



# **Governance Framework for Significant Partnerships**

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<b>Document owner</b>	<b>Corporate Governance Team</b>

## 1.0 Introduction

- 1.1 “**Corporate governance**” describes how organisations direct and control what they do. For a council, this includes how it relates to the community it serves.
- 1.2 Good corporate governance arrangements require the Council to:
- be **accountable**;
  - be **open**;
  - be **inclusive**;
  - be **effective**; and
  - act with **integrity**.
- 1.3 Leeds City Council is committed to working effectively with its partners. Good corporate governance arrangements help the Council to:
- maintain **high quality services**;
  - deliver **improvements**; and
  - know whether partnerships are providing **value for money** and **added value**.
- 1.4 The Council’s **Code of Corporate Governance** sets out six principles behind the Council’s approach to corporate governance. These are:
- Focus on the Council’s purpose and community needs;
  - Clear responsibilities and arrangements for accountability;
  - Good conduct and behaviour;
  - Taking informed, transparent decisions that are subject to effective scrutiny and risk management;
  - Developing the capacity and capability of representatives to be effective;
  - Engaging with local people and other stakeholders.
- 1.5 These principles should also support its work with partners. This framework is based on the six principles.
- 1.6 The purpose of the framework is to set out:
- the steps which the Council will take **before entering into a partnership**;
  - the **minimum governance requirements** each partnership must have<sup>1</sup>;
  - how the Council will **support** the governance of each partnership; and
  - how the Council monitors and **reviews** its involvement with each partnership.
- 1.7 The framework provides a “one-council” approach to the governance arrangements of the Council’s significant partnerships.

## 2.0 Scope of the framework

- 2.1 A partnership is an agreement between two or more independent bodies to work collectively to achieve an objective, **excluding**:

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<sup>1</sup> The relevant Director may determine that a particular partnership does not need to comply with any requirement that is not applicable or appropriate to it.

- any contractual agreement or
- any agreement to provide an organization with grant aid, except where these arrangements create a separate decision-making structure<sup>2</sup>.

2.2 Some partnerships within this definition will be more significant to the Council than others. This is a framework for **significant** partnerships.<sup>3</sup>

2.3 The Council will assess how significant a partnership is by looking at:

- the **resources** which the Council contributes to the partnership;
- how the partnership helps the Council to achieve the **outcomes and priorities** in the **Leeds Strategic Plan**;
- the consequences if the partnership were to **fail**;
- the types of **decisions** the partnership makes;
- whether the partnership is **required by law or to secure funding**; and
- the extent to which the partnership helps the Council to **manage risk**.

### 3.0 Requirements

#### 3.1 Before entering into a partnership

The Council will carry out an **options appraisal**.

The Council will carry out::

- a full **risk assessment**; and
- an **equality, diversity and community cohesion impact assessment**.

The Council will **consult** relevant stakeholders about the need for and purpose of the partnership.

The Council will assess how the partnership will help achieve the **outcomes and priorities** in the Leeds Strategic Plan and/or the Vision for Leeds.

The Council will identify an officer to be its **lead officer** for the partnership<sup>4</sup>.

The Council must be clear which body will be the **accountable body** for the partnership<sup>5</sup>.

#### 3.2 Minimum governance requirements

##### Governance and accountability

Each partnership must identify to whom it is **accountable**.

Each partnership must agree and annually review a **governing document** that sets out:

<sup>2</sup> **PFI arrangements are excluded from this definition.**

<sup>3</sup> Although the framework applies to the Council's **significant** partnerships, it should be taken into account when adopting governance arrangements for other partnerships.

<sup>4</sup> See further paragraph 4 below, which sets out the responsibilities of the lead officer

<sup>5</sup> Where there is external funding which requires an accountable body to be appointed.

- who **the partners** are;
- the partnership's **purpose**;
- the partnership's **functions**;
- how each partner is **represented** on the partnership;
- the **role and authority of each representative**;
- the **roles and responsibilities of the partners** individually and collectively in relation to:
  - **decision-making** (including expenditure decisions);
  - **financial administration**;
  - **resources** (including staff);
  - **assets and liabilities**;
  - **external audit** arrangements;
- the **roles and responsibilities of any employees** of the partnership;
- how it conducts its **meetings**;
- where it will **record** and **publish** its most important **decisions**;
- **exit** provisions; and
- how the governing document can be changed.

Each partnership must agree, regularly review and monitor:

- a **risk management framework**;
- a **project and programmes management system**; and
- an **internal control and assurance framework** for its governance arrangements.

Each partnership must agree and regularly review:

- the **objectives** of the partnership;
- a **strategic or business plan**.

### Performance and Finance

Each partnership must agree, regularly review and monitor:

- a **performance management framework**;
- a **financial performance framework**;
- **financial procedures**, which includes how the partnership will set and control its budget;
- a **commissioning strategy**; and
- a **procurement strategy** and **procurement procedures**.

Each partnership must annually review whether it is achieving **value for money**. It should do this through a report which considers:

- its **performance**; and
- its **financial position** and **performance**.

The partnership should make this report available to the public.

### Conduct

Each partnership must agree, regularly review and monitor:

- a **code of conduct**;
- procedures for dealing with **conflicts of interest**;
- how the partnership will resolve **disputes** between its partners;
- a **counter fraud and corruption policy**; and

- a **whistle-blowing policy**.

#### Decision-making

Each partnership must agree how it will develop, implement and review **key policies**.

Each partnership must take decisions on the basis of **timely, accurate, clear and relevant advice and information**.

Each partnership must ensure that it carries out an **Equality, Diversity and Community Cohesion Impact Assessment** of any proposed policies, plans or services; and that it takes the outcomes of these assessments into account when making decisions.

#### Data management

Each partnership must agree, regularly review and monitor:

- **access to information** rules;
- arrangements for keeping its **documents**; and
- a protocol for **sharing information**.

#### Scrutiny and audit

Each partnership must:

- allow the Council's **internal auditors access** to documents on request;
- have its accounts **externally audited**; and
- co-operate with any relevant **Scrutiny Board** Inquiry.

#### Support for representatives

Each partnership should provide appropriate **support and training** so that representatives perform effectively.

#### Stakeholders

Each partnership must:

- practice the principles set out in the **Compact for Leeds**<sup>6</sup>;
- agree, regularly review and monitor a **stakeholder involvement strategy**; and
- agree, regularly review and monitor a **complaints procedure**.

### 3.3 **Council support/review**

The Council will **annually review** the partnership to assess:

- its **performance**;
- its **financial position and performance**;
- how it helps the Council achieve the **outcomes and priorities** in the Leeds Strategic Plan and/or the Vision for Leeds;
- if it provides **value for money** to the Council;

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<sup>6</sup> Where voluntary sector or faith organisations are partners

- if it **adds value**.<sup>7</sup>

After each annual review, the Council will consider whether to continue, change or finish its involvement in the partnership.

The Council will **communicate** decisions about its priorities to its partners.

The Council will:

- prepare an **exit strategy**;
- **share relevant information** with its partners; and
- adopt, regularly review and monitor a **risk management framework** which applies to its significant partnerships.<sup>8</sup>

The Council will make sure that its **representatives** on each partnership are clear about:

- **their role** and **authority**; and
- the **Council's roles** and **responsibilities** in relation to the partnership.

The Council will provide **support and training** to its representatives.

## 4.0 Responsibilities

4.1 The Assistant Chief Executive (Corporate Governance) will maintain and annually review a **register** of the Council's significant partnerships.

4.2 Directors must **identify significant partnerships** which they or their staff are involved with, and ensure that their entries on the register of significant partnerships are kept up to date<sup>9</sup>.

4.3 In relation to each significant partnership the relevant **Director** must:

- **appoint** a lead officer;
- comply with the requirements in the Framework **before** entering into the significant partnership;
- ensure that the partnership complies with the **minimum governance requirements** in the Framework; and
- comply with the requirements in the Framework to **support and review** the partnership.

4.4 The **lead officer** for each significant partnership must::

- monitor the steps taken by the Council **before** it entered into the partnership;
- monitor how the partnership complies with the **minimum governance requirements** set out in the framework<sup>10</sup>;
- monitor how the Council complies with the requirements in the Framework to **support and review** the partnership;

<sup>7</sup> that is, the partnership delivers more than the sum of the individual contributions from each partner

<sup>8</sup> Under the Council's risk management policy.

<sup>9</sup> A partnership may cut across a number of service areas, and relevant Directors may have differing views about whether the partnership is significant. If this happens, the Assistant Chief Executive (Corporate Governance) will decide which is the relevant Director, who will then make the decision on significance.

<sup>10</sup> Each partnership is also encouraged to review its own governance arrangements

- **report** to the relevant Director on the partnership's annual review of whether it is achieving **value for money**; and
- carry out an **annual review** of the partnership and make recommendations regarding the Council's involvement with the partnership.

4.5 Directors and lead officers must have regard to the guidance in the toolkit for partnership governance.

## 5.0 Monitoring and review

5.1 The Assistant Chief Executive (Corporate Governance) will annually review the Framework and report the review to the Corporate Governance and Audit Committee.

5.2 The Assistant Chief Executive (Corporate Governance) will monitor compliance with the framework, and will report on this to all relevant Directors<sup>11</sup>.

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<sup>11</sup> Or other responsible officer.