

**Report To:** Audit Committee

**Date:** 6 March 2012

**Report Title:** Principles of good partnership governance

**Report Author:** Deputy Chief Executive (following consultation with an Audit Committee task and finish group)

**Summary:** This report follows work by a small task and finish group of the committee that has constructed a set of new partnership governance principles recommended as a framework to review the governance arrangements for significant partnership arrangements involving the council. The purpose is to ensure these arrangements are sufficient and in the council's and the public's interests. It proposes a review of existing arrangements and that the committee considers the outcomes later in the year.

**Key Decision:** Not applicable to this committee

**Affected Wards:** None specifically

**Recommendations:** **That the Audit Committee be asked to agree:**

- i. the recommendations from its 'task and finish group' for a new partnership governance framework**
- ii. that cabinet be consulted at its meeting on 12 April**
- iii. that the Deputy Chief Executive has delegated authority in consultation with the Chairman and Vice Chairman of this committee, and the Head of Audit Partnership to agree any changes to the framework following cabinet's consideration prior to reporting this committee's recommendation to the full council on 19 April**
- iv. subject to the above, that the relevant lead members and officers for the arrangements listed in Annex B be asked to complete a review against the framework for reporting back to this committee in September.**

<b>Policy overview:</b>	This report addresses a significant governance issue raised in the 2010-2011 Annual Governance Statement approved by this committee on behalf of the council. It is designed to ensure that arrangements for accountability, decision-making, and the transparency of significant partnership work, are appropriate, proportionate and understood.
<b>Financial implications:</b>	None
<b>Risk assessment:</b>	The framework is designed to safeguard the council's interests in its partnership through the design of good governance and accountability arrangements.
<b>Equalities impact assessment:</b>	Not applicable
<b>Other material implications:</b>	None
<b>Background papers:</b>	2010-2011 Annual Governance Statement, <i>June 2011</i> Report to the Audit Committee - 'Annual Governance Statement, Progress on Remedying exceptions', <i>September 2011</i>
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## **Report Title: Principles of Good Partnership Governance**

### **Purpose of the report**

1. This report brings forward the recommendations of a task and finish group of the Audit Committee (Councillors Link, Marriott and Smith, with the Deputy Chief Executive and Policy and Performance Manager advising) held on 20 December 2011 in response to: a recommendation in the 2010/2011 Annual Governance Statement to review partnership governance arrangements; the changing landscape for partnerships relating to the Localism Act; and the now outdated partnership governance framework (approved by Executive 25 September 2008).

### **Issue to be decided**

2. The committee is being asked to consider the task and finish group's recommendations for the principles of good partnership governance and agree this framework being the subject of consultation with the cabinet before recommending the framework to the full council in April.

### **Background**

3. In 2009 the external auditor (the Audit Commission) as part of that year's Annual Audit Letter, made recommendations that the council should review arrangements whereby members of the council may be satisfied about the effectiveness and success of its partnership work. A similar recommendation was made later in 2010 by the Head of the (internal) Audit Partnership following one of its reviews. As a result the 2010-2011 Annual Governance Statement, approved by this committee on behalf of the council, adopted a review of partnership governance principles as a significant governance issue for attention by this committee.
4. At this committee's meeting last September members received a short report containing an initial draft of suggested partnership governance principles as the basis for working up a new and short framework. The committee agreed that a task and finish group made up of three members of the committee should meet with officers to shape a final draft for recommendation to the committee.
5. The sub-group met in December and its recommendations form the basis for this report.

### **A new partnership governance framework**

6. The recommended framework is concise and focuses on key principles. Deliberately it does not define structures, or recommend any precise means of governance working, but concentrates on principles that as a public body involved in partnership working the council is advised to follow. It is a framework, therefore, for the council and its relevant partners to use to test existing and where appropriate design new arrangements that secure good

levels of governance and accountability, but are proportionate to the particular purpose and form of a partnership. Proportionality and, hence, design of arrangements will need to take account of the extent of, profile, standing, and public interest in a particular partnership and its activity.

7. In Annex A is a table containing a number of current and more significant partnership working arrangements. This is not to be viewed as an exhaustive list, as inevitably new partnerships will emerge both as implementation of the coalition government's legislative programme proceeds, and as the council moves forward with its localism work. Nevertheless, it is recommended, subject to the adoption of the framework, that lead officers and members review current arrangements and provide feedback to this committee about how existing arrangements compare and to inform this committee of any adjustments needed to align with the framework where considered proportionate and appropriate.

### **Definition of a partnership**

8. This framework adopts the generally held definition of a 'partnership'. This is:

*"A delivery arrangement, sometimes by a legal agreement though often not (the type of partnership and its responsibilities will dictate the need for formal status) involving the council and one or more otherwise independent parties that have:*

- a) *agreed to cooperate in pursuit of a common purpose and outcomes*
- b) *created an organisational structure or process specifically for this purpose*
- c) *created or have the aim to create a jointly agreed programme of work*
- d) *agreed to share information, effort, resources and possibly risks and rewards"*

9. Outside its scope are independent arrangements which are already regulated; for example operational trusts and charitable companies, though the council may have representation on and interests in these types of arrangements. This is because these arrangements will be bound by their own governance arrangements, often regulated by legal requirements. The issue here, however, is to consider the extent of accountability and reporting to the council so the council's and public's interest in these arrangements are reflected.

10. Also outside of the scope are the many interests the council has through the various appointments it makes on a wide range of outside bodies (for example, school governorships, advisory groups, voluntary organisations, and management committees) where the primary purpose of the organisation or body is in the pursuit of its own independent aims. The council's role here is to represent the public interest and although there will be a common purpose, generally this is enshrined in the purpose of the independent organisation and not the result of specific agreement with the council. Advisory groups also include the many pan-Kent officer groups that act as service and professional

networks to support councils' work; again it is not intended that these groups should fall within the scope of this framework.

## **Governance Principles**

11. For significant partnerships, either which the council establishes or takes part in, the framework covers nine basic principles that each partnership would be recommended to adhere to. These are set out in Annex A.
12. The application of these principles to key partnerships (see Annex B) is so this council and the community it represents may have confidence in the probity, efficiency and effectiveness of the arrangements; that there is appropriate transparency; and above all, that each partnership is fit to deliver its desired outcomes.
13. These basic principles are designed to ensure that:
  - the council establishes or participates in partnership arrangements which reflect the council's priorities and resources
  - the council is acting legitimately and in the public interest at all times
  - governance arrangements are proportionate and appropriate to individual partnership circumstances.

## **Initial Review**

14. Once adopted it is recommended that lead members and officers undertake a short review of the current governance arrangements against the framework within four months for report back to this committee by September 2012. This should enable the committee then to decide whether there is a need for any further work or whether at that time the committee may recommend to the council the committee is satisfied the matter is satisfactorily completed. On the assumption it is the latter the responsibility for ongoing maintenance of governance arrangements would rest with the partnership concerned; these may then be subject to audit review from time-to-time.

## **Handling**

15. It is suggested that before this committee's recommendations are considered by the full council in April (the Audit Committee ordinarily reports direct to the council) the cabinet is asked to consider the proposed framework and initial review at its meeting on 12 April.
16. Further it is suggested that delegation be given to the Deputy Chief Executive in consultation with the Chairman and Vice Chairman of this committee and the Head of the Audit Partnership to agree any changes to the framework following consultation with the cabinet prior to reporting the matter to full council on 19 April.

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## Principles of Good Partnership Governance

	Principle	Good Practice	Features
1	Shared purpose & direction	A stated common purpose prioritised above individual organisational interests and expressed in terms of reference, partnership or legal agreement as appropriate and proportionate.	<p>Are purpose and outcomes agreed by partners and clearly stated in Terms of Reference?</p> <p>Can new partners be accommodated?</p>
2	Focus on delivery with shared ownership & control	<p>Clearly stated outcomes and results; clear measures of success, and a focus on measuring and managing performance.</p> <p>Agreed areas of responsibility and lines of reporting within the partnership and from the partner representatives to their principal body; terms of engagement allowing contribution and challenge; declarations of interest stated and any conflicts understood and managed.</p>	<p>Is there an agreed set of priorities? How will partners understand whether outcomes meet desired objectives?</p> <p>Is there agreement on how decisions are taken and formally approved within the partnership and by partners' principal bodies?</p> <p>Are areas of decision-making by the partnership that <b>do not</b> require approval of the principal bodies clearly defined?</p> <p>Is it clear whether the council representative(s) has/have any executive decision-making authority (meaning over the allocation of resources, or policy or significant operational arrangement) without formal recourse back to the council and if so is the scope defined?</p>

3	Reciprocal accountability and minimal bureaucracy	<p>A stated lead member and officer; agreed arrangements for reporting back to the council on partnership progress and performance.</p> <p>Streamlined administration; harmonising/relaxing rules and regulations where possible in order to deliver</p>	<p>Is there facility for an annual report or some other report of progress?</p> <p>Are processes codified and proportionate to the needs of the partnership?</p>
4	Sustained commitment	Stability and continuity of attendance	<p>Is there to be consistent attendance at the right level?</p> <p>Does the partnership have an arrangement that triggers a review if its actions stall for any reason, or the context in which it is working materially changes?</p>
5	Tracking performance	Understanding and highlighting obstacles to delivery; ability to assess and explain partnership's performance	Performance management arrangement that provides evidence to the partners and their principal bodies the partnership is achieving the desired objectives and outcomes.
6	Cost-effectiveness	Commitment to pooled budgets; integrated teams where appropriate; reducing duplication; stopping decisions that pass pressures to partners; facility to mobilise additional support	<p>Have resource / budget contributions been made as required?</p> <p>Is the resource commitment proportionate to the desired outcome?</p>
7	Innovation and versatility, and risk management	Positive, constructive approach to risk management allowing innovation; willingness to adapt quickly to changed circumstances	<p>Is there commitment to problem solving?</p> <p>Is there a proportionate approach to risk awareness and management?</p>

8	Effective communications	Clear routes for public consultation and participation; timely and transparent information sharing within and with partners' principal bodies; respect for the perspectives and resources of partners	<p>Are processes, procedures and information transparent enough for the partners and their principal bodies?</p> <p>For example, are agendas and minutes available to all members of the council?</p> <p>Is the necessary information provided in the public interest?</p> <p>Are there arrangements to deal with access to and freedom of information requirements?</p>
9	Exit strategy	Agreed arrangements for ending the partnership either when its objectives are fully met or the context changes significantly; arrangements to allow for a partner to withdraw	<p>Exit arrangements should be stated and in appropriate cases feature as part of the formal constitution.</p> <p>Are the terms and conditions for partner withdrawal stated?</p>



## Ashford Borough Council – relevant partnership arrangements (currently)

	Partnership	Lead Member/Officer
1	Ashford Locality Board	Cllr Wood/Chief Executive
2	Kent Forum	
3	South East Enterprise Partnership (LEP)	
4	East Kent Regeneration Partnership	
5	Local Children's Trust	Cllr Dyer/Cultural Projects Manager
6	Ashford Town Centre Partnership	Cllr Heyes/Chief Executive
7.	Visit Kent	
8.	Kent Housing Group	Cllr Hicks/Head of Customers, Homes and Property
9	Joint Policy Planning Board (Housing)	
10.	Choice Based Lettings Partnership	
11.	KCC Supporting People Commissioning Body	
12.	Kent Waste Partnership	Cllr Blanford/Head of Environmental Services
13.	Community Safety Partnership	Cllr Claughton/Head of Environmental Services
14.	Mid Kent Audit Partnership	Cllr Taylor/Deputy Chief Executive
15.	Ashford Clinical Commissioning Group	Cllr Claughton/Environmental Health Manager