LEICESTERSHIRE COUNTY COUNCIL

SCRUTINY COMMISSION – 17TH APRIL 2002

REPORT OF THE CHIEF EXECUTIVE

REVIEW OF PARTNERSHIP ARRANGEMENTS

Purpose

1. The purpose of this report is to advise the Commission of progress made by the officer group established to review existing partnerships and governance arrangements.

Background

2. Members will recall that one of the key issues emerging from the internal inquiry established into the status of the Leicestershire Early Years Development and Childcare Partnership was the need to clarify the legal basis of any partnership involving the County Council, the respective roles of partners and to ensure that appropriate governance arrangements were in place to ensure accountability and proper and effective monitoring of public resources.

3. The Commission at its meeting on 16th January was advised that an officer group drawn from a number of departments was in the process of being established to:

   a) Identify a range of partnerships and produce a categorisation in terms of their functions and characteristics;

   b) Prepare advice for officers on issues to be addressed in setting up partnerships so as to ensure a better understanding of the roles of and relationships within partnerships thereby a better understanding of risk;

   c) Implications of partnership working for employment relationships.

   At that meeting the Commission requested a further report on progress made by the officer group.

Progress made by the officer group

4. The officer group, comprising officers from the Departments of the Chief Executive and Treasurer, has collected information from County Council departments about existing and proposed partnerships. Information has now been returned from all departments and the officer group is analysing the data.

5. Attached, as Appendix 1, is the background note provided to each department. It comprises:

    (a)   Information about the purpose of the exercise;

    (b)   A definition of partnership as 'an association or combination of persons or organisations (including the County Council) established for the purpose of either: providing or promoting services; or, identifying or resolving community issues.';

    (c)   Definitions of three categories of partnerships - formal, semi-formal or informal;

    (d)   For every partnership categorised as semi-formal or formal a series of questions were asked covering issues such as the statutory basis for the partnership, whether a separate legal entity has been created, the existence of a partnership agreement, the source of funding and the details of Cabinet or Committee approval for entering into the partnership.

6. Using the information obtained from the questions, the officer group is undertaking an initial assessment of whether the categorisation allocated to each partnership is correct and the degree of risk, concerning accountability and use of public funds, associated with each. Further work is required before the initial assessment can be finalised. Once it has been, priority will be given too a more detailed assessment of those partnerships that present the highest risk. The current list of partnerships and their category (which is not yet complete) is set out in Appendix 2.

7. Initial advice about the establishment and operation of partnerships has been provided on the County Council's Corporate Information System. This advice is reproduced in Appendix 3. It is expected that this advice will be revised in the light of the work currently being undertaken.

8. The implications of partnership working for employment relations has already been considered by a personnel officer group. This group, which had Trade Union involvement, has prepared some guidance notes for personnel staff on assessing the staffing implications arising out of secondment and partnership working. These are attached as Appendix 4.

Equal Opportunities Implications

9. .   None

Recommendations

10.   The Commission is asked to note the progress made by the officer group.

Background Papers

Report of the Chief Executive to the Scrutiny Commission on 16th January 2002 – Partnership Working – Issues for further consideration.

Officer to contact

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PARTNERSHIP AUDIT – BACKGROUND NOTE

PURPOSE OF EXERCISE

The need for this audit has arisen as a result of consideration by Cabinet and Scrutiny of the status of the Leicestershire Early Years Child Care Partnership and its ability to take decisions regarding the Nursery Education Grant. Because of the issues raised it was agreed that the Scrutiny Commission should seek to assure itself that existing and proposed partnerships have in place appropriate governance arrangements which ensure accountability and the proper and effective monitoring of public resources.

Definition of partnership

Partnership is a widely-used concept covering a variety of different arrangements. For the purpose of this audit, the following definition is used:

"an association or combination of persons or organisations (including the County Council) established for the purpose of either:
1. providing or promoting services; or
2. identifying or resolving community issues."

All joint work undertaken with external bodies (whether public, private or voluntary) where there is some sharing of the benefits and/or liabilities of the venture, or where the decisions of the 'partnership' affect the discharge of the County Council's functions should be regarded as a partnership for this exercise. By way of contrast, a standard contracting/procurement arrangement between the County Council and a provider or supplier should not be regarded as a partnership, unless the County Council is contracting/procuring on behalf of a partnership or some of its partners.

Categories of Partnerships

In order to structure the outcome of this exercise and enable the prioritisation of any further work that is identified as a result, each partnership arrangement should be placed in one of the following categories. The key is to identify what the partnership actually is, rather than what it is called or assumed to be. Any of the characteristics listed in a given category will be sufficient to place the partnership in that category; e.g. an apparently informal forum that has a formal, written constitution should be classed as a 'formal' partnership for this exercise.

1. Formal

A formal partnership normally requires partners to contribute directly to the partnership's resources. This might be done in the form of funding to the partnership, secondment of staff or the loan of assets. The partners could also be legally required to guarantee payment of any liabilities of the partnership, either in the form of overspending or claims against the partnership. The partners may have set up formal decision-making structures and pooled funds, or may be required to do so by central government. The partners may have jointly bid for significant funding to undertake particular projects. There may be a written agreement between the partners which constitutes the partnership.

2. Semi-formal

A semi-formal partnership is one where there may be an indirect commitment by the County Council to financially help the work of the partnership. This could be either by partners being expected to volunteer their own staff to do some work on behalf of the partnership or partners making payments out of their own funds that support the decisions of the partnership. There would be no legal liability on the individual partners to fund overspending or claims against the partnership.

3. Informal

An informal partnership is one that does not require any financial commitment either directly into the partnership or indirectly by decisions of the partnership leading to specific expenditure or resource use by the County Council. Representatives have no mandate to bind their organisation to any form of financial commitment or liability. The partnership may simply be a forum to discuss particular issues, with no specific powers.

Further information

Attached is the latest draft of a listing of partnerships on which to base your classification.   Please add to or amend it as necessary.

 The following questions have been drawn up by the County Treasurer and County Solicitor, to be completed in respect of every partnership identified as 'formal' or 'semi-formal'. The questions may also provide further assistance with the categorisation of the partnership.

1. What is the statutory basis for the partnership and what powers is it exercising?

2. Has a separate legal entity been created (i.e. separate from the partners)? If so, of what type?

3. Is there a partnership agreement in place? Who drafted and signed it?

4. What are the sources of funding for the partnership? What is the County Council contribution per annum?

5. Is there Cabinet/Committee approval for entering into the partnership? If so, give details.

6. Does the partnership have or enter into contracts with third parties (e.g. procurement of services/works/supplies)?

7. Does the partnership have dedicated staff? If so, who employs them? Does the partnership have the power to use County Council staff time or resources? If so, give details.

8. What is the method of decision-making used by the partnership?

9. Is the County Council the lead organisation (e.g. providing admin/financial/legal support to the partnership)?

10. Is the County Council obliged to share risk and liability in order to receive benefit from the partnership? If the partnership's expenditure exceeds its funds, does the County Council have a responsibility to make good the difference?

11. What are the exit arrangements and liabilities of the County Council on termination?

12. Is there any elected member involvement in the decision-making of the partnership?

N.B.　The Treasurer's page on the CIS lists 'points to look out for' when involved with partnerships – LCC Departments/County Treasurers/Financial Information/Audit (see left hand side).　These have been devised based on practical experiences mostly at the County Council.　For more information, contact Steve Hill on Extension 7618.

Timescale

Completed forms should be returned to Carl Griffiths, by 1st March 2002.

CURRENT CATEGORISATION OF PARTNERSHIPS
(**DRAFT & INCOMPLETE, 10th APRIL)**

Lead Dept	Partnership	Category
ISU	E-Government Programme	Formal
Educ	Early Years Development	Formal
Educ	Speech & Language	Formal
Educ	Traveller Education	Formal
Educ	Children & Young People	Formal
Soc	Drug & Alcohol Action Team	Formal
Soc	Care on Line	Formal
Soc	Disability Equipment	Formal
Soc	Supporting People	Formal
Lib	MAGNET	Formal
P&T	Sports Development	Formal
P&T	Harborough Highways	Formal
P&T	Leicestershire Development Agency	Formal
P&T	Business Issues Magazine	Formal
P&T	LSEP	Formal
P&T	Data4Business	Formal
P&T	Coalfields Regeneration	Formal
P&T	Bridging Communities	Formal
P&T	Joint Waste Management	Formal
P&T	Road Safety	Formal
CEx	Connexions	Formal
Educ	Area Child Protection	Semi Formal
Educ	Children's Fund	Semi Formal
Educ	East Midlands SEN	Semi Formal
Educ	Training of Psychologists	Semi Formal
Educ	Mental Health Strategy	Semi Formal

Lead Dept	Partnership	Category
Educ	School Sports Federation	Semi Formal
Educ	National Postage Association	Semi Formal
Soc	NHS Funded Nursing Care	Semi Formal
Soc	Learning Disability	Semi Formal
Soc	Welfare to Work Joint Investment Plan	Informal
Lib	Service Shops/Help Points	Semi Formal
Lib	Infolinx	Semi Formal
P&T	Leicestershire Rural Partnership	Semi Formal
P&T	Rural Transport (2)	Semi Formal
P&T	Quality Bus Partnerships (3)	Semi Formal
P&T	Loughborough Advanced Tech Initiative	Semi Formal
P&T	Leicestershire Economic Research	Semi Formal
Reg	Leicestershire Community Legal Services	Semi Formal
Reg	Leicestershire Consumer Support Network	Semi Formal
Educ	EMR Consortium (Hearing Improvement)	Informal
Educ	Early Years (2)	Informal
Educ	Operational Planning Group, SEWA (ETC)	Informal
Educ	E.M. Advisory Council Special Education	Informal
Educ	EM Principal Educational Psychologists	Informal
Educ	Trainee Educational Psychologists	Informal
Educ	RNIB/VIEW Curriculum Groups	Informal

Lead Dept	Partnership	Category
Educ	Educ Multi-Sensory/Management Network	Informal
Educ	Midlands Peripatetic Federation of Visually Impaired Children	Informal
Educ	Co-ordination of Services for children with complex needs	Informal
Educ	Ear Foundation	Informal
Educ	Deaf Education (DELTA)	Informal
Educ	Paediatric Audiology Interest Group	Informal
Educ	British Association of Education Audiologists	Informal
Educ	East Midlands Regional Consortium (Hearing Impairment)	Informal
Educ	British Association of Teachers of the Deaf	Informal
Educ	Early Years District Forum	Informal
Educ	Employer Liaison Group	Informal
Educ	Early Years Development Network	Informal
Soc	Older Persons Policy Board	Informal
ISU	Harborough Learning Network	
CE	County and District LSP's	Informal
Lib	CHAIN	Informal
P&T	FABLE	Informal
P&T	National Forest Advisory Group	Informal
P&T	Ashby Woulds Regeneration Forum	Informal
P&T	Central Leics Transport Joint Members Steering Group	Informal
P&T	Transport Business Partnership	Informal
P&T	Ashby Town Centre Enhancement Joint Members Steering Group	Informal

Lead Dept	Partnership	Category
P&T	Melton & Charnwood Floods Task Force	Informal
P&T	Grantham Canal Group	Informal
P&T	NW Leicestershire Tourism Forum	Informal
P&T	Leicestershire Sport & Physical Recreation Advisory Council	Informal
P&T	Leicestershire, Leicester & Rutland Disability Sports Federation	Informal
P&T	Rights of Way Advisory Group	Informal
P&T	Tourism Forums (4)	Informal
P&T	Shepshed Partnership	Informal
P&T	Leicester & Leicestershire Freight Quality Partnership	Informal
P&T	Leicester & Leicestershire Motorcycle Forum	Informal
P&T	Biodiversity Action Plan Forum	Informal
P&T	Stepping Stones	Informal
P&T	Grantham Canal	Informal
P&T	Leighfield Forest	Informal
P&T	Soar/Wreake Initiative	Informal
P&T	Leicestershire Air Quality Forum	Informal

N.B. Museums Department has identified 15 formal/semi formal partnerships, that are currently being categorised.

Mus	Spinning the Web (NOF) with Leicester City Council
Mus	Biodiversity Action Plan
Mus	Heritage Watch (HLF)
Mus	NEXT plc – emerging partnership through Arts and Business
Mus	Century Theatre: Blue Box management
Mus	Friends organisations – Charnwood Donington le Heath Melton Harborough Coaltracks Record Office Leicester and Leicestershire Museums
Mus	National Museum Coalmining Group
Mus	Loughborough University/Snibston
Mus	De Montfort University/Snibston
Mus	Watch Groups
Mus	Forum for Independent Museums
Mus	Cybernind
Mus	Harborough Digitisation
Mus	Gallery of the Future
Mus	This is Lutterworth (SRB funded community partnership scheme)

Not yet categorised.

Soc	Mental Health Trust
P&T	PLN
P&T	PLaN