

AUDIT COMMITTEE – 28 NOVEMBER 2014

Title of paper:	Partnership Governance Health Checks and update to Register of Significant Partnerships	
Director(s)/ Corporate Director(s):	Candida Brudenell, Strategic Director for Early intervention Nigel Cooke, Director of One Nottingham Colin Monckton, Director of Commissioning	Wards affected: All
Report author(s) and contact details:	Laura Catchpole, Corporate Policy Team, 0115 8764964 / laura.catchpole@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 and Register of Significant Partnerships	

1. REASONS FOR RECOMMENDATIONS

- 1.1 It is recommended that Audit Committee note Section 2.5 and the key findings of the annual partnership governance health checks:
- the majority of partnerships scored 'good/ excellent' in all areas;
 - and a sample of these health checks have been verified by colleagues from Corporate Policy and Internal Audit.
- 1.2 It is recommended that Audit Committee approve the inclusion of the Economic Prosperity Committee, in the Register of Significant Partnerships.
- 1.3 Note that no partnerships require removal from the Register this year.

2. BACKGROUND

- 2.1 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.
- 2.2 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.

2.3 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.

2.4 **Health checks**

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. Some improvements to the health check process were approved by the Committee in April 2013 these have been incorporated into the 2014 health checks. The scores from the health checks undertaken in 2014 are provided in Appendix 1 and Appendix 2 provides the health check template with the criteria. With the exception of Experience Nottinghamshire, all health checks have received sign off from the Chair. The lead officer for the Experience Nottinghamshire partnership has reported that the City and County Councils are in the middle of complex negotiations with the organisation over the future direction of place marketing for Nottingham and Nottinghamshire, and it is not considered prudent to request 'sign off' of the annual self-assessment by the Chair of Experience Nottinghamshire, whilst these sensitive strategic negotiations are ongoing. It should be noted that the negotiations do not affect the ongoing operations of Experience Nottinghamshire.

2.5 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). In 2014 three partnerships scored 3 more than once.

2.5.i Economic Prosperity Committee recorded a rating of 3 for the following:

- Decision-making and accountability – this is because the arrangements for reporting and monitoring performance have yet to be defined.
- Performance management – clear outcomes, outputs and milestones have not yet been established and is dependent on the development of the Committee.
- A score for Evaluation and Review is not yet applicable as the Committee has only been in existence since February 2014; however a formal Governance review is planned.

2.5.ii The Green Nottingham Partnership recorded a rating of 3 for the following:

- Membership and structure – this is in specific reference to the issue of membership attendance, which is recorded as an area for improvement.
- Decision-making and accountability – the commentary records that the Partnership is not presently a decision-making forum, but has strength in information sharing, lobbying and supporting local initiatives.
- Performance management – performance is reported on the Nottingham Plan targets, however in addition a new action plan is in development which will be monitored.

- 2.5iii The Housing Strategic Partnership recorded a rating of 3 for the following:
- Membership and structure – the commentary reports that the Partnership is going through a change in format and structure and this area will be reviewed.
 - Decision-making and accountability – new terms of reference are being prepared and therefore accountability and decision-making will be included and implemented as part of this.
 - Evaluation and review – the commentary indicates a review has recently taken place and recommendations are being implemented.

2.6 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:

2.6.i Greater Nottingham Transport Partnership – all scores were agreed with, some recommendations for improvement were made (see Appendix 3) which have been communicated to the partnership contacts.

2.6.ii Health and Wellbeing Board – all scores were agreed with, some recommendations for improvement were made (see Appendix 3) which have been communicated to the partnership contacts.

2.6.iii Nottingham Crime and Drugs Partnership – all scores were agreed with, some recommendations for improvement were made (see Appendix 3) which have been communicated to the partnership contacts.

2.7 **Register of Significant Partnerships**

The Economic Prosperity Committee has been the only addition to the Register of Significant Partnerships in 2014. An updated register summarised in Appendix 4.

2.8 **Looking Ahead**

At this stage in the electoral cycle, it is possible that the outcome of the General Election may result in changes to the partnership landscape during 2015.

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

3.1 None

4. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

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

Appendix 2
Partnership governance health check guidance
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 2014

In consultation with your partnership, please complete the tables below. Once the details have been agreed by the partnership please return them to laura.catchpole@nottinghamcity.gov.uk. If you require any assistance please contact Laura Catchpole, Policy Officer, Nottingham City Council, on 0115 87 64964.

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
1. Aims and objectives <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"> •

2. Membership and structure

- 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.
- The NCC lead officer is actively engaged

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

<p>delivery against clear outcomes, outputs and milestones and takes prompt corrective action if necessary.</p> <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 		<ul style="list-style-type: none"> •

<p>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.</p> <ul style="list-style-type: none"> • 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. • Where applicable, for the most recent financial year the partnership has had “unqualified audit opinion” (i.e. it has passed audit without any qualifications) and any recommendations raised by auditors have been actioned 		
<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

General

- All the Partnerships had clear aims, however not all objectives were SMART and we recommend that future reviews of Terms of Reference, Partnership Plans, SLAs etc make every effort to ensure each objective is SMART.

Greater Nottingham Transport Partnership (GNTP)

1. While it was clear that the GNTP acts as an Advisory Board it was not clear how recommendations feed into the various sub-groups and related organisations. We recommend that the Terms of Reference would benefit from greater clarity about membership roles and responsibilities and the membership structure.
2. Under the 'Evaluation and Review' section, none of the documentation supplied indicated there were 'arrangements for responding to complaints...' or 'there are clearly stated procedures to deal with disputes...'. We recommend that this is addressed in the development of your Terms of Reference, with at least a default position of adhering to the City Councils policies and procedures.

Health and Wellbeing Board

1. We recommend that the Terms of Reference would benefit from the inclusion of clear procedure for dealing with conflicts of interest.
2. Under 'Decision-making and accountability' you state that "The Board does not have a written communication plan but a webpage has been developed and the means of additional communicating with citizens and interested parties is being explored." The webpage on the Council's website, whilst containing some information about the Partnership does not link to key documents (e.g. the Health and Wellbeing Strategy) and the page on the One Nottingham website was last updated in August 2013. We recommend that you develop a communications plan.
3. We recommend that in future health checks, there is greater clarity on how the objectives of sub-groups align with the Terms of Reference of the Board.
4. Under the 'Evaluation and Review' section, none of the documentation supplied indicated there were 'arrangements for responding to complaints...' or 'there are clearly stated procedures to deal with disputes...'. We recommend that this is addressed in the development of your Terms of Reference, with at least a default position of adhering to the City Councils policies and procedures.
5. Under the 'Partnership Risk Management' section the health check indicates that risks are identified through reporting and discussion at the Board meetings. We recommend that these need to cross-reference to the Council's corporate risk register as appropriate.

Nottingham Crime and Drugs Partnership

1. We recommend that the Partnership needs to improve the details regarding membership roles and responsibilities within their Terms of Reference and addresses changes to membership and exit strategies should a partner wish to leave and clearly identify how members can raise concerns.
2. It was not clear from the documentation how actions from meetings and those of sub-groups were followed up and who was accountable. We recommend that there is greater clarity in reporting structures.
3. We recommend that in future health checks, greater clarity is provided on how finances and financial risk are managed.

Health check templates

- We recommend that in the next annual health check, these partnerships are also reviewed on these specific issues and recommendations.
- 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 following wording that partnerships struggle to evidence 'the partnership being more than the sum of its parts' is replaced with 'The partnership has clearly allocated responsibility for achieving its objectives, and has gathered assurance that the objectives will be achieved.'

Comments from Rob Smith, Internal Audit and Laura Catchpole, Corporate Policy

Appendix 4
Nottingham City Council Register of Significant Partnerships
Updated November 2014

	Title	Lead 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	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
3	Crime and Drugs Partnership	Councillor Dave Liversidge – Portfolio Holder for Community Safety, Housing and Voluntary Sector Councillor Jon Collins, as Chair of the Partnership	Candida Brudenell, Strategic Director, Children and Adults	Peter Moyes, Director, Crime and Drugs Partnership
4	Derbyshire and Derby, Nottinghamshire and Nottingham Local Enterprise Partnership (D2N2LEP)	Councillor Jon Collins, Leader and Portfolio Holder for Strategic Regeneration and Schools	David Bishop, Corporate Director, Development	Dave Tantum, Economic Development Partnership Manager
5	Economic Prosperity Committee	Councillor Chapman, Deputy Leader of the Council and Portfolio Holder for Resources and Neighbourhood Regeneration	Ian Curryer, Chief Executive	Chris Henning, Director of Economic Development
6	Experience Nottinghamshire	Councillor Nick McDonald, Portfolio Holder for Jobs and Growth	David Bishop, Corporate Director, Development	Chris Henning, Director, 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

	Title	Lead Councillor	Corporate Director Lead	Lead Officer
8	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
9	Green Nottingham Partnership	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability	John Kelly, Corporate Director, Communities	Gail Scholes, Head of Energy Services
10	Health and Wellbeing Board	Councillor Norris, Portfolio Holder for Adults, Commissioning 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
11	Housing Strategic Partnership	Councillor Dave Liversidge – Portfolio Holder for Community Safety, Housing and Voluntary Sector	David Bishop, Corporate Director, Development	Graham de Max, Partnership Manager, Housing Strategy
12	N2 Skills and Employment Board	Councillor Nick McDonald, Portfolio Holder for Jobs and Growth	David Bishop, Corporate Director, Development	Nicki Jenkins, Head of Economic Development
13	Nottingham Regeneration Ltd	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability	David Bishop, Corporate Director, Development	Paul Seddon, Head of Development Management and Regeneration
14	Strategic Cultural Partnership		John Kelly, Corporate Director, Communities	Hugh White, Director, Sports, Culture and Parks