

Corporate Governance Framework and Toolkit for Partnership Working

Contents

Part 1: Partnership Framework

The Purpose of the Framework	p.2
Who will use the Framework	p.2
Defining a Partnership	p.2
Levels of Significance: Categorising Partnerships	p.4
Mapping Partnership activity: The partnership Register	p.4
Decision Making, Delegations and the Constitution	p.5
Minimum requirements for the Council to participate in partnerships	p.5

Part 2: Partnership Toolkit

Business Case Checklist	p.7
Self-Assessment Levels of Significance	p.9
Partnership development and review checklist	p.11
Partnership Memorandum of Understanding Checklist	p.13
General Principles of Conduct for Partnership Working	p.15
Protocol for Members working with outside bodies	p.17
Protocols for Officers working with outside bodies	p.18

Section 1 Partnership Framework

The Purpose of this Toolkit

This framework sets out the Council's approach to partnership working. In particular it covers definitions, minimum governance requirements, evaluation of partnership significance and how to enter, monitor and end partnerships.

In line with the general reduction of the Council, the aim is to set thresholds for partnership working that enable the Council to focus on those partnerships which have a strategic and organisational significance.

This framework and toolkit should be read alongside the relevant sections of the Council's Constitution.

This toolkit will ensure that for each partnership:

- The Council is clear about its purpose and expected outcomes for the people of Cumbria when entering into partnerships
- The Council's own agreed priorities and objectives are being met
- There is clarity about accountability and responsibility for outcomes
- Partnership activity and outcomes are monitored, reviewed and evaluated to make best use of resources
- Risks for the Council, and for the partnership are assessed and agreed
- Each partnership maintains a relevance to its agreed purpose during its lifespan and has in place an effective exit strategy
- Partnerships are properly empowered and their legal status understood
- Reviews are undertaken to evaluate success and further challenge progress and improve effectiveness

Who will use this Toolkit?

Both officers and elected members will have access to this toolkit. The Council will also share this toolkit with partners and prospective partners ensuring that the procedure and guidance are understood and the need for them accepted.

Defining a Partnership

The Audit Commission describes partnerships as a joint working arrangement where the partners:

- are otherwise independent bodies;
- agree to cooperate to achieve a common goal;
- create a new organisational structure or process to achieve this goal separate from their own organisations;
- plan and implement a jointly agreed programme, often with joint staff or resources;
- share relevant information; and pool risks and rewards.

Partnerships cover arrangements made by the Council to:

- deliver a programme of externally funded activities in co-operation with one or more external bodies;
- form joint arrangements with other bodies in accordance with another statutory power or duty to form a joint board or panel;
- work strategically with one or more external bodies;
- work informally with one or more external bodies, for example, to share knowledge or information;
- Non-commercial arrangements which the Council is invited to participate in by an external body.

The following arrangements between two or more bodies are **not** covered the definition above:

- Council committees, including committees that have co-optees from other organisations.
- commercial arrangements which may be described as partnerships, for example, joint venture arrangements, contractual arrangements with third sector bodies;
- grant programmes;
- formation and transfer of business to an external legal entity, which requires a specific Cabinet decision. This could include entities such as a Council owned company, community interest company, public sector mutual or other recognised entity, with or without charitable status;
- public finance initiatives;
- informal networks;
- task and finish groups and project teams.

Also not covered are agreements between the Council and the National Health Service to operate a pooled fund to deliver health and social care activities. These arrangements are governed by the relevant legislation and require a specific decision by Cabinet which addresses all the issues relevant to the activity proposed.

In terms of membership of Outside Bodies, there is an overlap with partnerships, though not all outside bodies would meet the definition of partnerships set out in this framework.

This framework is applicable to:

- strategic alliances (formal forums, joint committees, management committees);
- partnerships required or covered by law (Crime and Disorder Act 1998, Health Act 1999, Local Government Act 2000);
- partnerships where the Council acts as accountable body for European, national and or regional funding;
- not for profit organisations that are conducted for the benefit of the community (charities; trusts; companies limited by guarantee).

Levels of Significance: Categorising Partnerships

Partnerships vary in terms of their significance for the Council. Key criteria for establishing significance include links to corporate priorities, statutory requirements, complexity of the partnership, level of authority, funding arrangements, the Council's financial contribution, consequences of failure and risks.

In order to evaluate the level of significance a self-assessment tool has been developed which enables the Council to score existing and prospective partnerships. The tool evaluates partnerships according to the following levels of significance:

- **High:** Partnerships that are of strategic importance to the Council and require a corporate overview and adequate support. These are referred to in this framework as strategically significant partnerships.
- **Medium:** Partnerships that have significance for the working of a specific Directorate and can be managed internally as part of the Directorate's service planning process.
- **Low:** Partnerships that are ad hoc bodies requiring low maintenance and where the Council could decide to withdraw.

The self-assessment tool scores partnerships along a number of indices to establish the level of significance, which then determines the partnerships that populate the Partnership Register. The self-assessment tool can be found on page 9.

Mapping partnership activity: The Partnership Register

The Partnership Register provides a record of all of the Council's strategically significant partnerships. The register covers the following: purpose, key organisations, officer and member leads, date of beginning of partnership, potential end date, total financial commitment, finances the Council is responsible for and implications of relinquishing the partnership.

The following exclusions to the central Partnership Register apply:

- All partnerships that are evaluated as of low significance using the partnership categorisation tool.
- All partnerships that are evaluated as of medium significance and can be managed directly by a Directorate as part of its business.
- Standing groups that manage an aspect of the work of a larger partnership.

Directorates will be directly responsible for managing partnerships at this level as part of their business.

The Partnership Register is refreshed annually to feed into the Council's annual audit statement.

Responsibility for refreshing the register sits with Directorates co-ordinated by the Executive Director – Corporate, Customer and Community Services.

Decision Making, Delegations and the Constitution

Decisions to enter or continue a partnership will be made in accordance with the constitution, and for the purposes of the guidance the following scheme of delegation applies:

- **Chief Officers and Cabinet:** Strategically significant partnerships will need agreement by the Director, Section 151 Officer and Monitoring Officer and recommendation to Cabinet for their consideration. This includes agreement to join or establish a new strategically significant partnership; agreement to withdraw a strategically significant partnership.
- **Corporate Governance Group:** Annual review of existing strategically significant partnerships, where no major change is being proposed.
- **Directorate Management Team:** Agree all arrangements in relation to participation in partnerships ranked as medium or low in levels of significance. Executive Directors and other officers who represent the Council on a partnership are authorised to act within their delegated powers recorded in the Scheme of Delegation or Directorate Scheme of Delegation.

If additional authority is required this should be sought from the person or body which authorised the Council's participation in the partnership.

The Council has not made provision for individual Members to make decisions on behalf of the Council. If authority is required for a Member to make decisions on behalf of the Council, when participating in a partnership, this should be sought from the body which authorised the Council's participation in the partnership.

Minimum requirements for the Council to participate in high significance partnerships

Where the Council is invited by an external body to participate in a strategically significant partnership, the report recommending a decision on the Council's participation must address the following matters:

- Written Terms of Reference;
- Description and diagram of the governance structure;
- Description of working arrangements of the Partnership, including standing groups that are carrying out a portion of the Partnership's business:
 - Authority to be delegated to the body (where the law permits delegation);

- Authority to be delegated to individuals to act on behalf of the Council;
- Risk assessment/management plan relevant to the Council's participation in the partnership.

Part 2: Partnership Toolkit

Business Case Checklist

The following checklist of items should be considered when developing a business case.

Heading	Information required
Nature of the business case	1.This is concerned with: <ul style="list-style-type: none"> • Setting up a Partnership • Joining an existing Partnership • Reviewing an existing Partnership
	2. Name of the Partnership
	3. Is the Partnership Statutory?
Reasons for the Partnership	1. What are the key aims & objectives of the Partnership?
	2.How do these fit with the strategic outcomes of the: <ul style="list-style-type: none"> • Council Plan • Community Strategy • Local Area Plans
	3. To whom is the Partnership accountable?
	4.What is the role of the Council?
	5.Which organisations make up the Partnership?
	6.Are there any key players NOT in the Partnership that should be?
Other options considered	1.What other working arrangements have been considered?
	2.Why were these rejected?
Benefits of the Partnership	1.How is this Partnership offering value for money?
	2.Give specific examples of how the partnership is delivering added value
	3.Attach the SMART outcome, benefits and targets of the Partnership
Risk and Opportunities	1.Attach the completed risk assessment for this Partnership
	2.Attach the completed Equality Impact Needs Assessment (EINA) for the Partnership
	3.Is there the potential for reputational damage if the Council does not join the Partnership or if it leaves the Partnership? If yes, then what is the risk and how will it be managed?
	4.If the Council does not join the Partnership or if it leaves the Partnership will any funding be lost? If yes then provide detail.

<p>Costs & Timescales</p>	<p>1.What Resources is the Council providing in terms of:</p> <ul style="list-style-type: none"> • Finance • Staff • Accommodation • Legal • ICT • Administration • Training • Insurance • Recruitment • Payroll • Health & Safety • Advice • Others
	<p>2.When is funding for the Partnership due to end?</p>
	<p>3.What is the intended lifespan of the Partnership?</p>
	<p>4.What is the exit strategy?</p>
<p>Authorisation</p>	<p>The business case must be authorised by:</p> <p>Name</p> <p>Date</p> <p>Job Title</p> <p>Contact telephone number</p> <p>Contact email address</p>

Self-Assessment Levels of Significance

The following assessment method is used to determine the category of partnership – whether it is a High Significance, Medium Significance or Low Significance partnership. The categorisation of partnerships is used to determine the level of controls or governance that is proportionate to the risk exposure to the Council.

IMPACT	Quantum of Impact		
	1	2	3
Corporate priorities To what extent does the partnership contribute to the achievement of corporate priorities in the corporate plan	Indirect links to successful achievement of a corporate priority	Moderate contribution to the successful achievement of a corporate priority	Significant contribution to the successful achievement of at least one corporate priority
Statutory Requirement	No statutory requirement to participate	No statutory requirement but Council expected to act as Accountable Body	Statutory requirement and Council expected to act as Accountable Body
Complexity The partnership has complex governance arrangements, a large number of partners from various sectors and a number of subgroups	The partnership has between undefined membership, with limited internal governance arrangements	The partnership is a defined membership involving at least 4-6 bodies, and has clear governance arrangements.	The partnership has more than 6 partners; has clear governance arrangements with sub-groups.
Authority The partnership takes decisions on behalf of or which are binding on the council	The partnership does not take decisions on behalf of the Council - but Council representatives feedback/lobby the council/discuss issues/share best practise	The partnership does not take decisions on behalf of the Council but Council representatives with decision-making authority attend the partnership and consider and agree to be bound by its decisions	The partnership has decision making responsibilities directly delegated to it from the council
Funding arrangements Is the council required to set up/participate in the partnership in order to receive additional funding?	No requirements	Funding is required for the Council to draw down <£250k per annum, or the Council receives 0250k for participating	Funding is required for the Council to draw down >£250k per annum, or the Council receives >350k for participating

Financial contribution The council directly contributes money or resources (including officer time) to the partnership or is directed through the Council's accounts	< £100k (per annum)	£100-£250 (per annum)	>£250k (per annum)
Consequence of failure What are the consequences of Partnership failure to the council (financial /political/reputational)?	Minor significance/ short term	Moderate significance/ medium term	Major significance/ long term
Risk Does the partnership contribute to the management of risks identified on corporate or operational risk registers?	The partnership directly contributes to the management of a low/medium risk on an operational risk register (threat or opportunity)	The partnership contributes to the management of high priority risks identified on an operational risk register (threat or opportunity)	The partnership directly contributes to the management of a high priority risk on the corporate risk register (threat or opportunity)

NB. With 8 separate categories the highest score that could be achieved would be 21 (8x3=24)

High Significance Partnerships - Those Partnerships scoring above 20

Medium Significance Partnerships - Those Partnerships scoring between 14-19

Low Significance Partnerships - Those Partnerships scoring below 14

Partnership development and review checklist

The following checklist provides a list of the issues that require to be considered when establishing a Partnership, joining an existing Partnership or reviewing and evaluating Partnerships.

Issues for consideration	Information requirements
Governance and Finance	
Formal Status	1. Is there clarity on the legal status of the Partnership?
	2. Is there an agreed Memorandum of Understanding or constitution, which sets out a clear purpose and clarity of expectation of the Partnership members?
Composition	1. Is the partnership realistically sized and resourced?
	2. Does it contain the right mix of skills and knowledge to get the work done?

Auditing & scrutiny arrangements	1.Are internal auditing arrangements for the Partnership clear?
	2.Are there agreed rights of audit access for each constituent member?
	3.Does the partnership have any external review or monitoring mechanisms?
Finance & resources	1.Where does accountability lie for managing the spending of funds?
	2.Are financial monitoring arrangements robust, clear and understood?
	3.Have procedures for managing and monitoring pooled budgets and resources been developed?
	4.Is there clarity over ownership and responsibilities?
Risk assessment and management	1.Are systems in place to assess and manage Partnership risk?
	2.Are Business Continuity Plans in place?
Conduct & behaviour	1.Is there an agreed Code of Conduct for Partners that is signed by all members and enforced by the Chair?
Staffing	1.Are roles, responsibilities and expected behaviours clear and agreed?
	2.Are there opportunities for training partnership staff and members, including: <ul style="list-style-type: none"> • Appraisal and approval procedures • Equality and diversity • Code of conduct
Equality & diversity	1.Has the Partnership carried out an Equality Impact Needs Assessment (EINA) on the way that it functions, on it's policies and on what it delivers?
	2.If not, an action plan needs to be drawn up to do this.
Communication	1.is the Partnership communicating well with it's partner agencies, stakeholders and communities?
Outcome-focused planning & performance management	
	1.Does the Partnership have a credible evidence-base to inform it's objectives, outcome focussed planning and SMART targets?
	2.Are there action plans in place to deliver theses?
	3.Do partners share information so that they can effectively: <ul style="list-style-type: none"> • Monitor performance, and • Appraise options
	4.Are there sufficient joint mechanisms in place for effective monitoring/appraisal?
	5.Are findings and recommendations owned and acted upon?
	6.Are arrangements in place to tackle issues of non-performance?
Performance & delivery	
Accountability	1.Does the partnership have an officer accountable for monitoring it's performance?

Partnership Memorandum of Understanding Checklist

Introduction and Terms of Reference

State that this is a partnership agreement between (name each partner).
State the Terms of Reference (the purpose of the partnership)

Aims and objectives of the partnership

List the aims and objectives of the Partnership here.

Objectives should be SMART (specific, measurable, achievable, realistic and time bound) where possible and practical so that you know what you want to achieve and whether you are achieving it. They should focus on outcomes and results rather than activities i.e. what you will accomplish rather than how you will work or what you will do.

Outcome indicators and measures of success

These are measures based on the actual outcomes the partnership is aiming to deliver i.e. they define what success will look like and can be used to determine the partnership's effectiveness and impact in achieving its strategic objectives. Outcome indicators or clear measures of success should be defined for each strategic objective.

Running the partnership

As a minimum this section should define arrangements for the following:

- general principles of conduct;
- partners' roles / duties / responsibilities & accountabilities
- resource commitment for each partner;
- the ownership of assets;
- decision making procedures;
- how the partnership will monitor and evaluate its activities;
- meetings; notice and frequency of meetings; quorum rules; chairing arrangements; voting arrangements; and representation of other members; secretariat function
- information sharing principles / protocols;
- organisational structure and reporting mechanism (how often, who reporting to and what reporting on);
- Performance management arrangements;
- How complaints will be handled; and
- Member involvement (roles and responsibilities, democratic accountability, declaration of interests etc).
- Equalities and inclusion

Financial matters

Where applicable the Partnership Agreement should document:

- Accountable Body agreement;
- Partnership capital;
- Income and expenditure;
- Grants and other sources of funding;
- Banking and financial arrangements;
- Role of Lead Partner;
- Accounting arrangements; and
- Provisions for tax payments and VAT.

Other considerations

The Partnership Agreement should define:

- Arrangements for dealing with the media and other stakeholders (Communications Strategy);
- The circumstances necessary for the suspension, exclusion and removal of a partner;
- Arrangements for resolving conflicts and/or disputes;
- Procedures for whistle blowing / dealing with fraud etc;
- Right of access for appropriate audit bodies.

Termination of Partnership Involvement

The Partnership Agreement should define:

- Termination provisions;
- Exit strategy (including surpluses and mediation);
- Final reporting arrangements; and
- At dissolution the partners may need to:
 - Inform the funders;
 - Provide appropriate final reports; and
 - Inform all stakeholders / service users.

Review

State when the agreement will be reviewed and by whom.

Agreement

The Partnership Agreement should be agreed and signed by all parties. Note: For all Major Partnerships the partnership agreement should be prepared in consultation with Legal Services.

General Principles of Conduct for Partnership Working

Selflessness

Members of the partnership should serve only the public interest and should never improperly seek or confer an advantage or disadvantage on any person or organisation.

Honesty and Integrity

Members of the partnership should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity

Members of the partnership should make decisions on merit, including when making appointments, awarding contracts, or recommending rewards or benefits.

Accountability

Members of the partnership should be accountable to the public (where appropriate) for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with any scrutiny appropriate to their role.

Openness

Members of the partnership should be as open as possible about their actions and those of the organisation they represent, and should be prepared to give reasons for those actions.

Personal Judgment

Members of the partnership may take account of the views of others, including those of political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

Members of the partnership should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the Local Authority's Statutory Officers, and its other employees.

Duty to Uphold the Law

Members of the partnership should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members of the partnership should do whatever they are able to ensure that the organisation they represent, authorise use of their resources prudently and in accordance with the law.

Leadership

Members of the partnership should promote and support these principles by leadership, and by example, and should act in a way that maintains public trust.

Protocol for Members working with outside bodies

Introduction

This protocol should be read and followed when working as part of a partnership, either directly representing the council, in an advisory capacity or as part of an interest group.

Any issues in this protocol which are not clear or require clarification should be discussed with the monitoring officer, political group leader, the chief executive and/or the appropriate director.

Elected members should ensure that all partnerships they are involved with have a clear governance framework similar to that in Appendix 2A of this toolkit.

Protocol

The council supports the activities of partnership working and recognises the benefits to the community, but wishes to ensure that elected members and the council are not exposed to any unidentified and unexpected risks and liabilities.

All new partnerships will set out within the business case the need for council representation by elected members and/or officers. In the first instance officers will be identified by the head of service through the relevant director, and where appropriate, CMT will make proposals to executive for elected members. However, where the partnership is classified as 'significant' executive will approve nominations for officers made by CMT and confirm elected member representation. Legal indemnity will not cover any representative sitting on a partnership who has not had the appropriate approval from CMT or executive.

Authority to become involved with a partnership

Any elected member who is approached or wishes to become involved in a partnership should discuss the matter and the extent of their involvement with their group leader. The group leader may want to discuss the partnership and aspects of work with the chief executive. The elected member should only accept or become involved after receiving formal approval from executive. The relevant lead officer for the partnership should support the elected member in understanding their role and participation in the partnership. The elected member and CMT also need to inform the partnerships manager of the elected member's involvement.

Prohibition on signing contracts

Elected members working for a partnership should not sign any contracts or legally binding documentation on behalf of the partnership or the council. Elected members are reminded that only authorised officers have power to sign documents of this nature.

Prohibition on provision of financial, technical or legal advice Elected members should not provide financial, technical, or legal advice to a partnership. Advice is available on these issues and may be taken when necessary. They must ensure that the

partnership arranges indemnity insurance as appropriate, details of which should be provided to the council's insurance officer. Professional or trustee indemnity insurance will not always be appropriate. The cost of such insurance could be prohibitive for smaller groups with only a small income and no employees. In this case, a risk assessment should be carried out to ensure that financial systems are in place to prevent financial or legal difficulties.

General

Elected members must report any change in personal circumstances which may create a new or perceived conflict of interest. Elected members must also discuss with the partnership any new issues concerning potential conflicts of interest, or issues which impact on their role as an elected member for Cumbria County Council – changes to the aims, constitution or position of the partnership that could be contrary to the public or the council's interest. Elected members may need to declare their involvement in the partnership on the register of interests. If in doubt, advice should be sought from the monitoring officer.

Elected members must also remember that if they act as a trustee of a charitable partnership or body, their first duty is to the charity. However elected members must also remember that, when working within a partnership, they remain elected members of Cumbria County Council and are still bound by the relevant codes of conduct in the council's constitution. They should actively encourage the partnership to follow similar practices and procedures and must immediately report to their group leader and the chief executive if they feel that the partnership is not acting in a manner acceptable to the council or in the public interest.

Protocols for Officers working with outside bodies

Introduction

This protocol should be read and followed when working as part of a partnership, either directly representing the council, in an advisory capacity or as part of an interest group.

Any issues in this protocol which are not clear or require clarification should be discussed with your line manager or with the monitoring officer before any involvement with outside bodies is accepted.

Personal Responsibility of Officers

Officers must bear in mind that acceptance of a role as a charity trustee or company director (even if accepted as part of your work for the council) is a personal responsibility. There will be responsibilities to the Charity Commission, and under company law, which must be fulfilled.

Protocol

The council supports the activities of partnership working and recognises the benefits to the community, but wishes to ensure that the officer and the council are not exposed to any unidentified and unexpected risk and liabilities.

Authority to Become Involved with a Partnership

Any officer who is approached or wishes to become involved in a partnership should discuss the matter and extent of their involvement with their line manager.

The manager may want to discuss the partnership with their head of service or with the monitoring officer before any involvement with outside bodies is accepted, if the officer is unsure about potential liabilities.

The officer must receive approval, in writing, from their line manager (but sanctioned by the director) before accepting any position on the partnership. All appointments to 'significant' partnerships will require CMT and executive approval.

It is the responsibility of the line manager, while discussing the officer's involvement with the partnership, to be clear as to the role and whether the officer approached is the most appropriate representative. Once the appropriate officer has been identified, then the manager should establish what, if any, additional support and training is required. The line manager is responsible for arranging this training and support.

Notification to Directors, Legal and Finance

Following appointment of an officer to a partnership, there will be an ongoing requirement for the officer to ensure that the director is aware of the council's involvement in that partnership and also to inform the partnerships manager.

Officers may need to declare their involvement in the partnership on the register of interests and seek advice from the monitoring officer.