

Financial Procedure Rules

Appendix E - External Arrangements

Partnerships

Why are these Important?

- 5.01** Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 5.02** Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

General

- 5.03** The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk;
 - (b) the ability to access new resources;
 - (c) to provide new and better ways of delivering services; and
 - (d) to forge new relationships.
- 5.04** A partner is defined as either:
- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or
 - (b) a body whose nature or status give it a right or obligation to support the project.
- 5.05** Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in association with others;
 - (b) acting as a project funder or part funder; and
 - (c) being the beneficiary group of the activity undertaken in a project.
- 5.06** Partners have common responsibilities:
- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;

- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;
- (c) to be open about any conflict of interests that might arise;
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
- (f) to act wherever possible as ambassadors for the project.
- (g) to work with the Council to ensure compliance with data protection legislation.

Key Controls

5.07 The key controls for authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the authority's financial regulations and financial procedure rules;
- (b) to ensure that risk management processes are in place to identify and assess all known risks;
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences; and
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- (f) to comply with the Data Protection Act 2018 and UK General Data Protection Regulations (GDPR).

Responsibilities of the Finance Director

5.08 To advise on effective controls that will ensure that resources are not wasted.

5.09 To advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years;
- (b) risk appraisal and management;
- (c) resourcing, including taxation issues;
- (d) audit, security and control requirements; and

- (e) insurance and procurement issues.

5.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Chief Officers

5.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Finance Director.

5.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Finance Director.

5.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.

5.14 To consider potential liabilities that could be imposed on the Council.

5.15 To ensure that all agreements and arrangements are properly documented.

5.16 To provide appropriate information to the Finance Director to enable a note to be entered into the authority's statement of accounts concerning material items.

5.17 To ensure privacy impact assessments (where applicable) and data sharing agreements are in place if personal data is to be processed and shared.

External Funding

Why is this Important?

5.17 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Grants from external agencies such as the National Lottery and UK Funding provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the authority's overall plan.

Key Controls

5.18 The key controls for external funding are:

- (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
- (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Full Council; and

- (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Finance Director

- 5.19 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.
- 5.20 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 5.21 To ensure that audit requirements are met.

Responsibilities of Chief Officers

- 5.22 To ensure that all claims for funds are made by the due date.
- 5.23 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.

Work for Third Parties

Why is this Important?

- 5.24 Current legislation enables the authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

Key Controls

- 5.25 The key controls for working with third parties are:
 - (a) to ensure that proposals are costed properly in accordance with guidance provided by the Finance Director;
 - (b) to ensure that contracts are drawn up using guidance provided by the Finance Director and that the formal approvals process is adhered to; and
 - (c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of Finance Director

- 5.26 To issue guidance with regard to the financial aspects of third party contracts.

Responsibilities of Chief Officers

- 5.27 To ensure that the approval of the Executive is obtained before any negotiations are concluded to work for third parties.

- 5.28** To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Finance Director.
- 5.29** To ensure that appropriate insurance arrangements are made.
- 5.30** To ensure that the authority is not put at risk from any bad debts.
- 5.31** To ensure that no contract is subsidised by the authority.
- 5.32** To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 5.33** To ensure that the team has the appropriate expertise to undertake the contract.
- 5.34** To ensure that such contracts do not impact adversely upon the services provided for the authority.
- 5.35** To ensure that all contracts are properly documented.
- 5.36** To provide appropriate information to the Finance Director to enable a note to be entered into the statement of accounts.

Procurement through Partnering Guidelines

With Best Value procurement increasing the focus on competitive purchasing practices in the public sector, contracting is becoming increasingly sophisticated and the aim of partnering is to secure maximum benefits for local authorities.

Partnering is one of the more advanced contract management techniques which embraces joint management, process measurement and improvement tools to achieve enhanced contract performance and improved customer service.

Advanced models of partnering include strategic alliances and facilities management arrangements – from both long-term supply relationships of strategic importance to customer service delivery.

In partnering arrangements, suppliers and contractors are selected using a multi-criteria selection process based on functional and performance-based specifications. Partners are also selected on reputation, their own ability to control and improve business processes, their understanding of the vision, mission, values and objectives of the Authority and for their ability to become part of a team. In these contracts innovative payment arrangements can result from a greater appreciation of Value for Money and understanding of supply / demand economics.

One of the important elements of partnering is that partners share the benefits and the risks in equal measure. For example, cost savings could be shared, as could profit, and both parties will share common objectives focused on achieving the desired outcome, and will have equal access to, and openly share, information and knowledge.

Through 'Re-thinking Construction' (the Egan Report) the Government are keen for local authorities to explore new ways of working and part of that agenda is to try and get away from the adversarial nature of some contracts through working in partnership with the private sector.

Partnering is more likely to be appropriate for large complex projects or where service delivery suits an open, joint management arrangement. It is not, therefore, suitable in all situations. Partnering should be adopted in situations where strategic gains in cost and quality can be delivered and where service requirements are complicated or continuously developing.

Partnering strengthens relationships with contractors and suppliers, and is arranged through normal contracting processes in accordance with established procurement procedures. Active contract management techniques are employed to ensure the contract requirements are delivered. The contract should be re-tendered periodically to ensure open competition and best value for money.

The Partnering Process

CONTRACT PLANNING

PLANNING

- identify customer needs
- assess risks and issues
- consider partnering and remuneration options
- consider procurement plan/strategy



CONTRACT INFORMATION

TENDERING

- establish selection criteria
- issue public tender inviting partnering proposals
- evaluate proposals and remuneration models



PARTNERSHIP WORKSHOP

- set common objectives
- develop issue resolution process
- establish joint management structure
- establish action plans



CONTRACT MANAGEMENT

THE CONTRACT

- include deliverables/outputs
- develop performance criteria
- incorporate performance measures
- prepare contract management plan



IMPROVEMENT

- monitor performance
- measure customer satisfaction
- plan-do-check-act
- active contract management



CONTRACT RENEWAL

- evaluate contract
- re-tender to ensure open competition
- re-award contract

Planning

Partnering should be considered for contracts that are critical, strategically important or require an innovative approach. Preparing a procurement plan is particularly important for strategic, innovative or complex projects or where the contract value is high (e.g. likely to exceed £1 million). This plan should provide a checklist of key issues and set out the specific services that are critical to core business activities.

The Council needs to clearly define customer needs (which of course are dynamic) and this information should be incorporated into the tender specification and used throughout the lifecycle of the contract, and particularly to monitor the contractor's performance.

Consideration should also be given to intellectual property ownership, payment mechanisms and associated incentives, which will form an important element of the partnering arrangement.

In establishing a partnering contract the risks and human resource issues, such as employment status and possible union involvement, should be considered. The financial and legal responsibilities of all parties should also be identified at the planning stage and a contract management plan should be developed.

Tendering

The partnering selection process follows normal tendering guidelines and results in a formal contract.

As part of the tendering process, an appropriately skilled selection team should be used to develop performance based selection criteria (which may include the extent to which risk is proposed to be shared) to be used during evaluation. Partnering proposals and remuneration models should then be evaluated against the predetermined selection criteria and contracting objectives.

The selection team should conduct a due diligence process to ensure the recommended tenderer has the capacity, including financial viability, to fulfil the contractual obligations.

Partnering Workshop

The purpose of the partnering workshop is to establish a sense of joint mission and set common objectives and guidelines for the further development of the relationship.

Issue resolution processes, joint management structures and action plans are developed during partnering workshops.

It is important that the people who have the greatest influence in making the relationship work, not just senior management, attend the workshops.

Senior managers should attend if they play an active role in work processes, or if their presence is considered necessary to demonstrate commitment.

The Contract

Partnering relationships are commercial contracts that require performance measures. Rigorous contract management and performance reviews are required to ensure contract obligations are delivered.

Most partnering relationships are also outlined in a non-binding Partnering Charter (see Appendix 1) which formally details the mission and objectives of the partners and demonstrates the commitment of the key people involved.

Improvement

Continuous improvement in partnering involves a team approach to determine whether work processes are meeting the needs of customers, and where necessary, to improve them.

Performance measures are established and regularly monitored, and combined with customer satisfaction measures, provide valuable data for continuous improvement.

Joint process improvement teams should be established to investigate problems or pursue improvement opportunities.

These teams should be trained in the partnering philosophy, team development, conflict resolution, the Plan-Do-Check-Act improvement cycle, and quality improvement techniques.

Contract Renewal

The rules of transparent and fair competition, accountability and probity must also be observed in the renewal of partnering contracts.

When a formal partnering contract expires it should be evaluated against the contract objectives and then publicly tendered again to ensure open competition.

This tendering process will encourage competitive tenders and allow innovative offers to be received. This will result in the best value for money solution when the contract is re-awarded.

Principles of Partnering

Partnering relationships should be established according to the following principles and everybody involved in the partnering arrangement needs to understand and accept these principles.

Commitment

Partnering requires considerable effort, innovation and patience. The sharing of financial information or “open book” accounting would be fundamental to this commitment.

Common Objectives

Partners must identify, understand and support each other’s objectives. Partners work together to translate their individual objectives into common objectives, and strive to achieve the same goals.

Open and Honest Communication and Trust

Partnering establishes principles and systems for the timely and accurate exchange of information to develop trust and efficient management. Business relationships could suffer through the guarding of information and poor responsiveness.

Ethical Behaviour

High ethical standards are fundamental to partnering and the conduct of all parties must be totally transparent and ultimately accountable.

Teamwork

A team approach (and there is no reason why end users cannot be represented on the team) is essential in partnering and lays the foundations for continuous improvement. Teamwork builds trust and keeps the relationship successful. It is also a good means of resolving problems.

Partnering Tips

The introduction of partnering into a public authority should be carefully planned, with the following issues considered:

- Partnering is about value for money, exploring new ideas and sharing risk and reward.
- Partnering works best within an environment that understands quality management, customer focus, process improvement, participative leadership, and team practices.
- Partnering should be endorsed as corporate policy.
- Partnering should be phased in slowly to allow a cultural transition to take place.

Successful partnering arrangements have considered the following:

Education

Partnering requires a new way of thinking within a public authority. Suppliers and contractors should be seen as an extension of the public authority and treated as members of the team, informing and educating those involved is critical.

Personalities

The key personnel involved in partnering are critical to the success of the relationship. These relationships need to be developed; changes to these personnel can impact on the effectiveness of the arrangement and need to be managed.

Resolution Procedures

It is essential that partnering arrangements include effective and clearly defined conflict resolution procedures that work.

Win-Win Outcomes

Effective partnering is built on a continuing recognition that the arrangement results in win-win outcomes for all parties.

Customers

Do not lose sight of the fact that we provide services for our customers. A suitable mechanism needs to be put into place:

- to evaluate services from their perspective;
- to take account of their views;
- to involve them as appropriate in service development proposals;
- to show them that we care.

10 Basic Questions about Partnering Answered

1. What is a Partnering Arrangement?

The legal definition of a partnership is that of two or more parties coming together, usually (but not always) to exploit a commercial opportunity. Partnerships can be project based, time based or open-ended. One of the important elements to a partnership is that the partners share both the benefits and the risks in equal measure.

2. Why Partner?

Partnerships can produce economies of scale, encourage greater capital investment, capture specialist skills and knowledge and produce better operational management.

3. Are they likely to affect me?

Recognising the Value for Money regime you should always be trying to think of other means of provision that improve on existing arrangements, and potential partnerships should be considered. Partnerships in the true sense of the definition are unlikely to be significant in number, however the potential for altering the way we work and our attitude to contractors as outlined in this paper are likely to have a far more significant impact.

4. Don't the current rules prevent partnership arrangements?

The Council's Financial Regulations and Financial Procedure Rules have been reviewed in the light of the requirement to demonstrate Value for Money and developments in partnership arrangements. It is quite possible to enter into partnership arrangements by utilising the current Rules.

5. This document talks about partnerships and continuing competition. Aren't the two opposites?

No. Whilst partnership contracts will probably be for longer periods than more conventional contracts, they will not be infinite. Renewed competition from time to time has the benefit of testing value for money, as well as preventing complacency and too cosy a relationship developing.

6. How do I get started?

You should above all have a vision for the service concerned, and this could be informed by the outcome of the fundamental performance review. A market analysis is the usual starting point (indeed the market players will almost certainly want to know whether there is to be an in-house competitor). A combination of any or all of the following would be classed as a market analysis:

- an advertisement in appropriate trade journals could invite proposals (this may also have the effect of stimulating a market where currently it is weak);
- questionnaires could be sent to selected suppliers to ask how they could add

- value through partnership arrangements;
- other local authorities (UK and world-wide) could be asked for their approach;
- compile a 'scrapbook' of successful partnership arrangements with suppliers.

Neutrality and lack of bias is important, and you should be careful that any subsequent specification does not reflect one supplier's product.

At this stage no decision has been made to procure therefore the public procurement rules do not yet apply. But once you have made that decision you must follow the rules as set out in the Contract Procedures and the UK's public procurement rules.

7. Is there anything wrong with talking to the private sector?

Fundamental performance reviews will in any event require you to talk to and learn from the private sector. These discussions may help form a view that a partnership may be beneficial to the delivery of a particular service. You should however be even-handed in your approach and document all discussions.

The private sector is aware of the Government's initiatives on partnerships and you may well have already received approaches. There is some truth in the suggestion that some private sector companies see partnerships as a means of obtaining work without the rigours of competition. That is not the case.

8. Is there such a thing as a free lunch?

No. It is extremely unlikely that you will be approached through purely altruistic motives and you should bear that in mind at all times. Whilst these need not be rejected out of hand, you should ask yourself whether to proceed would affect your long term strategy or lock you into some arrangement from which you could not extricate yourself, or only at a cost. For example the offer of free software may limit or close off future choices. The receipt of anything free may induce a false feeling of loyalty and influence future decisions or strategies.

The personal receipt of any such offers is of course covered by the Council's Codes of Conduct and Financial Regulations.

If the private sector approaches you, you must carefully weigh the proposal against your overall strategy. If further consideration of the proposal would benefit that strategy, then do so. You should always warn any person making an approach that if the Council was to proceed then it would more than likely result in a procurement exercise. Thus they should not reveal anything which later may be interpreted as a breach of confidence (or indeed copyright). Acting without bias is important and it is always wise to document what has happened. If you are concerned that your position is becoming compromised you should discuss the issue with your line manager.

9. How will partnering differ from traditional contracts?

The whole thrust of partnering is that it requires a change of culture away from more traditional attitudes of "them and us". In addition partnerships may well embrace issues like Open Book Accounting, Continuous Improvement, Price Benchmarking and Annual Performance Reviews (service and product reviews; customer

satisfaction; etc).

10. What if I choose the wrong partner?

A rigorous procurement process should enable you, with clear evaluation criteria to select a suitable partner. There may be occasions when the partnership does not work out or the costs far outweigh the benefits. Whilst mechanisms can be built into contracts to reduce the likelihood of this occurrence, they can never provide complete protection. Means by which differences can be resolved quickly and amicably (by an independent arbitrator if necessary) should be agreed from the outset.



Appendix 1 – Partnering Charter

Most partnering relationships are outlined in a non-binding partnering charter document. The purpose of the charter is to detail the mission and objectives of the arrangement and to demonstrate the commitment of the key people involved. The following is a typical example of a partnering charter.

PARTNERING CHARTER

Our Mission Statement

To complete the project on time, within budget, to specified standards and to the satisfaction of all key stakeholders

Common Objectives

- Shared goals
- Complete on time
- Complete on or below budget
- Fair return to the Contractors
- No adverse effects on the environment or to public amenities
- Enhance reputations
- Customer satisfaction
- Work together in the future
- No disputes
- Safe construction
- Good Working Relationships
- Minimal disruption

Supported By

(Note: The ‘Partnering Charter’ will be different for every partnership arrangement. The above Charter, taken from a construction project partnership, is one example only.)

Partnership Assessment

Effective partnerships can make all the difference but can be time and resource intensive, and without a clear focus resources can be spread too thinly and their impact dissipated. Government expectations are high and there needs to be a continuing drive for efficiency and effectiveness in partnership working.

The key features of a successful partnership are:

Action Focus

- Shared values and agreed long-term vision of what it wants to achieve.
- Effective use of input and feedback from local community and businesses.
- Makes a positive impact, adding value and ensuring it is not working in isolation.

Efficiency

- Structure is conducive to decision-making with members reflecting the views of the organisations they represent.
- Resources matched to aims, objectives and plans.
- Effective administrative support and communications.

Inclusivity

- Membership reflects the purpose of the partnership.
- Ensures that all partners have the capacity to be fully engaged in the partnership.
- Works democratically with accountability to stakeholders and decisions open to scrutiny.

Learning and Development

- Learns from best practice, stakeholders and consultations.
- Makes use of a range of skills and expertise of partnership members.
- Adapts to a changing environment.

Performance Management

- Process includes clear milestones, outcomes, performance indicators and delivery dates.
- Partners deliver what they have signed up to and share information to support planning and management.
- Partners resources used effectively to meet the aims of the partnership.

Framework for Partnership Working

Introduction

Working in partnership with other organisations to deliver both individual and jointly agreed outcomes is now a core requirement in delivering effective public services. Due to recent legislation and other policy initiatives local authorities are increasingly expected to initiate, lead and engage in partnership working.

Partnerships are considered to be a more effective way to tackle highly resistant and complex problems. A partnership approach ensures co-ordinated action by agencies across a range of service and policy areas.

Partnerships also ensure that businesses, the voluntary sector and the community get involved, thus enabling them to identify problems and root causes, contribute their unique skills and perspectives, and play a part in developing consensus and ownership. It can also be a more efficient and effective use of scarce resources.

Purpose of the Framework for Partnership Working

The purpose of this framework is to provide a checklist for officers of Wyre Borough Council who are considering involving the Council in either a partnership body or a partnering contract.

Every partnership body and partnering contract will have its own characteristics and it is not possible to cover every eventuality. The general information set out below, and use of the relevant checklist should, however, provide a good basis for serving to make the partnership work and to achieving the benefits of working in partnership.

Partnership Working and the Council Plan

The Council Plan sets out its vision and priorities for a four-year period, highlighting the issues upon which we have decided to focus and the key actions that we commit to undertake in order to ensure that our vision is realised. Our vision is 'Wyre – proud, ambitious and thriving... Together we make a difference'

The Council is keen to 'work collectively with Ward Councillors, Parish and Town Councils, community groups and other partner organisations to identify local issues and priorities'. In addition to Parish Councils the Borough has a network of community and residents forums which meet regularly and which Ward Councillors attend. The engagement network includes:

- ✓ The Health and Wellbeing partnership;
- ✓ The Community Safety Partnership;
- ✓ The Youth Council;
- ✓ The Children's Trust;
- ✓ Wyred Up – representing local business interests;
- ✓ Parish and Town Councils;

- ✓ Residents Groups;
- ✓ Friends Groups;
- ✓ Police and Community Together (PACTs); and
- ✓ Chambers of Trade.

The Council Plan clearly identifies the importance of partnership working in achieving objectives across a wide range of areas of work and it is important that we understand how effective these arrangements are.

What is a Partnership Arrangement?

There is no authoritative definition of partnership arrangements in this context but the Council has adopted the following general definition of partnership working: 'Those agreed methods of working together as an integrated and co-ordinated team to achieve common objectives and shared benefits'.

Types of partnership that will be subject to this framework include:

Charities and Trusts

Increasingly, local authorities have been setting up bodies with charitable status to provide services that had previously been provided directly by the local authority, in areas such as housing, leisure and social services.

Sometimes it can be advantageous for Councils to be involved in setting up companies for specific purposes. Such partnerships become a body corporate in their own right having their own legal status. These can be companies limited by shares or guarantee, where the partner's liability for any company debt is limited to the guarantee they made when the company was formed - normally a notional amount. They are usually not-for-profit bodies with income being ploughed back into the partnership activities. They can enter into contracts on their own, buy and sell assets, sue and be sued and distribute assets on dissolution.

Such partnerships are regulated by the Companies Act 1985, although similar arrangements can be made using Industrial and Provident Societies, which would be a company under the control of the Registrar of Friendly Societies and therefore outside mainstream Company Law.

Why Enter Into a Partnership?

Partnerships play a key role in the delivery of community strategies and in helping to promote and improve the well being of the Borough. The Council will continue to deliver services, but recognises its distinctive leadership role in bringing together the contributions of its various stakeholders, including public sector agencies; private companies; community groups and voluntary organisations. Partnership working helps the Council to deliver a shared vision of services based on user wishes.

The main reasons for entering into a partnership are:

Co-Ordination

Systematic and regular communication between partners helps to avoid duplicating each other's work or inadvertently working against each other. It also helps partners find new ways to share risk and benefits and allows agencies to plan further ahead more confidently.

Creating More for Less

By pooling resources partners can achieve economies of scale and look at ways of accessing additional resources.

Tackling Complex Problems

By bringing a broader range of perspectives, knowledge, information, strengths and skills to bear partners can provide new and better ways of delivering services and implementing actions to tackle complex or multi-dimensional problems.

Building Consensus

Partners can work together to find mutually acceptable solutions and proposals, thereby building relationships and developing joint ownership and commitment. Partners can also deal with differences of interest within a partnership in a co-ordinated and constructive way, rather than working against each other.

What is Involved in Setting Up a Partnership Arrangement?

Council's Interests

In developing any partnership body or partnering contract, it is necessary to fulfil the following two basic requirements:

- ensure that the essential elements of good management are present, that the process is well controlled and that the new arrangements for service delivery result in demonstrable service improvement; and
- that any risks associated with the proposed new arrangement for service delivery have been assessed and procedures put in place to effectively manage those risks.

Partner Relationships

A partnership body and/or a partnering contract will involve a relationship between parties which is designed to serve shared objectives based on:

- a shared understanding of those objectives, and the aspirations of the parties;
- a non-confrontational relationship based on trust and openness, but nevertheless the need for formal arrangements to be established;
- a recognition of the diverse skills and expertise of the parties facilitating development and innovation;
- a recognition of the need to share the benefits resulting from joint working;
- a sharing of information; and
- the need to work closely towards the resolution of disputes that may arise, to avoid wherever possible recourse to more formal procedures.

Legal and Financial Relationships

Partnership bodies and partnering contracts involve complex legal and financial relationships. It is, therefore, essential that the Finance Director and the Legal Services Manager are contacted at the outset whenever consideration is being given to involving the Council in either of these types of relationship.

Advice and support on effective controls to ensure that resources are not wasted and on the key elements for funding and managing the project will be provided by the Finance Director and the Legal Services Manager. This may include:

- a scheme appraisal for financial viability in the current and future years, in line with the Council's Medium Term Financial Plan;
- risk appraisal and risk management;
- resourcing implications and taxation issues;
- audit, security and control requirements;
- budgetary and accounting arrangements;
- insurance and procurement issues;
- application of Financial Regulations including contract procedures;
- consideration of potential liabilities that could be imposed on the Council; and
- arrangements for reporting partnership issues to Elected Members and for consulting with current and potential partners.

Other Professional/Specialist Advice

Depending upon the particular partnership arrangements being entered into, it will be advisable to involve other relevant professionals/specialists. The officer instigating the partnership arrangement should, at the earliest opportunity and in discussion with colleagues throughout the Council, identify what other professional/specialist advice, such as advice from Legal or Human Resources, needs to be taken and make the necessary arrangements.

Approval by the Executive

A report should be presented to the Executive for approval for the partnership arrangement to be entered into. The report should take into account the professional/specialist advice, as referred to above, and set out the aims and objectives of the partnership. The report should also, nominate the Council's lead officer in respect of the partnership and set out the arrangements and frequency for reporting to Elected Members on the performance of the partnership against its stated objectives. In this respect, annual reporting of the partnership's activities should be regarded as the minimum frequency.

Where any partnership arrangements are entered into, actions should also be taken to ensure that all partner organisations, including the Council, are fully aware of the arrangements for communication and sharing of information.