

Report of the Chief Executive

## **Partnership Governance Progress Report**

### **Summary**

1. The purpose of this report is to update Members regarding progress to review Partnership Governance arrangements in order to strengthen accountability and manage risk. This is in response to the Annual Governance Statement 2012/13, which reported:
  - *‘While the Council has strong strategic partnership arrangements, further work is needed to embed corporate controls over operational partnerships to ensure risks are well managed and partnership arrangements represent good value for money.’*

### **Background**

2. In recent years the nature of local government has changed significantly. This means partnership working needs to be more embedded and considered differently. Challenges such as the impact of welfare reform and rising living costs coupled with increasing numbers of over 65s and reduction in spend on core services have prompted the need to think about new ways of working. The need to reinvent the way services are delivered, such as through co –production or via community budgets, has never been stronger. The ideal for partnership working now, backed up by the Commission on the Future of Local Government, is for *“councils to be more enterprising, businesses and other partners become more civic, and citizens become more engaged”*.
3. The Peer Challenge process which took place in summer 2013 highlighted that York has excellent partnership working. However, in terms of preparing for the future challenges ahead, it was identified that there is still much to be done to review models of

service delivery and to do things differently due to the diminishing resource base. The team recommended that York “*revisit structures and arrangements to ensure they focus on new and emerging collaborative agendas*” and to “*be prepared to do things differently, moving away from traditional solutions to embrace new and untested ways of working*”.

4. Excellent partnership working is now more essential than ever for the council to fulfil its objectives and for the city to achieve the outcomes it needs to succeed. All cities need key stakeholders to work together, being clear about their respective roles and taking collective responsibility for the effectiveness of collaborations and partnerships.

### **Recent Progress to Improve Partnership Governance**

5. The current drive to work differently going forward, for example, to engage in co-production, design and delivery of services with communities to encourage greater independence and to explore service delivery via social enterprises and community interest companies, has led to a refresh of the council’s risk management processes. Zurich Municipal were commissioned to conduct a Whole Risk Diagnostic exercise to review the organisation’s risk management arrangements and this included looking at existing partnership governance arrangements. This review was timely prior to the council seeking to maximise any partnership collaborations and opportunities that may lie ahead.
6. Issues linked to the partnership governance agenda that were highlighted included that:
  - More complex partnership delivery models and supply chains require a robust risk management approach to assist decision makers to understand and act upon risks from outside the organisation;
  - Some partnerships are more risky than others, therefore, governance frameworks have to be appropriate to the level of risk. This means that mechanisms need to be in place to identify high risk partnerships;
  - Risk with commercial partners is considered as part of the pre-qualification questionnaire and in awarding the contract through our existing procurement process. However, management of risk

once a contract is in place needs more focus particularly for the higher risk partnerships;

- That the Local Strategic Partnership, Without Walls, can be used as a mechanism for communicating with all public services in the area about high level risks that may affect the decision making of individual organisations.
7. As a result of the issues highlighted in the report, it was recommended that:
- a. *The Council should identify its higher risk partnerships, and review what assurances are in place that risks are being managed appropriately within those partnerships;*
  - b. *The LSP should communicate with other organisations about the risks facing the delivery of their objectives.*
8. The Zurich report was presented to the Council's Corporate Leadership Group on 15 January and, as a consequence, a number of actions were agreed that will enhance the governance of significant partnerships and minimise risk. For Partnership Governance this will include:
- Reinstatement of the partnership risk register for significant partnerships such as the LSP;
  - Development of a new programme for risk management within the council, the work plan to be shared with CLG;
  - CLG to undertake regular risk identification sessions identifying new or emerging partnership risks, which are reported to the council's Management Team (CMT) for approval / ownership;
  - Identification of areas requiring risk management training and refresh, delivery of facilitated workshops and support where required. External facilitation funded through the council's insurance programme (which provides £10k per annum for risk management support and training).
9. In addition, other actions to address improvement in Partnership Governance include:

- Local Public Service Chief Executives to meet on an informal, basis to discuss the risks associated with day to day delivery of services;
- Without Walls Governance arrangements have been re-vamped to ensure that upcoming partnership meetings are clearly advertised online, alongside the publishing of relevant papers and minutes to prescribed timescales.

### **Action Plan**

10. A detailed two year work plan is being developed by the Head of Financial Procedures and the Risk Management Team, which includes action to improve partnership governance. The action plan will be agreed over the coming months and owned by Corporate Leadership Group. The new framework will be designed to reinvigorate engagement with risk, whilst also providing support, guidance and training. Managing the risk and keeping registers up to date will continue to be the relevant officer's (Risk owners) responsibility. Project Boards will also continue to manage the risk associated with individual high profile projects and partnerships and to report on how risks are being mitigated to the Transformation Board and Council Management Team.

### **Consultation**

11. Interviews that were undertaken as part of the Zurich review involved Senior Managers, key officers, one Cabinet member and a separate workshop with Audit and Governance Committee members.

### **Options**

12. This report is for information on progress only.

### **Council Plan**

13. The enhancement of risk management processes contribute to the council's governance and assurance arrangements and overall core capabilities to be a confident collaborative organisation with a relentless focus on our priorities, as set out in the Council's Plan 2011-15.

## Implications

14. Implications have been assessed as:

- **Financial** - There are no specific financial implications other than the £10k cost of providing risk management support training, which is already included as part of the Council's insurance premium.
- **Human Resources (HR)** – To ensure that officers with responsibility for key strategic partnerships and projects, along with members of Corporate Leadership Group are aware of their responsibilities under the revised risk framework and that they attend relevant risk training courses when required.
- **Equalities** There are no equalities implications
- **Legal** There are no legal implications
- **Crime and Disorder** There are no crime and disorder implications
- **Information Technology (IT)** There are no IT implications
- **Property** There are no property implications

## Risk Management

15. There is a risk that not implementing the refreshed risk management framework and training scheme could lead to the Authority being exposed to unacceptable risk (financial, reputational etc.) as a result of entering into new partnership collaborations. This is mitigated by the risk management actions outlined in the report.

## Recommendations

16. Members of the Audit and Governance Committee are asked to:

Note the actions proposed in the report to improve risk management practice generally and in particular in relation to Partnership Governance.

Reason: To update the Committee on the current activity to improve corporate controls over operational partnerships to ensure risks are well managed and partnership arrangements represent good value for money.

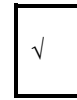
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**Report  
Approved**



**Date** 3 February  
2014

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

**Background Papers:**

None

**Annexes**

None