

REPORT OF THE DIRECTOR OF POLICY, PARTNERSHIPS & COMMUNICATION

PARTNERSHIP GOVERNANCE FRAMEWORK – REGISTER AND HEALTH CHECKS

1. PURPOSE OF THE REPORT

1.1 This report sets out the two elements which are reported annually as part of the current Partnership Governance Framework:

- The updated Register of Significant Partnerships
- The key findings from the partnership governance health checks

1.2 This report also notes some changes which are expected in the coming months to the partnership landscape.

2. RECOMMENDATIONS

It is recommended that Audit Committee:

- i) Note the key findings of the annual partnership governance health checks, and that the majority of partnerships scored 'good/ excellent'
- ii) Endorse the proposed removal of the Health and Environment Partnership from the Register of Significant Partnerships
- iii) Note the changes going forward, particularly the changing partnership and policy landscape

3. REASONS FOR CONSIDERATION

The role of overseeing the Partnership Governance Framework has recently moved from Executive Board to the Audit Committee, as it fits more naturally with the Audit Committee terms of reference.

4. BACKGROUND: THE PARTNERSHIP GOVERNANCE FRAMEWORK

4.1 The Council has a long and successful history of working in partnership across the public, private, voluntary and third sector. The benefits and opportunities of working in partnership are well understood. There are, however, some key challenges that arise from collaborative working. Therefore, it is necessary to have in place a governance framework that identifies any risks and ensures consistency and efficiency of any partnerships of strategic, reputational or financial importance to the City Council.

4.2 The Council must ensure that its involvement in partnerships does not expose it to an unacceptable level of risk. The Council therefore needs to

demonstrate that it has identified its 'significant partnerships'¹ and has adopted robust partnership governance arrangements that have been clearly set out and formalised. In order to do this the Partnership Governance Framework was developed and adopted in 2009. The process follows an annual cycle whereby partnerships are assessed through a 'health check' in order to identify any potential risks with the view to developing remedial actions. Those partnerships that are still deemed 'significant' after this process are included in the Register of Significant Partnerships and this report provides a summary of findings from the process.

5. REGISTER OF SIGNIFICANT PARTNERSHIPS

- 5.1 The Register of Significant Partnerships details the partnerships of strategic, reputational or financial importance to the Council, in line with the Partnership Governance Framework. This Register is updated on an annual basis.
- 5.2 There have been no additions to the Register of Significant Partnerships, but it is proposed that the Health and Environment Partnership (HEP) be removed from the Register as it is no longer deemed a significant partnership strategically, reputationally or financially. The HEP is an advisory group, and will continue to meet and provide guidance to the Green Partnership and the Health and Wellbeing Board. However, it is felt that the present work of the partnership is neither crucial to the delivery of the council's objectives, financially significant for the council or that there is a significant risk of damage to the Council's reputation by failure of the partnership to deliver. In view of this, it is proposed that the HEP be removed from the Register, with the understanding that its status as a significant partnership can be reassessed in the future. Appendix 2 provides more details regarding the decision to recommend its removal from the register.
- 5.3 Appendix 1 gives a summary of the updated Register. The detailed registration documents which sit behind this are available on the City Council intranet, in accordance with the Partnership Governance Framework (<http://gossweb.nottinghamcity.gov.uk/nccextranet/index.aspx?articleid=11775>).

6. HEALTHCHECKS

- 6.1 Each partnership on the Register of Significant Partnerships is asked to complete an annual self-assessment of the 'health' of the partnership's governance, see Appendix 3 for the full healthcheck template. This covers the following areas:
1. Aims and objectives
 2. Membership and structure
 3. Decision making and accountability
 4. Performance management
 5. Evaluation and review
 6. Equalities
 7. Finance
 8. Partnership Risk Management

¹ The Council is involved in numerous partnerships but the scope of the Partnership Governance Framework is restricted to those partnerships deemed significant on the grounds that they pose a risk either strategically, reputationally, or financially.

6.2 Each partnership gives itself a score for each of the areas above, as one of the following:

Score	Category	Description
1	Excellent	There is an excellent system of governance designed to achieve the partnership's and the council's objectives; any potential strategic, reputational or financial risks for the council are noted and well managed; performance is on track
2	Good	There is a basically sound system of governance, but some weaknesses that may threaten some of the partnership's and the council's objectives; any concerns regarding management of potential strategic, reputational or financial risks to the council are minor; performance is mainly on track
3	Some key areas for improvement	There are some significant weaknesses that could threaten some of the partnership's and the council's objectives; there are some significant concerns about potential strategic, reputational or financial risks to the council and their management; performance is not on track in some areas
4	Many key weaknesses	Governance and controls are generally weak leaving the partnership's system open to significant error or abuse; the partnership's and council's objectives are unlikely to be met; there are many significant concerns about strategic, reputational or financial risks to the council and their management; performance is not on track in most areas

6.3 There is also a section for partnerships to include the most significant risks which the Council needs to be aware of in terms of our involvement with this partnership, which is shared with the Corporate Risk Specialist.

6.4 The health checks are undertaken by the Council's Lead Officer (representing NCC within the partnership) and they are ultimately signed off by the partnership Chair. These do not substitute the need for the partnership to review its own governance and performance arrangements on a regular basis, but do provide an opportunity for the Council's lead officers and partnership chairs to review the 'health' of the governance and what improvements are needed.

6.5 The 2012 results show that the majority of partnerships self-assess themselves as being 'excellent' or 'good' in the areas of decision making and accountability, performance management and equalities. Those which had more than one rating of 3 (some key areas for improvement) or 4 (many key weaknesses) are noted below.

6.6 The Housing Strategic Partnership scored 3 (some key areas for improvement) for the 'performance management' and 'evaluation and review' sections. These scores are expected to improve over the coming year through:

- The delivery of the Housing Nottingham Plan
- Adoption of One Nottingham's Code of Conduct
- A review of the governance arrangements once they have been in place for a year (i.e. review would take place around Dec 2012/Jan 2013)

6.7 The Green Nottingham partnership scored 3 for the 'finance' and 'risk management' sections as finances and risks are managed by individual partners rather than by the partnership. The Green Nottingham partnership does not have budgetary responsibilities or specific allocated finance, but projects are undertaken and delivered by individual partners, e.g. installation of solar panels on social homes was led by Nottingham City Council. Since projects are delivered by individual partners, the risks are managed by the relevant partner itself rather than by the partnership. So in the example above, the risk was managed by Nottingham City Council as part of corporate risk management arrangements. So although the score was poor for the 'finance' and 'risk' elements, this does not necessarily reflect poor management, rather the limited responsibility that the partnership has.

7. LOOKING AHEAD

7.1 This year has seen some significant changes to the partnership and policy landscape, with the newly elected Police and Crime Commissioner and the ongoing transfer of public health to the local authority.

7.2 From April 2013, Nottingham City Council will take on public health responsibilities and the Shadow Health and Wellbeing Board is expected to become a statutory board of the City Council in line with the Health and Social Care Act 2012. Budget restraints from the Spending Review are expected to continue.

8. BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION

8.1 Completed Partnership Governance Health Checks, self-assessed for each significant partnership.

8.2 Register of Significant Partnerships 2012 (published on City Council intranet).

9. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Partnership Governance Framework, approved by the Executive Board Commissioning Sub Committee on 13th May 2009.

Nottingham City Council Register of Significant Partnerships
Updated December 2012

For further information contact James Rhodes, Nottingham Plan Programme Manager, james.rhodes@nottinghamcity.gov.uk or Alice Johnson, Policy Officer, alice.johnson@nottinghamcity.gov.uk.

	Title	Councillor & Corporate Director Lead	Lead Officer
1	One Nottingham	Councillor David Mellen, Portfolio Holder for Children's Services Carole Mills-Evans, Acting Chief Executive	Nigel Cooke, One Nottingham
2	Crime and Drugs Partnership	Councillor Alex Norris, Portfolio Holder for Area Working, Cleansing and Community Safety John Kelly, Corporate Director, Communities	Peter Moyes, Director, Crime and Drugs Partnership
3	Children's Partnership Board	Councillor David Mellen, Portfolio Holder for Children's Services Ian Curryer, Corporate Director, Children's and Families	Candida Brudenell, Director, Quality and Commissioning
4	Working Nottingham Partnership	Councillor Nick McDonald, Portfolio Holder for Jobs, Skills and Business David Bishop, Corporate Director, Development	Nicki Jenkins, Head of Economic Development
5	Green Nottingham Partnership	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability John Kelly, Corporate Director, Communities	Andy Vaughan, Director of Neighbourhood Services
6	Greater Nottingham Transport Partnership	Councillor Jane Urquhart, Portfolio Holder for Planning and Transportation David Bishop, Corporate Director for Development	Sue Flack, Director of Planning and Transport

	Title	Councillor & Corporate Director Lead	Lead Officer
7	Nottinghamshire Employment & Skills Board	Councillor Jon Collins, Leader David Bishop, Corporate Director, Development	Nicki Jenkins, Head of Economic Development
8	Greater Nottingham Growth Point Partnership	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability; Councillor Jane Urquhart, Portfolio Holder for Planning and Transportation David Bishop, Corporate Director, Development	Sue Flack, Director of Planning and Transport
9	Strategic Cultural Partnership	John Kelly, Interim Corporate Director, Communities	Hugh White, Director, Sports, Culture and Parks
10	Nottingham Regeneration Ltd	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability David Bishop, Corporate Director, Development	Andrew Gregory, Head of Development Management
11	Experience Nottinghamshire	Councillor Dave Trimble, Portfolio Holder for Leisure, Culture and Tourism David Bishop, Corporate Director, Development	John Yarham, Director, Economic Innovation and Employment
12	Castle Cavendish Foundation (formerly Nottingham Development Company)	John Kelly, Corporate Director, Communities	John Marsh, Locality Manager
13	Nottinghamshire and Nottingham Joint Leadership Board	Councillor Jon Collins, Leader Carole Mills-Evans, Acting Chief Executive	Claire Richmond, Director of Policy, Partnerships and Communication
14	Core City Board	Councillor Jon Collins, Leader Carole Mills-Evans, Acting Chief Executive	Claire Richmond, Director of Policy, Partnerships and Communication
15	Derbyshire and Derby, Nottinghamshire and Nottingham Local Enterprise Partnership	Councillor Jon Collins, Leader David Bishop, Corporate Director, Development	Dave Tantum, Economic Development Partnership Manager

	Title	Councillor & Corporate Director Lead	Lead Officer
16	Strategic Housing Partnership	Councillor David Liversidge, Portfolio Holder for Adults, Housing and Community Sector David Bishop, Corporate Director, Development	Graham de Max, Partnership Manager, Housing Strategy
17	Shadow Health and Wellbeing Board	Councillor Nicola Heaton, Executive Assistant for Health Ian Curryer, Corporate Director, Children's and Families	Andrew Hall, Acting Director of Health and Wellbeing Transition

Analysis of HEP's position on the Register of Significant Partnership

This sets out a brief analysis of whether the HEP meets the criteria for being on the Register of Significant Partnerships. The HEP has not met formally since November 2010 and scored poorly in the healthchecks in 2011 and 2012.

In the past the HEP played a significant role in the local partnership landscape, particularly in ensuring a strong environmental theme in The Nottingham Plan to 2020. Following the agreement of the Nottingham Plan, the Green Nottingham partnership was created to lead the delivery of the environmental elements in the Nottingham Plan.

The analysis below has been undertaken to consider the HEP's revised terms of reference with the Partnership Governance Framework's criteria for assessing whether a partnership can be deemed "significant". As HEP begins to operate under these revised terms of reference, the partnership may need to be reassessed to see if it needs to be added to the register.

1. Strategic Importance

Criteria: The partnership is critical to the delivery of the Council's key objectives or statutory obligations. The success of the partnership is therefore fundamental to the Council's priorities and functions.

Does the HEP meet the criteria?: No. The latest terms of reference for the HEP describe it as a "critical friend" to a range of Nottingham City Council / One Nottingham decision making groups.

While many key Council priorities chime with the HEP's aims, the HEP's objectives do not include delivery. Our judgement is therefore that they are not critical to the delivery of the Council's key objectives or statutory obligations.

Furthermore, the HEP's healthcheck showed very poor scores for 2011 and 2012. Therefore our judgement is that the success of the partnership does not appear to be fundamental to the Council's priorities and functions. (Note HEP has not met formally since November 2010.)

2. Reputational Importance

Criteria: The Council's reputation could be damaged by failure of the partnership to deliver.

Does the HEP meet the criteria?: No. HEP's objectives do not cover delivery, therefore our judgement is that it does not meet this criteria.

3. Financial Importance

Criteria: Currently or potentially managing/directing resources that include a substantial financial contribution from the Council or for which the Council is the Accountable Body.

Does the HEP meet the criteria?: No. The HEP has access to limited resources to support delivery of its aims and objectives through Nottingham City Council in the form of staff time, but this does not constitute a substantial financial contribution.

PARTNERSHIP GOVERNANCE HEALTH CHECK GUIDANCE

The health check is a guide for an annual assessment of a partnership's governance and capacity. The aim is to make an overall assessment of the effectiveness of the partnership; identify whether there is any strategic, reputational or financial risk to the Council through its membership of the partnership; and lead to proposals for changes/improvements.

Some of the detailed definitions and examples may not be directly applicable. There may be some additional definitions of good governance that the nominated lead officer will need to apply given the specific circumstances or arrangements for a partnership. Evidence to support the findings of the health check will be held by the nominated lead officer.

This health check does not substitute for the partnership itself reviewing its governance and performance. The Council's nominated lead officer and chief officer have a responsibility to support and advise the partnership to carry out its own review and take any action required to improve its governance.

The health check has 4 categories:

Score	Category	Description
1	Excellent	There is an excellent system of governance designed to achieve the partnership's and the council's objectives; any potential strategic, reputational or financial risks for the council are noted and well managed; performance is on track.
2	Good	There is a basically sound system of governance, but some weaknesses that may threaten some of the partnership's and the council's objectives; any concerns regarding management of potential strategic, reputational or financial risks to the council are minor; performance is mainly on track
3	Some key areas for improvement	There are some significant weaknesses that could threaten some of the partnership's and the council's objectives; there are some significant concerns about potential strategic, reputational or financial risks to the council and their management; performance is not on track in some areas
4	Many key weaknesses	Governance and controls are generally weak leaving the partnership's system open to significant error or abuse; the partnership's and council's objectives are unlikely to be met; there are many significant concerns about strategic, reputational or financial risks to the council and their management; performance is not on track in most areas

NOTTINGHAM CITY COUNCIL
SIGNIFICANT PARTNERSHIPS GOVERNANCE HEALTH CHECK

In consultation with your partnership, please complete the tables below. Once the details have been agreed by the partnership please return them to alice.johnson@nottinghamcity.gov.uk. If you require any assistance please contact Alice Johnson, Policy Officer, Nottingham City Council, on 0115 87 63372.

Name of Partnership:
NCC Lead Councillor:
NCC Corporate Director:
NCC Lead Officer:
Partnership Chief Executive/Manager (if appropriate):

We have identified 8 areas of good governance. In each area we have provided a number of clear statements to illustrate what ‘excellent’ looks like for that area of governance. Using the criteria where 1 is ‘excellent’ and 4 is ‘many key weaknesses’ (page 1), please record a score (1-4) for each area of good governance for your significant partnership, making relevant notes on how the score could be improved.

Good governance	Health assessment (score 1-4)	Notes
<p>1. Aims and objectives</p> <ul style="list-style-type: none"> The partnership has clear aims and SMART objectives clearly set out and understandable Strong alignment between the partnership’s and The Nottingham Plan and 2030 vision In pursuing the 2030 vision, the partnership has a set of values against which decision making and actions can be judged (e.g. code of conduct) The partnership achieves more than the sum of its parts. It delivers the benefits identified in the business case 		<ul style="list-style-type: none">

<p>2. Membership and structure</p> <ul style="list-style-type: none"> • The structure is clear, is set out in Terms of Reference, a Memorandum of Agreement or other governing documents and is regularly reviewed. • Roles, responsibilities and contributions are defined for all partners and set out in the governing documents, including whistle-blowing, responding to compliments and complaints, risk assessment, personnel and financial management and financial and performance reporting. • Key partners provide effective leadership. Their leadership roles and responsibilities are understood and fulfilled. • The membership provides the necessary knowledge, skills and experience to do the job. Partners ensure that the right people are in the right place at the right time. • The partners are committed at the highest level to deliver the partnership's objectives. There are constructive working relationships between all partners, the right people attend the meetings, and these are supported by lead officers within partner agencies. • Changes to membership and exit strategies are considered and the governing documents say what will happen if/when a partner wishes to leave. 		<ul style="list-style-type: none"> •
<p>3. Decision making and accountability</p> <ul style="list-style-type: none"> • Decision making is clear and transparent. Authority and delegations are set out in governing documents including <ul style="list-style-type: none"> ◦ Who can make what decisions ◦ Delegated responsibilities • The partnership has a clear procedure for dealing with conflicts of interest 		<ul style="list-style-type: none"> •

<ul style="list-style-type: none"> • Those making decisions are provided with information that is fit for the purpose – relevant, timely and give clear explanations of technical issues and their implications • Decisions are properly recorded and notified promptly to those who are affected by them. • The partnership has a communication plan to inform service users, members and the public about the partnership, its decisions, its achievements and successes, who is accountable and responsible for what. It provides routes for people to comment/contribute to the partnership's work. • The partnership has clear lines of accountability and arrangements for reporting performance • Arrangements are in place for the partnership to report in a timely way on its work and achievements to Council officers and Councillors. Decisions and activities are scrutinized at the appropriate level. • There are clear routes for members and partners to raise concerns. 		
<p>4. Performance management</p> <ul style="list-style-type: none"> • The partnership reviews its progress and delivery against clear outcomes, outputs and milestones and takes prompt corrective action if necessary. • Delivery contracts and agreements are monitored and poor performance is tackled. 		<ul style="list-style-type: none"> •
<p>5. Evaluation and review</p> <ul style="list-style-type: none"> • The partnership regularly reviews its policies, strategies, membership and use of resources against its objectives and targets. 		<ul style="list-style-type: none"> •

<ul style="list-style-type: none"> • The partnership reviews its progress and delivery against clear outcomes, outputs and milestones and takes prompt corrective action if necessary. • Delivery contracts and agreements are monitored and poor performance is tackled. • Arrangements for responding to complaints and dealing with unforeseen problems needing a prompt response are in place and clearly stated. • There are clearly stated procedures to deal with disputes within the partnership and these are followed when necessary. 		
<p>6. Equalities</p> <ul style="list-style-type: none"> • The partnership assesses its policies and programmes for their impact on equalities. • The partnership considers impact on inequality and deprivation as part of its performance management. 		<ul style="list-style-type: none"> •
<p>7. Finance</p> <ul style="list-style-type: none"> • The partnership has access to resources to support delivery of its aims and objectives. It has a financial and /or procurement plan that identifies how it proposes to use these funding to achieve its objectives. • The role of the partnership in relation to finance and the extent of its powers to make financial decisions and approvals are stated and understood. • The partnership has effective arrangements for financial monitoring and reporting. • The partnership uses its resources well and demonstrates how it uses them to add value. It ensures that it uses resources to complement and enhance the work of individual partners. 		<ul style="list-style-type: none"> •

<p>8. Partnership Risk Management</p> <ul style="list-style-type: none"> • Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk. • The partnership has an agreed mechanism for identifying, assessing and managing risks. • Appropriate tools have been developed and resources are in place to manage risk. • Partnership risks are well managed across organisational boundaries. • There is clear evidence of improved partnership delivery through risk management. 		<ul style="list-style-type: none"> •
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Overall Headline Risk

Please fill in the table below the most significant risks which the Council needs to be aware of in terms of our involvement with this partnership. These can include strategic, financial and reputational risks. An example risk has been included to guide you.

Some partnerships may not face any risks, whereas others may face many. For those which face many risks, please note only the three most significant risks.

Please write a brief description of the risk, give each risk a rating for likelihood and impact using the criteria below, and bullet point the mitigating actions which will help mitigate the risk.

Risk Description	Impact Rating	Likelihood Rating	Total Risk Rating (Impact x Likelihood)	Mitigating actions
				•
				•
				•

Likelihood rating scale:

1. Remote
2. Unlikely
3. Possible
4. Likely
5. Almost Certain

Impact rating scale:

1. Negligible
2. Minor
3. Moderate
4. Major
5. Catastrophic

