

Leeds City Council's Governance Framework for Significant Partnerships

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 principles should also support its work with partners.
- 1.5 This framework is based on the six principles. 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 have¹;
 - how the Council will **support** the governance of each partnership; and
 - how the Council monitors and **reviews** its involvement with each partnership.
- 1.6 The framework provides a “one-council” approach to the governance arrangements of the Council’s significant partnerships.

¹ 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.

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**:
- any contractual agreement or
 - any agreement to provide an organization with grant aid, except where these arrangements create a separate decision-making structure².
- 2.2 Some partnerships within this definition will be more significant to the Council than others. This is a framework for **significant** partnerships.³
- 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 The Corporate Governance Principles

3.1 Principle 1: Focus on the Council's purpose and community needs

3.1.1 Before entering into a partnership

The Council will assess how the partnership will help achieve:

- the **outcomes and priorities** in the Leeds Strategic Plan; and/or
- the **outcomes and priorities** in the Vision for Leeds.

3.1.2 Minimum governance requirements

Each partnership must agree and regularly review:

- the **purpose** of the partnership;
- **objectives** focussed on the outcomes and priorities in the Leeds Strategic Plan and/or the Vision for Leeds;
- a **performance management framework**;
- a **financial performance framework**; and
- a **strategic or business plan**.

Each partnership must have its accounts **externally audited**.

² PFI arrangements are excluded from this definition.

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

Each partnership must produce an **annual report** on:

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

3.1.3 Council support/review

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

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;
- if it **adds value**.⁴

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

3.2 Principle 2: Clear responsibilities and arrangements for accountability

3.2.1 Before entering into a partnership

The Council will identify an officer to be its **lead officer** for the partnership⁵.

The Council must be clear which body will be the **accountable body** for the partnership⁶.

3.2.2 Minimum governance requirements

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

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

- who **the partners** are;
- its **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;

⁴ that is, the partnership delivers more than the sum of the individual contributions from each partner

⁵ See further paragraph 5 below, which sets out the responsibilities of the lead officer

⁶ Where there is external funding which requires an accountable body to be appointed.

- the **roles and responsibilities of any employees** of the partnership;
- **exit** provisions; and
- how to change the governing document.

3.3 **Principle 3: Good conduct and behaviour**

3.3.1 **Minimum governance requirements**

Each partnership must agree and promote **shared values**.

Each partnership should agree, regularly review and monitor:

- a **code of conduct**;
- procedures for dealing with **conflicts of interest**; and
- a **counter fraud and corruption policy**.

3.4 **Principle 4: Taking informed, transparent decisions that are subject to effective scrutiny and risk management.**

3.4.1 **Before entering into a partnership**

The Council will carry out:

- an **options appraisal**;
- a full **risk assessment**; and
- an **equality impact assessment**.

3.4.2 **Minimum governance requirements**

Informed decision-making

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

Each partnership must agree, regularly review and monitor

- a **project and programmes management system**; and
- a protocol for **sharing information**.

Transparent decision-making

Each partnership must

- set out how it conducts its **meetings**; and
- **record** and **publish** its most important **decisions**;

Each partnership must agree, regularly review and monitor:

- **access to information** rules;
- how to set and control the partnership's **budget**;
- **financial procedures**;
- a **commissioning strategy**;
- a **procurement strategy** and **procurement procedures**;
- how it will develop, implement and review **key policies**;

- arrangements for keeping its **documents**; and
- how the partnership will resolve **disputes** between its partners;

Effective scrutiny

Each partnership must:

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

Each partnership must agree, regularly review and monitor:

- a **complaints procedure**; and
- a **whistle-blowing policy**.

Managing risk

Each partnership must agree, regularly review and monitor:

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

3.4.3 Council support/review

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.⁷

3.5 Principle 5: Developing the capacity and capability of representatives to be effective

3.5.1 Minimum governance requirements

The partnership will provide appropriate **support and training** so that representatives perform effectively.

3.5.2 Council support

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.

3.6 Principle 6: Engaging with local people and other

⁷ Under the Council's risk management policy.

stakeholders

3.6.1 Before entering into a partnership

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

3.6.2 Minimum governance requirements

Each partnership must:

- practice the principles set out in the **Compact for Leeds**⁸; and
- agree, regularly review and monitor a **stakeholder involvement strategy**.

4.0 Monitoring and review

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

4.2 The lead officer for each 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 framework⁹;
- monitor how the Council **supports** the governance of the partnership; and
- **monitor and review** the Council's involvement with the partnership.

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

4.4 The Assistant Chief Executive (Corporate Governance) will monitor compliance with the framework, and will report on this to all relevant Directors¹⁰.

⁸ Where voluntary sector or faith organisations are partners

⁹ Each partnership is also encouraged to review its own governance arrangements

¹⁰ Or other responsible officer.