environment Impact**

7.9.1 There are no climate implications arising from this report.

## **7.10 Community Impact**

7.10.1 Some of the Council's significant partnerships relate to specific locality areas. The recommendations in this report are aimed at providing assurance that those partnerships and others are well governed, are achieving their objectives and providing value for money.

## **7.11 Crime and Disorder Impact**

7.11.1 There are no crime and disorder implications arising from this report.

## **8 Background Papers**

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8.1 There are no background papers relating to this report.