

Audit and Governance Committee Monday 12th February 2024

Report Title	Partnership Governance Framework
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Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Which Corporate Plan priority does the report most closely align with? <u>Our priorities for the future North Northamptonshire Council (northnorthants.gov.uk)</u>	Modern public services

List of Appendices

Appendix A – Partnership Governance Framework

Appendix B – Draft Register of Significant Partnerships

1. Purpose of Report

- 1.1. The purpose of this report is to update Audit and Governance Committee on progress of work to complete a self-assessment of significant partnerships, following a decision by Executive to adopt the Partnership Governance Framework and the recent amendment of the terms of reference of this Committee to oversee such work.

2. Executive Summary

- 2.1. In October 2023 Executive approved the adoption of a new Partnership Governance Framework, to manage the governance and performance of the Council's significant partnerships. In January 2024, Council approved the amendment of the Audit and Governance Committee terms of reference to oversee the work to complete self-assessments of significant partnerships in support of the Framework.

- 2.2. This report brings these decisions and the draft Register of Significant Partnerships to the attention of the Committee and sets out proposed next steps to take the work forward.

3. Recommendations

- 3.1. It is recommended that the Audit and Governance Committee
 - (a) Review and comment on the draft Register of Significant Partnerships
 - (b) Approve the proposed next steps for completing self-assessment work and reporting back to Committee
- 3.2. These recommendations align with decisions of Executive and Council to progress with work to assure the appropriate governance and performance of significant partnerships.
- 3.3. Alternative options include not progressing the work on self-assessment of the governance and performance of significant partnerships, which is not recommended because significant partnerships do carry risks and it is good practice to understand these and ensure appropriate mitigations are applied. The work could be carried out in a different way, options considered but rejected by Executive included Lead Officers carrying out this work without central oversight, or this work being carried out by corporate resources only, not including Lead Officers. Both of these were rejected as not having the right balance of expertise and co-ordination to achieve the objective of managing risks and achieving the benefits of good partnership working.

4. Report Background

- 4.1. North Northamptonshire Council is a key member of several 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 was adopted by Executive in October 2023, and a Register of Significant Partnerships has been created.
- 4.3. The 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 sets out 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 This Framework was adopted as a policy that forms part of the Council's assurance framework by Executive in October 2023. Changes to the terms of reference of the Audit and Governance Committee to allow it to oversee the assessment of the governance and performance of significant partnerships were recommended by Democracy and Standards Committee and confirmed by Council in January 2024. This report is in response to these decisions.

4.10 The Framework requires 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

- 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 Partnership Governance Framework fills 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.

6. Next Steps

- 6.1. Now that the framework has been adopted by Executive and the Audit and Governance Committee can act to oversee the governance and performance of key partnerships, the Performance, Intelligence and Partnerships service will:
- Provide feedback to Lead Officers from the initial review
 - Promote the Framework and guidance to officers across the Council
 - Working with Lead Officers, complete the first self-assessment
 - Provide a report on the outcome of the self-assessment to Audit and Governance Committee
- 6.2. 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)

7.1. Resources and Financial and Transformation

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

7.2. Legal and Governance

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

7.3. Relevant Policies and Plans

7.3.1. Executive decided to adopt the Partnership Governance Framework as part of the Council's framework of assurance policies in October 2023.

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. Equality Implications

7.6.1. There are no equality implications arising from this report.

7.7. Climate Impact

7.7.1. There are no climate impacts arising from this report.

7.8. Community Impact

7.6.1 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.

7.9. Crime and Disorder Impact

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

8. Background Papers

- 8.1. Decision of Executive: Report to Executive 12 October 2023 'Partnership Governance Framework and Register of Significant Partnerships' [Agenda for Executive on Thursday 12th October, 2023, 10.00 am - North Northamptonshire Council \(modern.gov.co.uk\)](#)
- 8.2. Revisions to Audit and Governance Committee terms of reference: Report to Democracy and Standards Committee 8 January 2024 'Proposed Revisions to the Constitution – Audit and Governance Committee Terms of Reference' [Agenda for Democracy and Standards Committee on Monday 8th January, 2024, 7.00 pm - North Northamptonshire Council \(modern.gov.co.uk\)](#) and report to Council 25 January 2024 'Proposed Revisions to the Constitution – Audit and Governance Committee Terms of Reference' [Agenda for Council](#)

[on Thursday 25th January, 2024, 6.00 pm - North Northamptonshire Council \(moderngov.co.uk\)](#)