

J3 PARTNERSHIPS PROTOCOL

1. Introduction

- 1.1 Partnerships are playing an increasingly important role in public sector service delivery. The Council works in partnership with other local authorities, other public bodies, the private sector and the community and voluntary sector to determine and deliver a variety of strategies and services.
- 1.2 The Audit Commission has usefully defined a partnership as: “a joint working arrangement where the partners
 - 1.2.1 Are otherwise independent bodies;
 - 1.2.2 Agree to co-operate to achieve a common goal; and
 - 1.2.3 To achieve it create an organisational structure or process and agreed programme, and share information, risks and rewards”.
- 1.3 The benefits of good partnership work include making service users the focus of planning, commissioning and delivering services, and better value for money. There are however a number of risks, as partnerships can be difficult to manage due to working across different organisational boundaries and involve complex accountability issues, which requires a high level of focus on strong partnership governance.
- 1.4 This guidance outlines the principles that should be used when determining governance arrangements for established and future Public and Private Sector Partnerships. There may, on occasion, be a justifiable need for a particular partnership not to follow one or more of these principles in its governance arrangements. In such circumstances guidance should be sought from the Director of Business Transformation.
- 1.5 For the purposes of this guidance, “partnerships” shall mean the partnerships that Central Bedfordshire Council engages in with:-
 - 1.5.1 **Public Sector Strategic Partnerships:** One or more public bodies, including voluntary organisations and charities that determine strategies for service delivery, but which have little or no resource management responsibilities;

- 1.5.2 **Public Sector Delivery Partnerships:** One or more public bodies, including voluntary organisations and charities that commission or deliver services on behalf of the partners and which have significant resource management responsibilities; and
- 1.5.3 **Private Sector Partnerships:** Private companies, either in their own right or as part of a public sector partnership entering into a contract with the Council for a considerable period.
- 1.6 A lead authority should be appointed for every partnership and the partnership arrangements must at a minimum comply with the Council's (or, where this is not the Council, the lead authority's) Financial, Contract and Procurement procedures and regulations and risk management strategy.
- 1.7 All partnership arrangements entered into by the authority will follow the Audit Commission's guidelines on partnership governance outlined in the "Governing Partnerships: Bridging the Accountability Gap" (October 2005) document, the recommendations of which are to:-
 - 1.7.1 Know the partnerships they are involved in, and how much money and other resources they invest in them. They should review each partnership to strengthen accountability, manage risks and rationalise working arrangements;
 - 1.7.2 Establish clear criteria against which partnerships can be evaluated to determine that they help to achieve partners' corporate objectives cost-effectively;
 - 1.7.3 Take hard decisions to scale down their involvement in partnerships if the costs outweigh the benefits, or if the added risks cannot be managed properly;
 - 1.7.4 Agree and regularly review protocols and governing documents with all partners; and
 - 1.7.5 Tell service users and the wider public about how key partnerships work, where responsibility and accountability lie and how redress can be obtained through joint complaints procedures.
- 1.8 All partnerships must be able to demonstrate fitness for purpose, value for money and added value, both at the outset and on an ongoing basis.

1.9 Those involved in setting up partnerships should ensure that partner organisations understand the Council's statutory duties in relation to equalities and diversity and that partnership arrangements promote those statutory duties.

2. Governance principles for Public Sector Strategic and Delivery Partnerships

2.1 A public sector strategic partnership is defined here as "one or more public bodies, including voluntary organisations and charities that determine strategies for service delivery, but which have little or no resource management responsibilities".

2.2 All decisions to enter into a public sector strategic partnership shall be made in compliance with the Council's constitution. The Executive and relevant executive member (or council, if the partnership is governed by a Joint Committee established to discharge council functions) should monitor and review partnerships at regular intervals to ensure that they are effectively meeting the purposes for which they were created. Overview and scrutiny committees may, if they wish, undertake their own monitoring arrangements, with the full support of the partnership concerned.

2.3 Public sector strategic partnerships (including the Local Strategic Partnership and other statutory partnerships such as the Children & Young People's Strategic Partnership) are where key partners come together to determine strategy, allocate resources and formulate plans for the delivery of key services that will shape the place of Central Bedfordshire. There is a clear expectation in statutory guidance that place-shaping decisions will be partnership driven. In this respect these partnerships are critically important and so the governance arrangements have to be clear and fit for purpose, and link their decision-making back to Central Bedfordshire Council; as the "Accountable Body" for the statutory duties in the Local Government and Public Involvement in Health Act 2007.

2.4 A public sector delivery partnership is defined here as "one or more public bodies, including voluntary organisations and charities that commission or deliver services on behalf of the partners and which have significant resource management responsibilities".

- 2.5 All decisions to enter into a public sector delivery partnership and all work undertaken and decisions made by the partnership shall be made in compliance with the Council's constitution, with particular attention to Financial, Contract and Procurement procedures, and protocols on officer and member conduct. The Executive and relevant executive member (or council, if the partnership is governed by a Joint Committee established to discharge council functions) should monitor and review partnerships at regular intervals to ensure that they are effectively meeting the purposes for which they were created. Overview and scrutiny committees may, if they wish, undertake their own monitoring arrangements, with the full support of the partnership concerned.
- 2.6 The corporate management and monitoring of all public sector partnerships will be the responsibility of the corporate management team, with a relevant Director of the Lead Authority for each partnership identified as the lead officer, with responsibilities outlined further in 2.9.7 below.
- 2.7 Each Public Sector Partnership should be governed by a Joint Committee or Partnership Board ("the Board").
- 2.8 Joint Committees may be established under either: (a) Section 101(5) of the Local Government Act 1972, for two or more local authorities to jointly discharge council functions or advise local authorities on matters of joint interest; or (b) under the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 for the Executive, in relation to functions for which it is responsible, to enter into joint arrangements with one or more local authorities (including town and parish councils) or the Executives of those authorities. In addition to the requirements for partnerships outlined in this section, any statutory requirements for Joint Committees appointed according to (a) and (b) above must also be observed.
- 2.9 The Joint Committee or Board shall:-
- 2.9.1 Establish its terms of reference to include:-
- 2.9.1.1 Identification of the parties involved in the partnership;
- 2.9.1.2 A description of the clear vision of the purpose, intended outcomes, aims and objectives of the Partnership (outlined further at 2.10 below);

- 2.9.1.3 A statement about the legal status of the partnership;
- 2.9.1.4 The identification of a lead authority, which shall have overall responsibility for the stewardship and operation of the Partnership;
- 2.9.1.5 A clear statement of what powers are delegated to the Joint Committee or Board, and what powers are, or may be, delegated to individuals;
- 2.9.1.6 A statement of the respective roles, responsibilities and accountabilities of members and officers in relation to the Partnership, including identifying a Secretary to the Partnership;
- 2.9.1.7 The power to co-opt members onto the Joint Committee or Board (if appropriate);
- 2.9.1.8 The frequency of meetings of the Joint Committee or Board;
- 2.9.1.9 The appointment of a Chairman and, if necessary, a Vice-Chairman;
- 2.9.1.10 Details of how services will be provided to the Joint Committee or Board and how the services are to be paid for;
- 2.9.1.11 Details of how the Partnership may be terminated and provision for the disposal of any joint assets on termination;
- 2.9.1.12 Details of how partners can resign from the Partnership and the notice that must be given in such circumstances;
- 2.9.1.13 The circumstances under which the meetings of the Joint Committee or Board would be open to the public, with a presumption in favour of openness;
- 2.9.1.14 A quorum for decision-making purposes; and
- 2.9.1.15 Voting arrangements.

- 2.9.2 Enable each party to change its representatives on the Joint Committee or Board from time to time, by prior written notice to the Chair, and in accordance with the advice of the Monitoring Officer of the lead authority;
- 2.9.3 Meet on sufficient occasions during the year to effectively discharge its responsibilities;
- 2.9.4 Make provision for the setting up of any sub-committees (in the case of Joint Committees) or sub-groups (including a sub-committee or sub-group to manage any Private Sector Partnerships) that may be required from time to time;
- 2.9.5 Make provision for declarations of interest at meetings;
- 2.9.6 Make provision for minutes and records to be kept for all meetings and decisions;
- 2.9.7 Ensure the Partnership is supported by suitably skilled officers of sufficient number to ensure the aims and objectives of the partnership can be delivered successfully. This will include the identification of a Director or equivalent from the lead authority to act as the lead officer and be responsible and accountable for all aspects of operational management, including the following duties:-
 - 2.9.7.1 To recommend key targets and milestones and ensure effective project management at all times;
 - 2.9.7.2 To ensure that the good practice standards on governance and accountability are followed, and report on any breach of standards; and
 - 2.9.7.3 To assess and report on any slippage or new risks arising.
- 2.9.8 A suitable senior officer of the lead authority should also be assigned responsibility for maintaining an effective system of financial control, including ensuring adherence to Financial, Contracts and Procurement procedures;

- 2.9.9 Arrange for the assessment and development of the skills of its members and supporting officers, and provide suitable training to ensure all roles can be carried out effectively;
 - 2.9.10 Arrange for expert advice to be provided where needed, with remuneration of consultants in line with the lead authority's terms and conditions;
 - 2.9.11 Ensure robust and effective risk management arrangements are established and observed by all members and officers involved in the Partnership;
 - 2.9.12 Where the partnership arrangements involve sharing, storing or collecting of information, ensure responsibility is assigned and appropriate controls put in place; and
 - 2.9.13 Ensure there are agreed arrangements for dealing with complaints from service users.
- 2.10 Each Joint Committee or Board should set the vision, objectives and strategic direction (as referred to at 2.9.1.2 above) of the partnership by:-
- 2.10.1 Ensuring that a clear business case for the partnership has been outlined, including the costs and benefits, any payback periods, and improved service delivery and performance that will result;
 - 2.10.2 Being clear about how the partnership is to develop;
 - 2.10.3 Ensuring that the partnership is firmly focused on the needs of the people of Central Bedfordshire;
 - 2.10.4 Giving direction to the staff of the constituent bodies about the partnership, its aims, values and principles;
 - 2.10.5 Being flexible and forward looking to ensure the Partnership is able to respond to national and local issues; and
 - 2.10.6 Being the last resort for dispute resolution between partners with an expectation that such disputes will be rare.

- 2.11 Each Joint Committee or Board should undertake an Annual Review:-
 - 2.11.1 The Joint Committee or Board should hold an Annual Review meeting once a year to review progress that has been made against its objectives including:-
 - 2.11.1.1 Its achievement of critical targets and milestones, to consider whether any changes in objectives or terms or reference are needed for the following year;
 - 2.11.1.2 To ensure the ongoing adequacy of risk management arrangements; and
 - 2.11.1.3 To ensure that resources are effectively allocated across the functions of the partnership to ensure its ongoing effectiveness.
 - 2.11.2 A report of the annual review should be received at the lead authority's executive (or council, if the partnership is governed by a Joint Committee established to discharge council functions) and, if requested, at the relevant overview and scrutiny committee.
- 2.12 The Joint Committee or Board should have oversight of major projects and business cases by considering and approving business cases, feasibility studies and Project Initiation Documents for projects which will assist the Partnership in meeting its objectives.
- 2.13 To oversee the performance of the Partnership by:-
 - 2.13.1 Receiving regular performance monitoring reports which give an overview of performance;
 - 2.13.2 Receiving exception reports on any performance indicators that have not been met and instigating any corrective action required;
 - 2.13.3 Ensuring performance reports are, if requested, also received by the relevant overview and scrutiny committee of the authorities in the Partnership, and taking into account any comments or recommendations from overview and scrutiny;

- 2.13.4 Considering any external or internal audit or inspection reports about the Partnership and ensuring that immediate steps are taken to implement recommendations in the reports;
 - 2.13.5 Considering overview and scrutiny reports about the Partnership;
 - 2.13.6 Ensuring that performance measures are outcome focused and meet the needs of the communities to which services are being provided;
 - 2.13.7 Agreeing and monitoring the delivery of an annual delivery plan; and
 - 2.13.8 Ensuring the partnership risks are known and addressed.
- 2.14 Where the partnership has procurement functions, the constituent authorities must articulate the procurement rules, procedures and processes that a partnership will adopt and in normal circumstances these should mirror the Council's or lead authority's standard Financial, Procurement and Contracts Procedures, and will include a clear requirement to document evidence for decisions made on award of contracts, suppliers of goods and/or services.

3. Governance principles for Private Sector Partnerships:

- 3.1 A private sector partnership is defined here as "private companies, either in its own right or as part of a public sector partnership entering into a contract with the Council for a considerable period".
- 3.2 Each private sector partnership led by Central Bedfordshire will be individually constructed and developed to meet specific needs for service provision, but they should follow the broad governance principles laid out below:-
 - 3.2.1 Any private sector partnership will only be created in accordance with the Council's constitution, and will have an executive member and senior officer on the "Partnership Board" responsible for ensuring that the private sector partnership is effectively governed and meets its objectives;

- 3.2.2 Any parties to a private sector partnership shall from the outset engage in and develop a relationship of mutual trust, wherever possible promoting openness and transparency by sharing of information and financial data between parties;
- 3.2.3 Each private sector partnership will be underpinned by a contract that complies with the Council's constitution and Financial, Contracts and Procurement Procedures, relevant legislation and best practice, has robust contract monitoring and management provisions in place and is approved by the Monitoring Officer. The contract will be so drafted as to enable flexibility to react to changes in the political and economic environment;
- 3.2.4 Each private sector partnership shall be governed by its individual terms and conditions and any overarching Partnership Agreement entered into between the parties;
- 3.2.5 Each private sector partnership shall have performance management mechanisms in place that promote information sharing between the parties, and that includes performance measures that reflect service users' experience;
- 3.2.6 Each private sector partnership shall have risk management arrangements in place which identify and allocated risks from the outset and regularly review risk thereafter;
- 3.2.7 The contract for each Central Bedfordshire private sector partnership will nominate a Council Authorised Officer who, with the assistance of the Chief Finance Officer, will be responsible for monitoring the effectiveness of the provision of services and ensuring that the contract terms and conditions and specification are met;
- 3.2.8 In addition to the agreed contract monitoring regime, the Council's strategic overview of all the private sector partnerships will be maintained by the office of the Chief Executive who will report at least once a year to the Executive and the relevant overview and scrutiny committee on the performance of the private sector partnerships; and

3.2.9 Private sector partnerships will have a number of strategic objectives which will be determined for each partnership at its outset, but which should have regard to and reflect the authority's corporate objectives.