

INTERNAL AUDIT REPORT

PARTNERSHIP GOVERNANCE

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Final

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Executive Summary

Introduction

This review covers the arrangements for ensuring effective governance within the Authority's key partnerships. For the purpose of this review these have been defined as the Local Strategic Partnership (LSP) and the ten key partnerships that link to it. The LSP is also known as the 2020 Partnership.

The review has involved the interview of key representatives from each partnership, together with a review of the information contained within governance documents and on the partnership's websites. The co-operation of those persons contacted during the review is acknowledged and appreciated

The role of the key partnerships within the LSP ranges from those with limited decision making powers and budgets to those that are involved in the delivery of services, have access to significant funding and have a wide range of decision making powers. Effective governance arrangements are important to all of these partnerships. They are most obviously important to the larger partnerships with significant funding but are also important to partnerships with small budgets and limited decision making powers who may nevertheless have a high profile and be a significant influence within the community.

The governance arrangements have been measured against a number of benchmarks of best practice including those provided by the Audit Commission (*1) and the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition there are many areas where good practice has been demonstrated by individual partnerships that could be extended throughout the group of key partnerships.

Note 1. Audit Commission 2005 "Governing Partnerships – Bridging the Accountability Gap"

Audit Conclusion and Management Summary

Overall Audit Opinion

Substantial Assurance can be given that effective governance arrangements are in place over the Authority's key partnership arrangements. There does remain further areas where enhancements can be made and recommendations have been included where appropriate.

The report contains 18 recommendations to further develop standards of governance within the Council's key partnership arrangements. The report acknowledges that in many cases these recommendations cannot be forced on the partnerships as the majority have an independent status from the Council. Nevertheless the Council has an important role in promoting best practice within these organisations and should adopt a leadership role with regard to their governance arrangements.

Steps have already been taken to ensure that the relationship between key partnerships and the LSP is clear. To complete this process the protocols that have been developed need to be agreed by all of the key partnerships. In some partnerships governing documents should be made more detailed to comply with best practice. Partnerships were also identified where decision-making processes can be made more transparent through the timely publication of the minutes and agendas of their meetings.

Processes with regard to the promotion of ethical governance (e.g. codes of conduct) are not consistent throughout the key partnerships, but would not be expected to be so. Nevertheless the Council and the LSP can provide an important role in encouraging the communication of the principles of good ethical governance throughout the partnerships.

Performance Management arrangements are complex because of the number of targets and indicators in place within the Community Strategy, the Local Area Agreement (LAA) and individual partnership strategies. Further work is required to ensure that the links between targets and indicators and individual partnerships are clear.

Risk Management processes have been developed by the Council in relation to the understanding of overall partnership risks but are less developed within individual key partnerships.

Arrangements for financial reporting are more relevant and important to some partnerships i.e. where there is external funding or the pooling of budgets and resources. Other partnerships, where there is a small budget do not see this as a high priority. However the calculation of how much each partnership costs is important and helps to place the contribution made by a partnership in context and is also necessary to allow review of the value for money provided by partnerships.

The review found many good examples of the communication of partnership activities particularly through their websites. Some of the best practice should be extended to other partnerships. This will help to ensure a good awareness of partnership activities and to help ensure that the partnership decision-making processes are transparent and accountable.

Details of the individual recommendations are contained within the body of the report and are summarised within the action plan in Appendix B.

Detailed Report

I. Background

I.1 Brighton and Hove City Council have developed partnership arrangements that link a total of 10 key (or family) partnerships to the 2020 Local Strategic partnership. These key partnerships are:-

Crime and Disorder Reduction Partnership	Strategic Housing Partnership	City Health Partnership	Economic Partnership	Learning Partnership
Arts Commission	Sustainability Commission	Children's Trust	Economic Development & Enterprise Board	Equalities Forum

I.2 Underlying the 2020 Local Strategic Partnership is the Sustainable Community Strategy, "Creating the City of Opportunities".

I.3 There are two other key elements to the City's partnership arrangements. These are a Local Area Agreement and a Public Services Board. The Local Area Agreement sets out priorities for Brighton and is agreed between the Local Strategic Partnership, the Public Service Board and central government. The Public Service Board has a number of key roles including being the "driver and delivery arm" of the LSP and ensuring that the, "community strategy and the local area agreement are delivered".

I.4 These partnership arrangements already provide key mechanisms for consultation, planning and the delivery of services across the City. This role is likely to be further strengthened following the publication of the recent White Paper, "Strong and Prosperous Communities" that increases the emphasis on partnership arrangements being used to ensure the delivery of local and national priorities.

I.5 This review has examined the governance arrangements within the LSP itself and across each of the key partnerships. Best practice has been measured against guidance from the Audit Commission on Partnership Governance and examples of good practice within our existing partnerships and within Brighton and Hove City Council.

I.6 The findings of the review are grouped under the following headings:-

- Relationship between the LSP and Key Partnerships
- Partnership Agreements and Governing Documents
- Decision-Making
- Ethical Governance
- Performance Management
- Risk Management

- Financial Reporting
- Value for Money
- Communication Strategies
- Promoting Best Practice through Guidance to Partnerships

2. Relationship between the LSP and Key Partnerships.

- 2.1 The Audit Commission report on a “Corporate Approach to Partnership Working” in October 2003 included a recommendation that “all strategic partnerships report to the 2020 Community partnership and demonstrate how their activity is contributing to local priorities”.
- 2.2 This recommendation has been addressed with there now being 10 key partnerships that link directly to the LSP.
- 2.3 Some of these linkages are relatively new and the detailed arrangements for reporting and accountability are still developing. For other partnerships these arrangements are well developed.
- 2.4 One means of demonstrating that an effective relationship is in place is to have a written agreement between partnership members. The requirement to have agreements in place is laid out within the Audit Commissions CPA criteria, and also within their 2005 report “Governing Partnerships”. The “Governing Partnerships” report concluded that not enough public bodies have comprehensive agreements in place for their significant partnerships, and that if these agreements are not in place partnerships are more likely to encounter problems.
- 2.5 The most important partnership relationships are probable between the individual Key Partnerships and the LSP. To this effect a “protocol” agreement has now been introduced between the LSP and each of the key partnerships. These protocols include details of high-level responsibilities including collaborative working, representation on the LSP, sharing information, taking forward particular aspects of the community strategy, and performance management.
- 2.6 These agreements are in now in place for the majority of these key partnerships, and that they have all been agreed, or will be agreed shortly, by each of the partnership boards. Only one of the partnerships has commented that they were not going to agree a protocol. Without this document there is a risk that partnership board members do not share a common understanding of the partnerships relationship to the LSP, and some of the benefits of joined-up working may be lost.

Recommendation

- 2.7 Protocols should be approved between all of the key partnerships and the LSP.**

- 2.8 In some areas there are highly detailed agreements in place between the relevant partner organisations e.g. the section 31 Agreement for Children's Services. These type of detailed agreements may become more necessary if there is pooling of funding and resources in the future.
- 2.9 Also included within this partnership board is the Public Services Board. The relationship between the LSP and the PSB has been subject to query in the past. A terms of reference for the PSB is in now in place which more fully and effectively explains this relationship.
- 2.10 The majority of the arrangements for reporting from key partnerships to the LSP and vice-versa are not stipulated in writing, and the frequency and detail of reporting varies from partnership to partnership. In some key partnerships the arrangements are well developed but in others the extent to which the key partnership has discussed its relationship with the LSP is limited to date. Where this reporting arrangements has not been clarified there is a risk that formal communication between the partnership and LSP is not undertaken regularly and, again, some of the benefits of joined-up working may be lost.

Recommendation

- 2.11 Minimum reporting requirements between the key partnerships and the LSP should be defined.**

3. Partnership Agreements and Governing Documents

- 3.1 With individual key partnerships various types of document provide a terms of reference.
- 3.2 There is significant variation in the detail contained within the governing documents of the individual key partnerships. For example where there are legal or funding requirements there are detailed agreements in place e.g. The Economic Development and Enterprise Board has a detailed operating protocol because of its funding relationship with SEEDA. Other Key Partnerships have their governance arrangements defined in much briefer documents.
- 3.3 It is acknowledged that this governing documents need to be proportional to the decision making powers of the individual partnerships. However as the profile of individual partnerships increases the LSP may wish to encourage all partnerships to establishment a document that meets the main requirements of the Charity Commission's model constitution (as referred to in the Audit Commission 2005 report, Governing Partnerships). An outline of theses requirements is provided in table 1 below. The use of this model could help to prevent criticism of partnerships and help with issues of conflict resolution e.g. when an individual board member disputes the decision-making processes within the partnership.

Table I.

Main elements of the Charity Commission's Model Constitution

- the name of the partnership;
- aims and objectives;
- membership, including status of different members and termination of membership, schemes of delegation;
- powers;
- roles;
- income;
- meetings: notice and frequency of meetings; quorum rules; chairing arrangements; voting arrangements; and representation of other members;
- decision-making processes (scope and timescales);
- timescales;
- amendments to the partnership's rules;
- minutes; and
- exit strategy/arrangements for dissolution.

Recommendation

3.4 All key partnerships should ensure that their governing document is kept up to date and remains fit for purpose. (The Charity Commission's Model Constitution for unincorporated charities provides a benchmark of good practice).

4. Decision-Making

4.1 The number and composition of representatives on partnership boards varies considerably. Some partnership boards are effectively Council Committees, often with the opportunity for a greater number of co-opted or community representatives. Others are independent management boards that may include a range of representatives from elected members of the Council, senior figures within other public sector organisations, through to people representing much smaller organisations, or attending as an individual.

- 4.2 The composition of partnership boards is often available from the partnerships websites and also from the minutes of meetings held. In the 2003/04 Audit Commission report on Brighton and Hove a recommendation was included that, “all officers in partnerships are clear about whom they are representing and that they contribute to the partnership primarily in that capacity.” Feedback from interviewees during the course of this review indicated that there is still often an ambiguity as to who partnership board members or co-optees represent. Where the Partnership board have little or no decision-making responsibilities this may not be significant but in other partnerships this distinction is important.

Recommendation

- 4.3 Partnership records should clearly identify who officers are representing on partnership boards.**

- 4.4 Again, the decision-making powers of key partnerships vary considerably. Some have specific authority in relation to making spending decisions. Many others have only the power to make recommendations or can influence decision making in partner organisations via the representatives of the partner organisations that sit on the board.
- 4.5 Key to the transparency of each partnership’s decision-making processes is the availability and accessibility of information on its board meetings. All partnerships that form part of Council’s committee structure make their meeting agendas, minutes and reports available to the general public on its Internet site. The minutes and agendas of the Public Services Board are not currently available in the public domain.
- 4.6 The minutes and agendas of the LSP are usually available on the 2020 partnership web site. Many of the key partnerships publish their agendas and minutes on their web sites. Two of the key partnerships currently have a policy not to make agendas and minutes available in the public domain. In the case of another partnership it was noted that minutes and agendas were available in the past but none have been published in the last 12 months. Another partnership does not currently publish their minutes and agendas but this development is being considered.
- 4.7 In some instances the agendas and minutes are available but not the supporting reports submitted to the meetings.

Recommendations

- 4.8 To encourage transparency and accountability the agenda, minutes and reports for all partnership boards should be made available through the website of their partnership, unless there are overriding issues of confidentiality.**

5. Ethical Governance

5.1 Effective partnership arrangements require the participation of representatives from a range of different organisations, including those in the public, private and voluntary sectors. Whilst many of these organisations, particularly the large ones, promote codes of conduct for their own staff and elected representatives these standards may not be familiar to all board members. Some of the partnerships currently have no spending powers but others do, and may have a significant role in influencing how public money is spent.

5.2 To encourage high standards of ethical governance within the LSP management board a member pack has been produced. This provides a model of good practice and includes a Code of Conduct and summarises 10 principles of conduct in public life., i.e.

Selflessness
Honesty and Integrity
Objectivity
Corporate Responsibility
Accountability
Openness
Respect for Others
Duty to Uphold the Law
Stewardship
Leadership

5.3 Where partnership boards are Committees of the City Council members will already be bound by codes of conduct. In addition, some but not all, of the key partnerships boards have these principles of conduct within their governance documents, and some include a code of conduct. Generally these are more condensed versions of this information contained within the LSP board member pack. Further work should be carried out to ensure the practices applied to the LSP board are encouraged throughout the boards of all of the key partnerships. This could be most effectively achieved by the preparation of a model “membership pack” pack that can be circulated to all key partnerships.

Recommendations

5.4 The principles of best practice prompted within the LSP should be included within a model “membership pack” that is circulated to all key partnerships. All partnerships should then be encouraged to adopt this guidance, tailor it to their own needs, or ensure that their existing arrangements cover the main principles.

- 5.5 The Audit Commission has identified a number of risks specifically related to partnership working. One of these risks is a, “Lack of systems for recording conflicts of interest”. This risk can be addressed in a number of ways but the most immediate and straightforward method is to ensure that any interests in relation to the agenda of a particular meeting are disclosed.
- 5.6 The minutes of meetings of the key partnerships included a standard agenda item for members to disclose any declarations of interest. This control could usefully be extended to all of the partnership boards.

Recommendation

- 5.7 Declarations of interest should be requested at the beginning of all partnership board meetings, in relation to specific business on the meetings agenda.**

6. Performance Management

- 6.1 The achievement of effective performance management arrangements over the LSP and its key partnerships is essential for ensuring joined up and effective governance over the authorities partnership activities. One of the biggest challenges is managing the large numbers of indicators and targets contained within the LAA, the LSP and strategic plans and strategies put together by key partnerships.
- 6.2 A six monthly high-level report is submitted to the LSP that focuses on progress against the indicators within the LAA. The report therefore focuses on the four themes and the 24 outcomes detailed in the agreement. The monitoring includes detailed commentary and references, where relevant, to the work of individual key partnerships.
- 6.3 The protocol in place between the LSP and the key partnerships succinctly describes how these relationship should work and states e.g. for the Learning Partnership
- “The Learning Partnership agrees to provide reports on performance, where required, relating to progress against community strategy indicators, LAA indicators and will contribute to the overall performance management framework for the 2020 Community Partnership.”
- 6.4 In practice these processes are more developed in some key partnerships than others. In particular the extent to which activities of key partnerships impact on various indicators is not always transparent.
- 6.5 An example of an area where performance monitoring has been fully developed is in relation to the Crime and Disorder Reduction Partnership. Under this arrangement quarterly performance information is passed to the 2020 Partnership Manager. These reports include the identification of those performance indicators that relate to the Local Area Agreement.

- 6.6 A database that summarises all of the LSP indicators and the how they link to the individual key partnerships would greatly increase transparency over the process. It would minimise the possibility, for example, of there being areas where there is no clear linkage between the Community Strategy and a key partnership, or where there was limited scrutiny of the performance figures.
- 6.7 The Authority has purchased a Performance Management System called CorVu and this should provide a suitable platform to support the performance management arrangements for the LSP.

Recommendation

- 6.8 Performance Management arrangements should be developed to ensure that all key partner's performance targets are clearly mapped against the LAA and the Community Strategy. This will help to ensure that the interrelationship between partner's activities are fully understood and communicated.**

- 6.9 Incorporation of partnership work in Brighton and Hove City Team plans. As part of this review testing was undertaken to ensure that partnership working was fully represented within the team plans of the relevant services within the Council. This testing followed from a recommendation in the 2003 Audit Commission report (on the Brighton and Hove) that, "personal and team targets and the appraisal process reflect the importance of partnership working to the Council's activity".
- 6.10 It was found that the majority of team plans do clearly refer to the relevant key partnerships. However it remains that there are several key partnerships that were not referred to in the team plans of the relevant Council services. This is an area that can be strengthened ensuring that lines of accountability for partnership activities are clearly communicated.

Recommendation

- 6.11 All relevant Council team plans should include reference to the work of the appropriate key partnerships.**

7. Risk Management

- 7.1 The CPA Use of Resources criteria provides clear expectations with regard to embedding risk management within the Council's activities. These criteria also include reference to partnerships. One criteria states, "The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks". In addition CIPFA have recently published a Risk Management Guidance Note on "Partnership Risk

Management”. This guidance includes that that local authorities should seek to meet two key responsibilities;-

1) provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are being appropriately managed (Outside looking in)

2) ensure that each partnership has effective risk management procedures in place. (On the Inside)

- 7.2 The Council is already making progress in relation to assessing the risks associated with partnership working and the Council’s Corporate Risk register currently includes three risks relating to these activities. This indicates that the Authority has already gone some way to meeting the criteria under 1) above, i.e. “outside looking in”.
- 7.3 Within individual key partnerships are examples of risk management taking place, for example examining the risks associated with specific projects or decisions. In two partnerships separate risk registers have been developed. However, there are other key partnerships where the risk management arrangements are not in place or need to be developed.
- 7.4 Based on the work carried out during this reviewed and the recent CIPFA guidance on Risk Management and partnerships further progress on developing risk management processes within individual partnerships is required. These are detailed in the recommendation below;

Recommendations

7.5 Risk management guidance should be circulated to all key partnerships.

This should include guidance that encourages each partnership to:-

- **Develop their own Risk Registers**
- **Formalise the arrangements for discussing and reporting risks within the partnerships and the arrangements for the escalating risks to the LSP Board where applicable**

8. Financial Reporting

- 8.1 The arrangements for financial reporting within the LSP and individual key partnerships were reviewed.

- 8.2 The CPA Use of Resources requires councils to ensure that, “The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon.” In addition the 2003 Audit Commission report on Brighton and Hove City Council recommended that the council, “Establish and monitor how much officer time is committed to partnership working and ensure that officers involved with partnerships develop a greater awareness of partnership working”.
- 8.3 Processes have been put in place for monitoring and reporting funding obtained, and spend to date, on external funding channelled through partnerships. This includes those funding streams relating to the LAA, Neighbourhood Renewal Fund and the LPSA.
- 8.4 Within individual key partnerships the requirement to monitor and report spending has a greater significance for some partnerships than for others. Within the Children and Young Peoples Trust the Section 31 Agreement creates a requirement for the Council to consolidate and report information on spending by both the Council and the PCTs. Similarly the Crime and Disorder Reduction Partnership has processes in place processing for monitoring expenditure from different funding schemes and tracking expenditure against a number of projects. At the other end of the scale partnerships such as the Equalities Forum do not have specific funding and the budget there is contained within the City Council’s Budget.
- 8.5 For the purposes of accountability, and as part of looking at VFM, it would be beneficial if all key partnerships were encouraged to report at least once as year to their management boards and the LSP on the costs of operating the partnership, and external funding obtained by the partnership.

Recommendation

8.6 As a minimum requirement a short annual report should be produced by each partnership that details the costs of supporting the partnership, and the funding available for the partnership to pursue its objectives.

9. Value for Money

- 9.1 The 2005 Audit Commission Report on Governing Partnerships has stated that, “Value for money should be a key governance issue for partnerships”. The arrangements for demonstrating Value for Money within the individual key partners were therefore included as part of this review.
- 9.2 The question raised with each of the key partnership representatives was whether any work had been carried out in relation to the assessment of VFM within their partnership, or whether there had been consideration of how this issue could be examined.

- 9.3 This question can be broken down into three elements. These are;
- 1) Are there mechanisms in place for collating information on the effectiveness of partnership activities;
 - 2) Are there mechanisms in place for identifying the costs of partnership working and activities;
 - 3) Have processes been identified that can use information about cost, efficiency and effectiveness and compare with benchmarks of good practice, or demonstrate improvement over time.
- 9.4 As discussed some partnerships are required to provide detailed cost information about their partnerships, and in others nothing is reported at present.
- 9.5 The performance management arrangements are being developed, including the use of a performance management system, CorVu. The arrangements for performance reporting to the LSP board are also being updated and improved.
- 9.6 The final part of the jigsaw is to ensure that the performance management framework can be used to evaluate performance in the context of the cost of partnership services. To be effective this will require benchmarking against partnerships elsewhere, or over time.
- 9.7 VFM processes such as benchmarking have already been introduced, or considered, by some of the key partnerships but this information is not being used in a structured way at present.
- 9.8 To progress this further the LSP should develop a VFM strategy for itself and its key partnerships.

Recommendations.

- 9.9 The LSP should develop an approach to VFM in its activities, and share best practice between key partnerships.**

10. Communication Strategies

- 10.1 The communication of partnership arrangements, activities and priorities is important in order to demonstrate the effectiveness of partnership arrangements. The risk of not being successful is that partnerships are not recognised or understood within the local community, and its ability to influence outcomes is reduced.

- 10.2 The LSP (2020 Partnership) has its own external web site that links from the Council's own site. This site provides useful information of the partnership, its activities and its key partners. At the time of the review some of the information on the site required updating and the site was in the process of being updated. As a result the content and effectiveness of the site was not examined in detail.
- 10.3 The majority of the key partnerships have their own web site, or discrete area within the Council's own website. In many instances these sites provided a good range of information with high standards of presentation. Two of the family of partnerships do not have their own web sites (or clearly defined sections on the Council's web site).
- 10.4 On those web sites that provided examples of good practise there was clear branding, including a partnership logo and this was presented alongside, or clearly linked to the LSP. In some other cases the relationship between the key partnership and the LSP was less clear.
- 10.5 Many of the web sites could easily be located through the council's web site or by the use of an external Internet search engine. For some of the other partnerships the links were less clear e.g. the partnership site could not be located from the Council's website, or was not located on an external web-search.
- 10.6 Again many, but not all, of the partnership web sites included prominent information explaining what the partnerships objectives were, who its members were and provided copies of its agendas and minutes.
- 10.7 Several of the partnerships also produced newsletters. One in particular was sent out electronically and could therefore promote the partnerships activities to a large audience.

Recommendations

- 10.8 The LSP (2020 Partnership) web site should be updated on a regular basis to ensure that it reflects changes to the partnership.**
- 10.9 The content and presentation of key partnership websites should be reviewed to ensure that;**
- **They are easily accessible from using both the search facilities on the Council's web site and independent web site.**
 - **All key partnerships should develop their own logos and partners encouraged to display alongside the 2020 Partnership logo.**
 - **The objectives of the partnership are communicated clearly.**
 - **Information about the partnerships decision-making processes is clearly communicated through the publication of meeting agendas, minutes and reports (see paragraph 4.8).**

- 10.10 “Mapping” of Partnership Relationships. One of the areas that was not initially transparent was the relationship between all of the various elements of Brighton and Hove’s partnership arrangements. The current arrangements include 10 key partnerships, the LSP, the PSB and the LAA.
- 10.11 Given the complexity of the arrangements it would also be useful if a summary document or diagram was easily accessible on the 2020 partnership web site detailing the overall linkages between the various bodies, and the lines of reporting.
- 10.12 The relaunch of the 2020 Partnership could usefully include a diagram that explains these relationships.

Recommendation

10.13 The revised LSP (2020 Partnership) web site should include a diagram to demonstrate the overall structure of the 2020 Partnership, and the interrelationships between the various bodies and plans.

- 10.14 Partnership Directories. An Audit Commission review of Brighton and Hove’s partnership arrangements in October 2003 commented that, “At the time of our review, no single officer was able to provide an exhaustive list of all the partnerships that the Council is involved with”. The development of the key partnerships and their links to the LSP has helped to provide assurance as to who the key partnerships are what are there responsibilities. However the list of partners within each key partnership, and contact details for partnership members, are not always easy to locate.
- 10.15 It remains that the Council does not maintain a single list or database of partnerships. This can create problems with ensuring that council officers and other interested partners are aware of relevant partners and can create difficulties in contacting them. There is also the possibility that overlap between partner’s activities, or even the existence of partnerships is overlooked.

Recommendation

10.16 The council should produce, or facilitate the production of an accessible partnership directory on its web site. One solution could be to support a directory of key partnerships and encourage all of these partners to support a directory of their own partners on their websites.

- 10.17 Complaints. The national 2005 Audit Commission review on “Governing Partnerships” found that few partnerships have established joint complaints procedures or determined precisely which organisation is responsible for redress if things go wrong.

- 10.18 The majority of the key partnerships do not have detailed arrangements for complaints, outside of those of their constituent organisations. Mechanisms are in place for some of the key partnerships to capture comments and complaints on their websites through a “contact us” link. In addition partnership managers have suggested that the partnership boards themselves provide the opportunity to communicate comments and complaints through the wide membership and participation in the boards.
- 10.19 Two of the partnerships have experimented with using their web sites to encourage comment and debate by the use of discussion forums. Although this approach can be successful the experience of one of the partnerships was that this approach might also lead to inappropriate and offensive comments being posted.
- 10.20 Whilst the existing arrangement within partner organisations are the main route for capturing and dealing with complaints, and in most instances should remain so, an additional mechanism to pick up comments, suggestions or complaints about the key partners as an entity would be useful.

Recommendation

10.21 Key Partnerships should consider whether they could provide a mechanism for capturing comments, complaints or suggestions about their organisations. This could include the use of the “Contact us” link of the partnerships web sites to invite comments, suggestions or complaints.

11. Promoting Best Practice through Guidance to Partnerships

- 11.1 Brighton and Hove City Council has published its own guidance on partnership governance entitled, “Governance for delivery - A guide to partnership governance”. The guidance was published in 2003 and provides good information on setting-up partnerships and in particular on the issue of what should be the structure and legal status of a partnership. It does provide guidance on areas such as performance, risk and financial management but information in these areas is much more limited. The document is currently seen as a document for internal use by the Council. It is available on “the Wave” but is not currently accessible through the Council’s external Internet site.
- 11.2 Guidance on the operation of partnerships is also located with Financial Regulations, which have been regularly updated to reflect the Authority’s evolving partnership arrangements. The most recent update has been to reflect the Section 31 Agreement that forms Part of the Children’s Trust arrangements.
- 11.3 The “Governance for delivery” guidance has not been updated since 2003 and hence does not include full consideration of the role of partnerships within the context of the Local Strategic Partnership.

11.4 This document should therefore usefully be updated to provide guidance to key partners on best practice principles, including guidance in relation to some of the areas in this report.

i.e.

- Governing Documents
- Ethical Governance
- Performance Management
- Risk Management
- Value for Money
- Communication Strategies

11.5 As the key partners vary considerably in terms of size and type of organisation this guidance would better be in terms of principles rather than being prescriptive.

Recommendations

11.6 The Partnership Governance guidance should be updated to ensure it includes reference to the LSP and include best practice principles in relation to:-

- **Governing Documents**
- **Ethical Governance**
- **Performance Management**
- **Risk Management**
- **Value for Money**
- **Communication Strategies**

TERMS OF REFERENCE

1. Background

In common with other Authority's Brighton and Hove are engaged in a wide range of partnerships.

This review focuses on the governance arrangements for these partnerships. The governance arrangements have been reviewed against best practice guidance provided by the Audit Commission, CIPFA and SOLACE, and also those provided with the CPA criteria. In the main the audit focuses on the overall arrangements, structure and documentation rather than a detailed review of the arrangements for individual partnerships.

This Audit is part of the Internal Audit Plan for 2006/07.

2. Audit Objectives

The overall objective of the audit is to provide assurance that structures and processes are in place to ensure high standards of governance within the Authority's partnership arrangements.

Specifically, the seeks to obtain assurance that:-

- 1) There is effective guidance within the Authority on the establishment of partnerships and best practice. All partnerships have agreements in place that are regularly reviewed and updated.
- 2) That there is an appropriate framework for the performance management and reporting ships, including those that measure the success of partnerships.
- 3) That there are arrangements in place to ensure the effective financial management and reporting of all partnerships.
- 4) That there is an effective risk management framework in place for all partnerships. Mechanisms are in place to ensure high standards of financial control and ethical governance.

That there are mechanisms in place to assess the VFM provided by major partnerships.

3. Audit Scope & Approach

The review includes examining corporate guidance and documentation relating to key partnerships and interviewing key staff involved with developing partnership strategy and management. It will include reviewing the arrangements for partnership reporting to senior officers of the council and members, including those concerned with performance, and both financial and risk management.

MANAGEMENT ACTION PLAN

Key to Priority: 1 High 2 Medium 3 Low

Appendix B

Para. No.	Recommendation	Priority (1-3)	Agreed/ Disagreed	Responsibility for Implementation	Comments	Implementation Date
Relationship between the LSP and Key Partnerships.						
2.7	Protocols should be approved between all of the key partnerships and the LSP.	2	Agreed	2020 Community Partnership Officer		By end May 2007
2.11	Minimum reporting requirements between the key partnerships and the LSP should be defined.	2	Agreed	2020 Community Partnership Officer		By end May 2007
Partnership Agreements and Governing Documents						
3.4	All key partnerships should ensure that their governing document is kept up to date and remains fit for purpose. (A benchmark of good practice is provided by the Charity Commission's Model Constitution for unincorporated charities).	2	Agreed	2020 Community Partnership Officer	Principle accepted as suggested by the Charity Commission Model Constitution but may be considered overkill and bureaucratic by some partnerships.	By end June 2007
Decision-Making						
4.3	Partnership records should clearly identify whom officers are representing on partnership boards.	2	Agreed	2020 Community Partnership Officer		By end May 2006

MANAGEMENT ACTION PLAN

Key to Priority: 1 High 2 Medium 3 Low

Appendix B

4.8	To encourage transparency and accountability the agenda, minutes and reports for all partnership boards should be made available through the website of their partnership, unless there are overriding issues of confidentiality.	2	Agreed	2020 Community Partnership Officer		By end May 2007
Ethical Governance						
5.4	The principles of best practice prompted within the LSP should be included within a model "membership pack" that is circulated to all key partnerships. All partnerships should then be encouraged to adopt this guidance, tailor it to their own needs, or ensure that their existing arrangements cover the main principles.	2	Agreed	2020 Community Partnership Officer		By end May 2007
5.7	Declarations of interest should be requested at the beginning of all partnership board meetings, in relation to specific business on the meetings agenda.	2		2020 Community Partnership Officer		By end May 2007

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Performance Management						
6.8	Performance Management arrangements should be developed to ensure that all key partner's performance targets are clearly mapped against the LAA and the Community Strategy. This will help to ensure that the interrelationship between partner's activities are fully understood and communicated.	2	Agreed	2020 Community Partnership Officer		By end May 2007
6.11	All relevant Council Team Plans should include reference to the work of the appropriate key partnerships.	3	Agreed	2020 Community Partnership Officer		By end May 2007

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Risk Management						
7.5	Risk management guidance should be circulated to all key partnerships. <ul style="list-style-type: none"> Risk registers should be developed for each of the key partnerships The arrangements for reporting risks both within the partnerships and to the “2020 Partnership Board” should be documented and communicated. 	2	Agreed	2020 Community Partnership Officer	Principle agreed and risk management will be promoted within the partnerships. Partnerships may not however want to adopt formal risk registers and more formalised processes. Risk Management has been discussed with the Strategic Housing Partnership who have said that they do not wish to adopt a formal process.	By end June 2007
Financial Reporting						
8.6	As a minimum requirement a short annual report should be produced by each partnership that details the costs of supporting the partnership, and the funding available for the partnership to pursue its objectives.	2	Agreed	2020 Community Partnership Officer		By end June 2007
Value for Money						
9.9	The LSP should develop an approach to VFM in its activities, and share best practice between key partnerships.	3				

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Communication Strategies						
10.8	The LSP (2020 Partnership) web site should be updated on a regular basis to ensure that it reflects changes to the partnership.	2	Agreed	2020 Community Partnership Officer		By end May 2007
10.9	The content and presentation of key partnership websites should be reviewed to ensure that; <ul style="list-style-type: none"> • They are easily accessible from using both the search facilities on the Council's web site and independent web site. 	2	Agreed	2020 Community Partnership Officer		By end June 2007
	<ul style="list-style-type: none"> • All key partnerships should develop their own logos and partners encouraged to display alongside the 2020 Partnership logo. 					
	<ul style="list-style-type: none"> • The objectives of the partnership are communicated clearly. 					

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	<ul style="list-style-type: none"> Information about the partnerships decision-making processes is clearly communicated through the publication of meeting agendas, minutes and reports (see paragraph 4.9). 					
10.13	The revised LSP (2020 Partnership) web-site should include a diagram to demonstrate the overall structure of the 2020 Partnership, and the interrelationships between the various bodies and plans.	2	Agreed	2020 Community Partnership Officer		By end May 2007
10.16	The council should produce, or facilitate the production of an accessible partnership directory on its web site. One solution could be to support a directory of key partnerships and encourage all of these partners to support a directory of their own partners on their websites.	2	Agreed	2020 Community Partnership Officer		By end June 2007

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10.21	Key Partnerships should consider whether they can provide a mechanism for capturing comments, complaints or suggestions about their organisations. This could include the use of the "Contact us" link of the partnerships web sites to invite comments, suggestions or complaints.	2	Agreed	2020 Community Partnership Officer		By end June 2007
Promoting Best Practice through Guidance to Partnerships						
11.6	<p>The Partnership Governance guidance should be updated to ensure it includes reference to the LSP and include best practice principles in relation to:-</p> <ul style="list-style-type: none"> • Governing Documents • Ethical Governance • Performance Management • Risk Management • Value for Money • Communication Strategies 	2	Agreed	2020 Community Partnership Officer		By end May 2007

Officers interviewed during the review

- Simon Newell - 2020 Community Partnership Officer
- Anthony Zacharzewski - Head of Policy
- Linda Beanlands, - Crime and Disorder Reduction Partnership
- Martin Reid - Strategic Housing Partnership
- Terry Blair-Stevens - City Health Partnership
- Tony Mernagh - Economic Partnership
- Daniel Shelley - Learning Partnership
- Paula Murray - Arts Commission
- Thurstan Crockett - Sustainability Commission
- Steve Barton - Children's Trust
- Allison Keech - Economic Development & Enterprise Board
- Maggie Squire - Equalities Forum
- Jackie Algar – B&HCC Risk Manager
- Peter Wright - Principal Accountant