

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 24 NOVEMBER 2015

REPORT BY DIRECTOR OF FINANCE AND SUPPORT SERVICES

ANNUAL REVIEW OF PARTNERSHIP RISK REGISTER

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To review the current partnership protocol for East Herts Council and provide an update to Corporate Business Scrutiny Committee.

RECOMMENDATIONS FOR CORPORATE BUSINESS SCRUTINY:
that:

(A)	The partnership protocol be reviewed to focus only on those partnerships where formal assurance processes were not in place.
(B)	The register of partnerships is replaced by the “map” of shared services.

1.0 Background

1.1 On 30 November 2010, Corporate Business Scrutiny approved a “Partnership Protocol”, which set out expectations and requirements for managing risks associated with partnership working. This included a register of all partnerships East Herts Council is involved with and a toolkit for entering and exiting partnership arrangements. The original protocol is attached at **Essential Reference Paper B**. Reviews have since been undertaken on an annual basis, the outcome of which is reported to Corporate Business Scrutiny.

2.0 Report

2.1 The partnership protocol was produced during a time at which East Herts Council was engaged in multiple arrangements with different levels of associated risk. The protocol was designed to help understand and manage those risks corporately.

- 2.2 A number of changes have occurred in the overall landscape of partnership working since 2010 which provide a strong context for reviewing the relevance of the partnership protocol. These include:
- 2.2.1 The definition of partnership working has changed substantially within the last five years. The term can be used to describe any relationship between two or more organisations however there are now many different types of governance arrangements in existence to run these partnerships (both in East Herts and nationally). The term 'partnership' is regularly used to describe shared service arrangements (eg. between East Herts and Stevenage Borough Council to deliver Information and Technology Services to each other), contractual arrangements (eg. between East Herts Council and WENTA to deliver business start up advice to residents) and informal arrangements where East Herts Council contributes officer time and other resources but where there are no formal arrangements in place (eg. the Herts Sustainability Forum).
 - 2.2.2 National imperatives to reduce overall expenditure and increase efficiency has reduced the volume of informal partnership working councils are undertaking. This has been evident over the past five years at a countywide and regional level, with East Herts Officers no longer involved in networking/ sharing best practice partnerships (eg. Herts Performance Network, Herts Economic Development Group). Where there is no direct outcome or tangible benefit to be gained from spending officer time at these events, officer involvement has mostly ceased or frequency of attendance greatly reduced.
- 2.3 As a consequence of both the above each service within East Herts Council is constantly evaluating the value for money and outcomes derived from any partnership activity. There has been a general drive towards focusing resources on partnerships that provide measurable benefits and outcomes for East Herts Council and residents.
- 2.4 **Essential Reference Paper C** illustrates all the major types of partnership working that East Herts Council is currently involved with. It is clear that most partnership activity is now underpinned by formal mechanisms and agreements to ensure value for money and tangible benefits (eg. shared services delivery, contracted or commissioned services).

- 2.5 Where a partnership takes on more formal arrangements, relevant controls, checks and balances are applied as part of the Council's overall governance standards. These include:
- 2.5.1 Risk management - any significant business risks are incorporated into the Strategic risk register. Operational risks are recorded on departmental risk registers. These are discussed regularly at team meetings, quarterly at Departmental Management Team meetings and Corporate Management Team and thoroughly reviewed annually as part of the service planning process. The Strategic Risk Register is submitted to the Executive and to Audit Committee. (All risks and controls can be viewed by Members on the Council's performance management software, Covalent).
- 2.5.2 The Shared Internal Audit Service (SIAS) also has an annual programme based on risk areas and issues. Risks associated with major partnership activity is included. For example in 2015 an audit was undertaken on benefits realisation of shared services (Revenues and Benefits Services and Business and Technology Services) and recommendations are shortly to be made to Audit Committee.
- 2.6 The protocol was originally agreed when the majority of partnership activity undertaken by East Herts Council focused upon informal sharing of resources between two or more parties. Since then the breadth and depth of partnership working has increased significantly and the term is used to cover a multitude of different relationships (underpinned by different governance arrangements and proportionate assurance procedures). The usefulness of the protocol is therefore becoming increasingly marginal as a tool to manage risk.
- 2.7 It is proposed that the protocol be reviewed to:
- Specifically focus and apply to those partnerships which are not subject to internal assurance procedures (ie. informal partnerships)
 - Replace the partnership's register with the partnership map (see Essential Reference Paper B). This will be maintained and updated on an annual basis
 - Publish the new protocol on the Council's intranet as a toolkit and checklist for all officers entering new partnership arrangements or reviewing current arrangements

- Direct Heads of Service to the toolkit during their service planning process. The value for money in any partnership activity will therefore be considered on an annual basis.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

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