

North Yorkshire County Council**Management Board 24 May 2016****Audit Committee 14 July 2016****Annual Report on Partnership Governance 2015/16****1.0 Purpose of report**

1.1 To provide an annual report on the governance of partnerships involving the County Council for the financial year 2015/16.

2.0 Background

2.1 Prior to a commitment being made to any partnership arrangement, approval is required in line with the County Council's Constitution, Financial Procedure Rules and Partnership Working Guidance.

2.2 The Audit Committee has previously agreed to receive an annual report on the governance of partnerships involving the County Council.

2.3 The development of the annual report provides a mechanism to ensure that partnerships and the resulting commitments are reviewed regularly and that the County Council is only involved with those partnerships which add value to the work of the Council.

2.4 Partnerships are within the scope of the annual report if they are characterised by one or more of the following conditions:

- strategic, in the sense that they will have a significant impact on the direction of services provided, at the level of County Council, Directorate or Community Plan themes and priorities;
- involve Members on the governing board;
- involve a financial input from the County Council of £50k a year or more;
- involve the County Council as accountable body for external grant funding to the partnership; or
- have a risk assessment arising from the partnership governance work of high or medium.

2.5 **Appendix 1** is a schedule of partnerships that were within the scope of this report as at 31 March 2016. The number and nature of partnerships changes from time to time and, as with all annual reports, the data within the appendix is a snapshot in time.

2.6 The County Council nominates Members to a wide range of outside organisations, some of which are partnerships and included in **Appendix 1**. However, the majority of outside organisations listed in the Constitution are not partnerships and the arrangements for reporting are set out in the Constitution.

2.7 This report also does not cover arrangements which are monitored in other ways, for example where the County Council is the sole or a significant shareholder in a limited company or part of a joint committee arrangement.

3.0 Principles for partnership working and key changes during 2015/16

3.1 The key principles for partnership working locally were agreed in 2010 by Local Government North Yorkshire and York (LGNYY):

- the minimum number and simplest of partnership structures, consistent with delivering the required outcomes and statutory requirements;
- a North Yorkshire and York approach to county / sub-regional partnership structures as far as possible, recognising that a degree of pragmatism will be required given the different local authority structures in North Yorkshire and York;
- local partnerships, including shared community engagement arrangements, at the most appropriate local level; and
- the use of task and finish groups to deal with particular issues, rather than standing thematic partnerships or sub-groups.

3.2 LGNYY also agreed that rationalising partnership structures is not about stopping partners working together - partnership working should be encouraged, but partnership structures should only exist where they add value and are efficient.

3.3 The following partnerships have been included in the appendix this year for the first time:

- Transforming Care (HAS) is a new Partnership aimed at building the right support in the community for people with learning disabilities, autism and behaviours that challenge following on from the Winterbourne scandal.
- The Health and Wellbeing Board (HAS) in 2015/16 developed and agreed a Joint Health and Wellbeing Strategy 2015-2020, which sets the direction and framework for change in the health and care system through delivery against 5 core themes 'Start Well, Live Well, Age Well, Dying Well, Connected Communities'. The Board has also approved a new Mental Health and Autism strategy and has continued to work to develop integration through the Better Care Fund plan.
- The involvement groups (HAS) cover issues that relate to all aspects of NYCC services and are therefore providing a corporate function with respect to citizen involvement.
- The Information Sharing Protocol
- Rail North Leaders Board / Leader Forum has progressed to become Rail North Ltd (RNL), and Transport for the North is a new body which has further developed the Northern Transport Strategy.

3.4 The following partnerships, which were included in the appendix last year, have been removed this year:

- Local Government Yorkshire and the Humber (disbanded 31 March 2015)
- North Yorkshire Coast Community Partnership (disbanded October 2015)
- Joint Commissioning of Speech Language and Communication. Although this continues to operate it has been removed from the appendix because it is a joint commissioning arrangement rather than a partnership.

3.5 No partnerships are identified as having a high overall risk rating.

3.6 All Directorates are continuing to review the number of partnership arrangements that officers are actively involved in, to determine their legal requirements, strategic importance and the impact if the partnership were to be dissolved.

3.7 In addition, as requested by the Executive when considering previous annual reports; individual Executive Members, in conjunction with officers of each Directorate, have given consideration to the governance and monitoring arrangements of partnerships relating to that Directorate.

4.0 Arrangements in place to monitor partnerships

4.1 **Appendix 1** includes for each partnership a summary of key achievements in 2015/16, priorities for 2016/17, arrangements for partnership governance and reporting, and a risk assessment. The appendix identifies a lead directorate for each partnership who, where appropriate, ensures the engagement of relevant services across the council.

4.2 As highlighted in previous annual reports, the wide range of partnerships, and their differing roles, means a 'one size fits all' approach to reporting is neither practical nor appropriate. In this context, reporting arrangements cover:

- key issues, including service issues,
- any specific issues relating to the management of the partnerships, and
- routine reporting on financial or other performance, highlighting variances to budgets or performance plans.

4.3 All reporting arrangements need to be appropriate and commensurate to the role of the partnership, and what it seeks to achieve. The term 'partnership' is used to cover a wide range of different approaches. Some (for example the Children's Trust), are a coming together of partners with separate budgets to jointly plan and align their own organisations activity. Others (for example Supporting People) are a delivery mechanism for joint budgets and joint decisions, where the County Council is the accountable body.

4. 4 Data from partnership working is included in a range of more general updates, including those submitted to the Executive as part of the Quarterly Performance Monitoring reports. There are some examples of formalised reporting of partnership matters, in the specific context of the partnership, back to the County Council at Executive, Executive Member or Area Committee level. However, more often the data from partnerships is not readily separated from the more general level of reporting, and in many cases to do so would result in duplication.
4. 5 It is necessary to ensure that the arrangements reflect appropriately the significance of the issues arising in the partnership within the overall framework of the monitoring arrangements involving Members. There is a need to avoid the risk of providing an unnecessarily detailed analysis for relatively small partnership working areas.
4. 6 The governance arrangements of all partnerships with a medium to high risk rating overall have been reviewed by officers from Legal and Democratic Services to ensure that robust arrangements are in place to protect the interests of the partnership and, in particular, of the County Council. The review considered all written governance documents of the partnership to check that they are fit for purpose. No concerns over governance arrangements have been identified. It is not proposed that low risk partnerships will be reviewed unless there are any exceptional reasons for doing so. If any concerns are identified, Legal and Democratic Services will liaise with the lead officer to offer advice and support and ensure that appropriate corrective action is taken to rectify such concerns. It is anticipated that that similar reviews will be undertaken on an annual basis.
4. 7 The 2012/13 annual report summarised an internal audit undertaken by Veritau in early 2013 to provide assurance that there are sound governance arrangements in place for partnerships. The overall audit opinion was that the controls in place provide Substantial Assurance, that is:
- there is good management of risk with few weaknesses identified; and
 - an effective control environment is in operation but there is scope for further improvement in identified areas.

All the elements of the action plan agreed following the internal audit have been completed satisfactorily.

4. 8 Veritau, as part of its 2015/16 workplan, undertook a review of elements of the York, North Yorkshire and East Riding Local Enterprise Partnership, including governance arrangements. The audit gave a substantial assurance rating.
4. 9 This is the sixth annual report presented to the Audit Committee. Over the last two years in particular there have been few issues to report about partnership governance issues. This has been due in part to:
- a reduction in partnerships in some areas;
 - a proportionate specific risk assessment being undertaken for all partnerships, as part of the NYCC general risk assessment to determine

the specific risks that should be monitored and mitigated against for the partnership; and

- a programme of governance reviews and audits being in place for medium to high risk partnerships.

5.0 Recommendations

5.1 It is recommended that the Audit Committee:

- (a) Receives this annual report on partnership governance;
- (b) Notes the arrangements in place to ensure good governance and reporting of partnership activity; and
- (c) Notes the contents of the schedule of partnerships that were within the scope of this report as at 31 March 2016 (Appendix 1).

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XX June 2016

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Appendices:

Appendix 1 - Partnerships that were within the scope of this report as at 31 March 2016