

AUDIT COMMITTEE – 29th November 2013

Title of paper:	Partnership Governance Health Checks and update to Register of Significant Partnerships	
Director(s)/ Corporate Director(s):	Director of Policy, Partnerships and Communications	Wards affected: All
Report author(s) and contact details:	Alice Johnson, Corporate Policy Team 0115 876 3372 Alice.johnson@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Rob Smith, Internal Audit	
Recommendation(s):		
1	To note the key findings from the Partnership Governance Health Checks	
2	To approve the removal from the Register of Significant Partnerships of the following partnerships: <ul style="list-style-type: none"> • Working Nottingham • Joint Leadership Board • Core City Board 	
3	To note the changes to the partnership and policy landscape going forward	

1. PURPOSE OF THE REPORT

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

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

2. REASONS FOR RECOMMENDATIONS

2.1 It is recommended that Audit Committee note the key findings of the annual partnership governance health checks; that the majority of partnerships scored 'good/ excellent' in all areas and that a sample of these health checks have been verified and agreed with by colleagues from Corporate Policy and Internal Audit.

2.2 It is also recommended that Audit Committee approve the proposed removal of Working Nottingham, the Joint Leadership Board and the Core City Board from the Register of Significant Partnerships as they are no longer in operation.

2.3 It is recommended that Audit Committee note the changes to the partnership and policy landscape going forward, as this may be of interest to the committee in their role of overseeing the Partnership Governance Framework.

3. BACKGROUND

- 3.1 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 but risks can arise from collaborative working and the Council must ensure that its involvement in partnerships does not expose it to an unacceptable level of risk.
- 3.2 The Partnership Governance Framework includes an annual 'health check' of each partnership which is significant to the City Council in terms of strategic, reputational or financial importance. This health check is designed to identify any risks to the Council from its involvement in any of the partnerships. The results of these health checks are reported to Audit Committee along with remedial actions that are needed to protect the Council from an unacceptable level of risk.
- 3.3 The partnerships that are deemed significant to the Council in terms of their strategic, reputational or financial importance are listed in the Register of Significant Partnerships. Any changes to the register are reported to Audit Committee annually.

Health checks

- 3.4 Each partnership on the Register of Significant Partnerships is asked to complete an annual self-assessment of the 'health' of the partnership's governance, giving a score as to how well they meet the criteria. The scores from the health checks undertaken in 2013 are provided in Appendix 1 and Appendix 2 provides the health check template with the criteria.
- 3.5 As Appendix 1 shows, the majority of partnerships scored 'good/ excellent' (1/2) in all areas. This annual report usually draws Audit Committee's attention to partnerships with more than one rating of 3 (some key areas for improvement) or 4 (many key weaknesses), but this year no partnerships scored 3 or 4 more than once.
- 3.6 Audit Committee requested that a sample of these health checks be verified. We have therefore drafted a programme of verifying the health checks to look at each partnership once over the next 5 years. This year, health checks for the following partnerships were considered by colleagues from Corporate Policy and Internal Audit, with the following results:
- 3.6.i Housing Strategic Partnership – all scores were agreed with, some recommendations for improvement were made (see Appendix 3) which have been communicated to the partnership contacts.
- 3.6.ii Greater Nottingham Growth Point Partnership – all scores were agreed with, some recommendations for improvement were made (see Appendix 3) which have been communicated to the partnership contacts.
- 3.6.iii One Nottingham – all scores were agreed with, some recommendations for improvement were also made (see Appendix 3) which have been communicated to the partnership contacts.

- 3.6.iv Some improvements to the health check process were identified (see Appendix 3), these will be incorporated for next year's health checks and good practice will be shared with the other partnerships to learn from.
- 3.7 A health check for Castle Cavendish is currently being undertaken as they were seeking to be removed from the Register of Significant Partnerships when the annual health checks were being undertaken. The results of this health check will be reported to Audit Committee in February 2014.

Register of Significant Partnerships

- 3.8 There have been no additions to the Register of Significant Partnerships this year. The Health and Wellbeing Board is no longer a shadow board, which is a change from last year.
- 3.9 It is proposed that Working Nottingham, Joint Leadership Board and Core City Board are removed from the Register of Significant Partnerships as these Boards are no longer in operation. An updated register summarised in Appendix 4.

Looking ahead

- 3.9 During early 2014 the Economic Prosperity Committee is expected to be established in shadow form. This Committee will drive future investment in jobs and growth within in Nottingham and Nottinghamshire. Further budget restraints from the Spending Review are also expected to continue.

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

- 4.1 None

5. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

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

Appendix 1
Health check scores 2013

Partnerships	Aims and objectives	Membership and structure	Decision making and accountability	Performance management	Evaluation and review	Equalities	Finance	Partnership Risk Management
Employment and Skills Board	2	2	2	2	2	2	2	2
Greater Nottingham Growth Point Partnership	2	2	2	2	2	1	2	2
Nottingham Regeneration Ltd	1	1	2	2	2	1\2	1\2	2
Crime and Drugs Partnership	1	1	2	1	1	2	1	1
Childrens Partnership Board	1\2	2	1\2	1\2	1\2	1\2	1\2	2
Experience Nottinghamshire	1	1	1	1	2	1	2	2
Green Nottingham	2	2	2	2	2	2	2	1
Housing Strategic Partnership	2	2	2	2	2	1	1	2
Derbyshire and Derby, Nottinghamshire & Nottingham Local Enterprise Partnership	2	1	2	2	2	2	2	3
One Nottingham	1	1	1	1	1	1	1	1
Health & Wellbeing Board	2	2	3	2	2	1	2	2
Strategic Cultural Partnership	1	2	1	1	1	2	2\3	1
Greater Nottingham Transport Partnership	1	2	1	1	2	1	2	2

Appendix 2

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 whistleblowing, 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 		<ul style="list-style-type: none"> •

<p>governing documents including</p> <ul style="list-style-type: none"> ○ Who can make what decisions ○ Delegated responsibilities <ul style="list-style-type: none"> ● The partnership has a clear procedure for dealing with conflicts of interest ● 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. 	<ul style="list-style-type: none"> ●
<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. 	

<ul style="list-style-type: none"> • Delivery contracts and agreements are monitored and poor performance is tackled. 		
<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. • 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. 		<ul style="list-style-type: none"> •
<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 		<ul style="list-style-type: none"> •

<ul style="list-style-type: none"> • 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. 		
<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"> •

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

Appendix 3

Recommendations for improvement from verification of partnership governance health checks

Housing Strategic Partnership

- We recommend the gap identified in the “Membership and structure” section is acted upon – i.e. “Changes to membership and exit strategies are considered and the governing documents say what will happen if/when a partner wishes to leave...this still needs to be addressed within the HSP”
- We recommend that you programme in a review of the terms of reference, as your comment in the “Evaluation and review” sections says that “a review in 2014 may be required”
- We recommend that you follow the NCC People Management Handbook for some of the items in the “Evaluation and review” section (e.g. responding to complaints, disputes etc) as the ON Code of Conduct is very high level and does not cover some of these more operational issues

Greater Nottingham Growth Point Partnership

- We recommend that next time you are clearer on whether NCC regulations take precedence or simply underpin the partnership procedures

One Nottingham

- We recommend that you address the gap identified in the “Aims and objectives” section – i.e. “The partnership will need to continue to demonstrate that it has broad benefits for the people of Nottingham”
- We recommend that the discussions referred to in the “Membership and structure” section are actioned, i.e. “over the coming months the relationships with the Health and Wellbeing partnership, CDP and Children’s Partnership will require discussion”
- The Ways of Working document is very high level so we recommend using the NCC People Management Handbook where issues are not covered, e.g. whistle blowing, responding to compliments and complaints etc
- We recommend that you develop a communications plan

Health check templates

- We recommend that cross-references are made between the questions asked in the health check and the partnership register update information, as there is some overlap which would help lead officers in completing their health checks (e.g. links to the Nottingham Plan are requested in both the health check and the register update)
- We recommend that the criteria “the partnership being more than the sum of its parts” is made more measurable as partnerships struggled to evidence this

Comments from Rob Smith, Internal Audit, and Alice Johnson, Corporate Policy

Appendix 4
Draft Nottingham City Council Register of Significant Partnerships
Updated November 2013

For further information contact Liz Jones, Head of Corporate Policy,
liz.jones@nottinghamcity.gov.uk

	Title	Councillor & Corporate Director Lead	Lead Officer
1	One Nottingham	Councillor David Mellen, Portfolio Holder for Children's Services Ian Curryer, 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 Alison Michalska, Corporate Director, Children's and Families	Katy Ball, Head of Early Intervention and Market Development
4	Green Nottingham Partnership	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability John Kelly, Corporate Director, Communities	Andy Vaughan, Director of Neighbourhood Services
5	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
6	Nottinghamshire Employment & Skills Board	Councillor Jon Collins, Leader David Bishop, Corporate Director, Development	Nicki Jenkins, Head of Economic Development
7	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
8	Strategic Cultural Partnership	John Kelly, Interim Corporate Director, Communities	Hugh White, Director, Sports, Culture and Parks
9	Nottingham Regeneration Ltd	Councillor Alan Clark, Portfolio Holder for Energy and	Sue Flack, Director for Planning and Transport

	Title	Councillor & Corporate Director Lead	Lead Officer
		Sustainability David Bishop, Corporate Director, Development	
10	Experience Nottinghamshire	Councillor Dave Trimble, Portfolio Holder for Leisure, Culture and Tourism David Bishop, Corporate Director, Development	Chris Henning, Director, Economic Development
11	Derbyshire and Derby, Nottinghamshire and Nottingham Local Enterprise Partnership	Councillor Jon Collins, Leader David Bishop, Corporate Director, Development	Dave Tantum, Economic Development Partnership Manager
12	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
13	Health and Wellbeing Board	Councillor Norris, Portfolio Holder for Adults and Health Alison Michalska, Corporate Director, Children's and Families Chris Kenny, Director of Public Health	Colin Monckton, Head of Commissioning & Insight Alison Challenger, Deputy Director of Public Health
14	Castle Cavendish	John Kelly, Corporate Director for Communities	John Marsh, Locality Manager Central