

## **WEST LOTHIAN COUNCIL**

# **PARTNERSHIP WORKING GUIDANCE**

Approved by Council Executive June 2010

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## PARTNERSHIP WORKING GUIDANCE

### 1. Purpose

This guidance provides an overview of the issues to be considered prior to entering into any partnership arrangement and when undertaking a review of an existing partnership arrangement. The guidance will assist managers to determine whether the necessary governance arrangements are in place.

The guide deals with two types of partnership arrangement, informal and formal. It is anticipated that the majority of partnerships will be of the informal type, requiring only a light touch approach.

### 2. Who should use this guidance

The council's officers and elected board members should make use of this guidance when:

- o considering entering into a partnership;
- o preparing an initial partnership arrangement; or
- o reviewing existing partnership arrangements.

Where appropriate, this guidance should be provided to prospective partners when preparing the initial partnership arrangements or to current partners when undertaking a review of an existing partnership arrangements, to ensure that all partners are able to contribute effectively.

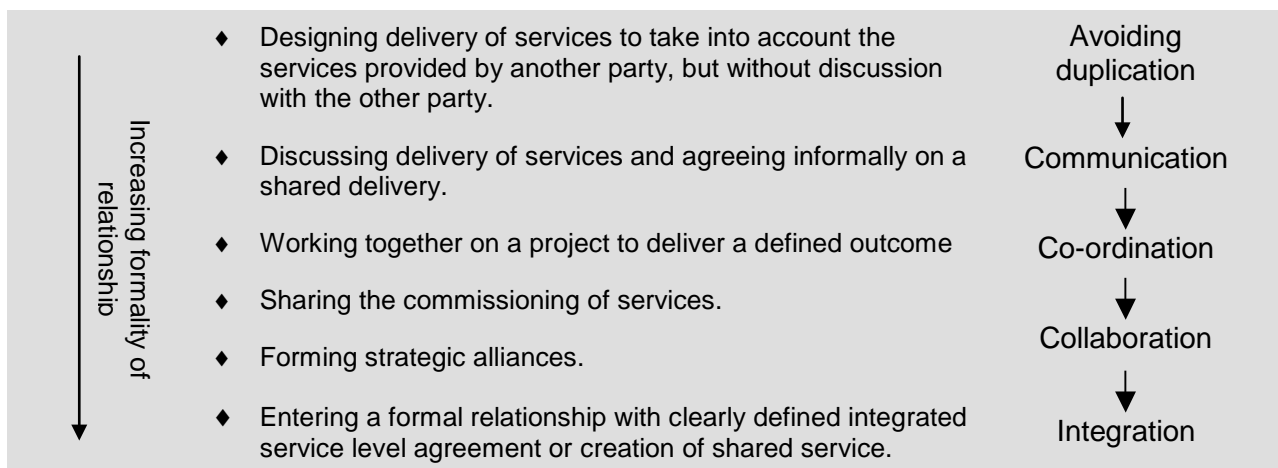
### 3. What is a partnership?

Partnerships are a collaboration between parties with a shared interest. Partnerships can bring significant benefits, such as:

- o delivery of an outcome that cannot be effectively tackled by any one body alone;
- o delivery of a co-ordinated outcome when tackling complex and multi-faceted issues;
- o provision of flexibility and innovation;
- o provision of additional financial and human capital resources;

However, working in partnership brings its own potential complexities and ambiguities that can generate confusion and weaken accountability. To avoid such risks from damaging relationships between partners and to ensure that the desired outcomes are understood from the outset, it is necessary to capture the purpose of the partnership through some form of agreement. This is considered further in section four below.

The term 'partnership' covers a wide spectrum of relationships that operate at varying levels of formality:



For the purposes of this guide, a partnership is defined as: An arrangement for the delivery of a common purpose and which is not:

- a commercial contract;
- an arrangement to grant aid or fund;
- work of statutory bodies;
- board membership to a professional organisation;

#### **4. Partnership governance**

The principles of accountability for public money applies as much to a partnership as it does to corporate bodies. The public needs assurance that public money is being spent wisely in a partnership and it should be confident that best value is achieved as a result of this form of working. To demonstrate this, managers must prepare a record of the partnership and a regular record of its review. The nature of the record is dependant upon the type of partnership involved.

The council engages in a variety of partnerships that will fall within the scope of this guide. For the purposes of simplification, this guide considers only two types of partnership arrangement - informal and formal. It is anticipated that the majority of partnerships will be of the informal type.

An informal partnership – this is a relationship between organisations or persons to serve a common purpose where both the purpose and the involvement of the partners are mutually agreed. A partnership will be informal provided that it does not require committee approval from any partner. The basic details of the partnership can be captured using the informal partnership checklist provided in Appendix One.

Examples of an informal partnership are:

- West Lothian Young Carers Partnership;
- HomeAid West Lothian;
- West Lothian Fair Trade Group.

A formal partnership – this is a relationship between organisations or persons to serve a common purpose where both the purpose and the involvement of the partners are mutually agreed. A formal partnership tends to have a strategic aspect and will require committee approval. The details of the partnership should be captured using the formal partnership checklist provided in Appendix Two.

Examples of a formal partnership are:

- Community Health & Care Partnership;
- Community Planning Partnership;
- West Lothian Housing Partnership;
- Joint Committees such as: Scotland Xcel and the Lothian Joint Committee on Electoral Registration.

#### **5. Entering into a Partnerships**

When entering into a partnership, as a minimum, managers must consider the following issues:

- Are you clear about what it is that is to be achieved and what the expected outcomes are before entering into the partnership?;
- Are you clear what each partner within the partnership is required to do?; and
- Are you able to demonstrate how the partnership will add value?

A checklist has been provided in the appendices to assist managers with the necessary considerations and to allow a suitable record to be created for governance purposes. The choice

of which checklist to use will depend on the type of partnership. Where necessary, advice can be sought from Legal Services.

Informal Partnerships – the checklist for an informal partnership is provided in Appendix One. The partnership should be reviewed regularly (at least once a year) and a fresh checklist prepared to provide a record that demonstrates that the necessary considerations have been undertaken during each review.

Formal Partnerships - the checklist for a formal partnership is provided in Appendix Two. Due to the nature of a formal partnership, managers must take additional considerations into account:

- Are you confident that partnership working is the most appropriate approach to delivery of a service?;
- Have you reached agreement as to how the partnership will be managed, reviewed and evaluated to ensure Best Value and delivery of shared outcomes?;
- Are you clear as to who is accountable for the management and delivery of the partnership's aims?;
- Have you considered and recorded any risks for the council and for the partnership and set out adequate controls and arrangements for monitoring of the risks?;
- Are you clear as to the legal status of the partnership?; and
- Are you clear as to how and when the partnership should be wound up, once it has served its purpose?

Where a formal partnership arrangement is to be entered into, a partnership agreement must be used to ensure that the necessary requirements are adequately considered, defined and recorded. As such, it is essential that you contact Legal services who will assist you to draw up a suitable partnership agreement.

Prior to contacting Legal Services, managers should complete the Formal Partnership Checklist provided in Appendix Two. To assist managers to complete the checklist, guidance relating to the creation and continued management of formal partnership arrangements is provided in Appendix Three.

In all cases, advice can be sought from Legal Services.

## **6. Review of Partnerships**

Partnership arrangements require to be reviewed at least once a year. The review should consider the previous checklist for the partnership and record any changes thereto. This will enable to partners to assess the performance of the partnership and to identify any areas for improvement. The record of the annual review will help to demonstrate that adequate governance arrangements continue to be in place.

Where a partnership is considered to have completed its purpose or has failed to deliver what was required of it, then consideration should be given to winding up the partnership.

Following the review, the outcome of the review should be reported to the appropriate management team for consideration. For formal partnerships, a report must be prepared for the Corporate Management Team and for the appropriate committee, providing the details of the partnership and the findings of the review. Approval must be provided for the partnership to be continued, modified or wound up. Full guidance on the review and reporting requirements for a formal partnership is provided in Appendix Three.

In all cases, where necessary, advice can be sought from Legal Services.

# Appendix One

**INFORMAL PARTNERSHIP CHECKLIST**

Item		
1.	<b>Details of partners involved in partnership</b>	West Lothian Council
		<i>Details of partner</i>
2.	<b>Purpose of partnership</b>	<i>Details of purpose</i>
3.	<b>Expected outcomes and target date</b>	<i>Details of outcomes and target date</i>
4.	<b>How outcomes will be recorded</b>	<i>Details of performance measurement</i>
5.	<b>How outcomes will be reported</b>	<i>Details of reporting performance</i>
6.	<b>Responsibilities of West Lothian Council</b>	<i>Details of responsibilities</i>
7.	<b>Responsibilities of</b> <i>(details of partner)</i>	<i>Details of responsibilities</i>
8.	<b>Committee approval required?</b>	Yes/No
9.	<b>Details of committee approval obtained.</b>	<i>Committee, date, decision</i>
10.	<b>Formal Partnership requiring input from Legal Services?</b>	Yes/No
11.	<b>Frequency and date of next review of partnership</b>	<i>Frequency (minimum of one review per annum) and date of next review.</i>
12.	<b>Any other items</b>	<i>Details of any other considerations or decisions e.g. to terminate the partnership</i>

Checklist completed by: .....

Date: .....

## **Appendix Two**



**FORMAL PARTNERSHIP CHECKLIST**

Managers should consider the standards within each of the six principles below and record evidence that demonstrates compliance with the standard. They should also indicate how strongly they feel compliance is demonstrated by the evidence:

- Compliance Level 1 – no compliance
- Compliance Level 2 – weak compliance
- Compliance Level 3 – strong compliance
- Compliance Level 4 – full compliance

For the purposes of the checklist, Board Members are defined as the people with the overall responsibility for directing and controlling the work of the partnership. Officers are defined as the staff responsible for the operational delivery of the partnership’s objectives. These may be employed by the partnership itself or by one of the constituent organisations.

<b>Principle 1</b>		
<b>Focusing on the purpose of the partnership and on outcomes for citizens and service users and the partnership vision.</b>		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Exercising strategic leadership by developing and clearly communicating the partnership’s purpose, vision and intended outcomes fro citizens and service users.		
Board members have agreed the overarching purpose of the partnership.		
Board members have agreed the vision that guides the work of the partnership.		
The vision and purpose have been documented and effectively communicated to officers and other stakeholders.		
Purpose is defined in terms of outcomes for citizens and service users.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Ensuring the partnership has agreed strategic objectives to deliver outcomes.		
The partnership has agreed strategic objectives aimed at delivering those outcomes.		
Board decisions enhance the achievement of partnership purpose and strategic objectives.		
The partnership has clearly defined SMART actions aimed to deliver the strategic objectives.		
The SMART actions aimed to deliver the strategic objectives have been communicated to stakeholders.		
Strategic objectives and SMART actions are regularly reviewed.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Ensuring that users receive a high quality of service whether by the partnership, its constituent organisations or by commissioning.		
The partnership is clear how quality of service is defined and measured.		
The partnership has the necessary information on service quality regularly available in an appropriate form and timescale.		

Quality measures are defined and measured in terms of outcomes for citizens and service users.		
Standard	Compliance Level 1-4	Evidence
Ensuring that the partnership makes best use of resource and that the tax payers and service users receive excellent value for money.		
The partnership is clear how value for money is defined and measured.		
The partnership has the necessary information on value for money regularly available in an appropriate form and timescale.		
Value for money measures are defined and measured in terms of the cost-quality balance on outcomes for citizens and service users.		
Quality of service, financial and value for money information informs partnership decisions.		
<b>Principle 2</b>		
<b>Working effectively together with clearly defined roles and responsibilities.</b>		
Standard	Compliance Level 1-4	Evidence
Being clear about the roles and responsibilities of the partnership governing body.		
The relationship between the partnership and the other partner organisations is clearly documented and understood.		
The roles and functions of the governing body are clearly documented and understood.		
The roles and functions of the partnership structure and its component parts are documented and understood.		
Standard	Compliance Level 1-4	Evidence
Ensuring effective leadership throughout the partnership and being clear about the roles and responsibilities of all who have a role in governance.		
The roles and responsibilities of board members are clearly documented and enacted.		
Board members support collective responsibility for partnership decisions.		
The roles and responsibilities of officers are clearly documented and enacted.		
Officers support collective responsibility for partnership decisions.		
Board members and officers provide clearly articulated and complementary leadership.		
The distinction between the roles of the partnership and each of its constituent organisations is clear.		
Standard	Compliance Level 1-4	Evidence
Ensuring that a constructive working relationship exists between the partnership and partner organisations with roles and relationships clearly defined.		
The relationship between the partnership and each of the partner organisations is clearly defined and agreed by all the parties in respect of:	–	–
• Constitution and governance;		
• Strategy and planning;		
• Operational service delivery;		
• Financial responsibility.		
Board members and officers respect constructive challenge.		
Partner organisations, board members and officers constructively support the work of the partnership body.		

<b>Principle 3</b>		
<b>Promoting values for the partnership and demonstrating the values of good governance through high standards of conduct and behaviour.</b>		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
<b>Ensuring that the board members and officer of the partnership exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</b>		
Board members and officers set the tone for the partnership by creating a climate of openness, support and respect.		
Standards of expected conduct and personal behaviour are defined and communicated throughout the partnership and its partner organisations.		
Board members consistently put partnership values into practice.		
Officers consistently put partnership values into practice.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
<b>Ensuring that partnership values are put into practice and are effective.</b>		
The partnership has a code of conduct for its board members and officers		
The values set out in the code of conduct are communicated to board members, officers and stakeholders.		
The effectiveness of the code of conduct is regularly reviewed.		
Partnership values guide the way decision are made.		
Partnership values guide the decisions that are made.		
<b>Principle 4</b>		
<b>Taking informed and transparent decisions which are subject to scrutiny and managing risk.</b>		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
<b>Bing rigorous and transparent about how decision are taken and listening and acting on the outcome of constructive scrutiny.</b>		
The partnership makes informed and open decisions.		
Strategic decisions are recorded and include:		
<ul style="list-style-type: none"> <li>The criteria used;</li> </ul>		
<ul style="list-style-type: none"> <li>The professional advice received;</li> </ul>		
<ul style="list-style-type: none"> <li>The influence of scrutiny and stakeholder consultation.</li> </ul>		
Strategic decisions are subject to scrutiny:	-	-
<ul style="list-style-type: none"> <li>Within the partnership;</li> </ul>		
<ul style="list-style-type: none"> <li>By partner organisations;</li> </ul>		
<ul style="list-style-type: none"> <li>By relevant stakeholders.</li> </ul>		
Board members are concerned with an appropriate level of details.		
There is an appropriate level of delegation to officers.		
A sound system of internal control exists that safeguards partnership resources.		

Standard	Compliance Level 1-4	Evidence
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.		
Decisions are informed by timeous and relevant information from an effective performance management process.		
Decisions are informed by timeous and relevant feedback from an effective complaints process.		
Board members and officers have confidence in the quality of information provided.		
Standard	Compliance Level 1-4	Evidence
Ensuring that an effective risk management systems in place.		
There is an effective and actively managed risk assessment process.		
The risk register includes financial, operational and compliance controls.		
The risk register is regularly reviewed by the Board and updated.		
Actions and responses to risks reflect the assessed risk prioritisation.		
The Board effectively scrutinises risk management arrangements.		
Standard	Compliance Level 1-4	Evidence
Using the legal powers open to the partnership to the full benefit of citizens and communities in the partnership area.		
The partnership understands the full extent of its legal powers.		
Board members and officers have access to an appropriate level of expertise about:	–	–
<ul style="list-style-type: none"> <li>Legal powers;</li> </ul>		
<ul style="list-style-type: none"> <li>Options and choices for improving services to the community;</li> </ul>		
<ul style="list-style-type: none"> <li>Financial management.</li> </ul>		
<b>Principle 5</b>		
<b>Developing the capacity and capabilities of the board members and officers of the partnership to be effective.</b>		
Standard	Compliance Level 1-4	Evidence
Making sure that the Board members and officers of the partnership have the skills, knowledge , experience and resources they need to perform well in their roles.		
Each Bard member and office's role is relevant to the partnership.		
Each Board member and officer's role is feasible to do within the time and with the support available.		
The skills that members and officers need to fulfil their functions are understood.		
We develop the skills and knowledge that we have decided Board members and officers need, so that we carry out roles effectively.		
Standard	Compliance Level 1-4	Evidence
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.		
Board members and officers receive induction training tailored to their role.		
Training includes all of the functions of good governance in partnerships.		
Board members are held to account through regular performance reviews.		
Officer are held to account through regular performance reviews.		

The held to account through regular performance reviews. Board regularly reviews its performance as a whole.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Encouraging new talent for membership of the partnership so that the best use can be made of individual's skills and resources in balancing continuity and renewal.		
There are succession planning arrangements in place for Board members and for officers of the held to account through regular performance reviews.		
Transition arrangements are planned when there is a change of personnel.		
<b>Principle 6</b>		
<b>Engaging with local people and other stakeholders to ensure robust accountability.</b>		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Exercising leadership through a robust scrutiny function which effectively engages partners, local people and institutional stakeholders and develops constructive accountability relationships.		
Accountability responsibilities and the relationship between them are known and understood.		
The partnership takes an active and planned approach to dialogue with and accountability to stakeholders.		
The partnership takes an active and planned approach to involvement of staff.		
The partnership actively seeks, welcomes and responds to feedback.		
The partnership has a clear policy on the types of issues on which it consults and how this will be done.		
The partnership reviews the effectiveness of its involvement of relevant stakeholders.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether by the partnership, partner organisations or by commissioning.		
The partnership has a consultation plan which is linked to those of partner organisations.		
The consultation plan includes regular and ongoing dialogue with stakeholders and is appropriate to their differing needs.		
The effectiveness of consultation is evaluated.		
Stakeholders are informed of the outcome of consultation.		
<b>Standard</b>	<b>Compliance Level 1-4</b>	<b>Evidence</b>
Making best use of human resources by taking an active and planned approach to the meeting the partnership's responsibility to staff.		
Partnership members and staff have access to reliable information about public satisfaction with the partnership's activities.		
The partnership publishes an annual report to communicate its financial position, service performance and future priorities.		
There is regular dialogue with partner organisations and funders about whether their expectations are being met.		
The partnership has relevant HR policies and procedures in place for staff that are directly employed by the partnership.		
There are effective systems in place to protect staff rights, including an effective whistle-blowing policy.		

## **Appendix Three**

## **GUIDANCE FOR FORMAL PARTNERSHIP ARRANGEMENTS**

### **1. Demonstrating the value of the partnership**

The value of the partnership can be demonstrated through:

**i) A Business Case** - evidence that the council's participation in the partnership will benefit both the council and the communities within West Lothian. A good business case for a partnership should provide evidence relating to:

- fitness for purpose - evidence that the expected partnership outcomes contribute to or compliment the outcomes within the council's Corporate Plan and Single Outcome Agreement;
- value for money - ensuring the economic, effective and efficient use of resources; and
- added value - delivering something that is unlikely to be achieved by another form of working arrangement.

**ii) Good Governance** – ensuring that the partnership is well managed and aligned to the aims of the partners.

Good governance can be demonstrated through:

- the adoption of a partnership agreement that has been developed following these guidelines;
- capturing and recording a defined set of expectations and outcomes that reflect the aims of the partners;
- ensuring that the partnership is legally compliant with the competent powers of each of the partners;
- the full consideration of risk, by assessing risks that might be present at the inception of the partnership and those that may arise once the partnership is established, together with the creation of control measures to manage any risks identified; and
- regular review of the partnership agreement and the deliverables there from.

### **2. Committee approval**

All partnerships, both proposed and existing, need to demonstrate how the council's participation will benefit the council and the communities within West Lothian and relate to the council's strategic objectives. The partnership must be appropriately scrutinised, to assess:

- how the objectives and intended outcomes of the partnership compare with those of the council and those of the other partners;
- whether there is a good business case; and
- whether good governance has been and will continue to be applied.

To ensure the appropriate scrutiny is applied to existing partnerships, regular review (at least annually) must be undertaken. The review process is explained in section four below. Following the review, a report must be prepared for the Corporate Management Team and for the appropriate committee, providing the details of the partnership and the findings of the review. Approval must be provided for the partnership to be continued, modified or wound up.

Where a partnership has been reviewed and there is either no current partnership agreement or the need for a modified agreement, a suitable partnership agreement must be created and approved if the partnership is to continue. Accordingly, the reports to management and to committee must include, where necessary, a copy of the proposed partnership agreement.

For any new partnership a report must be prepared for the Corporate Management Team and the appropriate committee, providing the details of the partnership and recommending approval. The

reports to management and to committee must include a copy of the proposed partnership agreement.

It is essential that management and committee approval is obtained before any partnership is either initiated or continued following review.

### **3. Signing the partnership agreement**

Only authorised officers of the council have the power to negotiate and to sign legally binding, contractual documentation such as a partnership agreement. The council's Standing Orders and Scheme of Delegation should be consulted to ensure that those parties negotiating the partnership and those signing the partnership agreement on behalf of the council, have the appropriate authority to do so.

Evidence should be obtained from those representing the other partners, confirming that they have the authority to negotiate the terms of the partnership agreement and to sign the agreement on behalf of the partners they represent.

Each partner should retain an original signed version of the partnership agreement or a certified copy thereof. Advice should be sought from Legal Services regarding the necessity for registration of the agreement in the Books of Council and Session.

Details of the partnership agreement should be recorded in the council's register of contracts.

### **4. Making sure the partnership is working**

All existing partnerships should be reviewed at least annually to ensure continuing relevancy to the council's priorities, with the focus on the assurance:

- that proper systems are in place and that the outcomes and performance are being adequately monitored and evaluated; and
- that the council's requirements are being met in an effective manner.

The initial business case should be considered as part of the review, together with the governance arrangements in place, to demonstrate the continued value of the partnership, as outlined in section three above.

The findings from the review must be reported to the Corporate Management Team and to the appropriate committee, and should contain statements relating to the partnership's:

- effectiveness and fitness for purpose;
- performance;
- governance arrangements; and
- overall evaluation;

The overall evaluation of the partnership should identify the impact of the partnership and whether it is achieving what it was set up to do in terms of short, medium and long term goals. The evaluation should also recommend any proposed improvement interventions and whether the partnership should either continue or be wound up.

### **5. Ending a partnership**

At some point, partnership arrangements, or at least the council's involvement in a partnership, will come to an end. This could be for several reasons:

- the partnership has achieved what it set out to do;
- the priorities of the council or the partnership have changed;
- the partnership is not delivering the expected outputs or outcomes;
- the partnership is superseded;
- external funding/resources cease;



- an adverse level of risk has been identified that cannot be effectively controlled; or
- changes to the legal framework upon which the partnership was founded.

In the event that a decision is reached that the council should withdraw from the partnership, the partnership should either be wound up or the partnership should continue without the council's involvement. In either case, the exit strategy identified within the partnership agreement should be adhered to. Similar considerations relating to the signing of the partnership agreement, as detailed in section five above, should be applied to the signing of the exit agreement.

Once the council has ended its involvement in a partnership agreement, a review of the partnership should be undertaken to capture any lessons learned for the future.

## **6. What should be covered by the partnership agreement?**

The following elements should normally be included in the partnership agreement, to ensure that the best practice outlined in this guidance is adhered to.

- 1. Principles of Good Governance**
- 2. Purpose**
- 3. Objectives**
- 4. Board membership & Decision Making**
- 5. Resources and financial controls**
- 6. Code of Conduct**
- 7. Conflict and complaints resolution**
- 8. Handling of information**
- 9. Performance and monitoring**
- 10. Equalities**
- 11. Risk Management**
- 12. Exit strategy**

The drawing up of the partnership agreement will require input from Legal Services and should not be undertaken without their input.

## **7. Governance**

In order to assess whether there is good governance within a partnership and good governance of the partnership arrangements, reference should be made to the framework within the council's Partnership Working Guidance (provided in Appendix Two thereof.) The framework can be used to:

- identify strengths and weaknesses within the governance arrangements;
- act as a point of reference against which subsequent reviews can be compared;
- evidence that a review has been undertaken;
- evidence steps undertaken to improve the governance arrangements;
- identify when a partnership is not working and should be wound up;