

## **AUDIT COMMITTEE – 24 November 2017**

<b>Title of paper:</b>	Partnership Governance Annual Health Checks of Nottingham City Council's Significant Partnerships	
<b>Director(s)/ Corporate Director(s):</b>	Colin Monckton, Director of Strategy and Policy	Wards affected: All
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<b>Other colleagues who have provided input:</b>	Steve Hales, Internal Audit	
<b>Recommendation(s):</b>		
<b>1</b>	To note the key findings from the Partnership Governance Health Checks and Register of Significant Partnerships.	
<b>2</b>	To note the findings and recommendations following verification of governance documentation of four of the partnerships.	

### **1 REASONS FOR RECOMMENDATIONS**

- 1.1 It is recommended that Audit Committee note Section 2.5 and 2.6 detailing the key findings of the annual partnership governance Health Checks. The majority of partnerships scored 'good/excellent' in all areas. A sample of three of these Health Checks has been verified by colleagues from Corporate Policy and Internal Audit. Additionally the governance documents of the Green Nottingham Partnership were verified again this year due to the partnership being refreshed. The findings of all verifications can be found in Appendix 4.
- 1.2 Audit Committee is asked to note the addition of the Midlands Engine to the Register of Significant Partnerships. This is a significant partnership which will have far-reaching implications for Nottingham City Council and Nottingham businesses, so was deemed appropriate for inclusion on the register. An updated register is included in Appendix 1.

### **2 BACKGROUND**

- 2.1 The Council has a long and successful history of working in partnership across the public, private, voluntary and third sectors. 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. The scores from the Health Checks undertaken in 2017 are provided in Appendix 2.
- 2.5 As Appendix 2 shows, the majority of partnerships scored themselves 'Excellent' or 'Good' (1 or 2) in all areas. We reviewed the supporting information and agreed with the majority of scores. Where any scores were disputed for partnerships subject to verification this year, an explanation is detailed in Appendix 4. For partnerships which were not verified this year, an explanation of any disputed scores is below.
- 2.5.1 The N2 Skills and Employment Board (SEB) scored itself 2 again this year for Partnership Risk Management. The comment this year noted "funding for the SEB ends March 2018 – Nottingham City Council, Nottinghamshire County Council and the LEP are looking at agreeing next steps for post March 2018". We could not accept the risk to the partnership was not increased if funding has not yet been agreed for six months' time as this leaves little opportunity for planning if current funding levels are not met. We recommend Audit Committee agree to the change of score from 2 to 3 (some key areas for improvement).
- 2.6 This report draws Audit Committee's attention to partnerships with a rating of 3 (some key areas for improvement) or 4 (many key weaknesses) in one or more areas. In 2017 the following partnerships scored themselves 3 or 4:
- 2.6.1 D2N2 LEP scored itself 3 for Partnership Risk Management
- Partnership Risk Management**
- a) Partnership risk management still needs to be developed by the LEP and its partners, particularly those partners who hold Accountable Body status for D2N2 activities and funding. Risk assessments are in place for individual programmes and projects. There is not an overall risk register for the D2N2 LEP which partnership management can be incorporated into as a separate risk, at present. This is currently being addressed through the review of the Local Assurance Framework.
- b) Whilst conflicts of interest are addressed at the appropriate level and time, partners are inherently directly involved in, and beneficiaries of, LEP decision making, particularly in cases where they operate as Accountable Body for activities and funding. This partnership risk remains unresolved but is currently being addressed through the review of the Local Assurance Framework; additionally none of the LEP partners is responsible for making decisions in isolation. We are content that this issue is being addressed and expect to see progress in next year's Health Check. If these risks remain, we will advise Audit Committee so that remedial action may be taken.

- 2.6.2 The Safeguarding Children Board scored itself 3 for Finance due to pressure on the proposed budget for both of the Safeguarding Boards for 2017/18 which will be the case again for 2018/19. The partnership notes, however, that its partners have set a budget that has enabled the Board to deliver on its Business Plan. The majority of partnerships, alongside local authorities themselves, will be affected by pressure on budgets; this fact could therefore result in a similar score across the majority of the Council's partnerships. The partnership has identified this potential risk and has satisfied us that it is aware of future challenges and can look to adapt and influence accordingly. In addition, it was noted in the Health Check that the budget for the Board will enable it to deliver on its Business Plan so we feel a score of 3 is not warranted at this time. We therefore recommend that Audit Committee accept a score of 2 for Finance for the Safeguarding Children Board.
- 2.6.3 The Midlands Engine scored itself 3 for Equalities. Equalities are being fully embedded into the business case and plan, and into the governance. The score of 3 was given as it is not yet fully visible or evident. As this partnership has been added to the register this year we recommend Midlands Engine is included in the verification process in 2018, when we hope to see an improvement to this score.
- 2.6.4 As above, comments on the self-assessment scores of those partnerships whose documents were verified this year can be found in Appendix 4.
- 2.7 Each year the Health Checks of three of the partnerships are verified on a rolling programme. Officers from Corporate Policy and Internal Audit evaluate the three partnerships' governance documents and other documentation noted in their Health Check. The recommendations from the verification process can be found in Appendix 4. This year the partnerships which were verified are:
- Safeguarding Adults Board (SAB)
  - Health and Wellbeing Board (HWB)
  - One Nottingham
- 2.8 When Audit Committee last received a report on the verification of partnership governance, concerns were expressed relating to the governance documents in place for the Green Nottingham Partnership and it was requested that they should be re-verified this time. Recommendations regarding their governance documents are also included in Appendix 4.
- 2.9 The previous schedule for verifying partnerships has been amended this year due to the addition of the Midlands Engine. A new schedule for verification is available to view in Appendix 5.

## 2.10 **Register of Significant Partnerships**

Midlands Engine is the only partnership that has been added to the Register of Significant Partnerships in 2017, which Audit Committee agreed to last year. No partnerships have been removed. An updated register of significant partnerships is available in Appendix 1.

## 2.11 **Additions for next year**

We have no recommendations for partnerships which should be added to the register for next year. If a partnership is found to meet the criteria for addition to the register before the process begins next year, a request will be sent to the Chair of Audit Committee.

## 2.12 **Looking Ahead**

With the potential changes which may occur as a result of the further development of the Metro Strategy, the work of the Midlands Engine and the UK's exit from the European Union, combined with the funding challenges facing local authorities, it is likely the partnership landscape will change significantly over the next few years. Any new and emerging partnerships will be considered for inclusion on the register of significant partnerships and the validity of partnerships currently on the register will be evaluated on an annual basis.

2.12.1 As requested by Audit Committee a meeting was held with the Council's Data Protection and Information Governance Team Leaders to discuss the introduction of the General Data Protection Regulation (GDPR) in 2018. An email has been sent to the NCC contacts for all partnerships on the register informing them of the change, with a link to the Information Commissioner's Office (ICO) website where they can access further details. As the Data Protection and Information Governance Team Leaders are leading on the Council's preparedness for the new regulations, their details were included in the email. The contact person for each partnership has confirmed that they have engaged with the Data Protection Team and will undertake any action necessary to ensure they are prepared for the introduction of GDPR.

2.12.2 We request Audit Committee agrees to the inclusion of an additional question in next year's Health Check template relating to the General Data Protection Regulation to ensure all of the Council's significant partnerships are complying with the new requirements.

## **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.