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## Report of the Assistant Chief Executive (Corporate Governance)

### Corporate Governance and Audit Committee

Date: 10<sup>th</sup> February 2010

Subject: Governance Framework for Significant Partnerships – monitoring

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#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

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### Executive Summary

1. This report updates the Corporate Governance and Audit Committee on the results of the recent monitoring exercise on the extent to which the Council's significant partnerships are complying with the minimum governance requirements set out in the Council's Governance Framework for Significant Partnerships.
2. Completed checklists have been received from 38 of the 39 partnerships on the register of significant partnerships.
3. Analysis of responses by individual partnership shows that **30** partnerships comply with over 75% of the requirements. 8 partnerships do not comply with 25% or more of the requirements.
4. 11 partnerships indicated that over 25% of the requirements are not applicable to the partnership, but did not give full evidence in support of this.
5. Feedback on the results of the monitoring has been given to each Director, and Directors were asked to provide an update on how they were responding to the issues. Work is being undertaken, or is planned, to use the results to improve governance arrangements in significant partnerships.

## **1.0 Purpose Of This Report**

- 1.1 This report updates the Corporate Governance and Audit Committee on the results of the monitoring exercise on the extent to which the Council's significant partnerships are complying with the minimum governance requirements set out in the Council's Governance Framework for Significant Partnerships.
- 1.2 The report asks the Committee to consider the results, and note the actions being undertaken by each Directorate to address the issues raised by the monitoring exercise.

## **2.0 Background Information**

- 2.1 Under the Use of Resources element of Comprehensive Area Assessment, the Council is required to ensure that it "applies the principles and values of good governance to its partnership working".
- 2.2 The Governance Framework for Significant Partnerships aims to address this requirement by setting out:
  - The steps which the Council will take before entering into a partnership;
  - The minimum governance requirements each partnership must have;
  - How the Council will support the governance of each partnership; and
  - How the Council monitors and reviews its involvement with each partnership.
- 2.3 The Corporate Governance and Audit Committee received a report on the register of significant partnerships in May 2009. That report also set out proposals to monitor compliance with the minimum governance requirements set out in the Framework.
- 2.4 The toolkit for partnership governance has been available on the intranet since June 2009. Governance Services has also provided training on the Framework and toolkit to lead officers, and to other groups on request (including officers from Leeds Initiative and Adult Social Care).

## **3.0 Main Issues**

- 3.1 The Framework provides that the relevant Director must ensure that a partnership complies with the minimum governance requirements and that the lead officer must monitor compliance.
- 3.2 In July 2009, all lead officers named on the register of significant partnerships were asked to complete a checklist indicating whether the partnership complies with each requirement, and give evidence for this. Lead officers may indicate that a requirement is not applicable, and provide evidence for this. Directors are required to sign the form to confirm that they agree with its contents (including any exclusions).
- 3.3 Returns were received in relation to **38** partnerships<sup>1</sup> (out of 39 registered partnerships). The partnership for which a return is still outstanding is the LIFT partnership board. The relevant Director has been notified of this.

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<sup>1</sup> However, not all returns gave answers to all the questions.

## Overall results and issues

- 3.4 Overall compliance with each minimum requirement within the Framework has been analysed in terms of corporate compliance, by calculating the percentage of partnerships which have either complied with the requirement, or for which it was not applicable<sup>2</sup>. These were then RAG rated as follows:
- >75% compliance = Green
  - 50% - 75% compliance = Amber
  - <50% compliance = Red
- 3.5 Overall, there are no areas which are rated red. However the following requirements rated as amber:
- External audit of accounts;
  - Procedure for dealing with conflicts of interest;
  - Counter fraud and corruption policy;
  - Equality, Diversity and Community Cohesion Impact Assessment;
  - Access to information rules;
  - Dispute resolution procedure;
  - Complaints procedure;
  - Whistle-blowing policy;
  - Risk management framework; and
  - Internal control and assurance framework.

## Individual partnership issues

- 3.6 Analysis of responses by individual partnership shows that **30** partnerships comply with over 75% of the requirements<sup>3</sup>. However, there are 8 partnerships where lead officers have indicated that 25% or more of the requirements are **not** being complied with<sup>4</sup>:
- Strategic Design Alliance;
  - Leeds Safeguarding Children Board;
  - Northern Way;
  - Leeds Housing Partnership;
  - Beeston Hill/Holbeck Regeneration Board;
  - Safer Leeds Partnership;
  - Safer Leeds Joint Commissioning Group; and
  - West Yorkshire Local Resilience Forum.
- 3.7 As this is the first year that compliance with the Framework has been monitored, there are no baseline figures to compare the results with. However, Directors have been contacted with their results and have provided a response, including details of any actions they are taking to improve areas of concern. The responses are outlined in paragraph 3.11.
- 3.8 The monitoring exercise will be repeated in Summer 2010, and the results will be compared with the previous year to ensure that steps have been taken to improve compliance.

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<sup>2</sup> Partnerships which did not give an answer have **not** been included in this analysis.

<sup>3</sup> This also includes requirements the lead officer indicated were “not applicable”.

<sup>4</sup> This also includes requirements where the lead officer was “unsure” about compliance.

### “Not applicable” requirements

- 3.9 There are also 11 partnerships where the lead officer has indicated that over 25% of the requirements are not applicable to that partnership, but not given full evidence for this. These are:
- Leeds Enterprise Growth Initiative Board;
  - Children Leeds;
  - Children Leeds Learning Partnership;
  - Core Cities;
  - Going up a League Board;
  - Narrowing the Gap Board;
  - Harmonious Communities Strategy and Development Group;
  - Strategic Housing Partnership Board (Affordable Housing);
  - West Leeds Gateway Regeneration Board;
  - West Yorkshire Housing Partnership Board;
  - Yorkshire and Humber Regional Housing Partnership Board.
- 3.10 In addition, the following partnerships also had over 25% of requirements listed as not applicable, but evidence was provided for this:
- Leeds Transport Fund Innovation Project Board;
  - Leeds Youth Work Partnership;
  - Integrated Youth Support Service;
  - Leeds Local Education Partnership;
  - West Yorkshire Local Resilience Forum.

### Responses to the results from Directorates

- 3.11 As reported in paragraph 3.7, following analysis of the initial responses received, Governance Services wrote to each Director with their results. Key issues for each Directorate were highlighted, and Directors were asked to provide a response to their results, including details of any actions they were taking to improve areas of concern. These responses are summarised below.
- 3.11.1 **City Development:** The key issues that need to be addressed for City Development partnerships were Access to Information rules; dispute resolution procedures; whistle-blowing policies; internal control and assurance frameworks; and stakeholder involvement strategies. City Development’s Directorate Management Team will be formally reviewing the arrangements relating specifically to the areas of concern at a meeting in the near future. This will allow identification of any appropriate follow up actions.
- 3.11.2 **Adult Social Care:** The main area of concern is that not all partnerships have counter fraud and corruption policy in place. Another issue highlighted as “amber” was codes of conduct. The completed forms have been reviewed, and advice is being sought on how best to amend partnerships’ Terms of Reference so that the gaps identified by the monitoring exercise can be addressed.
- 3.11.3 **Children’s Services:** A key issue for Children’s Services is dispute resolution procedures. The Director of Children’s Services circulated the results back to all partnership lead officers and asked for detailed responses to the issues raised. This has resulted in issues being considered at partnership meetings and/or as part of partnerships’ reviews of their Terms of Reference. As the Children’s Trust arrangements are undergoing a significant review, no amendments to the Children Leeds Partnership Terms of Reference are currently being proposed; however the

Framework is being used to inform development of the new Children's Trust arrangements.

- 3.11.4 **Policy, Performance and Improvement:** Governance arrangements in partnerships where there was cause for concern have been reviewed, resulting in improvements to the extent to which the partnership complies with the requirements of the Framework. The remaining issues are whistle-blowing policies and risk management frameworks, which are not in place for a significant number of partnerships. Further reviews will be carried out.
- 3.11.5 **Environment and Neighbourhoods:** The key issue for this Directorate is counter fraud and corruption policies for partnerships. However other issues for partnerships include document retention policies; codes of conduct; and financial procedures. Lead officers for all partnerships have been asked to assess how their partnership could improve its governance arrangements in light of the findings of the monitoring exercise. The lead officer for the Beeston Hill/Holbeck Regeneration Board (which complied with fewer than 75% of the requirements) has confirmed that the partnership is reviewing its membership and governance arrangements, and will be using the results of the monitoring exercise to inform the review.
- 3.11.6 **Resources:** Key issues in Resources are information sharing protocols; access to information rules; and financial procedures. The lead officer for the Local Resilience Forum has reported back on the results to the Chair. The results are being used to review and make improvements to the governance arrangements that are currently in place. The lead officer for the Local Education Partnership is working with the Public Private Partnerships Unit on governance arrangements in the LEP, and the results from the monitoring exercise are feeding into these discussions.

#### Next steps

- 3.12 As this is the first year that compliance with the Framework has been monitored, the results of this monitoring exercise are valuable in providing a baseline against which progress in subsequent years can be monitored. However, the results do provide an assurance that governance arrangements in the Council's significant partnerships are generally sound, and that where there are concerns these are being addressed.
- 3.13 The monitoring exercise will be repeated in Summer 2010, and the results (including progress compared with this year) will be reported back to Corporate Governance and Audit Committee.
- 3.14 Directors have just completed the annual review of their entries on the Register of Significant Partnerships, and have advised Governance Services of any amendments that need to be made.
- 3.15 Lead officers for each significant partnership will be asked to confirm that they have carried out a review of the Council's involvement in the partnership by the end of the municipal year.

## **4.0 Implications For Council Policy And Governance**

- 4.1 The monitoring that has taken place enables the Council to give an assurance about the extent to which the Council's significant partnerships are complying with good governance standards, as set out in the Council's Governance Framework for Significant Partnerships.

## **5.0 Legal And Resource Implications**

5.1 There are no legal or resource implications arising from this report.

## **6.0 Conclusions**

6.1 Monitoring of the minimum governance requirements in place for the Council's significant partnerships has now taken place. Completed checklists have been received from 38 of the 39 partnerships on the register of significant partnerships.

6.2 While across the Council there are no "red" areas, 10 areas have been identified as "amber". These are listed in paragraph 3.5.

6.3 8 partnerships have been identified as having a lower level of compliance with the requirements of the Framework.

6.4 Results have been reported back to Directors, and as a result Directors and partnership lead officers have identified actions to take to improve the governance arrangements in significant partnerships. The results of the monitoring exercise provide a base-line assessment from which progress on this can be annually assessed in future.

6.5 While recognising that any assurance given about partnership governance is based on self-assessment, the Assistant Chief Executive (Corporate Governance) is satisfied that a **moderate assurance** can be given on compliance with the Governance Framework for Significant Partnerships.

## **7.0 Recommendations**

7.1 Corporate Governance and Audit Committee is asked to consider the results of the monitoring of compliance with the minimum governance arrangements in the Governance Framework for Significant Partnerships.

7.2 The Committee is also asked to note the work being done in Directorates to further improve governance in significant partnerships.

### Background documents

Governance Framework for Significant Partnerships

Report to Corporate Governance and Audit Committee, 12<sup>th</sup> May 2009

Report to Corporate Governance Board, 5<sup>th</sup> October 2009