

Audit Committee

Partnership Working

20th January 2010

Report of Principal Auditor

PURPOSE OF REPORT

To inform Audit Committee on the work undertaken by Internal Audit to develop effective performance management and governance arrangements in partnership working and the evaluation of key partnerships

This report is public

RECOMMENDATIONS

- (1) That Audit Committee note and comment on the work outlined in the report relating to the performance management and governance of the council's partnerships**

1.0 Introduction

- 1.1 Following an audit review undertaken during 2007/08 the Principal Auditor has taken a lead role in developing performance management and governance arrangements relating to partnership working and has acted as the Project Manager as part of a project team tasked with undertaking a 'mapping' exercise to determine the number and types of partnership the council is involved in and to evaluate the effectiveness of those partnerships considered to be of a major significance to the council in achieving corporate objectives and priorities.

- 1.2 This report outlines the work that has been done to date and the work that is ongoing to establish a performance management framework for partnerships.

2.0 Establishing a corporate definition of partnerships and scrutiny arrangements

- 2.1 A crucial first step in establishing clarity and consistency in the way that the council deals with its partnerships was to determine and formally adopt a definition of what it meant by a partnership and to establish formal scrutiny arrangements.

- 2.2 In July 2008, the Budget and Performance Panel took responsibility for the scrutiny of the effectiveness and performance of the council's major partnerships. They also determined three types of partnership arrangements involving those aimed at developing key relationships with other organisations, those where the council works with partners to deliver joint objective and those where the council enters into a formal contract with a partner. The following definition of what the council means by a partnership was also formally adopted:

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

3.0 Partnership mapping and evaluation

- 3.1 Between July and September 2008, the Principal Auditor worked on developing the *Partnership Assessment Scorecard (PAS)* which provided a practical way of categorising (or 'mapping') the variety of partnerships the council was involved in and used a scoring mechanism, based on an assessment of key aspects of partnership working, which enabled each known partnership to be determined as having a '*Limited*', '*Moderate*' or '*Major*' level of significance to the council in achieving corporate objectives and priorities.

- 3.2 In October 2008, a project team lead by the Corporate Director (Finance & Performance) was set up to undertake the mapping exercise and to develop a framework for partnership performance monitoring and evaluation. Over a number of weeks Members of the team met with all Service Heads and other lead officers involved in partnership working to:
- determine whether arrangements that had been identified as 'partnerships' actually met the council's adopted definition and, if they did, categorise them into one of the three types of partnership, and;
 - to assess their level of significance to the council on overall service planning and delivery arrangements
- 3.3 This exercise, which was widely welcomed throughout the council provided what many believed to be an accurate reflection of the impact and importance of individual partnerships against key aspects of partnership working including its links to the delivery of priorities within the Sustainable Community Strategy and the councils corporate plan, and individual partnerships arrangements relating to value for money, risk management and governance.
- 3.4 This exercise identified 59 partnerships fitting the council's definition (from an original list of 128), of which 23 were scored as being of 'major' significance to the council, 21 as 'moderate' and 15 with a 'limited' significance.
- 3.5 Informed by the results of the mapping exercise and an increased knowledge of the purpose and objectives of each partnership, the project team developed a work programme aimed at evaluating eight of the council's major partnerships during 2009/2010 using a *Partnership Development and Evaluation Toolkit* that had previously been developed by the Principal Auditor and other officers of the council.
- 3.6 As a development tool the toolkit was designed to enable partnerships to take stock of how effective their partnership working arrangements are and to help those experiencing difficulties to identify where remedial action can be taken. As an evaluation tool it gives partnerships an opportunity to assess themselves against a set of key criteria covering key aspects of working in partnership. With a section dedicated to the council's involvement in the partnership the toolkit aims to provide an important means of assessing the costs, risks and opportunities arising from its ongoing contribution and future participation in individual partnerships.
- 3.7 As well as the results of the mapping exercise, the work programme for evaluating partnerships was also informed by a successful pilot study of the evaluation toolkit that had been undertaken by the Community Safety and Museums Partnerships. This study helped to test the robustness and effectiveness of the toolkit in practice and resulted in very positive feedback on its benefits in enabling each partnership to critically assess the effectiveness of their working arrangements and to identify in the process activities that they did well and others where improvements could be made.
- 3.8 The outcomes from each of the pilot studies resulted in an action plan which was scrutinised by the Budget and Performance Panel and agreed by each of the partnership boards and these actions are currently being implemented. In addition, the evaluations helped to identify how the council improve its contribution within the individual partnerships and more widely as part of the overall arrangements for managing the performance of the council's key partnerships.

4.0 2009/10 Work Programme

- 4.1 To date, two of the eight partnerships have completed their evaluations using the toolkit, with a further three currently underway and one yet to start. With the agreement of the Budget and Performance Panel, two partnerships have been withdrawn from the work programme on the grounds that one, the Lancashire Economic Partnership, is currently being evaluated by 'Lancashire Leaders' and the other, the West End Partnership, is no longer receiving administrative support by the council.

- 4.2 A summary of the outcomes and actions arising from the completed evaluations of the Closed Circuit TV and Key Cultural Partnerships have recently been reported to the Performance Management Group and the Budget and Performance Panel and plans are now underway to implement agreed actions.
- 4.3 Whilst very different partnerships the evaluations have been successful in that they have provided for the first time a chance to assess the strengths, weaknesses, risks and opportunities associated with each partnership. The evaluation of the Key Cultural Partnership, for example, has helped to raise its focus and profile to the extent that partners are to be part a group including members from the LDLSP Management Group to develop a strategy for the delivery of arts in the district.
- 4.4 Experience from the evaluations to date has identified that the most effective approach would be to assess only those that have a direct involvement in delivering local priorities arising from the Sustainable Community Strategy and the Council's corporate plan. This approach will enable resources to be concentrated on evaluating key partnerships - which potentially carry higher risks – to be built into the business planning process and their action planning and performance arrangements to be monitored through the performance management frameworks.
- 4.5 The partnership evaluations undertaken to date are also informing the ongoing work to establish effective partnership governance arrangements within individual partnerships and the council which are currently underdeveloped and inconsistent. So far this has lead to the production of risk registers within partnerships and for the more significant risks/opportunities to be incorporated within the council's strategic risk register, and the development of a soon to be published, Code of Practice for Working in Partnerships which seeks to provide a corporate framework for effectively engaging with, and entering into, new partnerships.
- 4.6 As part of developing effective partnership governance and performance management work is also underway to establish a mechanism for key partnerships to produce an annual report on their activities incorporating assurances on their systems and processes as part of the overall governance framework. Details from this annual report as well as outcomes from partnership evaluations will be incorporated within a register (database) which, once established, provide a central point of reference of the council's partnerships and provide a mechanism to ensure that they are, and remain, relevant to the successful delivery of priorities and objectives.

5.0 Details of Consultation

- 5.1 Not applicable

6.0 Options and Options Analysis (including risk assessment)

- 6.1 Not applicable

CONCLUSION OF IMPACT ASSESSMENT

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

None identified

FINANCIAL IMPLICATIONS

None directly arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments

LEGAL IMPLICATIONS

None directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments

BACKGROUND PAPERS

Internal Audit Files

Contact Officer: Bob Bailey

Telephone: 01524 582018

E-mail: rbailey@lancaster.gov.uk

Ref: aud/audcomm/200110/Partnerships