NORTH EAST LINCOLNSHIRE COUNCIL PARTNERSHIP GOVERNANCE PROTOCOL

Contents

1) Context
2) Purpose
3) Definition of Partnership
4) Types of Partnership
5) Existing Partnerships and Stakeholders
6) New Partnerships
7) Roles and Responsibilities
8) Review and Evaluation
9) Leaving a partnership
10) Risk management
11) Conduct and behaviour
12) Conduct of business
13) Accountability
14) Review of the protocol

Appendix 1: checklist for new partnerships
Appendix 2: conduct of business
Appendix 3: how the Council's governance principles and how they are expected to be applied within partnerships
Appendix 4: Areas to be considered for annual reviews of partnership arrangements

1.0 Context

1.1 The Council has a track record of playing a lead role in establishing and developing partnerships across North East Lincolnshire and beyond. If we are to retain the full benefits of partnership working we need a clear and rigorous approach to managing these relationships. This protocol seeks to respond to the complexity of the partnerships we have in place and their increasing importance in delivering improved outcomes and fulfilling our community leadership role.

1.2 The Council's Code of Corporate Governance reflects the principles of governance as set out in the Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives publication "Delivering Good Governance in Local Government – A Framework".

The code is based on the following 7 principles, the first 2 of which underpin the remaining 5 with the overall aim of "**Achieving the intended outcomes while acting in the public interest at all times".** The principles are as follows:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B. Ensuring openness and comprehensive stakeholder engagement
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
D. Determining the interventions necessary to optimise the achievement of the intended outcomes
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

1.3 These 7 principles of governance are not only applicable to the Council's core business but also to the business of partnership working, as laid out in Appendix 3

1.4 The Council considers that any Partnership arrangements should embody the following key principles:

Openness and Inclusivity – being open through genuine engagement and consultation with stakeholders and providing access to full, accurate and clear information and seeking to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision making processes and actions of the Council.

Integrity – including both straightforward dealing and completeness, based upon honesty, selflessness and objectivity and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs.

Accountability – the process whereby Members and Officers are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate scrutiny.

1.5 The Council considers that any set of partnership arrangements should observe the (Nolan) Principles of Public Life:

Selflessness
Partnership members should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity
Partnership members should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their duties to the Partnership.

Objectivity
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, Partnership members should make choices on merit.

Accountability
Partnership members are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their position.

Openness
Partnerships should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty
Partnership members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership
Partnerships should promote and support these principles by leadership and example.

2.0 Purpose

Accordingly, the purpose of this Protocol is to ensure that:-

(i) The Council is clear about the differing nature of partnerships and range of stakeholders that the Council engages with.

(ii) That the Council is clear about its purpose and expected outcomes for the people of North East Lincolnshire when entering into partnerships

(ii) The Council's own agreed priorities and objectives are being met

(iii) There is clarity in relation to accountability and responsibility for outcomes

(iv) Partnership activity and outcomes are monitored, reviewed and evaluated so that best use is made of resources

(v) Risks for the Council and the partnership are assessed and agreed

(vi) Partnerships maintain relevance to their agreed purpose during and have an effective exit strategy in place

(vii) There is clarity about the legal status of any partnership

3.0 Definition of Partnership

3.1 The Council has defined partnerships as : 'An agreement between two or more independent bodies to work collectively to achieve an objective, normally excluding the familiar relationships between client and contractor or employer and staff.'

3.2 In addition the Council's significant partnerships may:

- Co-operate to achieve a common goal or shared objectives
- Create new structures or processes to achieve objectives
- Plan and implement a jointly agreed programme (often with jointly provided staff or resources)
- Make joint investments and share risks and rewards.

3.3 Client and contractor relationships can be considered to be partnerships if they are:

- Of strategic importance to the Council, critical to the delivery of the Council's key objectives or statutory obligations and/or to the delivery of the Council outcomes
- Critical to the reputation of the Council, where failure to deliver could damage the Council's reputation

3.4 A group is not considered to be a partnership if:

- The Council has direct and sole control over budgets and decision-making
- It is set up to consider specific topics
- Grants are made to other organisations for specific purposes
- Subscriptions/membership payments are made to outside bodies
- Procurement agreements are made for the acquisition of goods and/or services from a supplier governed under contract.

4. **Types of Partnership**

4.1 Statutory/Contractual

- The requirement for co-operation between local partners to agree and deliver national or local priorities is set down in statute or in contracts
- The partners are defined in statute or in contracts
- National and local funding is directed towards achieving shared priorities and outcomes

4.2 Voluntary

- The Council consults and works with external agencies to better align and streamline ways of working
- Co-operation is dependent on member agencies working together voluntarily
- Funding on agreed priorities is not necessarily pooled

4.3 Executive

- Set up to deliver specific, jointly agreed, possibly time-limited outcomes
- Collaborative working – whereby the Council has specific investment and executive responsibilities, and powers

4.4 Service delivery

- Council services are delivered jointly with external organisations
- Additional capacity or efficiencies are achieved through partnership working
- Responsibilities are documented in service level agreements

This list is not exhaustive and alternative ways of working may also be defined as partnerships, such as; strategic partnerships; partnering contracts; collaboration or outsourcing.

5. Existing Partnerships and Stakeholders

5.1 The key contractual partnerships include:

- Waste Disposal (New Lincs)
- One Adoption North and Humber
- Lincs Inspire Limited
- Focus Independent Adult Social Work CIC

In addition the Council has an enhanced partnership arrangement with the Humber and North Yorkshire Integrated Care Board This partnership is underpinned by a formal Section 75 agreement capturing clear intentions for joint commissioning and mutual support across health and social care for North East Lincolnshire

5.2 Other formal joint working arrangements include local and sub-regional development fora – separate governance arrangements are in place (as approved by Council) e.g. North East Lincolnshire Safeguarding Children's Partnership (NELSCP), Youth Justice Partnership Board, and Corporate and Community Parenting Board, .

5.3 The Council also regularly engages across the voluntary and community sectors, and other local authorities across the region on a wide variety of matters. It has more formal arrangements with some e.g. some shared service provision (North Lincolnshire Council) and the exercise of powers collaboratively with the Greater Lincolnshire Combined County Authority.

5.4 Council representation on other 'external' bodies where the nature of the relationship is one of "influence", co-operating, enabling or facilitating improved relationships and shared outcomes. Details of external organisations with Officer or Elected Member representation are approved and published annually at the Council's Annual General Meeting.

5.5 Stakeholder engagement extends to a wider range of organisations where contact may be more informal or issue based.

6.0 New Partnerships

6.1 Before entering a partnership agreement it should be first established that the Council has the power to do so. Entering a Partnership arrangement (including those directed by law or statute) should be predicated on evidence that forming a partnership will lead to more effective delivery of the council's outcomes, increased resilience and improved value for money.

6.2 The prospective benefit of the Council's participation must be assessed by comparing objectives and intended outcomes of the proposed arrangement with:-

(i) The Council's priorities (as set out in the Council Plan or equivalent)
(ii) The shared priorities of Place

6.3 A checklist of the issues that should be considered is attached at Appendix 1.

6.4 The Council encourages its strategic partners to support fair pay by paying at least the National Living Wage, and where practicable the Real Living Wage, as part of its wider social value ambitions. This encouragement is not contractual unless expressly stated.

6.5 If the Leadership Team considers that an acceptable business case has been put forward, it will be referred to the relevant Portfolio Holder (or, if appropriate, Cabinet / Council) for approval.

7.0 Roles and responsibilities

Elected Members

7.1 Elected Members may be appointed to partnership boards and may scrutinise partnership working through the Scrutiny process. When working with partnerships, outside bodies and voluntary groups, Elected Members and employees must be aware of their responsibilities under the Council's Code of Conduct. Members and officers should also strive to ensure that governance as set out in this Framework is agreed and adopted by the partnerships they are involved in.

7.2 Acceptance of a role as a charity trustee or company director (even if accepted as part of work for the Council) is a personal responsibility. There will be responsibilities to the Charity Commission and under company law that must be fulfilled. The duty to act in the best interests of the charity or company must be balanced with the duty to the Council as an Elected Member or officer, and as a representative within its community leadership role. If there is any doubt about this, advice should be sought from Legal Services.

Senior Council officers

7.3 Members of the Leadership Team and cohort of Assistant Directors will be allocated "Nominated Officer" roles as the strategic managers for key

partnerships with a responsibility to ensure partnership arrangements are consistent with this protocol. They will ensure the partnership's strategic fit with the Council's objectives is maintained, strengthen lines of accountability and provides some assurance over partnership activity. The Leadership Team through the Assurance Board will consider any revisions to the Partnership Governance Framework every two years.

8.0 Review and Evaluation

These arrangements will apply to the key contractual partnerships as set out at 5 above.

8.1 **Reporting** – All partnerships should establish their own internal procedures for monitoring and reporting, based on the nature of their activity and their stakeholders. Nominated Officers should ensure they consider their relationship and involvement with significant partnerships as part of normal business planning. Monitoring and reporting should be part of the Council's performance management framework and processes. Annual reports may be considered by Audit and Governance Committee and appropriate scrutiny panels. Some of the areas for consideration for inclusion in the annual reports are shown in Appendix 4. These are based on the Council's governance framework.

8.2 **Performance management -** Effective management of progress with the delivery of partnership objectives is a key component of good governance; it measures what the partnership is achieving, how it is working, and provides a basis for informed decision-making, enabling more effective planning and improved performance in delivering priorities and outcomes. Performance reports should be referred at an agreed frequency to the relevant scrutiny panel.

8.3 **External/Internal audit –** The requirements for internal and external audit should be considered and put in place at the outset. The Audit and Governance Committee has responsibility for monitoring and reviewing (at least annually) the Council's arrangements for partnership governance in aiding their performance.

9.0 Leaving a Partnership

9.1 There should be a clear contractual understanding which specifies the mechanism for bringing a Partnership to an end or reviewing its membership.

9.2 There are numerous reasons why the Council's involvement in a Partnership may come to an end before agreed contract date. These will be identified as part of the commissioning approach and may include:-

- Original objectives of the Partnership have been met.
- The priorities of the Council and/or its Partner change.

- The Partnership is not delivering required outcomes.
- The Partnership is succeeded by another set of arrangements.
- Funding sources cease or diminish.
- An unacceptable level of risk is identified.
- Financial, legal or statutory reasons.

9.3 The Cabinet has the authority to determine if the Council's involvement in a partnership should come to an end. This will include those Partnerships that are bound by contractual and statutory obligations.

10.0 Risk Management

10.1 As part of the decision to enter into or exit a partnership, a full risk assessment must be carried out in accordance with the Council's established risk and opportunities framework.

10.2 Effective and robust risk management is key to delivering successful partnership arrangements. It is imperative that all partners have a common understanding of:-

(i) The potential risks associated with achieving partnership objectives
(ii) Their relative seriousness and how they can be managed

10.3 Each Partnership should maintain a risk register or risk log. All risks should be recorded, including the assignment of responsibility for managing the actions necessary to implement the necessary controls and assurances to mitigate or eradicate identified risks. The risk management arrangements should also provide for escalation to the respective partner bodies, if necessary.

11.0 Conduct and Behaviour

11.1 The Council considers that Members with a formal role in any partnership should observe and act in accordance with the principles of the Code of Conduct for Elected Members and, in particular, should act in a manner that:

- Is not disrespectful or discriminatory
- Will not bring the Partnership, or any member of it, into disrepute
- Will not secure a personal advantage for any member of the Partnership or a disadvantage for another
- Will not result in the disclosure of confidential information without lawful consent

11.2 The Members' Code of Conduct is annexed to the Council's Constitution.

12.0 Conduct of business

12.1 Formally constituted Board Meetings should (where appropriate) be held in public session unless confidential business is to be transacted. The business of the Partnership may be transacted in private session if any item of business includes consideration of:

- Issues affecting an identifiable individual of individuals.
- Issues that may be subject to a claim of legal/professional privilege.
- Commercially sensitive information.
- Information that, if disclosed, would prejudice the conduct of public affairs.
- Information that affects the Council's approved budget and policy framework and has yet to be formally considered by the Cabinet or the Full Council.
- Information that, if disclosed, would reveal that the Council or any other member of the Partnership, is contemplating the issue of a statutory notice or the commencement of civil or criminal proceedings.

12.2 In any case where the Council is the accountable body regarding the use and application of public funds, the presumption is that (where appropriate) Partnership decisions shall be made in public, unless a legitimate legal or statutory provision requires or permits the consideration of business in private.

12.3 Further guidance is included at Appendix 2.

13. Accountability

13.1 In order for Partnerships to truly operate effectively, there must be clarity of accountability for decisions and actions. For the purposes of this Protocol, the Council's reasonable expectation is that:

(i) Partnership members shall be accountable to each other in the context of delivering the objectives of the Partnership.
(ii) Partnership members shall have a responsibility to report back to their respective organisations regarding the activities of the Partnership.
(iii) In relevant circumstances, officers and elected members of the Council will have a duty to formally report back to the Council.
(iv) In any case where the Council is the designated Accountable Body regarding the use and application of public funds, all related decisions will be reported into the Council and monitored accordingly.

14. Review of this Protocol

14.1 The terms of this protocol shall be reviewed every two years by the Leadership Team through the Assurance Board and reported to the Audit and Governance Committee.

Appendix 1

PARTNERSHIP CHECKLIST (set up and review)

Name of Partnership:

Checklist completed by: Date:

Definition of a partnership For the purpose of this assessment a partnership is defined as being:	An agreement between two or more independent bodies to work collectively to achieve an objective, normally excluding the familiar relationships between client and contractor or employer and staff
Check	**Comment**
Partnership – Key Information	
What is the partnership intended to deliver with regard to the Councils key priorities: Stronger Economy, Stronger Communities?	
What is the partnerships intended lifespan?	
What is the partnership intended to achieve – does it have clear, documented and agreed aims, objectives, targets and outcomes?	
Is it clear what the role of Elected Members (if any)is in relation to the Partnership? (e.g. Board Membership/Portfolio Holder accountability)	
What organisations are represented on the partnership?	
Who chairs the partnership?	
Who is the Partnership Nominated Officer?	
The Council's 7 governance principles and how they relate to partnerships (as laid out in Appendix 3 of the protocol) have been considered when determining the partnership's arrangements	
Are there clear partnership rules of engagement?	
Have the risks in relation to the partnership been considered ?	
Is there an agreed Exit Strategy for the partnership and for the Council?	
Resource Implications	
How is the Council resourcing its participation?	

Are there other sources of funding available?	
Are there future budget implications?	
Other Considerations	
What are the arrangements for monitoring, reporting, review and to whom and when?	
Are there clear arrangements for communications about the partnership within the Council (Officers and Members) and other stakeholders?	
Does this partnership link to other partnerships? If so, how?	
Have health and safety, data protection, equalities, insurance, emergency planning, business continuity been considered and requirements specified?	
Are legal and financial services involved with the partnership?	
Are the partnership's decisions legally binding on the Council?	
Have the risks in relation to the partnership been assessed and now are monitored?	High/Medium/Low
Corporate sign-off:	
Have the partnership's governance arrangements been approved in line with the Council's decision making processes	

Appendix 2

Conduct of business

Meetings

1.0 Effective meetings are essential to successful partnership working, not least due to their role in decision-making, and should be supported by effective protocols to facilitate the conduct of business.

1.1 The Chair

The Chair's primary role is to lead the meeting, ensuring discussions and decisions address the agenda and that all attendees have an opportunity to contribute. The Chair can arrange for new items or issues arising to be included in future meetings.

1.2 Secretariat

Any need for a secretariat and resources to operate it should be identified when a partnership is established. Responsibilities would include arranging and giving notice of meetings, preparing minutes, as well as coordinating and issuing agendas and papers.

1.3 Frequency

Frequency of meetings of boards, groups and other bodies should be set according to their roles and responsibilities and should be reviewed to ensure they continue to meet partnership needs. Needs of attendees should be taken into consideration when planning a venue, date and time to ensure that the arrangements are suitable for all attendees. The policy on extraordinary meetings should set out in what circumstances they can be convened and the process for requesting them.

1.4 Agendas, papers and minutes

Agendas should be set for all meetings giving the date, time and place of the meeting and items to be discussed. Any related papers should be sent with the agenda to support productive and informed discussion and decisions. Minutes should be a true record of key relevant responses to items but do not need to record all discussion. All key decisions and agreed actions should be recorded, including action required, responsibility and timescales. Draft minutes should be circulated with the next meeting's agenda for agreement over completeness and accuracy.

1.5 Representation and quorum rules

Partners should nominate a deputy if the principal representative cannot attend a meeting. Deputies may be given the decision-making powers of the original member, but in practice may not have full freedom to make decisions for their organisation. For executive bodies the number of attendees that must be present for meetings to be quorate should be formally agreed. For non-executive bodies no quorum is necessary as decisions are made by agreement. Voting arrangements should be defined and recorded depending on the nature of the partnership (executive or non-executive)

ranging from consensus to a formal majority voting system with provision for a casting vote.

1.6 Declarations of interest and withdrawal from meetings

Partnership members should have regard to the highest standards of behaviour in the conduct of public business and should declare any personal or prejudicial interests they may have (as defined by the Council's Code of Conduct) on matters under discussion. Agendas should include an opportunity for partners to declare any personal, prejudicial, financial or other material interests in any agenda item that may preclude them from participating in discussions or decisions relating to that matter, or require them to withdraw from meetings while the item is discussed.

Appendix 3

The Council's governance principles and how they are expected to be applied within partnerships

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Values are agreed for partnerships at the outset and that they are clearly understood and communicated.
- The "tone from the top" is clear
- Compliance with these values are monitored
- There is clarity over partners' statutory duties
- Leaders and staff associated with the partnerships are committed to them

B. Ensuring openness and comprehensive stakeholder engagement

- The legislative and governance arrangements underpinning different sectors are taken into account. For example, local authorities have local political leadership, in the NHS board membership is made up of officers and non-executive directors, and charities will have trustees (often dedicated volunteers).
- There is high level agreement between partners concerning the value of and intention towards partnership working and collaboration
- The importance of trust recognised at all levels and its role in supporting change
- All members of the partnerships ensure that different cultures within partnership organisations are understood and respected
- Partners understand how the governance arrangements in each partner operate, and there are mechanisms to address issues which may arise due to these differences to be resolved
- Effective communications are developed and maintained
- Effective stakeholder engagement is maintained

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- There is a shared vision and there are clearly defined outcomes that have been agreed upon by all partners and are supported by stakeholders

- The vision is communicated appropriately
- Appropriate measures of success are agreed by the partners
- Partnerships can demonstrate how working in partnership adds value
- The benefits of the partnerships have been clearly mapped out

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Partnerships have a clear strategy on what is to be delivered and how this is to be done
- Partner roles and responsibilities are agreed and understood
- There is clarity over who has the responsibility to make decisions
- Consideration is given to the best way to evaluate the effectiveness of joint activities in achieving goals

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Partnerships have strong, effective and collaborative leadership
- Appropriate support is provided to members of partnerships so that they clearly understand their roles and responsibilities, and are able to scrutinise and challenge effectively
- The impact of differences in employment terms and conditions is considered
- Partnership leaders have the ability to work across organisational boundaries
- Those in partnerships are clear about the delegations to make decisions
- The levels of delegation of control over services/spending is matched between partnership organisations
- Any strategic and operational management gaps between organisational boundaries are properly managed

F. Managing risks and performance through robust internal control and strong public financial management

- Partnerships are only entered into after an appraisal of the various options been undertaken and there is a sound business case.
- When considering outsourcing a service an effective due diligence process is undertaken

- Partnerships are reviewed regularly to see how effectively they are working
- Contracts with private sector providers include appropriate break clauses that would enable renegotiation if circumstances change
- Funding arrangements are clearly specified
- Appropriate systems in place so that expenditure against milestones and deliverables can be properly managed
- Those involved in partnerships between different sectors understand the different finance systems, terminology and performance measures used by the other sector
- Risks associated with partnerships identified and managed
- Partnerships have risk sharing agreements
- Partnerships are subject to the Council's Scrutiny arrangements

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- Partnerships report on their performance on a regular basis and in a public setting
- Partnerships are referred to in the Council's annual governance statement

Appendix 4

Areas to be considered for annual reviews of partnership arrangements

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Has an atmosphere of mutual trust between the key players been maintained?
- Have any problems arisen as a result of different cultures? How have they been resolved?
- Are members and officers personally committed to the initiative?

B. Ensuring openness and comprehensive stakeholder engagement

- Has effective communication been maintained at all levels?

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Have the intended outcome/benefits/vision for the "Place" been realised?
- Where benefits have not been realised, how will this be resolved?

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Have the arrangements to evaluate the success of the partnership worked effectively?

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Is there still clear and robust leadership which focuses on outcomes?
- Has organisational efficiency been maintained?
- Do members of the partnership receive effective support?
- Is the structure sufficiently flexible? Will it accommodate changes in the partners' circumstances?

F. Managing risks and performance through robust internal control and strong public financial management

- Were the estimated savings on which the plans are based 'realistic'?
- Have any unexpected problems materialised? How were they dealt with?