

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Audit Committee	19.3.07

FRAMEWORK FOR PARTNERSHIP WORKING UPDATE

PURPOSE OF REPORT

1. To provide Members with an update on the Council's Framework for Partnership Working.

RECOMMENDATION(S)

2. That the report be noted.

EXECUTIVE SUMMARY

3. This report updates members on the implementation of the Framework for Partnership Working approved by the Council's Executive Cabinet on 24th May 2007. The Council has now identified and published details of all of its partnership arrangements and has a formalised reporting structure geared to effectively monitor and report on performance.
4. The first monitoring report was presented to cabinet in October 2007, and for the first time cabinet members were able to consider, in one report, the performance of partnerships in the delivery of their objectives, together with governance and risk arrangements and financial stability. Additionally cabinet was updated on progress made against the internal audit report management action plan.
5. As anticipated, gathering data and information has been time consuming. However, this is a major change and will understandably take a little time to become fully embedded across the council.
6. Since the implementation of the framework a number of additional issues have been identified, including sustainability, equality and diversity and data quality. Arrangements to deal with these issues will be incorporated into the framework.
7. Overall this has been a positive transition, which has substantially improved our previous arrangements.

REASONS FOR RECOMMENDATION(S)

8. To keep Members informed of the performance of Key Partnerships in accordance with the Council's Framework for Partnership Working.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. None.

CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region	x	Improved access to public services	x
Improving equality of opportunity and life chance	x	Develop the character and feel of Chorley as a good place to live	x
Involving People in their Communities	x	Ensure Chorley is a performing Organisation	x

BACKGROUND

11. The 2006 Audit Commission Use of Resources Assessment referred to the lack of a satisfactory monitoring system for the performance of the Council's key partnership arrangements. To address this, an internal audit review on the management of the Council's partnerships and partnering contracts was carried out late 2006/early 2007 to establish the extent of the Council's current partnership working and the quality of the arrangements in place. A Management Action Plan to address any areas of concern was produced, together with a revised Framework for Partnership Working. This Framework was approved at Executive Cabinet on 24th May 2007.
12. The Framework recognises the importance of effective governance and management arrangements for partnership working and includes a number of governance controls and measures to ensure the success of the partnership and the achievement of the Council's strategic objectives.
13. The internal Audit Review found that the Council's partnership governance arrangements were generally sound in practice, although there was scope to make general improvements in the areas listed below.

General Governance Weaknesses
<ul style="list-style-type: none"> ▪ The evaluation of partners' governance arrangements ▪ Agreement/contract formalities ▪ Clarity of reporting lines ▪ Member involvement/ reporting/ public accountability ▪ Dispute resolution mechanisms ▪ Agreement over audit access ▪ Exit Strategies

14. The Management Action Plan itemises any areas of weakness or gaps to be addressed for each key partnership.
15. It is intended to report to Members on a bi-annual basis with a mid-term report each October and a second report reflecting performance for the full year in May.
16. All Directors with responsibility for key partnership arrangements will be consulted for each report and contribute to the completion of a performance summary table. See example at Appendix 1 from the October 2007/08 mid-term report.

KEY PARTNERSHIPS PERFORMANCE AS REPORTED AT OCTOBER 2007/08

17. A summary of the Council's key partnership arrangements including their value, organisations involved, main objectives and progress achieved against targets for the current year, is included at Appendix 1.
18. The CCH, Bolton MBC Health and Safety and Liberata Property Services partnerships are new partnerships established in 2007 and no issues of under performance have been highlighted at this stage.
19. The refuse collection and recycling partnership with Veolia (formerly Cleanaway) is due for renewal in April 2009 and there is therefore minimum scope for service development and improvement within the remaining contract period. A working group has been established to consider the options and procure a new partnership to deliver this service from April 2009 onwards. The current contract exceeded recycling and alternate weekly collection targets last year and no issues of under performance have been identified this year.
20. The CLS capital works are on programme with All Seasons Leisure Centre due to be completed by the end of September and Clayton Green Leisure Centre and Brinscall Baths due to be completed during 2007/08.
21. The Glendale Golf partnership is performing well with an 18% increase in usage of the course within the first 12 months of the partnership term. Planning permission for the new clubhouse has been obtained with work planned to start during third quarter and with a scheduled finish date of June 2008.
22. The Parkwise partnership is facilitated by LCC on behalf of the Lancashire districts. LCC had anticipated sufficient surplus on the car parks element of the contract to balance out an anticipated deficit on the on-street element of the arrangement. This has not proven to be the case and financial performance of this arrangement is now being reviewed with LCC to establish achievable targets compared to the original model.
23. The remaining partnerships including the Lancashire Contact Centre Partnership, the Chorley Local Strategic Partnership, and the Lancashire Waste Partnership are all well established arrangements and no significant issues have been highlighted at this stage.

MANAGEMENT ACTION PLAN PROGRESS (INTERNAL AUDIT REVIEW) AS AT OCT 07/08

24. The Management Action Plan includes a series of actions to address and take account of the issues, strengths and weaknesses identified during the initial internal audit review. A full copy of the Management Action Plan is included at Appendix 2.
25. The Director of Finance has now assumed corporate responsibility for the oversight of partnership working and this role has been added to the corporate procurement function.
26. A register of partnerships has now been published on the Council's web-site.
27. Internal Audit revisited their original review in September 2007 to establish what progress has been made on the weaknesses in governance arrangements identified. The final column at 4.11 of Appendix 2 shows progress achieved in governance arrangements at September 2007..
28. It is acknowledged that it is perhaps too soon to expect all improvements to have been made and internal audit intend to carry out a full post audit review before the end of the

financial year, the findings of which shall be included in the next (year end) partnerships report to Executive Cabinet.

29. Despite the above, significant improvements have been evidenced and noted in many partnerships. Outstanding or ongoing areas of work common to most partnerships appear to be in the evaluation of partners governance arrangements and the completion of joint risk registers, with the CCH, Bolton MBC, CLS, Glendale, Parkwise and LWS partnerships yet to complete joint risk registers. These areas will continue to be monitored closely to ensure completion over the coming months.
30. The CCH partnership shows a number of areas where governance weaknesses or gaps identified in the original review have yet to be evidenced as satisfactory/complete. This is due, in part, to the late appointment of the Strategic Housing Manager. With the Strategic Housing Manager now in post, these areas will be pursued further.
31. Overall the review has revealed that the Council has sound governance arrangements in it's key partnerships and that plans are generally in place to address those areas of weakness identified. All outstanding areas will be picked up and re-assessed for the year-end report.

FINANCIAL ASSESSMENT

32. The Council's Technical Finance Manager has carried out an assessment of our Key Partner's financial status as detailed at Appendix 3. At the time of carrying out the assessment, accounts to 31.3.07 were not available for CLS. This assessment did not reveal any areas of concern for any of the other Key Partnerships.
33. We understand that the last trading year for CLS was run at a deficit. The Director of Leisure and Cultural Services, in conjunction with Financial Services will need to closely monitor and manage this issue.

ADDITIONAL ISSUES

34. Clearly the key partnership framework will need to be updated as new issues emerge on good practice or we find that some changes have not been as effective as we had hoped and need to be changed.
35. Already issues such as Sustainability, Equality and Diversity and Data Quality have been identified and steps are currently underway to include these issues within the Partnerships Framework and to consult with existing key partners to ensure that the council's principles and values are properly reflected in the respective partnerships.
36. Internal Audit will be undertaking a post audit review of the Management of Partnerships & Partnering Contracts prior to year-end. The results of this will be included in the year-end Key Partnerships performance report to Executive Cabinet.

GARY HALL
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

Background Papers			
Document	Date	File	Place of Inspection

Framework for Partnership Working	May 2007	Business Improvement Office	Union Street Offices
Internal Audit Review on the Management of Partnerships and Partnering Contracts	March 2007	Internal Audit Office	Union Street Offices

Report Authors	Ext	Date	Doc ID
Janet Hinds/Jim Douglas	5622/5203	5/3/08	