

<b>Report of:</b>	Director of Legal and Governance Services
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<b>Submitted to:</b>	Corporate Affairs and Audit Committee
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<b>Date:</b>	29 September 2022
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<b>Title:</b>	Partnership governance – first annual report
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<b>Report for:</b>	Information
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	All
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<b>Key decision:</b>	Not applicable
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<b>Why:</b>	Not applicable
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<b>Urgent:</b>	Not applicable
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<b>Why:</b>	Not applicable
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### **Executive summary**

This report sets out the arrangements in place to assess the health of existing partnerships where Middlesbrough Council is a member, in some form.

The report sets out plans to further refine this assessment for the next annual assessment to include assessment against a minimum standard for partnerships and plans to develop a complementary supporting governance framework for wholly and partly owned arm's length local authority companies.

## **Purpose**

1. The purpose of this report is to outline the Council's Partnership Governance Policy and set out information on the current levels of compliance with that policy.

## **Background and relevant information**

2. The Partnership Governance Policy has been in place since it was approved by Executive in February 2020.
3. The policy defines a partnership as 'an arrangement in which the Council agrees to collaborate with one or more legally independent organisations to achieve shared objectives and outcomes'.
4. Partnerships are key to the Council achieving its strategic objectives and their importance will inevitably increase in the coming years. It is critical that partnerships are managed with the same diligence as the internal activity described above to ensure that their contribution to the Council's strategic aims and priorities are maximised.
5. The key elements of the policy are:
  - Each partnership will have a lead manager of appropriate seniority.
  - The business case for a partnership will be approved by the appropriate body in the Council before the Council formally enters into a partnership agreement.
  - All agreed partnerships will meet a minimum standard, with the level of detail required to be determined by the significance of the partnership in strategic and financial terms. This will include, for example, the partnership vision, aims and objectives, KPIs, governance arrangements, resourced action plan, and monitoring, review and dissolution processes. All formal partnership agreements and structures must be approved by Legal Services.
  - A partnership register will be maintained that lists and defines all partnerships, setting out how they contribute to the Council's strategic aims and priorities.
  - An annual review of the performance of significant partnerships will be integrated with the Council's performance management reporting and be informed by an assessment of the lead manager.
  - Training and guidance for those employees engaged in collaborative working will be provided.

### *Partnership Governance Register and Framework*

6. The Partnership Governance Register assesses the health of existing partnerships across the following principles:
  - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable economic, social and environmental benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the partnership's capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management

- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

## 2022 Partnership Governance Register

7. Since the policy has been live, no annual review has been completed. This year will complete that action for the first time. Lead officers have completed a self-assessment for each of the 16 significant partnerships that existed during 2021/22, which have been assessed as follows:

Name of partnership or separate legal entity	Statutory	Significant	Governance	Performance
Tees Valley Combined Authority (TVCA)	Yes	Yes	Green	Green
River Tees Port Health Authority	Yes	Yes	Green	Green
South Tees Health and Wellbeing Board	Yes	Yes	Green	Amber
North East Migration Partnership	No	Yes	Green	Green
Middlesbrough Community Safety Partnership	Yes	Yes	Green	Amber
Middlesbrough Children's Trust	No	Yes	Green	Amber
Middlesbrough Children's Improvement Board	No	Yes	Green	Amber
South Tees Safeguarding Children's Partnership	Yes	Yes	Green	Amber
Teeswide Safeguarding Adults Board	Yes	Yes	Green	Green
Middlesbrough Environment City Trust Ltd	No	No	Green	Green
North East Procurement Organisation (NEPO)	No	Yes	Green	Amber
Cleveland Local Resilience Forum (LRF)	Yes	Yes	Green	Green
Youth Offending Executive Management Board	Yes	Yes	Green	Green

8. While partnerships are assessed as being generally in a sound state by the lead officers who self-assessed compliance with governance standards, some marked performance as amber where outcomes are less able to be articulated or because performance is below target / below national average. The position in relation to each of the partnerships identified as amber for performance and planned actions to address that status are set out below:

Partnership	Issue	Planned action	Target date	LMT lead
South Tees Health and Wellbeing Board	There are currently no Key Performance Indicators (KPIs) in place to measure delivery of the current overarching strategy although longer term targets exist and there are detailed metrics to measure delivery of supporting strategies	Within the planned refresh of the overarching South Tees Strategy in 2023, a supporting performance management framework will be developed to measure the effectiveness of actions to	December 2023	South Tees Joint Director of Public Health
Middlesbrough Community Safety Partnership	Performance metrics are in place however only 50% of them are on target, therefore this has been identified as amber because of performance however a number of metrics are not within the direct control of the partnership	Conduct the planned review of KPIs as part of the planned refresh of the Community Safety Plan	March 2023	Director of Environment and Communities
Middlesbrough Children's Trust	KPIs to measure impact have started to be developed	Put in place agreed KPIs and performance management framework for the partnership and finalise the children and young people's plan	September 2023	Director of Education and Partnerships

Partnership	Issue	Planned action	Target date	LMT lead
Middlesbrough Children's Improvement Board	KPIs are in place and performance is at 90% which is the target, however the board was assessed as amber because it is in place as a result of OFSTED determining that Children's services in Middlesbrough were inadequate in 2019	Continue to deliver improvements and continue to report progress on those as part of the Children's services improvement journey	Ongoing	Director of Children's Services
South Tees Safeguarding Children's Partnership	There are currently no KPIs in place to measure performance across the statutory partners, although the Council has performance monitors its work in relation to this area.	Develop arrangements to set out how the statutory partners will work together to identify and respond to the needs of children in the area and how the effectiveness of this work will be measured	September 2023	Director of Children's Services
North East Procurement Organisation (NEPO)	Although there is a business plan in place and the financial savings achieved from being within the partnership are kept under review, there is no wider set of KPIs in place to assess it.	Embed within the next annual assurance report on procurement to corporate Affairs and Audit Committee to set out the positive impact of membership of NEPO and explore creation of a performance data set with NEPO	September 2023	Director of Finance

9. In addition, a minimum standard was to be developed as part of the supporting policy. During 2022/23 this will be completed, and the next annual assessment will include an assessment against that, as well as an overall governance assessment of the health of partnerships.

10. As part of the completion of the annual assessment it was identified that there is a requirement to develop a complementary governance structure to assess wholly or partly owned Council companies that will provide a framework to consider:

- When a part or wholly owned company should be considered for establishment
- The required content of any business case to establish one e.g. clear evidence that the required business to be conducted could not be completed as effectively within the Council
- The minimum standard any company that is established should comply with for the purposes of demonstrating its effectiveness back to the Council.

11. There is a piece of work that will be developed during 2022/23 to develop a governance framework and supporting minimum standard that will be submitted to Executive for consideration. An action to deliver this has been included within the draft 2021/22 Annual Governance Statement.

### **What decision(s) are being recommended?**

12. That the Corporate Affairs and Audit Committee:

- Notes the current position of the Council in relation to compliance with the Partnership Governance policy
- Notes the planned inclusion of an assessment against the minimum standard for

- partnerships in the next annual assessment
- Notes the planned actions to strengthen governance in relation to performance management
- Endorses the proposal to create a governance framework to assess wholly and partly owned arm's length local authority companies.

### **Rationale for the recommended decision(s)**

13. These ongoing actions will support good practice in the Council's partnership governance arrangements and provide a framework for the assessment of current and future wholly or partly owned arm's length local authority companies.

### **Other potential decision(s) and why these have not been recommended**

14. Not applicable.

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

15. The proposed activity is consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

#### ***Strategic priorities and risks***

16. This report highlights current compliance with the Partnership Governance policy and planned actions to improve partnership governance. If delivered successfully this will have a positive impact on the strategic risk of failure of partnership agreements.

#### ***Human Rights, Equality and Data Protection***

17. There are no concerns that this report could have an adverse impact on these rights.

#### ***Financial***

18. It is anticipated that all activities set out in this report are achievable within existing and planned budgets.

### **Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
Develop a governance framework for the assessment of wholly and partly owned arms length local authority companies	Director of Legal and Governance Services	March 2023

### **Background papers**

Body	Report title	Date
Executive	Delivering the Strategic Plan	18 February 2020

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