

BUDGET & PERFORMANCE PANEL

Partnership working and scrutiny

15 July 2008

Corporate Director (Finance & Performance)

PURPOSE OF REPORT

To advise members of the Panel of the proposed actions to strengthen performance management in relation to partnerships and to seek their views on the introduction of a framework for reviewing and evaluating the effectiveness of partnerships and the Council's involvement in them, and the proposed arrangements for the future scrutiny of the Council's major partnerships.

Any views from the Panel will be referred back to the Cabinet Member prior to the arrangements being formally approved

This report is public

PROPOSED RECOMMENDATIONS TO CABINET

- 1. That the following definition and types of partnership be formally adopted for the purposes of future partnership working, evaluation and scrutiny**

Partnership definition:

'Those agreed methods of working together as an integrated and co-ordinated team to achieve common objectives and shared benefits'

Partnership types:

- Partnerships that involve contractual arrangements
 - Partnership arrangements to deliver joint objectives but no formal contract
 - Partnership arrangements to develop key relationships
- 2. That the evaluation tools and techniques set out in this report for the purposes of scrutinising the Council's major partnerships be agreed**
 - 3. That all responsibility for partnership overview and scrutiny be formally transferred to the Budget and Performance Panel**
 - 4. That Part 4, Section 5, Sub-Section 20(c) of the Constitution be amended to read:**
*'Following any investigation or review, the Overview and Scrutiny meeting shall prepare a report for submission to Cabinet, Council, **external body or partnership**, as appropriate, and shall make its report and findings public'*
 - 5. That subject to the approval of (2) & (3) above, the process of partnership evaluation commences with the Community Safety and Museums Partnerships with the results of the evaluation being reported to a future meeting of the Budget and Performance Panel for scrutiny**
 - 6. That consideration is given as to whether there is a need for Member training focusing on the skills and techniques needed to ensure effective partnership scrutiny**

1 Introduction

- 1.1 Partnerships are now an established and significant feature of public service delivery that can bring substantial benefits, but can also bring risks. Effective partnership working is a key requirement of the Use of Resources (UoR) and Comprehensive Performance Assessments (CPA) and is set to take on even more importance through a continuing and increasing focus on the governance and performance of the Council's main partnerships, connected with the introduction of the Comprehensive Area Assessments (CAA).
- 1.2 The CPA inspection and peer review of the Lancaster District Local Strategic Partnership (LDLSP) carried out during 2007/08 both identified good examples of where the Council is working effectively with partners to deliver its corporate objectives and priorities. These inspections also, however, found key areas where performance management of partnerships are in need of improvement.
- 1.3 These important aspects of working in partnership have been the focus of a recent Internal Audit and this report summarises the findings of the audit and the actions agreed to strengthen these arrangements.

2 Internal Audit Report

- 2.1 The *Headline Messages* arising from the audit were that:
 - There is no effective overarching strategy to guide partnership activity and no lead officer/member responsible for taking forward developments in partnership working in a co-ordinated and structured way
 - Governance, accountability, scrutiny and risk management arrangements are underdeveloped
 - There is no established mechanism for evaluating the effectiveness of partnerships or the Council's involvement in them and the performance management of partnerships is underdeveloped
 - The Council has no formally established definition of what it means by a 'partnership' and has no clear idea of the number and types of partnership it is involved in.
- 2.2 In order to address these issues a total of twenty actions have been agreed including, as an essential starting point, the need to undertake a 'mapping' exercise, aimed at determining how many and what type of partnership working arrangements exist throughout the Council, and for this to be followed up by a consistent and effective means of reviewing and evaluating the effectiveness and performance of partnerships and the Council's involvement in them. The planned approach to undertake this piece of work is explained in more detail in §3.

Definition and types of Partnership

- 2.3 Fundamental to establishing clarity and consistency is the need to formally establish a definition of what the Council means by a '*partnership*' and to agree the types of partnership that will be covered by this definition. The Council's existing *Framework for Partnership Working*, published in November 2004, provides the following general definition:

'Those agreed methods of working together as an integrated and co-ordinated team to achieve common objectives and shared benefits'
- 2.4 Nationally, there are lots of different views on the spectrum of partnerships but, in summary, there are three different types, including:
 - Partnerships that involve contractual arrangements
 - Partnership arrangements to deliver joint objectives but no formal contract
 - Partnership arrangements to develop key relationships.

- 2.5 Whilst partnerships can mean different things to different people it is recommended that the definition provided in the *Framework for Partnership Working* be formally adopted and that the three types of partnership as set out above be classed as partnerships, as far as this Council is concerned.

Partnership Guidelines

- 2.6 Published alongside the *Framework for Partnership Working* in November 2004, was the *Procurement through Partnering Guidelines* which together set out the Council's approach to partnering in service delivery and in construction projects. The Internal Audit report points out that there is little evidence to suggest that either have been widely used throughout the Council and that, in any event, given developments in partnership working in the last few years and the actions being taken as a result of the audit these, and the Council's Constitution, are in need of review. Once completed the revised guidelines will be recommended for formal adoption by the Council.

Way Forward

- 2.7 In terms of risk management from the perception of both individual partnerships and the Council as a whole actions have been agreed to take advantage of the effective corporate arrangements already in place and to extend these, with appropriate support, to partnerships deemed to be '*significant*' to the Council in achieving its objectives.
- 2.8 A large amount of this work will be determined by the outcomes from the proposed evaluation of partnership working (See §3) and through working alongside partner organisations in the risk management process. Together these should bring about a number of rewards, including a common understanding by all of the risks and opportunities facing both individual partnerships and the Council and inform strategies on how these can be effectively managed. It should also enhance communication between partners which should, in turn, improve the basis for strategy setting, performance management and decision making.
- 2.9 The audit recognises that the need for scrutiny of partnerships that the Council is engaged in has been a long held view of the Overview and Scrutiny Committee and recommends that future reviews of the effectiveness of the Council's major partnerships be undertaken by the Budget and Performance Panel in line with their established terms of reference. The approach to undertaking this review is explored in more detail in §4 below.
- 2.10 The audit identifies that the LDLSP has responded positively to the findings of the peer review carried out during 2007/08 and is making significant strides through the ongoing revision of the Sustainable Community Strategy in developing a framework for performance management and in revising and improving upon its governance and decision making capabilities.
- 2.11 Actions agreed as a result of the Internal Audit are intended to take advantage of this impetus and to widen the good practice being developed to other types of partnerships proportionate to the risks involved and their level of significance to the Council. Alongside other planned work this should help in the development of an overarching strategy aimed at guiding future partnership activity.

3 Partnership mapping, development and evaluation

- 3.1 Internal Audit has worked closely with other Council officers to address a number of issues raised in the CPA and LDLSP inspections. Principally, this has involved the development of a mechanism for assessing the level of '*significance*' of each partnership towards the achievement of the Council's priorities and objectives, and a 'toolkit' aimed at evaluating both the effectiveness of individual partnerships and the Council's involvement in them.

Partnership Assessment Scorecard (PAS)

- 3.2 The first of these, known as the *Partnership Assessment Scorecard (PAS)*, provides a scoring mechanism based on a high-level assessment of eight fundamental characteristics of partnership working, including consideration of service provision and reputational and financial matters. The scored matrix will determine whether an individual partnership has a '*Limited*', '*Moderate*' or '*Major*' significance in helping the Council to achieve its objectives and corporate priorities.
- 3.3 This exercise will also provide a practical way of categorising (or 'mapping') the variety of partnerships that the Council is involved in and facilitate a means of determining an appropriate level of treatment of each partnership that reflects its impact on the Council's overall service planning and delivery arrangements.
- 3.4 Following this initial exercise it is planned to conduct a full assessment of partnerships, starting with the major ones first, using a '*Partnership Development and Evaluation Toolkit*' developed by Internal Audit and officers from Corporate Strategy, Democratic and Financial Services.

Partnership Development and Evaluation Toolkit

- 3.5 As a development tool, the toolkit will enable existing partnerships to take stock of how effective their partnership working arrangements are and help those experiencing difficulties to identify areas where remedial action can be taken.
- 3.6 As an evaluation tool, it will give partnerships an opportunity to assess themselves in a consistent way against a set of criteria covering key aspects of working in partnership and provide essential information on their membership, funding, risk management, governance and value for money arrangements. With a section dedicated to the Council, the toolkit will also provide an important means of assessing the cost, risks and opportunities arising from its ongoing contribution and future participation in individual partnerships.
- 3.7 Given the corporate priority of this important piece of work it has been agreed that the partnership mapping and evaluation will be carried out as a formal project under the Council's adopted project management methodology, with the Corporate Director (Finance and Performance) acting as the *Project Executive*.

Partnership Register

- 3.8 Successful completion of the mapping and evaluation exercises will enable a database/register to be established and maintained of partnership activity. This should provide the means of assessing the ongoing performance of individual partnerships and help to inform future decision making, including hard decisions that may need to be taken where partnerships clearly do not meet the Council's priorities or where the register highlights that there are duplicate arrangements in other service areas.
- 3.9 The completed database will provide a central point of reference for the Council's major partnerships including key information about its activity and, through proposed developments in the assurance framework, afford a means of ensuring that these partnerships report annually on their overall effectiveness and governance arrangements through the submission of assurance statements in support of the Council's Governance Statement.

4 Partnership Scrutiny Arrangements

Background

- 4.1 Providing scrutiny of the partnerships in which the Council is engaged in, is and has been, a long held commitment of the Overview and Scrutiny Committee (OSC) but has been delayed for various reasons, including the review of the LDLSP, and the recent introduction of the *Councillor Call for Action* and the *Local Government and Public Involvement in Health Bill*.
- 4.2 The *Councillor Call for Action* provides a new route for the community to raise issues at a local level, including calling in to account the work of agencies through referral to the OSC for consideration. The OSC now have the power to produce a report and/or recommendations to the relevant '*responsible authorities*' who, in turn, have a duty to consider them and respond.
- 4.3 These new powers are supplemented through the *Local Government and Public Involvement in Health Bill* and take them a step further by allowing local authority overview and scrutiny to compel various agencies and authorities to cooperate in order to enable the scrutiny of issues to take place. These include other local authorities, Police, Fire and Rescue authorities, Primary Care and Health Service Trusts.

Role of Overview and Scrutiny

- 4.4 In light of these enhanced powers there is a need to clarify the role of the OSC and the Budget and Performance Panel in terms of partnership scrutiny, the responsibility for which is currently somewhat blurred. It is suggested that in future all responsibility for the overview and scrutiny of partnerships is formally transferred to the Budget and Performance Panel, acting on behalf of the OSC, in line with its terms of reference to carry out this function in respect of corporate performance, including '*...the effectiveness of the Council's major partnerships*'.
- 4.5 Given the new powers it is likely that any future scrutiny of the Council's partnerships will result in recommendations being made by the Budget and Performance Panel to the partnership concerned. This will require an amendment to the Council's Constitution as the results of, and recommendations arising from, any overview and scrutiny investigation or review can currently only be submitted to Cabinet or Council. It is therefore proposed that Part 4, Section 5, Sub-section 20 (c) of the Constitution be amended to read:

*'Following any investigation or review, the Overview and Scrutiny meeting shall prepare a report for submission to Cabinet, Council, **external body or partnership**, as appropriate, and shall make its report and findings public'*

- 4.6 In carrying out any overview and scrutiny review, the proposed framework for partnerships working will be invaluable enabling the Budget and Performance Panel to monitor the performance of partnerships and their overall effectiveness. There is, however, a recognition that the proposed arrangements and the '*Partnership Development and Evaluation Toolkit*', in particular, need to be tested to ensure its usefulness in practice. Given that the LDLSP is currently involved in a major review it is proposed that the toolkit and associated arrangements initially be 'piloted' by the Community Safety and Museums Partnerships with the results of the evaluation being reported to a future meeting of the Budget and Performance Panel for consideration.

Training & Awareness

- 4.7 Given the introduction of the partnership working framework set out in this report and the new scrutiny powers arising from the *Councillor Call for Action* and the *Local Government and Public Involvement in Health Bill*, Members may wish to consider whether there is a need for training focusing on the skills and techniques needed to ensure effective partnership scrutiny.

5 Conclusions

- 5.1 A review of the effectiveness of partnerships and the Council's involvement in them has been an issue of concern for a number of years now and following recent external inspections is now a key corporate priority for the Council in 2008/09.
- 5.2 It is important that the extensive work undertaken during the conduct of the Internal Audit and the agreed actions arising from it, are effectively coordinated with other ongoing work to formulate a strategic framework for effective partnership working throughout the Council and the wider LDLSP. The Corporate Director (Finance & Performance), in conjunction with the Cabinet member with responsibility for Performance and Efficiency, will ensure that an effective framework is established aimed at achieving major improvements in the delivery, monitoring and accountability of public services within the district.
- 5.3 Successful application of the toolkit will be fundamental in ensuring that there is a consistent and efficient approach to assessing the impact, risks and opportunities associated with individual partnership, and provide a valuable means of evaluating the effectiveness of the Council's role and contribution in them.
- 5.4 In the longer term, the Council should be in a position to demonstrate that partnerships embed risk management as part of its arrangements for setting priorities, policy making, financial planning and performance management, all of which are key aspects of the Use of Resources and CAA assessments. It will also help to develop corporate targets for managing partnership performance which are aligned to the Council's strategic objectives.
- 5.5 The revised scrutiny arrangements set out in this report will ensure that effective scrutiny of partnerships is in place and that the Council fulfils its new duties under the *Councillor Call for Action* and *Local Government and Public Involvement in Health Bill* legislation.

RELATIONSHIP TO POLICY FRAMEWORK

Effective partnership working and the Council's responsibility to provide vision and leadership to local partnerships is a key component of the Council's corporate plan. Strengthening performance management of partnerships is a corporate priority for the Council during 2008/09.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None identified arising from this report

FINANCIAL IMPLICATIONS

None as a direct result of this report, although as work progresses there will be a need to develop effective links with the Medium Term Financial Strategy (MTFS) and supporting processes to ensure that key financial implications and risks arising from service delivery through working in partnership are reflected and addressed within the Council's existing financial planning arrangements

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has highlighted the need to ensure that as the partnership framework becomes established there will be a need to update the Council's Financial Regulations and Procedures and Contract Procedure Rules as appropriate.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Internal Audit Report, Risk Opinion Summary
and Action Plan

Partnership Assessment Scorecard (PAS)

Partnership Development & Evaluation
Toolkit

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