

Item 4

REPORT TO CABINET

17 FEBRUARY 2005

REPORT OF HEAD
OF STRATEGY AND
REGENERATION

All Portfolios

POST – CPA IMPROVEMENT PLANNING PARTNERSHIP DEVELOPMENT AND CONTROL ARRANGEMENTS

1 SUMMARY

- 1.1 This report sets out the proposed approach to formalising the Council's partnership development and control arrangements, responding to concerns raised through audit and inspection.
- 1.2 The report seeks approval for an Action Plan that rationalises all current corporate activity in relation to partnership working and incorporates all recommendations from audit and inspection. It also seeks approval of a proposed corporate definition of 'partnership working'.
- 1.3 Approval of the action plan will necessitate the amendment of the Council's Local Code of Corporate Governance action plan and division of the Consultation, Community Involvement and Partnership working improvement plan into two separate plans, one covering consultation and the other partnerships.

2 RECOMMENDATIONS

It is recommended that Cabinet...

- 2.1 Approves the Partnership Working Action Plan.
- 2.2 Approves the adjustment of existing corporate plans in line with this Action Plan, including the partition of the Consultation, Community Involvement and Partnership Working improvement plan into two separate action plans and delegates monitoring to the appropriate Scrutiny and Overview Committee.
- 2.3 Approves the proposed corporate definition of 'partnership working' as detailed in the report to guide the operation of partnership working in which the Council engages.

3 PARTNERSHIP WORKING

Background

- 3.1. Local authorities have become increasingly engaged in activities across a wide range of service areas that are commonly said to be 'partnerships' or to involve 'partnership working'. The term 'Partnership' is often used loosely to describe a number of different types of arrangements from informal coalitions of groups committed to working on a particular local issue or to access Government funding, to top-down, statutory and highly-structured bodies with a board and signed agreements on how partners will work together. There is also a spatial dimension, with some arrangements operating at a borough or wider level and others targeted at individual localities or communities.
- 3.2 'Partnership working' is at the heart of modern local government. The duty of community leadership imposed on councils by the Local Government Act 2000 requires the development of a Community Strategy to promote the economic, social and environmental well being of the area via a Local Strategic Partnership (LSP) comprising all key stakeholders. The LSP is viewed as an 'umbrella' partnership, directing the rationalisation of current and development of new partnerships in accordance with the ambitions and targets set out in the overarching Community Strategy.
- 3.3 In addition, the wider local government modernisation agenda prioritises and encourages partnerships as an opportunity to secure best value by building consensus and capacity, increasing economies of scale and improving the delivery of services in the round. From 2005, CPA will place increased emphasis on the importance of managing partnerships well.
- 3.4 With greater opportunity however comes greater risk, and partnerships can represent a significant risk to the performance, reputation and resources of local authorities if they are not effectively controlled. Whilst the Council's partnership working was praised in its CPA report, the current corporate approach to partnership development and control has been continually cited as a weakness in external audit and inspection (see Appendix 1) and was identified by Marsh Risk Consultancy as the number one risk to the Council in its report of April 2004. This was confirmed by an Audit Commission report on the Council's partnership control arrangements, which identified clear areas for improvement in current policy and procedures.

Corporate improvement planning

- 3.5 Corporate governance issues dominate the Council's post-CPA High Level Action Plan. The Council has agreed with its Audit Commission Relationship Manger that due to the volume of work scheduled and the fact that slippage has ensued as a result, it will rationalise all current and planned improvement activity and develop a SMART improvement plan.
- 3.6 As a result of the inspections outlined above, several corporate improvement initiatives have identified partnerships as a priority area and consequently officers have been working separately on different aspects of partnership development. Post-CPA improvement planning has identified all actions in existing corporate

improvements plans relating to partnerships (see Appendix 2). Taken as a whole, these fully address the recommended actions set out in Marsh's Strategic Risk Assessment (to establish a database, map, review and appraise/risk assess key partnerships).

- 3.7 In accordance with the ongoing development of an improvement framework, these actions must be rationalised and realistically timetabled. Accordingly an outline Partnership Working Action Plan is attached at Appendix 3 for approval. Approval of this plan would necessitate the amendment (in terms of target dates) and rationalisation of existing corporate improvement plans e.g. the Consultation, Community Involvement and Partnership Working improvement plan would be downsized to deal solely with consultation issues in order to emphasise the distinction made between consultations and partnerships.
- 3.8 Activity set out in the Partnership Working Action Plan will also link to Sedgefield Borough LSP's work in promoting improved partnership working to deliver better services and outcomes for the Borough's communities. Progress against the Plan will be reported via the regular updates to Cabinet on the Local Code of Corporate Governance Action Plan. The Plan should also be added to the schedule of improvement plans monitored by the Council's Overview and Scrutiny Committees.
- 3.9 The Action Plan prescribes the approval of a corporate definition of 'partnership', the rationalisation of the current corporate list of partnerships in line with this definition and a profiling of the refined list as the basis of an effective approach to partnership control. Proposals in respect of these actions are set out below for approval.

Definition of a Partnership

- 3.10 The following proposed definition is based on that set out in the Audit Commission's publication *A Fruitful Partnership* (1999) and reflects the most common characteristics of 'partnership working' in a local government context.

Partnership Definition
<p>Sedgefield Borough Council defines the terms 'partnership', 'partnership-working' or 'partnering' within the local government context as...</p> <p>A joint-working arrangement in which the Council agrees to co-operate and collaborate with one or more legally independent organisations to achieve a series of shared objectives and outcomes.</p> <p>This would usually involve the agreement of an organisational and governance structure for the Partnership, the commitment of resources, an agreed programme of action, the sharing of information and the management of risks and rewards.</p>

- 3.11 As such partnerships will include both statutory and non-statutory bodies, companies, partnering arrangements, trusts, charities, joint committees, joint boards, consortia and such other bodies as the Council may join or enter, from time to time, under or by virtue of its statutory powers and responsibilities. Significantly, this definition clearly distinguishes 'partnerships' from other arrangements such as...

- Groups set up to discuss and consider specific topics with the local community
- Groups where the Council has direct control over budgets or decision-making
- Appointments and/or financial contributions to outside bodies where the Council has no strategic or policy input
- Commercial partnerships with a view to make a profit, which are subject to the Partnership Act 1890
- Private Finance Initiatives and other commercial agreements
- Contracts and arrangements where the Council simply pays other organisations to deliver a service or goods and vice versa

Corporate Partnerships Database

- 3.12 A list of corporate partnerships was compiled by the Monitoring Officer in 2003 based on data provided by Departments. This list has been updated in accordance with the proposed definition of 'partnership working' and is attached at Appendix 4.
- 3.13 Following confirmation with Departments, this list will be further defined using a pro forma profiling document (attached at Appendix 5) and a database developed to provide a baseline of the Council's involvement in partnerships.

Corporate policy implications

- 3.14 Implementation of the action plan on partnership working supports the Council's commitment to partnership working as set out in its Key Value Statement and will strengthen the existing corporate policy framework by providing clarity in respect of current partnership working and direction in the development of new partnerships.
- 3.15 As a consequence, the Council will be better prepared to undertake its community leadership role in respect of participating in partnership working in all service areas to support the delivery of the Council's aims and priorities as set out in the Community Strategy and Corporate Plan.

4 RESOURCE IMPLICATIONS

- 4.1 The skills necessary to deliver this action plan are available within the Council. As such, resource allocation for this project will be officer time only.
- 4.2 Whilst deadlines are viewed as reasonable, it should be noted that each officer is involved a variety of other corporate improvement activity and capacity issues may arise.
- 4.3 Additional expenditure may be incurred should the Audit Commission be engaged to re-examine the Council's partnership control arrangements as part of the 2005/2006 Audit and Inspection Plan, as recommended. Any costs would be met from the standard or contingency budget available set aside for such work.

5 CONSULTATIONS

- 5.1 This project will necessarily involve at appropriate stages (e.g. correcting terminology, addressing gaps, evaluations etc.) communication of the revised approach to partnership working across the Council and may engender consultation

with a range of external partners to reshape current partnership working arrangements.

6 OTHER MATERIAL CONSIDERATIONS

- 6.1 The implementation of the action plan should minimise to acceptable limits the risks posed to the Council's reputation, performance and resources by potential partnership failure and by the lack of understanding across the Council of the impact and consequence of partnership working. As such it clearly supports aims and objectives set out in the Corporate Plan and corporate risk management and procurement strategies.
- 6.2 Implementation of training modules on partnership working will provide clarity for officers and members in respect of their respective responsibilities and accountabilities and enable them to undertake their roles with the necessary probity and professionalism as required by the Council's Constitution.
- 6.3 It should be noted that partnership working requires not only appropriate governance arrangements but also attention to development and learning to ensure the Council's contribution to delivering positive community outcomes remains effective.

7 OVERVIEW AND SCRUTINY IMPLICATIONS

- 7.1 The Council has successfully introduced a system for the monitoring of improvement plans arising from Best Value or performance reviews whereby Overview and Scrutiny Committees monitor progress at a bi-annual frequency and report views to Cabinet.
- 7.2 Approval of the Partnership Working Action Plan will impact on the current Scrutiny schedule by replacing the current Consultation, Community Involvement and Partnership Working improvement plan with two new plans, the Partnership Working Action Plan and another covering Consultation and Community Involvement.

8 LIST OF APPENDICES

- 1 Partnership Working – Schedule of external audit and inspection recommendations
- 2 Partnership Working – Schedule of current corporate activity
- 3 Partnership Working – Outline action plan
- 4 List of Corporate Partnerships
- 5 Partnership Profile Document

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Wards: N/A

Key Decision Validation: Involves no direct expenditure or impact on specific wards

Background Papers

Internal		
1	Local Code of Corporate Governance Action Plan	December 2002
2	Corporate Procurement Improvement Plan	
3	Consultation, Community Involvement and Partnership Working Improvement Plan	February 2003
4	Risk Management Strategy	July 2003
5	CPA High Level Action Plan	March 2004
External		
6	A Fruitful Partnership	Audit Commission 1999
7	Local Government Act 1999	
8	Local Government Act 2000	
9	SBC Procurement BVR	Audit Commission May 2002
10	SBC Corporate Governance Arrangements	Audit Commission December 2002
11	National Procurement Strategy for Local Government	ODPM October 2003
12	SBC Procurement Fitness Check	I&DeA November 2003
13	Community Planning in Sedgefield Borough	Audit Commission December 2003
14	Rethinking Service Delivery, Volume 1 An introduction to strategic service delivery partnerships	ODPM December 2003
15	SBC, CPA - Final Report	Audit Commission March 2004
16	SBC Strategic Risk Assessment	Marsh Risk Consultancy April 2004
17	SBC Partnership Control Arrangements	Audit Commission June 2004
18	Releasing Resources for the Frontline: Independent Review of Public Sector Efficiency	HM Treasury July 2004
19	Proposals for CPA from 2005	Audit Commission December 2004

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

APPENDIX 1
PARTNERSHIP WORKING

EXTERNAL AUDIT AND INSPECTION RECOMMENDATIONS

Report	Recommendation(s)
SBC Procurement BVR (Audit Commission 05/02)	(The Council should) determine an agreed approach to partnership activities that is used by all departments to deliver real savings and efficiencies to procurement activities.
SBC Corporate Governance Arrangements (Audit Commission – 2002/2003)	The Council needs to strengthen its arrangements with regard to partnership working and a protocol should be developed.
SBC Procurement Fitness Check (I&DeA 11/03)	The FC team would encourage a consistent approach to structured partnership working
Community Planning in Sedgefield Borough (Audit Commission – 12/03)	The Council should determine the effectiveness of the work of key partners across all LSP policy groups.
SBC Strategic Risk Assessment (Marsh Risk Consultancy – 04/04)	<ul style="list-style-type: none"> ❑ Develop and maintain a comprehensive database of existing and potential partnerships (names of partners, key objectives, key contacts both in-house and within partnership, financial bases, legal status etc.) ❑ Undertake a thorough review of partnership policies/procedures across the main stages, namely selecting partners, setting up a partnership, running a partnership and terminating a partnership. The reviews should cover, amongst others, policies, procedures, insurance covers, contracts, roles and responsibilities, resources, objectives and arrangements for monitoring etc. These reviews will enable SBC to: <ul style="list-style-type: none"> ❑ Identify potential gaps in best practice for partnership ❑ Spread best practice across the organisation ❑ Provide the business case for additional resources ❑ Undertake comprehensive risk analysis of key partnerships to ensure allocation of risk is fair and equitable for the Council
SBC Partnership Control Arrangements (Audit Commission – 06/04)	<ol style="list-style-type: none"> 1. The Council should clarify the definition of a partnership. 2. The Council should prepare a corporate strategic statement or guidance on partnership working. 3. Following clarification of the partnership definition the Council should keep a register or database of partnerships. 4. The Council should prepare a protocol for sharing information. 5. Partnership working should be incorporated in the Council's medium term financial strategy. 6. Staff or member training should include a partnership dimension. 7. The Council should introduce robust procedures for monitoring partnership working.

APPENDIX 3
PARTNERSHIP WORKING
OUTLINE ACTION PLAN

Ref	Action	Responsibility	Deadline
1	Develop a corporate definition of 'partnership'.	RJP	February 2005 (...within this report)
2	Determine categorisations for corporate partnerships and develop partnership profile document.	PS	February 2005 (...within this report)
3	Rationalise current list of corporate partnerships in line with agreed definition using profile document.	Departments PS to co-ordinate	April 2005
4	Ensure existing partnerships comply with partnership documentation checklist and address gaps where this is not the case.	Departments PS to co-ordinate	June 2005
5	Maintain partnership database holding data required gathered (with constitutions/T.O.R. are cleared and deposited with Legal Services) and ensure data held checked by key personnel at regular intervals.	Strategy and Regeneration	June 2005 onwards
6	Prepare a corporate strategic statement and guidance on partnership working, including frameworks for partnership development, governance, monitoring and evaluation.	Working Group	June 2005
7	Evaluate partnerships (including risk management element) not yet appraised and report findings to Cabinet.	Departments PS to co-ordinate and report	June 2005
8	Incorporate evaluation findings into MTFP including the range, extent and impact of partnerships, risk assessments and the impact of exit strategies etc.	Financial Services	June 2005 onwards
9	Incorporate training on partnership working into the Council's member and management development programmes, particularly in relation to probity issues.	AB with DH	June 2005 onwards
10	Invite Audit Commission to re-examine partnership control arrangements as part of 2005/2006 Audit Plan.	Management Team	June 2005

APPENDIX 4
LIST OF CORPORATE PARTNERSHIPS

Lead – Chief Executive’s	Lead – Resources
Sedgefield Borough LSP	County Durham E-Government Partnership
SRB5 – Newton Aycliffe and Spennymoor	North East Connects
SRB6 – Ferryhill, Chilton, Trimdons, Fishburn, Cornforth	North East Procurement Organisation (NEPO)
Objective 2 Priority 4	Durham Procurement Partnership
Sure Start Ferryhill and Chilton	Lead – Neighbourhood Services
Sure Start Shildon and Newton Aycliffe West	Joint Committee for Concordat Environmental Services
Net Park Steering Group	Voluntary Partnership Board for Adult Services
Sedgefield Business Forum	Durham and Districts Supporting People Partnership
Spennymoor Town Centre Forum	Sedgefield National Service Framework Groups
Newton Aycliffe Town Centre Forum	County Durham Housing & Neighbourhoods Group
Sedgefield Borough Area Forums	LSVT Agreement – Sunderland Housing Group
Sedgefield Learning Borough	Walking the Way to Health
Lead – Leisure Services	Pioneering Care Partnership
Locomotion – the National Railway Museum at Shildon	Sedgefield Borough Community Safety Partnership
Lifestyle Fitness Suites – Competition Line	Heritage Line Community Rail Partnership

The above partnerships will be analysed using the pro forma at Appendix 5 in order to develop a corporate database. The database will facilitate improved corporate partnership control and development arrangements.

Partnership name

Statutory

Discretionary

Lead organisation

Council representation on partnership

Members

Highlight lead member

Officers

Highlight lead officer

Other bodies represented

e.g. other public sector bodies, businesses, community and voluntary organisations, individuals etc.

Start date

Prospective end date

Main function(s)

Strategic

Tick relevant box or rank in order of importance if more than one

Programme/project

Service delivery

Advisory

Other

Please specify

Geographical coverage

Euro/International

Tick relevant box

National

Regional

Sub-regional/County

Borough

Sub-borough

If sub-borough, specify which of the 5 areas of the Borough are covered i.e. Newton Aycliffe, Spennymoor, Shildon, Ferryhill area or Rural East.

Purpose

Tick relevant box(es)

Community outcome

Healthy...

- Safeguarding public health
- Promoting independent living
- Creating leisure opportunities
- Promoting cultural activities

Prosperous...

- Promoting business and employment opportunities
- Maximising learning opportunities

Tick relevant box or rank in order of importance if more than one

Attractive...

- Ensuring a cleaner, greener environment
- Improving towns, villages and the countryside
- Reducing waste and managing natural resources

Strong...

- Securing quality affordable housing
- Promoting safer neighbourhoods
- Engaging local communities and promoting local democracy

Corporate values

- Being open, accessible, equitable, fair and responsive
- Investing in our employees
- Achieving continuous improvement and innovation in service delivery
- Taking account of sustainability, risk management and crime and disorder

- Consulting with customers and partners
- Being responsible with and accountable for public finances
- Tackling disadvantage and social exclusion

Tick relevant box or rank in order of importance if more than one

Partnership vision

Please set out any vision or mission statement and terms of reference

Partnership activities

Please summarise principal activities within each broad area and key performance indicators

Resources

Dedicated partnership budget

Dedicated staff

Other (e.g. in kind)

Influence over other resources (approx)

Documentation checklist

NB The following should be in place for all of the Council's partnerships, any gaps should be addressed as a matter of urgency.

Partnership creation approved by Management Team/Cabinet	<input type="checkbox"/>	Clear decision making procedures	<input type="checkbox"/>
Partnership agreement specifying accountabilities and governance arrangements in place and approved by Legal Services	<input type="checkbox"/>	Clear dispute resolution procedures	<input type="checkbox"/>
		Clear reporting procedures	<input type="checkbox"/>
Terms of reference in place	<input type="checkbox"/>	Risk Assessment undertaken	<input type="checkbox"/>
		If no, date scheduled...	<input type="text"/>
Roles and responsibilities agreed and clear to Council representatives	<input type="checkbox"/>	Evaluation undertaken	<input type="checkbox"/>
		Date of next evaluation	<input type="text"/>
Resources set out in MTFP/Workforce Plan	<input type="checkbox"/>	Clear termination procedures	<input type="checkbox"/>
		Exit Strategy in place	<input type="checkbox"/>
Clear financial/performance management arrangements	<input type="checkbox"/>		

THIS DOCUMENT FORMS PART OF THE COUNCIL'S CONTROL ARRANGEMENTS FOR PARTNERSHIPS. PLEASE COMPLETE AND RETURN TO STRATEGY AND REGENERATION SO THAT THE CORPORATE PARTNERSHIPS REGISTER CAN BE UPDATED.

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