

Isle of Wight Council

Partnership Standards

A guide to standards to be applied to all non-commercial partnerships

Revised September 2010

Contents

1. Introduction	Page 2
2. What is Non-Commercial Partnership?	Page 3
3. Six Partnership Standards	Page 4
Exclusions	
Standard 1: Purpose	
Standard 2: Governance Arrangements	
Standard 3: A Timeline	
Standard 4: Accountability	
Standard 5: Managed Risks	
Standard 6: Intelligent Monitoring	
Appendix 1.	Code of Conduct in Public Life (Nolan)
Appendix 2.	Risk Management Assessment Criteria
Appendix 3.	Guide to completing a partnership risk register



1. Introduction

Partnerships have a major role to play in providing better services. Non-commercial partnerships enable the Council and its partners to bring together the knowledge, skills, resources and potential needed to deliver a sustainable future for the Island.

This guide for Council staff and members ensures that funded and unfunded non-commercial partnerships meet essential standards and lead to the Council becoming a partner of choice.

Partnerships can combine resources. They add value to what we do; they increase knowledge and improve communication. They vary from strategic or regional groups to very local community-based service delivery arrangements.

Meeting the common standards in this guide will ensure well managed and effective public services. They will ensure that the management and outcomes of non-commercial partnerships are realised safely and productively.

This guide principally covers non-commercial partnerships but the standards set out here should be applied to any external business relationship.

Becoming a Partner of Choice

The Council must become a partner of choice if it is to deliver its priorities and specific outcomes in a time of financial austerity. To contribute to this, all non-commercial partnerships involving the Council will comply with the six common standards set out here.

All non-commercial partnerships involving the Isle of Wight Council are recorded on the Council's annually updated Partnership Map. This is a record of basic financial information and of how we comply with these six common partnership standards. The Map provides a picture of what kind of partner the Council is.

Partnership Development and Support

For more information about the issues in this guide; for tools and further support, contact the IW Council's Partnership Team, at: County Hall, High St, Newport, Isle of Wight, PO30 1UD, ☎ 01983 821000 ext 3825.

2. What is a non-commercial partnership?

The benefits of coming together in partnerships are increasingly understood in public and business life. Partnership is described as... *“An agreement between two or more independent bodies to work collectively to achieve a common objective”*. Audit Commission (2005)

The standards in this guide cover two common forms of partnership;

1. Voluntary sector partnerships

In 2009/10, there were over 140 service delivery partnerships between the Council and civil or third sector organisations delivering local services. They include funded and unfunded partnerships with charities, voluntary organisations, not for profit enterprises including ‘social enterprises’ and community groups.

The Council also delivers support or public services through many contractual partnerships with private sector organisations.

2. Strategic and policy partnerships and networks

The Council is also involved in over 100 strategic and policy delivery Partnerships. They include funded and unfunded partnerships for strategic, operational, local, regional, national, joint or cross-sector groups drawn from the public, private and third sectors. They plan, share, learn, innovate or collaborate to deliver their objectives.

Better non-commercial partnerships

While regarding local partnerships as essential to delivering improvements in people’s lives, the Audit Commission also cautions that together with benefits, experience indicates that there are risks.

Council partnerships have come about in a variety of ways, often shaped by the processes or standards of other organisations. In 2010/11, this has resulted in a number of approaches to setting up and governing partnerships. We now bring this process together with a single set of standards.

This guide provides the Council with six basic standards that will help to manage partnership risks by ensuring an early focus on good governance, value for money, and the need for accountability and redress.

The Council’s Legal, Partnership Development and contracting team can advise on building sound partnerships.

Note: This guide does not replace Council contract guidance or override specific partnership policies. It is intended to compliment current best practice and requirements.

3. Six Partnership Standards

This guide contains six standard requirements for any non-commercial, funded or unfunded partnership led by or joined into by the Council.

The standards recognise the increasing range and diversity of partnerships now and in the future. They are based on existing statutory and regulatory requirements, Council policy and the IW Local Compact 2005.

All Partnerships must, by the most appropriate means, have:

- **Purpose:** A clearly defined and agreed purpose that will result in specific outcomes that support at least one of the IWC Corporate Themes and priorities (*Standard 1*).
- **Governance Arrangements:** An agreed form of governance that reflects the purpose and nature of the partnership, including a written instrument of governance that clearly identifies the Councils commitment and protects the public interest (*Standard 2*).
- **A Timeline:** All Council Partnerships should have a clear and agreed duration, with arrangements for agreeing changes. (*Standard 3*).
- **Accountability:** Named contacts or contact points within each partnership (*Standard 4*).
- **Managed Risks:** the risks of all partnerships must be considered and managed. (*Standard 5*).
- **Intelligent Monitoring:** Arrangements for the intelligent monitoring of value for money and impact (*Standard 6*).

All partnerships must also demonstrate compliance with the Council's policies, priorities, planning, decision-making, monitoring and reporting processes.

Exclusions

It is not expected that the standards in the guide be strictly applied to:

- Groups or services where the Council has direct control over budgets or decision making (e.g. service user groups);
- Informal groups set up to discuss and consider specific topics (e.g. consultation events);
- Appointments and / or financial commitments to outside bodies where the Council has no strategic or policy function (e.g. where the Council is represented on a Board);
- "Commercial partnerships" with a view to making a profit, where other standards may be operated.

Standard 1: Purpose

All Partnerships involving the Council must have a clear purpose with specific outcomes that support at least one of the Council's themes and priorities.

Why Create a Partnership?

Councils increasingly use, but must not exceed, their general powers to enter into partnerships that will deliver public service objectives.

The Audit Commission identifies five main partnership drivers:

1. Delivering co-ordinated ("joined-up") services.
2. Tackling difficult issues in "cross-cutting" ways.
3. Overcoming fragmentation in services or resources.
4. Bidding for, or gaining access to, new resources.
5. Creating local approaches to new needs or statutory requirements.

Partnerships also promote the wider ownership and sharing of common issues and risks, the delivery of services and the building of networks.

What actions are needed?

Firstly, a partnership only has relevance to the Council if it has specific outcomes that support at least one of the themes, objectives and priorities in the Council's Corporate Plan. If not, Council involvement is not required.

Secondly, the purpose and outcomes of the partnership must be clearly understood by all partners. This may influence the decision to participate as well as the Council's approach to leadership of the partnership, particularly as it has 'accountable body' status within the Island Strategic Partnership.

Thirdly, the Council's powers to enter into partnership for a legitimate purpose must be clear. Where powers are clear, there is normally a responsibility to assess the intended and unintended impact of the partnership's activities and objectives. This will generally focus on the impact on individuals, communities and the Council's wider legal responsibilities.

Demonstrating Achievement of Standard 1

1. The Council objective and/or the priority that the Partnership will help to deliver will be recorded in the Council's Partnership Map.
2. The agreed purpose and cost of the partnership, including its objectives, priorities and specific outcomes should be part of the partnership's written form of governance, in a form transparent to the wider community.
3. Impact Assessments should be used where there is a need to ensure a balanced approach to the partnership's membership, objectives and activities. This may for example cover equalities, safeguarding the vulnerable, community safety and other legal and regulatory issues.

Standard 2: Governance Arrangements

All partnerships must have appropriate governance arrangements that set out a process for partnership investment, decision-making and implementation.

The Council will only join partnerships where all partners subscribe to the Nolan standards for conduct in public life (Appendix 1). This ensures that partners work together to the protect public interest.

Making clear the partnership's roles and responsibilities

An agreed form of governance will set out partner expectations of each other, and be proportionate to the scale and scope of the partnership.

Any partnership must be clear about partnership terms, decision-making arrangements and the responsibilities of each partner for who leads in each area of the partnership, including investment, communications and reporting.

Effective governance brings agreement where needed to objectives, roles, accountabilities, decision making, reviewing impact, audit, ethical issues, representation arrangements, funding relationships and actions.

Governance arrangements should be proportionate to the nature of the partnership. As a rule, the more comprehensive the outcomes of the partnership, the more structured the governance arrangements will be.

For example, if formal legal arrangements are needed, a Contract is the most suitable form of governance. Depending on the value, scale, purpose and duration of the partnership, a range of other governance models can be used, including but not limited to Terms of Reference, Service Level Agreements, Memorandum of Understanding or Funding Agreements.

A Funding Agreement (2009) is the preferred governance arrangement for grant-funded partnerships with third sector organisations or groups.

Partnership terms will be influenced by a number of factors. This includes but is not limited to the terms of the IW Local Compact, Standing Orders, the operating needs of partners, statutory guidance or legislation.

Where a partnership requires a partner to be the 'Accountable Body', the partner taking on this role, often the Council, will require the partnership to apply the accountable organisations operating policies and requirements.

Demonstrating Achievement of Standard 2

1. For all partnerships, the agreed and applied form of governance will be summarised in the Council's Partnership Map.
2. The Council's lead representative in the partnership will keep and update the governance arrangements in a form suitable for audit or scrutiny.

Standard 3: A Timeline

All Council Partnerships should have a clear and agreed duration, with arrangements for agreeing changes.

How long will Partnerships last?

The purpose of any partnership, great or small, is strengthened by clarity over how long it will operate. All partnerships should have an agreed duration based on a pre-arranged end-date or a review point.

What actions are needed?

Partnerships often continue past their useful life. The duration of the partnership should be identified as soon as possible.

Clarifying the beginning, middle and end points provides boundaries and the opportunity to design and plan the partnership's role and activities. Partners should also consider arrangements for reviewing progress and for deciding the viability of changing the duration of partnership.

Partners may need to report on the progress and impact of the partnership at various stages. This might include reports to Council members, audit and scrutiny, service planning or review.

Some partnerships, such as an agreement between the Council and a voluntary organisation to provide a public service will have other standards that guide the duration of the arrangement. In this case, the Local Compact requires an optimum three year funding agreement.

Other partnerships, for example a group formed to bid for structural funding, will end once the outcome of the bid is known.

Demonstrating Achievement of Standard 3

1. The partners should have a business plan or agreement that is proportionate to the role and activity of the partnership. This will include an end date or milestones for review of termination, extension or renewal.
2. The agreed end date for the partnership will be added to the Council's Partnership Map.

Standard 4: Accountability

Good relationships between partners are more likely if there are clear and direct points of contact between accountable people.

Commitment to accountability

A healthy and creative partnership is most likely where partners are aware of and act on their accountabilities. This is as important with complex strategic partnerships and networks as with longer term service delivery arrangements.

Clear and often single points of contact can ensure good access and communication. This supports effective decision-making and redress.

The person representing the Council is tasked with ensuring that the interests of the Council are promoted as part of the partnership approach. Some forms of partnership, for example Trusts or Companies do not allow this and if in any doubt, advice should be taken.

The IW Local Compact and Council Contracting Policies also require commercial partnerships to have clear contact arrangements between partners.

What actions are needed?

All partnerships involving the Council must have a designated contact who is accountable for representing the Council on a day to day basis. Their role and the level of accountability they hold should be clear to the named person.

The IW Local Compact requires a named contact for every funded partnership. It is good practice to ensure that all partnerships have a single point of contact.

The named Council contact should be clearly aware of the level of accountability that they hold.

Accountabilities, if shared by partners, should be set out in the governance arrangements as part of the basic expectations of each partner.

Demonstrating Achievement of Standard 4

1. The name of the person representing the Council to the partnership will be added to the Partnership entry in the Council's Partnership Map. This person will be responsible for updating the partnership entry on the Map when required.
2. The Council's lead representative on any partnership will ensure that their role and the accountability of each partner is clear to all partners, and set out in the governance arrangements.

Standard 5: Managed Risks

The Council has a mature approach to the management of risk, which requires that the risks of all partnerships must be considered and managed.

The wide and growing diversity in the nature, terms and objectives of partnerships brings a number of risks to the Council and its partners.

The nature of partnership risks

Risk assessment is a familiar concept across the Council. It helps us to identify business risks and put risk control measures in place. Partnerships bring particular risks, as accountabilities and roles are often shared.

Partnerships are themselves sometimes set up as control measures in response to identified risks, but there is still a need to assess the nature and scale of any risks that might result from the arrangement.

What actions are needed?

The possible risks of all partnerships should be considered. However, a full and standard Council risk assessment may not be needed and a more proportionate approach is more appropriate.

Many low level service partnerships, or those maintaining regional relationships or networks, are low risk in nature. In these cases, a simple record of the consideration of risk and any resulting control measures will be adequate. Please use the risk identification matrix attached to this guide to record these risks (appendix 2).

Partnerships that are assessed as having the potential for more serious risk and are considered critical to service delivery, should be subject full risk assessment. The guide to completing the partnership risk register (appendix 3) clarifies the process. Additionally, where there is the risk of impact on service delivery if the partnership fails, a risk should be entered on JCAD within the relevant service area. This overarching risk will then be subject to the normal reporting at the mini service boards/service boards as appropriate.

The prioritisation format for considering the nature and impact of risks, and the guide to completing the risk register are attached to this guide as Appendices 2 and 3. They should be regarded as the starting point for an assessment of the level of risk and next steps in risk management.

Demonstrating Achievement of Standard 5

1. The lead Council representative will consider and act on the nature and scale of risk associated with a partnership. This will include determining the level of assessment and reporting that the partnership requires. The risk tool in appendix 2 of this guide will be used as a minimum starting point.
2. The resulting assessment of risk will be reported ("has an assessment taken place" - yes/no) on the Council Partnership Map.

Standard 6: Intelligent Monitoring

The Council must be able to demonstrate value for money and the impact of involvement in partnerships of all types.

Intelligent monitoring of value and impact

Collaborating to deliver effective public services and strategic change is a key purpose of partnerships. Being able to monitor benefits and outcomes means being able to describe the value, progress and impact being delivered.

Some small partnerships may require simple qualitative reports about outcomes with long reporting periods. Larger scale partnerships may require more comprehensive and quantitative reports on outputs and outcomes.

Some strategic partnerships may require occasional review of the purpose and objectives of the forum or network inspired by the partnership.

Clarity about impact and what works well benefits all partners. Evidence indicates that a lack of relevant performance measurement can lead to drift and a loss of value.

What actions are needed?

The Council is committed to intelligent reporting of partnership performance and a focus on outcomes. The highest value is gained from an intelligent approach to performance monitoring. This ensures that only key information that describes outcomes and assists decision-making is collected by the partners. This also reduces costs and can reduce duplication.

Detailed performance management arrangements may be needed to describe and monitor the performance of some important partnerships. However, there is a need for proportionality and many smaller partnerships with lower risks may require only a minimal amount of reporting.

An IW Local Compact compliant checklist, for best-practice monitoring of the performance of partnerships, based on National Audit Office and Audit Commission guidance, is available from the Council's Partnership Development Team (01983 823825).

Demonstrating Achievement of Standard 6

1. The Council's manager will ensure a record of performance monitoring arrangements is kept alongside the partnership's written governance agreement or contract etc.
2. The Council's manager will summarise the nature of performance management arrangements on the Council's Partnership Map.

APPENDIX 1

Code of Conduct in Public Life (Nolan)

This code of conduct is founded on general principles set out in the Relevant Authorities (General Principles) Order 2001. Summarised below, these principles are intended to apply to all aspects of public life. The Council expects that those involved in partnerships on behalf of and with the Council will adhere to these standards.

Holders of public office will:

Selflessness

...take decisions solely in terms of the public interest and not in order to gain financial or other material benefits for themselves, family, or friends.

Honesty and Integrity

...not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly, and on all occasions will avoid the appearance of such behaviour.

Objectivity

...in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, will make and be seen to make choices based on merit.

Accountability

...be accountable for their decisions and actions to the public and submit themselves to whatever scrutiny is appropriate to their office.

Openness

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

Personal Judgement

... take into account the views of others, including their political groups if affiliated, but should reach their conclusions on the issues before them and act in accordance with those conclusions.

Respect for others

...promote equality by not discriminating unlawfully against any person, and treat people with respect, regardless of race, age, religion, gender, sexual orientation or disability. They will respect the integrity of public officers and other employees.

Duty to uphold the law.

...uphold the law and act in accordance with the public trust placed with them.

Stewardship

...always ensure that the public authority being represented will be using its resources prudently and in accordance with the law.

Leadership

...promote and support these principles by leadership and example, and act in a way that secures or preserves public confidence.

Risk Prioritisation Matrix

Likelihood/Probability	V Likely 4	4 Low	8 Medium	12 High	16 <u>High</u>
	Likely 3	3 Low	6 Medium	9 Medium	12 <u>High</u>
	Unlikely 2	2 Very Low	4 Low	6 Medium	8 Medium
	Remote 1	1 Very Low	2 Very Low	3 Low	4 Low
	Scale	Low 1	Medium 2	High 3	Major 4

Impact/Severity

12 – 16	Red	High risk
6 - 9	Amber	Medium Risk
1 – 4	Green	Low Risk

Likelihood/Probability Criteria

FACTOR	SCALE	THREATS - DESCRIPTION	INDICATORS
Very likely	4	More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered - daily/weekly/monthly
Likely	3	40% - 75% chance of occurrence	Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered (few times a year)
Unlikely	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years
Remote	1	Less than 10% chance of occurrence	Has happened rarely/never before

Impact/Severity Criteria

Factor	Scale	Effect on Service	Embarrassment/reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives/ Schedule Deadlines
Major	4	Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days	Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officer(s) and/or Members forced to resign	Death of an individual or several people	All personal details compromised/ revealed	Litigation/claims/fines from Departmental £250k + Corporate £500k +	Costing over £500,000 Up to 75% of Budget	Complete failure of project/ extreme delay – 3 months or more
High	3	Complete loss of an important service area for a short period Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community Adverse local publicity of a major and persistent nature	Major injury to an individual or several people	Many individual personal details compromised/ revealed	Litigation/claims/fines from Departmental £50k to £125k Corporate £100k to £250k	Costing between £50,000 and £500,000 Up to 50% of Budget	Significant impact on project or most of expected benefits fail/ major delay – 2-3 months
Medium	2	Major effect to an important service area for a short period Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days	Adverse local publicity /local public opinion aware Statutory prosecution of a non-serious nature	Severe injury to an individual or several people	Some individual personal details compromised/ revealed	Litigation/claims/fines from Departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000 Up to 25% of Budget	Adverse effect on project/ significant slippage – 3 weeks–2 months
Low	1	Brief disruption of important service area Significant effect to non-crucial service area Service Disruption 1Day	Contained within section/Unit or Directorate Complaint from individual/small group, of arguable merit	Minor injury or discomfort to an individual or several people	Isolated individual personal detail compromised/ revealed	Litigation/claims/fines from Departmental £12k to £25k Corporate £25k to £50k	Costing less than £5,000 Up to 10% of Budget	Minimal impact to project/ slight delay less than 2 weeks

Risk Identification Template.

Date:

Service Area / Department:

Risk No.	Risk Description	Consequences	Current Score	Planned Actions	Responsible Person	Completion Date	Residual Score

Appendix 3

IW Council Guide to Completing a Partnership Risk Register.

As part of how we manage our performance and delivery, you have been asked to undertake a simple risk assessment for the partnership that you are responsible for. The risk assessment should be carried out in conjunction with our partner. It is recommended that a copy of the partner's risk register, if they have one, be kept as well.

The purpose of this risk assessment is to:

- Identify the risks associated with the partnership
- Assess those risks to determine their size and priority
- Identify mitigation measures (Planned Actions)
- Provide assurance that the partnership is managing its risks

Our Risk Management Aim: - “NO SURPRISES”

We want to present more certainty – by thinking and planning ahead. So that we can avoid threats and seize opportunities.

1. Identify the key threats associated with the Partnership

The following questions should be considered:

- What if the partnership fails/breaks down?
- What if the partnership fails to deliver?
- What if the partner acts beyond its power or inappropriately?

Defining a risk is a common problem and is something people often find difficult. It is critical that risks are clearly articulated. Otherwise it is difficult to put in place effective mitigation actions and contingency plans. It is helpful to articulate risks in the following format:

“Something may happen (cause), which may lead to something else happening (the effect), where the impact would be something (preferably quantifiable) adverse.”

This can be more easily expressed as:

CAUSE – EFFECT – IMPACT

Example:

Failure to clearly define partner roles and responsibilities, **leading to** a lack of focus, **resulting in** reduced effectiveness and performance of the partnership.

At its simplest risk can be defined as:

Risk: is the Effect of Uncertainty on Objectives

Therefore it is worth referring back to objectives of the partnership, and the risks can be defined as anything which will prevent the achievement of those objectives.

2. Assessing and Evaluating the Threats.

We now need to estimate which of these risks is going to pose the greatest threat. We do this by looking at both the likelihood and impact. Simply put, as the likelihood and severity of impact increases so does the measure of the risk.

By considering the consequence and probability of each of the risks we have identified, we can begin to prioritise which of these risks are important considerations when coming to a decision.

We have defined a series of criteria for **Likelihood** and **Impact**, and these are shown in Appendix 2. These help us to start making decisions about the significance of the identified risks and whether each risk should be accepted or treated (i.e. do we live with it, or do something about it).

The likelihood and impact of each risk should be plotted on the Matrix to provide an overall score – this will provide a current risk score with any controls already in place. The Residual (target) score is an assessment of the score once the additional planned actions are in place – how low can the risk be reduced to.

3. Addressing the Risk

Write a short description of the measures that you would take (or are already taking) to minimise the threats that you have identified.

It may help to ask these three questions:

- Can we reduce the probability of occurrence?
- Can we reduce the magnitude of the loss?
- Can we change the consequences of the risk?

There are basically four approaches to controlling risk

- **Treat** (or reduce) – put procedures and controls in place to reduce the chance of a loss happening, or the frequency of a loss, or the severity of the incidence; or formulating a contingency plan to reduce interruption to services, new internal systems and practices, staff training, physical risk improvements, continued assessment and monitoring
- **Tolerate** (or accept) – decide to bear losses out of normal operating costs, informed decisions to retain risk, monitor situations
- **Transfer** – place indemnity clauses in a contract, insurance cover, outsource services
- **Terminate** (or avoid) – stop doing the activity or find a different way of doing it, introduce alternative systems/practices.

4. Monitoring your Risks – Using your risk assessment

The risk assessment is a valuable tool to help you deliver your targets. We use it in the same way that we use risk assessments in project management – to identify potential barriers and treat them before they become a reality.

Basically, to provide more certainty, i.e. – “**no surprises.**”

When we use risk assessments in this way they are often referred to as risk registers. Risks change and develop over time, so your risk register is a living document and should be reviewed at regular intervals – at least quarterly.

Make sure you integrate the risk mitigation actions into your work plans.

5. Service Critical Partnerships

As discussed in Standard 5 – Risk Management of the Partnership Standards, if the partnership is considered critical to service delivery, for example the Children’s Trust, then an overarching risk concerning failure of the partnership should be entered onto the Council’s corporate risk system – JCAD Risk. It is anticipated that there may be a few as 12 partnerships that fall into this category. This risk will then be reported at the mini service boards and directorate service boards as appropriate.

If you do not have access to JCAD Risk, in the first instance please contact your risk champion alternatively contact the risk manager (see below) who can arrange access to the system.

6. Need More Help?

If you need any further assistance about this process, please contact the Risk Manager, Iain Lawrie, Risk Management and Insurance Office, County Hall, Newport, IW. Tel: 823691
lain.lawrie@iow.gov.uk

Further guidance can be found on the risk management web pages.