



**A Report by the Scrutiny and Audit Committee
on
Governance and Accountability
in Partnership and Joint Working**

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SAC Report No 9

REPORT ON GOVERNANCE AND ACCOUNTABILITY IN PARTNERSHIP AND JOINT WORKING

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SUMMARY

This report sets out the process, conclusions and recommendations of the ninth investigation undertaken by Aberdeenshire Council's Scrutiny and Audit Committee. The investigation was into Governance and Accountability in Partnership and Joint Working.

The investigation began in September 2005. The Committee heard evidence from both internal and external witnesses interviewed during eight sessions. The Committee was assisted in the investigation by an independent external expert, Dr Andrew Coulson of the Institute of Local Government Studies at the University of Birmingham.

The Committee considered all the evidence gathered and drew up its conclusions and recommendations at a meeting on 14 December 2005.

The number and range of partnerships involving Councils has grown dramatically in recent years. Partnership working is being vigorously promoted by both the Scottish Executive and the UK government.

Arguably 'partnership' has become an over-used word which, because of its connotations of co-operation and friendship, it is almost impossible, politically, to ever question. In principle, it would be difficult for anyone to disagree with the concept. In practice, however, there can be real difficulties involved in being in partnerships and the benefits do not always outweigh the costs.

There are many distinctions which can be drawn between different partnerships and types of partnership. Partnerships may begin as unstructured discussion groups and evolve into dealing with operational issues or applying for external funding. Partnerships can be classified in a variety of ways – from huge to insignificant; from talking shops to budget-holding service delivery units; from strategic to tactical to operational. Each sort of partnership has its own distinct governance and accountability issues. These vary on a sliding scale depending on the classifications mentioned.

Evidence presented to the Committee suggests that having a clear focus on limited goals is a good basis for a productive partnership. Vague or poorly defined desired outcomes will make it difficult to know how successful a partnership is.

The Committee does not find that partnership working is either 'a good thing' or 'a bad thing'. It has costs and benefits. There are advantages, disadvantages and risks associated with it. The important point is to be aware of these and go into partnerships only when the advantages outweigh the disadvantages. Protections should be put in place to reduce risk. The Council should seek to arrange partnerships to minimise the problems inherent in them, particularly in the areas of accountability and governance. Recommendations are made on all these points.

It is clear that many partnerships in which Aberdeenshire Council is involved have proved highly beneficial to the Council in its efforts to ensure that first class public services are delivered to the people of Aberdeenshire. A wide range of benefits was attributed to partnership working by those who gave evidence to the Committee. Access to additional funding for Aberdeenshire is a direct and quantifiable benefit. Partnerships were seen by some as a way of allowing increased public participation in decision making, especially in the context of local groupings. Avoiding duplication was cited as a benefit several times. Closer co-operation between the providers of related services was seen as being of real benefit to service users. For issues requiring to be addressed at a regional scale, partnership working between neighbouring Councils allows this to happen. The Council is able to secure benefits for Aberdeenshire through partnerships that it could not secure

working alone. More open and trusting relationships between public sector bodies is a benefit of partnership working that cannot be quantified, but the Committee is sure it is a genuine gain.

The Committee recognises that partnership working can be difficult. Working in a multitude of partnerships that cover different areas, involve different partners and address different issues, creates complexity, a lack of transparency, concerns and confusion about accountability and places significant demands on the time of staff and Members involved. We are particularly conscious that partnerships give rise to complexity and difficulty with regard to auditing and financial accounting.

Partnership working offers the opportunity for Councillors to scrutinise service delivery by more of the public sector than just the Council. Conversely, however, increased involvement in partnerships reduces the Council's freedom to change policy or move its resources to new priorities, eroding the role of Councillors as strategic decision-makers. Ultimately, this reduces the public's ability to effect change by voting in Council elections.

Aberdeenshire Council has not generally promoted the formation of the most autonomous kinds of partnerships such as companies limited by guarantee. Nevertheless, as partnership working develops in Aberdeenshire, careful attention will require to be given to the influence that partnerships have on Council policy and spending decisions. Decisions taken in partnership, whilst not generally binding on the Council, can be highly influential. This makes it important that governance and accountability issues are addressed properly before partnerships come to a decision. If partnership recommendations as to policy change are not carefully scrutinised and challenged by the Council or its Committees then there has in practice been a delegation of power.

If we are to become involved in formal partnerships with delegated powers these must have a clear legal basis for their powers and they will need to be established in a form which pays particular attention to accountability and governance.

Of all the benefits ascribed to partnership working by witnesses, the Committee considers that the case for partnership working as a means of securing improved public participation in decision making is the most questionable. The difficulty here hinges largely on what role the 'members of the public' really have on partnerships' committees, and how these people are chosen – unless public representation is by those members of the public elected as local representatives by universal franchise at the Council elections every four years. Given that the Council comprises the legitimately elected representatives of the public is there any need for other 'public' representation?

Our recommendations include the adoption of a process to consider whether it is appropriate to enter into and thereafter to remain within a partnership and a proposal that the Council adopts 'Standard Terms of Business' which make clear to partners and the public how we wish business to be conducted in any partnership.

Whilst the Aberdeenshire investigation was progressing, the Audit Commission published its report on governing partnerships, dealing with English public bodies. The conclusions and recommendations of this fit closely with the outcome of the Scrutiny and Audit Committee's investigation. Significantly the Audit Commission concluded that "there is little information to show whether the added value that partnerships produce outweighs their operating costs" and that "there is no consensus on the best way of governing partnerships".

1. INTRODUCTION

1.1 The Scrutiny and Audit Committee

1.1.1 Within the Council's Scheme of Delegation, the Committee is empowered to:

- Review the effectiveness of Council policy implementation and Council service delivery and to identify potential improvements;
- Undertake an annual programme of reviews, and
- Make recommendations regarding improvements to the performance of services.

1.1.2 In carrying out its reviews the Committee is able to:

- Call upon any Officer of the Council or Chair/Vice-Chair of the Council's Committees to give evidence or provide written reports, as appropriate; and
- Call upon expert witnesses or members of the public to give evidence, where necessary.

1.1.3 The Committee operates according to the following principles of working:

Deliberative	Outward-looking
Investigative	Inclusive
Open	Influencing
Evidence based	Proactive
Transparent	Flexible
Accountable	Non-partisan
Responsive	

1.2 This Investigation

1.2.1 The Scrutiny and Audit Committee, at its meeting on 19 May 2005, approved an investigation into governance and accountability in partnership and joint working. The Committee chose this topic because of concerns about the continuing increase in formalised partnership working and its implications for the Council, Councillors' accountability and the transparency to the public of decision-making. It was agreed that the purpose and objectives of the investigation should be:

- To examine governance and accountability issues in partnerships and joint working.
- By examining existing partnerships (including the Council or not) to consider:
 - (i) the assessment of benefits and costs of being in a partnership;
 - (ii) audit arrangements for partnerships particularly performance audit;
 - (iii) control of reputational and financial risk to the Council arising from partnership working; and
 - (iv) accountability to the Council and to the public for policy and outcomes.
- To make recommendations for Aberdeenshire's involvement in partnerships and joint arrangements.

The detailed brief for the Committee's investigation is attached as Appendix A. The investigation did not deal with joint arrangements of a client/contractor or purchaser/provider nature such as the Schools Private Finance Initiative projects or the many contractual arrangements between the Council and voluntary sector and commercial social-care providers.

- 1.2.2 The Scrutiny and Audit Committee members who were involved in this investigation were Councillors P J Argyle, D Cameron, M P Cullen, J C Davidson, D S Duthie, T A Fleming, M A Ford (Chair), W Howatson, A Leitch, B J Luffman, A M Ritchie and J J Strathdee. This report has the unanimous agreement of these Councillors.
- 1.2.3 It has been agreed that the Scrutiny and Audit Committee should appoint independent external experts to assist with its investigations where appropriate. For this investigation, the Committee appointed Dr Andrew Coulson of the Institute of Local Government Studies at the University of Birmingham. Dr Coulson is a widely published authority on Local Government and partnership issues. He has undertaken consultancy on scrutiny and the governance of partnerships involving the voluntary sector.
- 1.2.4 As usual, this Scrutiny and Audit Committee report contains comments, suggestions and detailed recommendations from the Committee for consideration by the Council. However, in addition to specific recommendations, this report contains in section 4 some general observations on issues and principles related to partnership working. Accordingly, the Committee hopes that this report – and specifically the discussion in section 4 – will be of use to the Council in helping to inform any future considerations of partnership working involving the Council instigated by either the Council or the Scottish Executive.
- 1.2.5 For the purposes of this investigation the Committee adopted the definitions of partnership and governance used by the Audit Commission in their National Report 'Governing Partnerships: Bridging the Accountability Gap'.

Partnership – an agreement between two or more independent bodies to work collectively to achieve an objective.

Governance – the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives.

The word 'co-operation' has generally been used in this report to denote working together in a more informal way than is implied by 'partnership'.

2. HOW THE INVESTIGATION WAS PROGRESSED

The Committee undertook a range of different activities to enable it to carry out this investigation.

2.1 Documentation

2.1.1 The Chief Executive's Service and Dr Coulson provided background documentation to Councillors at the commencement of the review. This included:

- (a) Corporate Governance in Local Government, CIPFA/SOLACE Guidance Note for Scottish Authorities. (2001, CIPFA/SOLACE)
- (b) Effective Partnership and Good Governance; Lessons for Policy and Practice, School of Public Policy, INLOGOV, Chris Skelcher, Navdeep Mathur and Mike Smith. (2004)
- (c) Partnerships: Managing Discretion and Accountability, Andrew Coulson. (From "Regeneration Management: Essays on Working with Complexity", Centre for Local Economic Strategies 2005)
- (d) Partnership Working – Scrutiny Review by Essex County Council. (Peter Quirk 2003)
- (e) Audit Scotland Baseline Review of Community Planning Partnerships – Summary Report on Workshop Sessions at Edinburgh and Glasgow. (Edinburgh 2005)
- (f) New Roles for Old – Local Authority Members and Partnership Working, Joseph Rowntree Foundation, Mick Williamson and Gary Craig. (University of Hull 2002)

2.1.2 During the course of the investigation, the Audit Commission published its report on governing partnerships in England, 'Governing Partnerships: Bridging the Accountability Gap'. It was provided to Members of the Committee at their meeting on 14 December 2005, having been referred to in its draft form by Dr Coulson at earlier stages in the investigation. During the drafting of this report a paper entitled 'Can Local Democracy Survive Governance?' by Danny Burns of the School for Policy Studies at the University of Bristol came to the Committee's attention in connection with its investigation into decentralisation of decision making. Parts of this paper helped inform the Committee's thinking in relation to partnership working.

2.2 Witnesses and Evidence Gathering

2.2.1 The Members of the Committee met senior Members of Aberdeenshire Council to seek their views on the effectiveness and appropriateness of partnership working. These included Councillor Audrey Findlay, Leader of the Council and Councillor Alison McInnes, Chair of Infrastructure Services Committee. The Members of the Committee are themselves involved in numerous examples of partnership and joint working and this collective knowledge also informed the work of the Committee.

2.2.2 The Members of the Committee met a cross-section of Aberdeenshire Council Officers involved in partnership and joint working to gain a deeper understanding of the Council's processes and performance. These included: the Chief Executive, the Director of Law and Administration, the Director of Finance, the Director of Housing

and Social Work, the Aberdeenshire Towns Partnership Co-ordinator, the Director of Transportation and Infrastructure, the Area Managers for Kincardine and Mearns and Formartine, the Head of Social Work (Older People and Physical Disability), the Community Planning Manager, the Head of Economic Development and the Community Economic Development Co-ordinator.

- 2.2.3 Members of the Committee visited Edinburgh to take evidence on partnerships involving other Councils. In Edinburgh they met David Jack, Strategic Support Manager, Edinburgh City Council; Steve Inch, Director of Development and Regeneration, Glasgow City Council, and; Paul Vaughan, Strategy and Information Manager, Fife Council.
- 2.2.4 Other witnesses included Jack Stuart, Mark McEwen and Gary Kidd of NHS Grampian, Anne MacDonald of Audit Scotland, Peter Murray and Gordon Moir of Grampian Fire and Rescue Service, Duncan Rennie of Grampian Police and Peter Cockhead of the North East Scotland Transport Partnership.
- 2.2.5 Detailed information on the people contributing to this investigation is given in Appendix B.
- 2.2.6 Full details of the evidence given to the Committee by witnesses is contained in the agenda papers for the Scrutiny and Audit Committee meeting on 25 January 2006 and 18 May, 2006, located on the Council's Lotus Notes database.

3. EVIDENCE GIVEN DURING THE INVESTIGATION

3.1 Context and the Different Types of Partnerships

- 3.1.1 In his introductory work with the Committee Dr Coulson outlined the national context for increased partnership working. Dr Coulson pointed out that partnership working is currently very fashionable; indeed the number and range of partnerships involving Councils has grown dramatically in recent years. Reasons given for the expansion of partnership working include delivering better public services 'joined up' across service providers, the fostering of consultation and public involvement in decision making and service delivery and securing cost savings. Arguably 'partnership' has become an over-used word which, because of its connotations of co-operation and friendship, it is almost impossible, politically, to ever question. Dr Coulson suggested that, in principle, it would be difficult for anyone to disagree with the concept. In practice, however, there can be real difficulties involved in being in partnerships and the benefits do not always outweigh the costs.
- 3.1.2 Dr Coulson informed the Committee of a number of academic analyses of partnership working. Partnership can be considered in terms of synergy, cultural change and budget enlargement. In synergy partnerships the main reason for the arrangement is that the partnership can do things which the individual members could not do on their own; in cultural change partnerships the primary purpose is to bring the influence of the culture of some members of the partnership into the other organisations and in budget enlargement partnerships the partnership has access to resources that would not otherwise be available. Partnerships have also been considered by academics as classified by their structure. The simplest partnerships of two members might take the form of a *strategic alliance* or joint venture. A larger number of partners may be organised as a *hub network*. In these any number of small organisations work with and through a single large partner. A *loose federation* of partners may have regular contact with each other without necessarily having any clearly defined central organisation. A *complex productive network* may have such frequent contacts but is generally built around a central service delivery unit. Diagrams demonstrating these four classifications are attached as Appendix C (with acknowledgement to John Darwin of Sheffield Hallam University).
- 3.1.3 Another academic classification could be into polity partnerships, club partnerships and agency partnerships. *Polity partnerships* are those associated with government funding streams in delimited geographical areas; *club partnerships* meet to co-ordinate activities or services or share information or resources; *agency partnerships* are established to run government agencies at sub-regional level (after Skelcher, Mathur and Smith 2004).
- 3.1.4 Dr Coulson also discussed with the Committee possible governance structures for partnerships and used as examples the loosest: unincorporated partnership, and the most tightly regulated: a limited company. He pointed out that in unincorporated associations there are financial risks at a personal level for members of the governing body; the partnership is not a separate legal identity; membership can however be very flexible; such partnerships can operate by empowering individual member organisations to act on behalf of the group or they may simply act as a discussion group for co-ordinating policy. Limited companies are tightly regulated under the Companies Acts 1985. They require a formal Memorandum and Articles of Association, a Director, a Company Secretary, Auditors and are required to make annual returns and file accounts on an annual basis with Companies House. Companies have a legal identity separate from those who establish them and can buy and sell property, employ people, take legal action and borrow money in their

own right. The great majority of companies are established for commercial purposes and the liability of the members is limited to the value of the share capital. Companies can also however be limited by guarantee and this is the more usual structure for public sector companies. The members of such a company agree in advance the amount by which they are prepared to guarantee the liabilities of the company. In order to obtain advantages under legislation for Value Added Tax and business rates, companies limited by guarantee will often seek charitable status. Legislation in this area is currently undergoing significant change in Scotland but essentially the principles remain the same: the members of the company cannot themselves directly benefit from the activities of the company either while it is trading or on its dissolution. The objectives of the company must be agreed by the Regulator to be charitable. This decision is currently taken by the Inland Revenue but is shortly to become the responsibility of the Office of the Scottish Charities Regulator.

3.1.5 Dr Coulson listed intended benefits of partnership working as follows:

- Bring in new ideas; not just how things were done in the past
- Especially bring in new ideas from the private sector.
- Avoid duplication.
- Involve service users and local communities.
- Bring in extra Money
- Enable existing money to be better used
- Make different agencies work and think together
- Save costs of duplication
- Avoid disputes in public
- Move resources to where they are most needed
- Confront vested interests

3.1.6 Dr Coulson pointed out that on occasion central government makes partnership a condition of funding; that there are many different funding regimes sponsored by different government departments and that partnerships are seen as an effective way of making different agencies work together.

3.1.7 The powerful influencing role of partnerships has been the subject of academic comment. Whilst a Councillor's mandate is derived from an open and democratic election, the qualification to become a member of a partnership is generally quite different. This qualification may be based on a selection process or may be awarded to members of particular interest groups. Membership of partnerships unlike membership of the Council is not open to everyone nor can members of partnerships other than Councillors properly claim to represent all the citizens of the area. Burns (2000) considered this issue and included the following very telling quote from Porter (1987): "On the orthodox view, citizenship is, by definition, a matter of treating individuals with equal rights under the law. This is what distinguishes democratic citizenship from feudal and other pre-modern views that determined people's political status by their religious, ethnic or class membership. Hence, the organisation of society on the basis of rights or claims that derive from group membership is sharply opposed to the concept of society based on citizenship."

3.1.8 In his evidence, Colin Mair, the Chief Executive of the Improvement Service, referred to long-standing joint working arrangements involving Councils and to the new duty on Councils to lead Community Planning partnerships contained in the Local Government in Scotland Act 2003. Mr Mair also drew attention to shared service arrangements between Councils in areas such as procurement and human

resources. Mr Mair indicated his and the Improvement Service's wish for Councils to move towards more formal decision-making partnerships and indicated that in his view government expected both an increase and an improvement in partnership working. In the event that the public sector did not voluntarily increase and improve joint working, it was Mr Mair's view that a formal reorganisation would be considered by the Scottish Executive. Mr Mair stressed the Improvement Service's commitment to supporting the development of partnership and joint working. He suggested a number of areas covered by Community Planning could particularly benefit from the development of joint working, including, for example, health improvement, community safety and sustainability. Mr Mair spoke of the "collaborative advantage" that could arise from properly organised and thought out joint working, where there was a clear business case for a partnership approach. He argued for setting parameters, allocating resources and then empowering a partnership to deliver specific outcomes. Concerns about erosion of local democracy and loss of democratic control were not accepted by Mr Mair; if the Council commissioned or contracted the partnership to undertake specific work, with measurable performance targets, accountability could be preserved. Partnership and joint working had got a bad name because it was often not rigorously done, not because it was wrong in principle.

- 3.1.9 Aberdeenshire Council's Chief Executive reported that Officers had conducted a survey in 2001 that showed that the Council had 91 'partners'. He shared the view expressed by Colin Mair that unless the public sector in general shows an appetite for partnership coupled with efficiencies and economies the Scottish Executive may instead decide on a reorganisation of the whole sector.
- 3.1.10 The Scottish Executive's drive to promote partnership working was very apparent in the evidence given to the Committee. Members of the Committee heard detailed evidence relating to several major partnerships brought into being or being changed by recent legislation, including the North East Scotland Transport Partnership (NESTRANS), the Aberdeenshire Community Health Partnership and the Aberdeenshire Community Planning Partnership.
- 3.1.11 The Chief Executive and the Leader of Aberdeenshire Council both indicated that they would wish to see even greater partnership working with Aberdeen City Council. They considered there would be real advantages for service delivery in making co-operative and partnership arrangements on a local basis rather than having these imposed through any formal mechanism. It was considered that this would allow greater sensitivity to local needs and may also avoid the difficulties caused when enforced arrangements are seen by one of the parties as more of a takeover than a merger.

3.2 A Variety of Partnerships

- 3.2.1 Regardless of the precise definitions used for partnership and joint working, there is undoubtedly an enormous range of associations between the Council and external bodies. These range from the formal statutory partnerships such as the Joint Boards for the Emergency Services and the new Regional Transport Partnership through looser statutory arrangements such as the Community Planning Partnership to the multitude of joint working arrangements in defined areas of service and localities.
- 3.2.2 The North East Scotland Transport Partnership came into being as a voluntary partnership between Aberdeenshire Council, Aberdeen City Council, Scottish Enterprise Grampian and Aberdeen and Grampian Chamber of Commerce in November 2001, building on the work of the transport group of the North East Scotland Economic Development Partnership. The Partnership was now to be re-

established on a statutory basis as part of a network of Regional Transport Partnerships covering the whole of Scotland. These will include both Councillor and non-Councillor members on their respective boards and in most cases cover more than one Council area. The Partnership's Co-ordinator indicated that, as a voluntary partnership, the North East Scotland Transport Partnership had operated through a board that had a single representative from each of the partners. The Partnership had a formal constitution with support being provided by an office of three staff led by the Co-ordinator. Its role had been mainly in the promotion of large scale transport infrastructure projects. Progress was being monitored through an annual report and delivery plan that was reviewed on a half-yearly basis.

- 3.2.3 Aberdeenshire Council's Director of Housing & Social Work gave evidence regarding the Scottish Executive's Joint Future Initiative. This was introduced with the aim of ensuring that health and social care services were integrated around the needs of individuals. This policy initiative was intended to impact on hospital admissions and discharge rates by providing seamless services by health, local authority and voluntary sector providers. Local authority/NHS joint working in the north-east predated this initiative and can be traced back to a predecessor Council's Joint Committee on Community Care. This model was continued and developed by Aberdeenshire Council to include arrangements around joint strategic planning, aligned budgets and joint teams delivering services to older people, people with disabilities, mental health and substance misuse issues.
- 3.2.4 The General Manger of Aberdeenshire Community Health Partnership advised members of the Committee on the origin and role of that Partnership. In 2004, a reorganisation of health services in Scotland created Community Health Partnerships which together with the acute hospital sector replaced NHS Trusts. Community Health Partnerships were given a remit encompassing health and social care services delivered in the community. A partnership agreement between NHS Grampian and Aberdeenshire Council, covering joint working of the Council with Aberdeenshire Community Health Partnership, was endorsed by the Council on 25 November 2004. The Council was being represented on Aberdeenshire Community Health Partnership by six elected members, the Director of Housing and Social Work, the Director of Education and Recreation and the Head of Policy. At the time of the Director of Housing and Social Work giving evidence to the Scrutiny and Audit Committee, Aberdeenshire Community Health Partnership had only met once and was giving consideration to its constitution and governance arrangements.
- 3.2.5 The Local Government in Scotland Act (2003) gave Councils the lead role in Community Planning for their area. Community Planning is the process of co-operation across the public sector intended to ensure the co-ordinated delivery of public services. The Aberdeenshire Community Planning Partnership was set up to cover the area served by Aberdeenshire Council. Some members of the Partnership such as Grampian Police and NHS Grampian were also members of neighbouring Community Planning partnerships in adjacent Council areas. The Aberdeenshire Community Planning Partnership adopted the vision 'Working together for the best quality of life for everyone in Aberdeenshire'. At the time of the Scrutiny and Audit Committee investigation, a review of Community Planning in Aberdeenshire was in progress. It was being proposed that six local Community Planning groups be established corresponding to Aberdeenshire Council's six Areas. It was also being proposed that representatives of the voluntary sector and Community Councils be invited to join the Aberdeenshire Community Planning Board, while Scottish Water and Scottish Natural Heritage should cease to be full members of the Partnership. These two organisations had found it difficult to resource full involvement in partnership business.

- 3.2.6 A pilot exercise for Community Planning at Area level in Aberdeenshire had already been undertaken, in Kincardine and Mearns. Councillor Bill Howatson, Chair of the Kincardine and Mearns Area Committee, advised that major difficulties had been experienced in getting the purpose and nature of Community Planning understood. It had also taken a long time to build attendance at meetings, a problem which Councillor Howatson saw as weakening the partnership.
- 3.2.7 In contrast to the position in Aberdeenshire, the Director of Development and Regeneration, Glasgow City Council, advised that the Clyde Valley Community Planning Partnership comprised nine local authorities, Scottish Enterprise, Strathclyde Transport, a Scottish Executive Minister, Strathclyde Police, Strathclyde Fire and representatives of the Chamber of Commerce and Higher Education. All of these organisations had nomination rights and their representatives met twice a year as a formal Partnership. There was no formal constitution or mission statement. No staff were employed by the Partnership. The Partnership had no delegated authority and functioned largely as a consultative forum. Although it makes recommendations on the distribution of City Growth Fund monies these had to be ratified by Glasgow City Council. Examples of key projects included: work on the destination of school leavers; providing assistance to children identified as truants; work on green space and sustainability; lobbying the European Union, and; securing funding for reclaiming derelict land.
- 3.2.8 The Aberdeenshire Towns Partnership was set up with the purpose of developing a more holistic, long-term approach to town planning and development, and community capacity building in furtherance of this. The Aberdeenshire Towns Partnership Co-ordinator indicated that he had been unable to find a strategic fit between the Towns Partnership and the Community Planning agenda. He pointed out that the Aberdeenshire Towns Partnership was not covering all the themes in the more recent Community Plan and had to be reactive to the local needs. It was most concerned with the 'Jobs and Economy' theme of the Community Plan. The Towns Partnership Co-ordinator indicated that the budget decisions for the Partnership were taken by the Partnership Board that set a three-year plan. Thereafter, detailed spending plans were decided on by the towns themselves. The Co-ordinator mediated to ensure that the funding was being used appropriately. The finances were coming in three different forms; they were not pooled and they were all used for different purposes. Scottish Enterprise Grampian placed funds into the partnership to facilitate projects; the Council had put in £400,000 of capital and provided the core revenue funding.
- 3.2.9 Aberdeenshire Council's Community Economic Development Co-ordinator advised Committee members that at a community level the Economic Development Service was involved with around 400 organisations. The Service had taken a support role and encouraged partnership working at local level. Here, the Council can be a facilitator rather than a provider. Councillor Peter Argyle described to Committee members how he had become involved in community-based economic development through being an elected member of Aberdeenshire Council. When the Marr Area Committee was nominating members to external positions following the 1999 council elections, Councillor Argyle was the Committee's nomination to be a director of Mid Deeside Limited. Having joined Mid Deeside Limited, Councillor Argyle then became the group's chairman. Councillor Argyle has also represented Mid Deeside Limited in the Royal Deeside Partnership, the recognised Local Rural Partnership in that area. Around twelve groups had involvement in this partnership. It shared best practice and developed projects. Funding was allocated by Aberdeenshire Council from the Rural Partnership Fund, with match funding coming from Scottish Enterprise Grampian. The Formartine Area Manager gave evidence to Committee members

that most of Aberdeenshire was covered by a Rural Partnership, with some of the Council's six Areas having more than one. He advised that the Rural Partnerships were all different, there being no set structure. However, each had a constitution and there was always support from the local Area Manager.

- 3.2.10 The Kincardine and Mearns Area Manager, Aberdeenshire Council, gave evidence regarding the Aberdeenshire Community Safety Partnership. This was formed in 1998 in response to strong encouragement and funding for the setting up of such partnerships from the Scottish Executive. The Aberdeenshire Community Safety Partnership neither had a constitution nor a formal partnership agreement. It had adopted a mission statement which was: 'Working together to improve the quality of life by making Aberdeenshire a safer place for all those living in, working in and visiting the area'. Following a review, the structure of the Aberdeenshire Community Safety Partnership had been altered to bring it into line with Community Planning. There was now an executive in place of a somewhat larger steering group, made up of representatives of Aberdeenshire Council, Grampian Police, Grampian Fire and Rescue Service, NHS Grampian, the Councils of Voluntary Service and local community safety groups. The Aberdeenshire Community Safety Partnership was receiving funding direct from the Scottish Executive and through private sponsorship. Scottish Executive funding under the Community Safety Awards Programme was dependent on the Partnership concentrating on no more than three community safety problems and agreement being reached on how funding was to be used. The partnership had identified its priorities to be vandalism, community safety problems arising from the misuse of substances and alcohol, and road safety, particularly for the 17–25 year age group. The Executive did scrutinise how funding was used and what outcomes were achieved.
- 3.2.11 In addition to the various partnerships brought into being through legislation, other possible partnership arrangements have been examined in response to pressure from the Scottish Executive for the public sector to achieve efficiencies and economies, especially in 'back office' provision, such as financial management and procurement. The Project Manager for the proposed Joint Emergency Services Headquarters for Grampian gave evidence on the development of this proposal. Following initial discussions, a business case was developed, a Project Team established and the Fire, Police and Ambulance Services had all agreed to employ an external consultant to develop the project. In addition to the new building, consideration was being given to joint staffing. Risks were highlighted early on and attempts made to put contingency plans in place. The Project Team had needed to look at external issues and how they will impact upon the headquarters. The Project Team was aiming to build the facility in around 2010 and it would need to last for at least 30 years. The Project Team has had to build in expansion and was planning to have such a flexible, adaptable building that it would be able to meet these changes.
- 3.2.12 The Formartine Area Manager of Aberdeenshire Council gave evidence on the North East Scotland Tourism Partnership. This Partnership was constituted in 2005 following legislation that dissolved the Area Tourist Boards. The Formartine Area Manager advised that the new Tourism Partnership covered the area of the former Grampian Region which was the area covered by the local office of Visit Scotland. In the new Partnership were the three current Councils (Aberdeenshire, Aberdeen City and Moray), the Cairngorms National Park Authority, Visit Scotland, community representatives and around ten private sector representatives including Aberdeen Airport and Aberdeen Hotels Association. The Councils were represented on the Partnership by councillors. The Partnership had a constitution but no budget. The partnership functioned as a consultative body and served to co-ordinate policy amongst the Councils and others involved.

3.3 Purposes of Partnerships

- 3.3.1 Many of the reasons for having partnerships that Dr Andrew Coulson listed (see section 3.1) were apparent amongst the actual partnerships described in the evidence given to the Committee. Often partnerships had been established with a view to achieving more than one of the benefits cited by Dr Coulson.
- 3.3.2 In his evidence, the Director of Development and Regeneration of Glasgow City Council indicated that the Clyde Valley Community Planning Partnership had been established because Glasgow is a large Council covering a small geographic area but which has influence well beyond its own boundaries. He considered that this Partnership had achieved economies of scale. It had allowed strategy development to be shared amongst the Councils in the Partnership and he considered that the joint approach had allowed the Partnership to have influence at a national level. Better links had been felt with central government and a government minister had been persuaded to attend meetings of the Partnership. An obvious disadvantage of such an arrangement was that the solutions reached by the Partnership had tended to be compromises rather than ideals.
- 3.3.3 The Strategy and Information Manager of Fife Council gave evidence on his Council's thinking on incorporating the Fife Community Planning Partnership. The anticipated benefits were a more consistent approach, a reduction in duplication, standardisation of levels of accountability and greater transparency through a single financial management system. The suggestion for incorporation had come from the Partnership and was still the subject of discussion. The four areas on which they were planning to focus were becoming a single employer, engaging a single banker, becoming Fife's advocate and providing a child protection safeguarding service.
- 3.3.4 Aberdeenshire Community Health Partnership's General Manager gave evidence on the reasons for the establishment of Community Health Partnerships. He stated that they were an opportunity to ensure best value, to reduce the amount of overlap between health and social work, to align management structures and improve productivity by co-location of staff.
- 3.3.5 Aberdeenshire Council's Director of Transportation and Infrastructure suggested that the main aim of the Council in participating in the North East Scotland Transport Partnership was to promote economic development. The Partnership's Co-ordinator said that the Partnership had identified a common purpose and had focused on a group of agreed projects. The Partnership had attracted additional funding to the north-east from the Scottish Executive and for transport from Scottish Enterprise Grampian. The Partnership had been able to raise the profile of transport proposals for the north-east at a national level more effectively than individual Councils would have done working separately. A key advantage of the Partnership had been the involvement of the business community through representation on the Board from Aberdeen and Grampian Chamber of Commerce. This had brought new ideas to the Partnership from a different perspective to that of the two Councils.
- 3.3.6 Aberdeenshire Council's Head of Economic Development gave evidence regarding the benefits arising from the many partnerships participated in by his section. Close working with Aberdeen City Council had been aimed at reducing duplication of effort. Closer communication with Scottish Enterprise Grampian and Enterprise Trusts was being undertaken to ensure that there was no duplication of effort.

- 3.3.7 The Head of Economic Development also stated that some partnerships had high levels of public awareness: 'Taste of Grampian' was constituted as the public did not know much about food stuffs being produced locally. The annual event hosted by this partnership now attracted 10,000 people. The Renewable Energy Group had been a successful partnership. Had it not been for this, developments in biomass would not be so far advanced. Aberdeenshire Council's Chief Executive spoke enthusiastically about The Business Gateway. He indicated that this had in his view been assisted by the work of the North East Scotland Economic Forum. Whilst the Council does not deliver all the services it had in the past there is now less duplication. The process had been challenging but harmonious and had increased the Council's credibility.
- 3.3.8 One of the benefits of Aberdeenshire Towns Partnership was securing additional funding for communities in Aberdeenshire. According to Aberdeenshire Council's Chief Executive, Aberdeenshire Council had achieved considerable success through this Partnership in attracting funding from Communities Scotland as a result of the Council being prepared to take a constructive approach to their plans. Councillor James Davidson, a member of the Aberdeenshire Towns Partnership Board, spoke positively of the benefits it had brought. He cited leveraging in funding from the public and private sectors as a major advantage, particularly funding provided by Communities Scotland. Councillor Davidson said that, through the Towns Partnership, Aberdeenshire Council had been able to tap into extra funding and have influence on economic development and housing initiatives. Building Buchan New Beginnings was an extension of the Aberdeenshire Towns Partnership aimed at Peterhead, Fraserburgh, Banff and Macduff with the purpose of leveraging-in funding to address the economic impact of the decline in traditional industries. Whilst the perception had been that the Aberdeenshire Towns Partnership's work had consisted largely of improvements to the fabric and infrastructure of towns, the Partnership's Co-ordinator believed that the important achievements had been in creating confidence, team spirit and co-operation amongst the partners. Many of the best projects had involved relatively small amounts of Council funding. Real gains had been made on behalf of these towns; the Partnership had achieved things that otherwise would not have happened.
- 3.3.9 The Kincardine and Mearns Area Manager, Aberdeenshire Council, gave evidence that the Aberdeenshire Community Safety Partnership was being funded direct from the Scottish Executive. He said the Executive's funding was only available to the Partnership and it was the Partnership that decided how the money was spent. A bidding process was being used with the agreed work activities being carried out under service level agreements. The Community Safety Partnership had also had some success at attracting private sponsorship funding. Peter Murray, Senior Fire Officer, Grampian Fire and Rescue Service suggested in evidence that the Aberdeenshire Community Safety Partnership was a benchmark for success in partnership working. He used the 'Safe Drive Stay Alive' project as a tangible example of the work of this group.
- 3.3.10 Councillor Alister Leitch gave evidence that the Aberdeenshire Housing Partnership had also been able to gain funding from the Scottish Executive that was not available to Aberdeenshire Council. The Partnership, though originally set up by the Council, had been able to register as a charity which had allowed access to further funding.
- 3.3.11 Aberdeenshire Council has been involved in very many locally based partnerships. An advantage of these is the opportunity given for local involvement and 'ownership'. This benefit of local participation has also been a feature of the Aberdeenshire

Towns Partnership. The Chief Executive of Aberdeenshire Council also spoke of the use of partnership working to increase grass roots participation in decision-making. He noted that this issue had been raised during the review of Community Planning.

- 3.3.12 Public engagement in service delivery was one of the purposes put forward for the introduction of Community Planning. Aberdeenshire Council Leader Audrey Findlay spoke of the advantages of partnership working in engaging with the public. Whilst the Council has tried very hard to engage the public she was increasingly conscious that the Council had to explain its actions to the public and not simply perform them.
- 3.3.13 Community Planning was also intended to make different agencies work and think together. Peter Murray, Senior Fire Officer, Grampian Fire and Rescue Service, described Community Planning as comprising engagement with communities, working together on projects to minimise waste and ensuring that views are sought from all sectors. Community Planning, he said, leads to a broadening of views within organisations. Aberdeenshire Council's Chief Executive indicated that he considered Community Planning to be challenging in view of the differing local and national objectives of the partners, the minimal funding and the absence of staff dedicated to the Community Planning Partnership.
- 3.3.14 Aberdeenshire Council's Director of Finance suggested that the Council needed to be clear why it was entering into a partnership. The decision should be based on improvements in economy or in the quality of services. In his view, common interest of individuals is not enough to sustain a successful partnership. He spoke of the work which had been done in evaluating a possible joint Finance Service amongst Aberdeenshire, Aberdeen City and Moray Councils. Whilst in principle this had appeared an attractive proposition, a detailed cost/benefit analysis and investigation of the compatibility of ICT systems led to the conclusion that separate rather than partnership working provided best value. The Director of Finance suggested the need for research to establish the point at which enlargement of service units results in diminishing rather than increasing returns in order that we can make informed decisions on proposed collaborations.
- 3.3.15 Aberdeenshire Council's Chief Executive pointed out the importance of a defined exit strategy from partnerships. The Council required to be able to protect its reputation by leaving partnerships which no longer met the Council's strategic aims or had ceased to have any useful purpose.

3.4 Governance and Accountability of Partnerships

- 3.4.1 Aberdeenshire Council's Director of Law and Administration spoke on the need to be clear at the beginning of a partnership of the role expected of Members and Officers. It is generally the Council rather than the individual who is the partner. Individuals, once appointed to one of the more formal partnerships, should normally be working in the best interests of that organisation. This is particularly so in cases where the partnership is constituted as a Trust or a Limited Company. The Director of Law and Administration advised that the Councillors' Code of Conduct provides useful guidance and instruction to Councillors on participation in partnerships.
- 3.4.2 The Director of Law and Administration also drew attention to the democratic deficit in many partnerships. Un-elected members of the partnership may have equal voting rights with Councillors and this gave rise to a justifiable wariness on the part of Councillors when it was suggested that they delegate any authority to such groups. In addition, the Director of Law and Administration indicated that he considered there was a reluctance on the part of Councils to delegate authority to partnerships

because of the fear of not knowing what was happening within the partnership until it was too late. On the other hand, reporting back to the partners for a decision on each item of business was slow and cumbersome. Whilst homologation of decisions had been used in exceptional circumstances, it made both Members and Officers vulnerable to accusations of having exceeded their authority.

- 3.4.3 Aberdeenshire Council's Chief Executive spoke of the good joint working arrangements the Council enjoyed with Communities Scotland and Scottish Enterprise Grampian. He indicated, however, that such joint working required careful planning as the spending rules and agendas of these organisations were not the same as the Council's. The Council's Director of Law and Administration also suggested that great care needed to be taken when partnering with organisations which have different spending rules from Councils. Councils needed to have a mechanism in place to restrict spending of Council funds to that allowed within their framework. There needed to be a clear set of financial regulations for those spending money on behalf of a partnership. A positive step would be to insist that the Council had a right to audit what the partnership was doing.
- 3.4.4 Anne MacDonald, Senior Audit Manager with Audit Scotland, advised the Committee that, as a result of the increased involvement of Councils in partnerships, external auditors have become more interested in understanding partnership arrangements and how Councils are safeguarding their stewardship responsibilities in light of the requirements of 'Following the Public Pound'. She emphasised that there are additional risks in working across boundaries with a greater need for assurances in respect of public accountability. There are two broad questions to be considered with regard to partnership arrangements – How do partnerships add value? Who is in charge of partnerships? In order to be effective, partnerships need to avoid overlap and duplication and therefore, there needs to be an understanding of costs and benefits. However, it is difficult to quantify the costs arising from being in a partnership. As part of Audit Scotland's review of Community Planning partnerships, various tools were identified to evaluate the effectiveness of partnerships but these had proved difficult to apply in practice.
- 3.4.5 Aberdeenshire's Chief Executive indicated that there was commonly a lack of dedicated office support for partnerships. He felt that dedicated officer support was required to deal with partnership funding arrangements. This was echoed by the Council's Director of Law and Administration who expressed concern regarding the legal and financial advice available to partnership meetings and to those preparing proposals for them. The Director of Law and Administration also pointed to difficulties in tracing minutes of partnerships participated in by the Council. Whilst larger partnership minutes were appended to Policy meeting agendas, issues remained relating to transparency of the activities of some partnerships.
- 3.4.6 Aberdeenshire Council's Director of Law and Administration commented on the need to manage risk in partnerships. He suggested that the more detached a Council was from a partnership, the higher the risk to the Council. The Council was less likely to get credit for the partnerships' successes but, as the only democratically elected and accountable members of the partnership, Councillors were still likely to be blamed if anything went wrong.
- 3.4.7 In his evidence, the Strategic Support Manager of Edinburgh City Council indicated that there was a definite weakness in terms of accountability to the public when Council services are delivered through companies. Council Members acting as Directors require a lot of support in carrying out these duties. They need to be reminded that they are pursuing the best interests of the company rather than the

Council when they are in this role. This may oblige them to act in ways which those who elected them would not have expected. Edinburgh City Council had a Code of Conduct to guide members on these issues and also used it to test the linkages between the Council and the companies it had set up. Complaints were being handled within the companies. The companies were required to produce a business plan that included performance measures. Annual reports from the companies were going to the relevant scrutiny panel of the Council and the success of the companies was monitored through these reports. Having such careful scrutiny addressed some of the public concern regarding matters being dealt with at arm's length. The scrutiny panels put recommendations to the Council Executive. Whilst the scrutiny process may require to be firmer in some areas, Edinburgh City Council considered that it had an open and accountable framework. In a report by Audit Scotland, which reviewed four of Edinburgh City Council's main companies, it was stated that the Council had adequate control and governance in place.

- 3.4.8 The Leader of Aberdeenshire Council gave evidence about the many partnerships on which she had represented the Council. These were local, national and international. She cited the North East Scotland Economic Forum and the North East Scotland Transport Partnership as examples of successful partnerships. Aberdeenshire's Leader advised that she felt every bit as accountable to the public whilst working in partnerships as she did when working in traditional Council Committees. She pointed out the importance of having full and accurate information in advance of partnership meetings and working within agreed plans, strategies and budgets.
- 3.4.9 The Leader of Aberdeenshire Council indicated that she considered that Community Planning had become more transparent and accountable through its newsletter, website and new local representatives. The original Community Planning Partnership was established at a strategic level. The new arrangements are at a more local level and, in her view, accountability will be improved by this. Minutes, agendas and meetings will all be public, though reporting back arrangements differ amongst the partners.
- 3.4.10 Aberdeenshire's Community Planning Manager advised that, during the Community Planning review, consideration was given to adopting a list of priorities. The partners were, however, uneasy about committing to carrying out specific tasks. This may have been because of the standing of the people attending meetings: they were often not in a position to make this kind of decision. So far as accountability was concerned, the practice had been that all issues were discussed by all partners at Officer level before being taken to the Steering Group. There was Council representation from each political party. All Community Planning matters were brought to the relevant Policy Committee and to Full Council when necessary. Public input was coming from the Citizens Panel and Councillors. The public were kept informed through newsletters and through website pages. The annual report detailed achievements under the objectives in each theme and this should improve accountability. The new Community Plan will have specific objectives and will be measured through indicators. The measurements will be more specific and transparent than before.
- 3.4.11 The Strategy and Information Manager of Fife Council felt that the incorporation of the Community Planning Partnership in Fife would reduce duplication and simplify accountability. Financial management would be clearer and more accountable; a single voice could speak for the public sector in Fife and the child protection and safeguarding arrangements which were currently fairly loose would be consolidated through the Partnership. The Partnership currently had a constitution but the proposal was that it would in future resemble a joint board with a greater degree of

formalisation. There is no constitution for Community Planning Partnerships specified in the 2003 Local Government in Scotland Act. The incorporated Partnership would not be there to run the core services of any of the partners: it would look at joint ventures with partners playing their individual roles in a better co-ordinated and more accountable way. All the current Community Planning papers were made publicly available. The State of Fife Report was published on an annual basis and includes a note of Partnership achievements. It is not anticipated that there would be any major conflict between the Chief Executive of the Community Planning Partnership and the Chief Executive of Fife Council. They would have fairly distinct roles. Only a limited set of activities would be run through the Partnership.

- 3.4.12 Aberdeenshire Council's Director of Transportation and Infrastructure advised that the Board of the North East Scotland Transport Partnership had no decision making powers and that all proposals had been fed through the appropriate Council Committee. Progress reports on the work of the Partnership had generally been included within the agenda of Aberdeenshire Council's Infrastructure Services Committee. This is contrary to the normal rule that items for noting should not appear on Committee agendas. It had, however, allowed for discussion within the Committee and was credited with having enabled the Infrastructure Services Committee and the Council to make a better informed response to the Scottish Executive's proposals for statutory Regional Transport Partnerships. The North East Scotland Transport Partnership's Co-ordinator outlined the formal reporting arrangements for the Partnership which involved the minutes going to both the North East Strategic Planning Committee and the Infrastructure Services Committee of Aberdeenshire Council. Information was also being made available to the public through a forum established by the Partnership which included representatives from all transport stakeholders. Agendas were not being published but the creation of a statutory Regional Transport Partnership by April 2006 would require greater transparency. Under this new arrangement there will be four non-Councillor members on the Partnership Board. It was expected that these would be selected following public advertisement.
- 3.4.13 The Kincardine and Mearns Area Manager of Aberdeenshire Council stated that Aberdeenshire Community Safety Partnership was producing an annual report and outcome agreements which were signed off by the Scottish Executive, the Partnership's principal funders. There was a good level of public awareness of this Partnership's work. Local community safety meetings were open to the public and each local community safety group included an Aberdeenshire Councillor from the area. Everything the Partnership did was subject to audit. Minutes of the Community Safety Partnership's Executive meetings were being posted on the Aberdeenshire Community Safety Group's website. The Partnership has reported annually on its plans to Aberdeenshire Council's Policy and Resources Committee. It was, however, up to the Partnership to decide what it was going to do, not the Policy and Resources Committee of the Council.
- 3.4.14 The Formartine Area Manager, Aberdeenshire Council, indicated that there was a rural partnership in most parts of Aberdeenshire, but these groups operated in different ways. No set structure had been imposed by the Council. The same situation existed for local town partnerships which had different structures, methods of representation and degrees of delegation. Some town partnerships reported to the Area Committee whilst others did not. Matters were not, however, reported for approval because authority to spend the allocated budget had been delegated. Accountability was always to the partnership body rather than the Council. A lot of the work for town partnerships by Council Officers was done outwith normal working hours and this placed a burden on Council staff in addition to their normal daily work.

- 3.4.15 The Aberdeenshire Towns Partnership Co-ordinator advised that it was up to the towns concerned as to who chaired their town partnership meetings, these generally being held on a six to eight week basis. The agendas for the meetings were decided by the Chair in consultation with Council Officers. Councillors not on the Towns Partnership Board or linked to the towns involved would have little knowledge of the Partnership or indeed of the Co-ordinator. The meetings of the Partnership Board were neither closed nor public. The minutes were going to the Council's Infrastructure Services Committee with a synopsis being produced by the Co-ordinator within forty-eight hours of the meeting. The Towns Partnership Co-ordinator advised that the Towns Partnership had no formal constitution. In 2002, an independent review was carried out and formalisation was considered. This was resisted because it was felt that momentum would be lost. The Partnership does have a mission statement and key aims and it was considered that these were adequate meantime.
- 3.4.16 Aberdeenshire Council's Director of Housing and Social Work advised that integrated working with NHS Grampian to provide seamless services in the community to older people, people with disabilities, mental health and substance misuse issues, was overseen by the Social Work and Housing Committee for the Council and by Aberdeenshire Community Health Partnership for NHS Grampian. In governance terms, Aberdeenshire Community Health Partnership was a sub-committee of the NHS Grampian Board. The Community Health Partnership Committee had 37 members. Its agendas and papers were circulated in advance of its meetings. Discussions were taking place within NHS Grampian as to whether the meetings and minutes should be open to the public. The Chair of the Community Health Partnership Committee was a non-executive member of the NHS Grampian Board. The Vice Chair was the Leader of Aberdeenshire Council. At this stage in the Community Health Partnership's development, the health and social care budgets were aligned rather than pooled. NHS Grampian and Aberdeenshire Council retained individual responsibility for their own expenditure. These budgets were not ring-fenced and each organisation could increase or decrease expenditure in consultation with the other partner. A Community Health Partnership management team comprised of NHS and local authority officers was in place to deal with operational issues and performance management. In the future, the Community Health Partnership would wish to clarify the nature of the partnership with Aberdeenshire Council. Transparency, communication and working relationships could all be improved, and in the longer term the Community Health Partnership would wish to see joint strategic development and clearer financial management achieved through the pooling of resources.
- 3.4.17 Aberdeenshire Council's Director of Law and Administration pointed out the reduction in flexibility for the Council if firm long-term budget commitments are made to partnerships. This necessarily reduced the amount of budget which can be reallocated to meet the Council's own priorities. The Director of Finance agreed that delegation of budgets to partnerships would constrain a parent organisation's ability to reallocate budgets but suggested this could be acceptable provided the risks were fully assessed and sound governance arrangements are in place for the partnership.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 General Issues

- 4.1.1 The Council delivers a wide range of important public services within the context of a much wider range of services being delivered by the public sector as a whole. All of the Council's service delivery and policy-making work requires some level of co-operation with other agencies. In some cases, this co-operation has been formalised to a greater or lesser degree as a 'partnership'. It is not, in fact, clear where the boundaries of 'partnership working' actually lie; good cooperation, partnership working and client: contractor relationships all grade into one another.
- 4.1.2 Partnership working is being vigorously encouraged by both the Scottish Executive and the UK Government. There is an increasing number of statutory joint working arrangements. This is resulting in a subtle yet significant change in local democracy. Despite having been elected by a universal franchise, Councillors are portrayed as not behaving in an inclusive way unless they enter formal partnerships with a range of un-elected and, in some cases, unrepresentative bodies and individuals.
- 4.1.3 There is great variety in the nature and purposes of partnerships and this is reflected in those in which Aberdeenshire Council is involved. Partnerships can be classified in a variety of ways, for example according to their structure or on the basis of their function. They vary from huge to insignificant and from 'talking shops' to budget-holding service delivery units. They can be strategic, tactical or operational. Amongst the partnerships the Council is involved with are some that operate within the Council's sphere of competence, while others deal with issues about which we have no internal expertise.
- 4.1.4 From the evidence heard by the Scrutiny and Audit Committee, it is very clear that Aberdeenshire Council is a valued member of a wide range of partnerships. It is equally clear that the Council and Aberdeenshire residents have obtained real benefits in terms of additional funding and influence through the Council's involvement in partnership working. The Council has built good, trusting relationships with other public sector partners. Excellent examples of close co-operation through partnership working with Grampian Police, NHS Grampian and Grampian Fire and Rescue Service, amongst others, were drawn to our attention by witnesses. We heard evidence of substantial additional funding for north-east Scotland being secured through partnership working, for instance by the North East Scotland Transport Partnership. Some funding that has come to Aberdeenshire, for example for road safety work, has been dependent on having a partnership in place.
- 4.1.5 Inevitably, some partnerships are more successful than others. Evidence presented to the Committee suggests that having a clear focus on limited goals is a good basis for a productive partnership. Vague or poorly defined desired outcomes will make it difficult to know how successful a partnership is. More generally, performance audit arrangements for partnerships seem to be variable and sometimes non-existent, making it very hard to tell how much 'added value' some partnerships are providing. It is not always going to be true that the benefits of being in a partnership outweigh the costs of participation.
- 4.1.6 For partnerships with Aberdeenshire Council involvement, we heard evidence of a variety of methods of reporting back to the Council on the partnerships' activities. In some cases, the minutes of board meetings are regularly included, as items for noting, on the agendas of Aberdeenshire Council committees. Information on other partnerships is not so readily available to Councillors or the public. We noted the

practice in Edinburgh of the various companies operated by the City Council providing annual reports to the relevant Scrutiny Panels of the Council, with these panels then putting recommendations to the Council Executive.

- 4.1.7 Partnerships may begin as unstructured discussion groups and evolve into dealing with operational issues or applying for external funding. It is important to recognise when this is happening as the accountability and governance issues become more complex and important as the partnership evolves in this way. The Council must be careful not to drift into more formalised partnership arrangements without considering fully the implications of the change in the way of working.
- 4.1.8 Working in a multitude of partnerships that cover different areas, involve different partners and address different issues, creates complexity, a lack of transparency, concerns and confusion about accountability and places significant demands on the time of staff and Members involved.
- 4.1.9 The role of Councillor includes taking up ward issues, scrutinising service delivery on behalf of residents and deciding on Council policy and resource allocation. Partnership working offers the opportunity for Councillors to scrutinise service delivery by more of the public sector than just the Council. Conversely, however, increased involvement in partnerships reduces the Council's freedom to change policy or move its resources to new priorities, eroding the role of Councillors as strategic decision-makers. Ultimately, this reduces the public's ability to effect change by voting in Council elections.

4.2 Advantages and Disadvantages of Partnership Working

- 4.2.1 A wide range of benefits was attributed to partnership working by witnesses. Access to additional funding for Aberdeenshire is a direct and quantifiable benefit, albeit it is a benefit attributable to partnership working only because those providing the funds, principally the Scottish Executive, have chosen to make it so. Partnerships were seen by some as a way of allowing increased public participation in decision making, especially in the context of local groupings. Avoiding duplication was cited as a benefit several times. Closer co-operation between the providers of related services was seen as being of real benefit to service users. For issues requiring to be addressed at a regional scale, partnership working between neighbouring Councils allows this to happen. The Council is able to secure benefits for Aberdeenshire through partnerships that it could not secure working alone. More open and trusting relationships between public sector bodies is a benefit of partnership working that cannot be quantified, but the Committee is sure it is a genuine gain.
- 4.2.2 It is clear that involvement in partnerships is generating additional pressures on staff and Members' time and/or changing what is being done during the time spent at work. We accept that quantifying what is being done differently or extra by staff as a consequence of partnership working will often be all but impossible. Nevertheless, as a minimum, there will generally be an opportunity cost to being involved in partnership working. Accordingly, as with all the work carried out by the Council, we must be able to demonstrate how the work we undertake through partnerships promotes the Council's strategic aims. For each partnership we should record comprehensively our reasons for participation. Ideally, where this is possible, the outcomes sought should be quantified, providing a clear basis for evaluating the success or otherwise of the partnership.

- 4.2.3 Even if a controlling interest is not available to the Council in any particular partnership, the democratic authority of elected Councillors should allow significant influence to be exerted. Several aspects the role carried out by Councillors can be enlarged through partnership working. Partnership working extends the opportunities for elected Members to champion local causes and raise awareness of issues. Partnership working can provide increased opportunities to scrutinise service delivery, especially by other public sector bodies. Perhaps most importantly, partnership working can provide increased opportunities for Councillors to influence policy setting by other bodies. Introducing a level of local democratic influence over more of the public sector, even if very limited in degree, could facilitate beneficial cultural change in organisations less used to public scrutiny than the Council.
- 4.2.4 The scope for Councillors to influence policy in other parts of the public sector is limited by the setting of policy and targets nationally for the organisations concerned. This was illustrated by evidence relating to the funding arrangements in the Aberdeenshire Towns Partnership. Indeed, through partnership working, the constraints operating on public-sector partners may in turn limit choices for Aberdeenshire Council. Partnership working is, inevitably, a two-way street.
- 4.2.5 At operational level, it is clear that partnership working can provide opportunities to import and export good practice between partners. Partnerships can provide a valuable feedback mechanism for participants. Councillors involved in partnerships have the opportunity to learn more about the workings of the other partners.
- 4.2.6 The formation of partnerships around particular issues or services can serve to focus attention on these. This may, however, have the unplanned effect of reducing the profile of other important areas of Council activity.
- 4.2.7 The formation of partnerships can be an effective way to overcome barriers and promote co-operation – but it can also separate and create new divides. Thus land-use planning remains a Council responsibility, whilst regional transport strategy has now been passed to the new Regional Transport Partnerships.
- 4.2.8 Of all the benefits ascribed to partnership working by witnesses, the Committee considers that the case for partnership working as a means of securing improved public participation in decision making is the most questionable. The difficulty here hinges largely on what role the ‘members of the public’ really have on partnerships’ committees. If they are involved because of strong self-interest, then they are not actually ‘public representatives’ at all. (It may, however, be perfectly proper for these people to be involved as legitimate stakeholders). If the aim is to secure the input of representative individuals to speak on behalf of the wider public, the question arises as to how these people are to be chosen – unless that is, public representation is by those members of the public elected as local representatives by universal franchise at the Council elections every four years. Given that the Council comprises the legitimately elected representatives of the public is there any need for other ‘public’ representation? Councillors are, after all, bound to act in the public interest under The Councillors’ Code of Conduct – and there are sanctions if they do not. Councillors only keep their job if they retain public confidence and are re-elected. These protections do not apply to other ‘members of the public’. Partnerships can, of course, consult and engage with the public as part of their decision-making processes, just as the Council or any other public-sector body does. As discussed in the Committee’s Report No.4, Public Consultation, Communication and Engagement, there are many effective ways of doing this that do not involve giving a few people,

with no democratic mandate, more opportunity to influence a decision than everybody else.

- 4.2.9 Some of these concerns about fairness, legitimacy and risk attached to un-elected members of partnership bodies apply to people appointed to partnerships not as 'members of the public' but because of a position they hold. By this means, certain residents effectively have two votes because they are eligible to join the partnership and also to vote for a Councillor. This challenges a fundamental principle of democracy whereby every citizen, regardless of wealth or position held, has one, equal vote. Viewed in this way, the involvement of 'public representatives' on partnerships' committees can be seen not as a benefit, but a weakening of proper democratic public participation.
- 4.2.10 While partnership working can allow the Council to extend its influence to new areas, partnership working also has the potential to result in a significant loss of sovereignty by the Council with regard to its own decision-making. The evidence we received suggested that this has happened to a very limited extent so far. To date, for the Council's core services, even where well-established partnerships are in place, decisions on policy and budgetary matters have generally remained with the relevant Council committee. The Council may, on occasion, have set a different – perhaps better – policy as a result of the closer co-operation brought about by partnership working – but the policy has still been one agreed by the Council. Whilst the Committee was reassured by how little loss of sovereignty there has apparently been, it is important to recognise that in reality the partner bodies (including the Council) are unlikely to decline to implement what their partnership has agreed. The decision can effectively be taken by the partnership body, even without it having the formal authority to do so.
- 4.2.11 Although loss of sovereignty by the Council has to be taken seriously, we do not wish to overstate this point. In reality, in many areas of activity the Council has quite limited discretion given the statutory, financial, regulatory and guidance framework within which it has to operate. Councils do require to take account of the interests of other public sector agencies in exercising their discretionary powers, regardless of whether a formal partnership exists with these bodies. In practical terms, the difference between good and close co-operation between agencies and 'partnership working' might sometimes not amount to very much. It is important to remember too that loss of sovereignty is only an issue where the decision in question is clearly the Council's to take – for example, relating to the provision of a service for which the Council has statutory responsibility. For areas where there are overlapping responsibilities or where the Council has assumed a role that could as properly be undertaken by others, the Council does not have 'sovereignty' to lose. Sharing responsibility in partnerships in these circumstances is a way of increasing the totality of what the Council can be involved in and the influence it can exert on behalf of Aberdeenshire residents. There are many extremely beneficial local or community-based partnerships that depend on Council involvement or support where the Council could never do itself what the partnership does.
- 4.2.12 The Committee notes the proposed arrangements of Colin Mair (see paragraph 3.1.8) but considers these to be more in the nature of a client:contractor or purchaser:provider relationship. The Committee agrees that complete transparency can be provided by such arrangements where the Council specifies what it wants and what it will pay for it. It is questionable, however, whether the other 'partners' would see such an arrangement as a 'partnership' at all. The Committee stresses that nothing in this report should be taken as questioning the need for joint public sector

procurement, for example of buildings, as recommended in SAC Report No 7, A Follow Up Investigation into the Levering of External Funding.

- 4.2.13 We consider that operating in a partnership almost always blurs accountability in the eyes of the public. In some cases, as suggested in paragraph 4.2.10, accountability is in fact confused and compromised. Attention needs to be given to the danger of policy setting by default. If partnership recommendations for policy change are not carefully scrutinised and challenged by the Council or its Committees, then there has in practice been a delegation of power: the meaningful discussion and scrutiny took place at the partnership and not the Council Committee.
- 4.2.14 Concerns about democratic accountability are not confined to situations where it is unclear whether decision-making power has been passed to a partnership or remains with a Council committee. Difficulties arise with the unambiguous delegation of decision-making to partnerships. The Council does nothing in a vacuum, so even with a service that is wholly a Council responsibility, problems can occur for reasons 'beyond the council's control'. For matters being dealt with by a partnership, it could be less obvious, perhaps genuinely unclear, whether something is 'beyond the Council's control'. In the event of some failing by one member of the partnership, blame may be unfairly shared with the others involved. Apparent culpability may be more or less than real culpability. The Council is likely to be the only elected body participating but decision making will be shared with un-elected appointees. In these circumstances, while the Council and individual Councillors will share any praise for successful partnership work, there is a real danger that, if things go wrong, it is the Council which will face criticism rather than the partnership or other un-elected members of the partnership. There is a significant risk that the Council's liability for blame will not reduce proportionately with the Council's loss of control.
- 4.2.15 In the event of differences of opinion arising within a partnership, the Council's view will not necessarily prevail. In most partnership situations, this means the decision taken will reflect the views of individuals who do not have to answer to voters at the next Council elections. Even with joint arrangements involving just two or more Councils, residents unhappy with a decision may find that no-one responsible for it is in any way accountable to them.
- 4.2.16 The evidence heard by the Committee emphasised how much partnership working reduces the involvement of Councillors in decision taking. The number of Councillors on partnership bodies is invariably far fewer than on a Council policy committee. There are good practical reasons for this. It does mean, however, that the full range of views amongst Councillors will not be brought to bear on decisions taken by partnerships. The scope for independent challenge and scrutiny from Councillors with a different point of view will be less. Direct influence over decisions is concentrated into the hands of fewer individuals. There appears to be an inherent contradiction between the pressures emanating from the Scottish Executive for more challenge and scrutiny by Councillors and for more partnership working.
- 4.2.17 A further problem in respect of accountability is that Councillors on decision-taking partnerships are liable to find themselves in the situation of having a conflict of interest. This difficulty was particularly drawn to the Committee's attention in relation to companies set up by Edinburgh City Council. Councillors acting as Directors have to pursue the best interests of the Company rather than the Council when they are in this role. This may oblige them to act in ways which those who elected them would not have expected. This kind of situation clearly has the potential to significantly undermine public trust in Councillors as true representatives who put residents' interests first. In this way, we consider that formalised partnership working to some

extent undermines the constitutional role of Councillor as elected representative. We were concerned to note that Councillors are not always clear about conflicts between roles and how best to balance them. We recommend further training and advice is provided to Councillors on these difficult issues.

- 4.2.18 The creation and strengthening of partnerships being brought about by legislation increases the scope for loss of transparency in respect of accountability and loss of sovereignty by the Council. The Committee was pleased to note that the consultation on establishing statutory Regional Transport Partnerships had addressed these and related issues. The Council had been much concerned by the Scottish Executive's draft proposals for the Transport Partnerships with regard to powers of requisition, voting, numbers of members and delegated powers. The Scottish Executive addressed all of Aberdeenshire Council's major concerns before finalising its proposals. We consider this emphasises the need to respond fully and carefully to consultations on proposals for major new partnerships.
- 4.2.19 We are concerned at the level of legal and technical advice available to some smaller partnerships at their meetings, and the risk this represents in relation to decisions taken. It is not obvious how this risk can be addressed, especially if the growth in partnership working continues. If policy is being developed in partnership with other public bodies and/or the private sector, the Council's representatives will need to have very full and accurate information in advance of partnership meetings so as to be confident that any decisions they make in the partnership are compatible with other Council policy and strategy. Clearly, Councillors participating in partnership discussions that may have financial consequences for the Council must always be properly briefed and supported by Officers.
- 4.2.20 A possible disadvantage of partnership working relates to the effect it could have on other areas of Council activity, not covered by the partnership in question. Involvement in the partnership is likely to make it more difficult to reduce expenditure in the partnership's area of interest. So if savings have to be found within the Council, expenditure may be reduced elsewhere instead.
- 4.2.21 As the amount of partnership working increases, the proportion of the Council's budget to some degree 'ring-fenced' by involvement in partnership working will get greater. Financial flexibility will accordingly be reduced as will the options available to Councillors in setting the Council's budget. If too much of the Council's core business is conducted through partnerships there is a danger that it becomes difficult to deliver the 'rump' of other services. Budget commitments to partnerships will further constrain the Council's already limited choices as to prioritisation of resources. We consider that these financial management issues set a real limit on the amount of formalised partnership working that a Council can safely undertake. Major shifts in the need for different services – for example, owing to the increasing proportion of elderly people in the population – will, in the foreseeable future, require a corresponding reallocation of budget in line with changing demand. Reallocating spending in this way depends on the Council controlling the budgets of all the different Services involved.
- 4.2.22 We strongly suggest that the Council considers the long-term funding implications of partnerships, not only when joining a partnership but also when responding to Scottish Executive initiatives. We note that the Council is often left with little choice but to work within a partnership in order to access Scottish Executive funding. Consideration of partnership-dependent funding initiatives has not traditionally involved an assessment of the long-term risks to the Council's ability to allocate its budget in accordance with its own policies and priorities.

- 4.2.23 It is very important that Councillors nominated to sit on partnerships have the necessary skills and experience for what can be a difficult and demanding role. That Aberdeenshire Council has been generally well served by its representatives was reflected in the evidence heard by the Committee. We consider it desirable that partnerships should be encouraged to include assessments of the competency of their members among their performance measures. This is particularly important given the general reluctance to do other than implement recommendations negotiated in partnerships after only limited further scrutiny.
- 4.2.24 Whilst we heard evidence of pressure from the Scottish Executive for greater partnership working across the public sector we also heard evidence of pressure from the same body to improve governance arrangements and to comply fully with the Accounts Commission's guidance on 'Following the Public Pound'. It is not clear to us whether these two policy goals can be fully reconciled.
- 4.2.25 The great increase in partnership working made very evident to the Committee does not seem to have been accompanied by much in the way of rationalisation of partnerships. Community Planning, for example, seems to have been treated largely as an extra activity, to run alongside other co-operative arrangements.
- 4.2.26 Several witnesses expressed the view to the Committee that an increase in partnership working by the public sector might be an alternative to structural reform, including a redrawing of local government boundaries. If such a choice is to be made, the Committee hopes that Aberdeenshire Council will find the points made in this report helpful in forming its view of the way forward.
- 4.2.27 The Communities Portfolio Manager of Audit Scotland spoke to the Committee after this investigation but prior to completion of this report and outlined the early findings of Audit Scotland's Review of Community Planning Partnerships. Many of the issues identified echoed those on which we had earlier heard evidence. She highlighted different accountability of partners and in particular the contrast between national and local priorities driving different partners in Community Planning Partnerships. She mentioned the impact of Scottish Executive decision making on the work of Community Planning Partnerships, in particular the myriad of policy initiatives, the complexities of funding available and the lack of clear national priorities. She suggested that there required to be better links between Community Plans and the corporate plans of the partners, clear agreement on priorities, a willingness to change patterns of working and effective arrangements for monitoring performance, scrutiny and risk management. Despite the differing financial regimes in which the partners operate there was, she suggested, an urgent need to clarify accounting and accountability arrangements and to measure whether the benefits of partnership working justify the added costs.

4.3 Recommendations on the Future Approach to Partnership Working

- 4.3.1 The Committee recommends that a number of safeguards are put in place prior to the Council joining any new partnership. Issues and suggestions for consideration are set out in the following paragraphs. The extent of the measures adopted in any particular case should reflect the scale and nature of the partnership and therefore the risk associated with participation.
- 4.3.2 The Council should adopt a Checklist of factors to be considered when deciding whether to get involved in a new partnership (Appendix E).

- 4.3.3 The Council should adopt 'Standard Terms of Business' (Appendix F) which include minimum requirements which have to be satisfied before we enter into any partnership. We might adopt the INLOGOV Government Assessment Tool which provides a checklist for matters relating to public accessibility, internal governance, Member conduct and accountability (see Appendix D). Some form of Code of Conduct should apply to all members of the partnership, with conflict of interest to be fully addressed as a minimum. Arrangements need to be put in place to assess the benefits and costs of individual partnerships.
- 4.3.4 Our Standard Terms of Business could be used to inform not only decisions as to whether we should join a new partnership, but also whether we are satisfied with the performance of an existing partnership and whether we should take steps to exit from a partnership.
- 4.3.5 The Council should regularly review its partnership work. Is the partnership doing the right things and are the Councillors on the partnership doing what is expected of them?
- 4.3.6 We need a general exit strategy – to be applied in the event that a regular review indicates that participation in the partnership is no longer appropriate. If the Council does decide that it should not continue in a partnership, it will be important to provide good and accurate information to all concerned explaining the Council's decision. Because of the possible implications for the other partners, the Council's exit strategy must include seeking to minimise the difficulties for the other partners.
- 4.3.7 When deciding whether to get involved in a partnership, first ask why. Does the Council have a clear interest in the aims of the partnership? Conduct a cost/benefit analysis proportionate to the scale and importance of the partnership. Is the proposed structure fit for purpose and are the right partners at the table? Does the partnership merit a formal structure – company, trust, accountable (lead) body, constitution? Are the partners compatible in terms of their organisational cultures, history and goodwill? How are the overhead costs (especially start up costs) to be allocated amongst the partners? Any contributions by the Council require to have a clear audit trail even if they are assistance in kind, e.g. staff time.
- 4.3.8 Performance measures for the success of the partnership should be agreed at the beginning as should arrangements for dissolving the partnership or for the Council to exit. We also need to be clear that partnerships may be entirely successful but still need to be disbanded, perhaps because their purpose has been served. There are likely to be public relations difficulties around exiting/dissolving partnerships. If there is a presumption that all partnership is necessarily a good thing, a corollary is that it is never good to end one.
- 4.3.9 We need to be clear about what we will do if a partnership in which the Council is involved adopts a policy position that conflicts with the Council's. We could have a condition in our Standard Terms of Business that 'the partnership shall have regard to the Council's Strategic Plan' and link this to an exit strategy/veto/golden share. There do appear to have been some tensions with partnerships which have adopted Scottish Executive ideologies without regard to Council policy.
- 4.3.10 Partnerships may begin as unstructured discussion groups and evolve into groups dealing with operational issues or applying for external funding. The Council must be careful not to drift into more formalised partnership arrangements without considering fully the implications of the change in the way of working.

- 4.3.11 As a norm, the Council should be requiring that public attendance at partnership meetings be provided for on the same basis as for Council business. The minutes of a partnership's meetings should be publicly available and preferably on the internet. Our Standard Terms of Business will need to take account of the unwillingness of some private sector partners and NGOs to conduct business as openly as the Council. We do however need to set minimum standards which will only be departed from if, overall, there is very significant advantage to be gained.
- 4.3.12 If we are to become involved in formal partnerships with delegated powers these must have a clear legal basis for their powers and will need to be established in a form which pays particular attention to accountability and governance. This might involve representatives of the partnership meeting with a panel of Councillors drawn from the relevant Council Policy Committee(s) to present their annual report and answer questions.
- 4.3.13 Partnerships need to adopt arrangements for dealing with public complaints which are at least equivalent to Council processes.
- 4.3.14 For the more formalised, larger partnerships, annual reports need to include risk management and performance information. Partnerships need to consider insurance, health and safety and equalities.
- 4.3.15 Partnerships' financial systems need to meet 'Following the Public Pound' requirements; the Council must have a right to audit – Internal Audit to have authority to go into the partnership at the Council's request, External Audit to have access to any papers they require (it is probably not necessary to specify this but it will act as a reminder that because a Council participates this renders the partnership liable to the attentions of the Council's External Auditor).
- 4.3.16 Attention needs to be given to the employment policies of partnerships – relationships between the Board members and staff should be covered by the protocol to The Councillors' Code of Conduct. This protocol places sensible and civilised responsibilities on both board members and staff.
- 4.3.17 It is important to note that Councillors acting for the Council on an outside body may sometimes have other conflicting responsibilities e.g. as company director or trustee. Guidance and training need to be readily and regularly available to help Councillors deal with these difficult situations.

5. THANKS AND INVITATION FOR FEEDBACK

- 5.1 The Scrutiny and Audit Committee would like to record its appreciation of the co-operation and assistance it received from the internal and external witnesses, the contribution made by the independent external expert, Dr Andrew Coulson and the support provided by Council Officers, notably Neil McDowall.
- 5.2 The lead officer for this investigation was initially Anne Murray who sadly died on 26 May 2006. The Committee would like to record its appreciation and thanks not only for Anne's input to this investigation but also for her outstanding contribution to the work of the Committee since 2002.
- 5.3 Each investigation that is undertaken is part of a learning experience for the Committee and it would welcome any feedback or comments from participants or interested individuals on the investigation process and this report.

Cllr Martin Ford
Chair,
Scrutiny and Audit Committee

Cllr Bruce Luffman
Vice-Chair,
Scrutiny and Audit Committee

APPENDIX A

Scrutiny and Audit Committee – Investigation Brief		
1 Subject to be reviewed	Investigation No	8
Governance and Accountability in Partnership and Joint Working		
Purpose and objectives of investigation		
<ul style="list-style-type: none"> • To examine governance and accountability issues in partnerships and joint working • By examining existing partnerships (including the Council or not) to consider – <ol style="list-style-type: none"> 1. the assessment of benefits and costs of being in a partnership 2. audit arrangements for partnerships particularly performance audit 3. Control of reputational and financial risk to the Council arising from partnership working 4. Accountability to the Council and to the public for policy and outcomes • To make recommendations for Aberdeenshire’s involvement in partnerships and joint arrangements. 		
1.1 Investigation methodology		
Background documents/ evidence/ research	<ul style="list-style-type: none"> • Corporate Governance in Local Government: Guidance Note – CIPFA /SOLACE publication 2001 • Effective Partnership and Good Governance: Lessons for Policy and Practice pub School of Public Policy, University of Birmingham, March 2004. • Partnership Working – Scrutiny Review by Essex County Council, April 2003 • Other publications to be confirmed 	
Witnesses to be invited to provide evidence	Witnesses from Council partnerships eg <ul style="list-style-type: none"> • Community Planning Partnership • Aberdeenshire Towns Partnership • Joint Futures • NESEF • NESTRANS • Datasharing Partnership • Community Safety Partnership • Fisheries Development Partnership 	Witnesses from external partnerships eg <ul style="list-style-type: none"> • Fife Community Planning Partnership • Edinburgh City Partnership • Clyde Valley Community Planning Partnership Other internal witnesses – Chief Executive Director of Finance Director of Law and Administration External Auditor
Site Visits	TBC	
Consultation with users	The witnesses from Council partnerships will be partly acting in a user role.	
Consultation with Unions	Letter to be sent to them informing them of investigation.	
1.1.1 Resources		
Project Team (officers)	Anne Murray (CE) and Alison Cumming (L&A)	
Other estimated costs	c. £3000-4000 for external expert and travel costs	
External expert	TBC	
1.1.2 Investigation Timetable		
Investigation to commence in September 2005 and finish early November 2005		
1.1.3 Agreed by Committee		
1.1.4 Date		

APPENDIX B

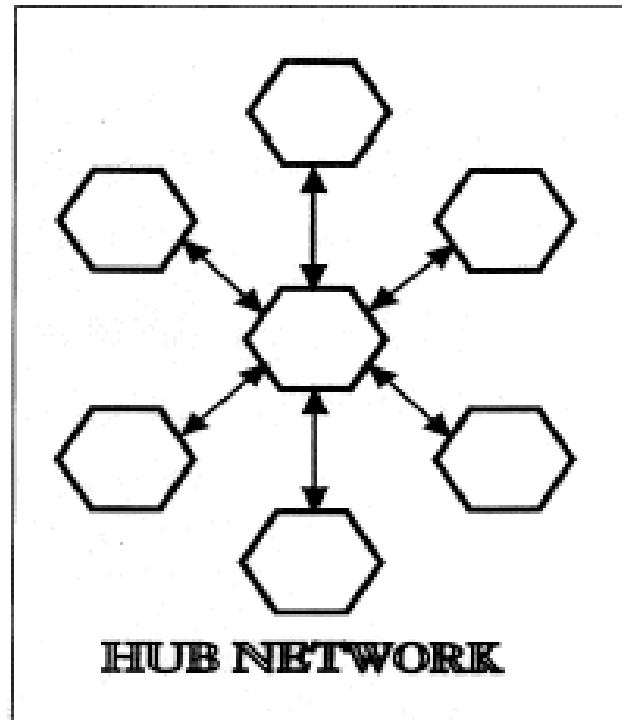
Date	Time	Witnesses
7 Sept	1.30	<u>Issues around Partnership and Joint Working</u> Colin Mair, Chief Executive, The Improvement Service Dr Andrew Coulson, External Expert, Inlogov, Birmingham
14 Sept	10.15	<u>Aberdeenshire Council Senior Management</u> Alan Campbell, Chief Executive Charles Armstrong, Director of Finance Neil McDowall, Director of Law and Administration
30 Sept	10.15	<u>Aberdeenshire Towns Partnership</u> Nick Brown, ATP Coordinator
	11.30	<u>Area Managers</u> Willie Munro, Kincardine & Mearns Area Keith Newton, Formartine Area
	1.30	<u>Joint Futures</u> Colin MacKenzie, Director of Housing and Social Work Doug Boynton, Head of Social Work
	2.45	<u>Joint Futures (NHS)</u> Jack Stuart, General Manager, Aberdeenshire Community Health Partnership Garry Kidd, Senior Finance Manager, Aberdeenshire Community Health Partnership
5 Oct	1.30	<u>North East Scotland Transport Partnership</u> Iain Gabriel, Director of Transportation and Infrastructure Peter Cockhead, NESTRANS Coordinator Cllr Alison McInnes, Chair of Infrastructure Services Committee
14 Nov	10.15	<u>Community Planning</u> Gillian Buchanan, Community Planning Manager Mark McEwen, NHS Grampian Peter Murray, Senior Fire Officer, Grampian Fire and Rescue Service
23 Nov	10.00	<u>Economic Development</u> Jim Knowles, Head of Economic Development Reid Hutchison, Community Economic Development Officer
	11.15	<u>Representation on partnerships on behalf of the Council</u> Cllr Audrey Findlay, Leader of the Council Alan Campbell, Chief Executive
	1.30	<u>Joint Headquarters</u> Gordon Moir, Grampian Fire and Rescue Service Allan Cormack, Grampian Police Duncan Rennie, Grampian Police
30 Nov	10:00	<u>Councillor involvement with Partnerships</u> Open session with Councillors of Scrutiny and Audit
	11.30	<u>External Auditor</u> Anne MacDonald, Senior Audit Manager, Audit Scotland

APPENDIX C

A] Two Partners

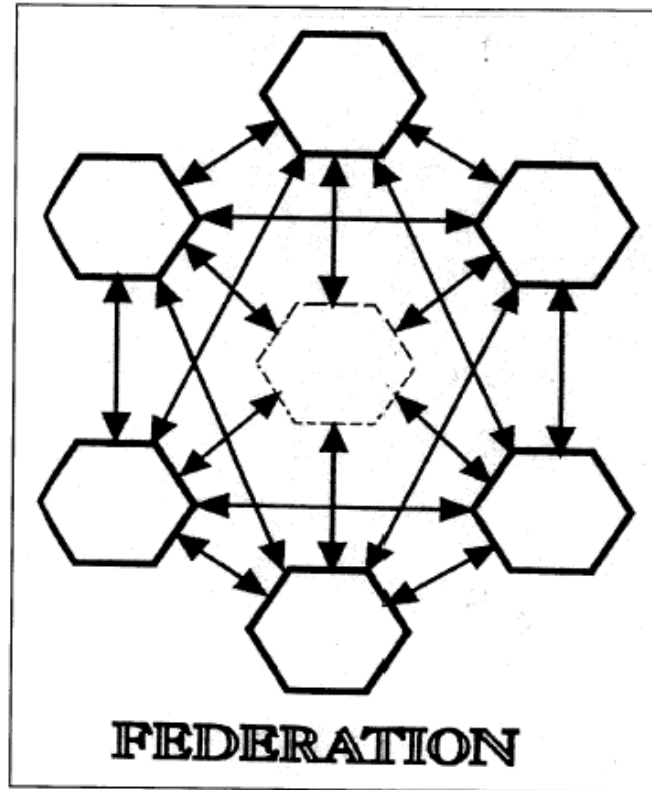


B) Hub network



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C] A loose Federation

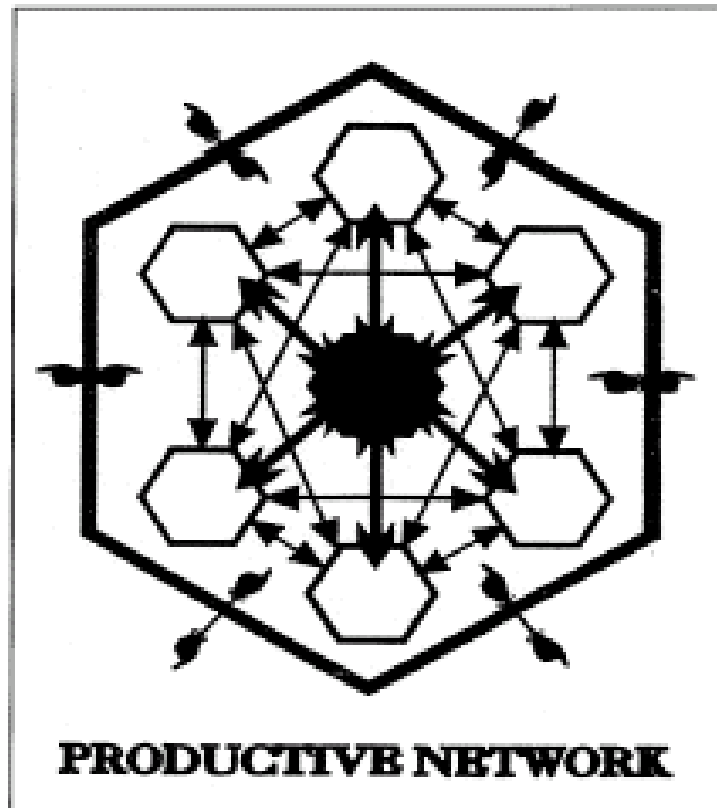


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D] A complex Productive Network



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APPENDIX D

GOVERNMENT ASSESSMENT TOOL

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In the questions below, "board" refers to the top level decision making body of the partnership.

A Public accessibility

1. Are meetings of the board advertised?
2. Are meetings of the board open to the press and public?
3. Is the public entitled to see reports considered by the board?
4. Are the reports that the board will consider available for the public to consult prior to the meeting?
5. Is the public entitled to see minutes of board meetings?
6. Is there an annual general meeting that the public can attend?

B. Internal governance

1. Does the partnership have a memorandum of association or other document defining its role and powers?
2. Does the partnership have a written constitution or set of standing orders defining how it will conduct its business at meetings?
3. Is membership for a limited period of time?
4. Does a quorum apply at board meetings?
5. Are written minutes of board meetings produced?
6. Are there allowances or other payments for members?

C Member conduct

1. Is there a code of conduct to regulate the behaviour of members at board meetings?
2. If there is a code, are board members required to agree to be bound by it?
3. Is there a register in which board members detail their financial and other interests?
4. Is there a system for declaring conflicts of interest at meetings?
5. Is there a procedure for ensuring that members declaring conflicts of interest take no part in the decision?

D Accountability

1. Does the partnership have to prepare an annual report?
2. Does the partnership have to prepare an annual budget?
3. Does the partnership have to prepare annual accounts?
4. Is the partnership subject to external audit?
5. Is the partnership subject to external inspection?
6. Is there a complaints process available to citizens or service users?
7. Is the partnership under the jurisdiction of an ombudsman or inspectorate?
8. Is the partnership required to meet targets agreed with any other bodies?
9. Does the partnership make a formal report to any other bodies (including the member organisations)?
10. Can member be recalled by their nominating bodies?

APPENDIX E

**Checklist
of
Factors to be Considered When Deciding Whether to get Involved in a New
Partnership**

	Not at all	Partially	Fully
Does the aim of the partnership fit with National strategies?			
Does the Council have a clear interest in the aims of the partnership – does it fit with our Strategic Plan and policies?			
Does the partnership demonstrate benefits which outweigh its costs?			
Is partnership working the best, or only, way to achieve these aims?			
Has the Council been instructed to participate in this partnership?			
Can all or some of the risks faced by the partnership be transferred or at least shared?			
Have any major risks to be considered and agreed at Elected Member level following risk assessment and analysis)?			
Does participation in this partnership lead to a transfer of budget which will have unacceptable implications for future strategic budget allocations by the Council?			
Are all appropriate bodies invited to participate in this partnership?			
Are appropriate status and voting rights being accorded to the Council in this partnership?			
Does the partnership merit a formal structure – company, trust, accountable (lead) body, constitution?			
Are the partners compatible in terms of their organisational cultures, history and goodwill?			
Is there good reason for any “public” representation on the partnership in addition to Councillors as elected representatives?			
Are there clear and appropriate arrangements for allocating start-up and running costs of the partnership?			
Are there arrangements in place for measuring and reporting on the performance and achievement of outcomes of the partnership?			
Are there agreed arrangements for dissolving the partnership?			
Are there clear arrangements for the Council to choose to exit from the partnership?			
Have appropriate arrangements been made to deal with any public relations issues arising from the establishment, operation and disbanding of the partnership?			

APPENDIX F

Standard Terms Of Business

This document lists the terms of which Aberdeenshire Council will enter into partnership with other organisations.

- The partnership shall have regard to the Council's Strategic Plan and the Council reserves the right to withdraw from the partnership should the work of the partnership in any way conflict with the terms of this plan and Council policies.
- The partnership's financial systems shall meet the requirements of the Accounts Commissions' Code of Guidance on Following the Public Pound.
- The Council shall have a right to audit the financial affairs of the partnership – the Council's internal auditors shall have authority to investigate the partnership at the Council's request and the Council's external auditors shall be given access to any papers they request. The Council's Scrutiny and Audit Committee shall be entitled to investigate the activities of the partnership and those participating in the partnership shall give evidence to that Committee if requested.
- The terms on which the Council may leave the partnership shall be agreed before the partnership commences.
- The Council shall regularly review its participation in the partnership.
- The Council shall be entitled to nominate named substitutes for any Councillors who are members of the partnership.
- The partnership shall provide an annual report on its activities to Council. The partnership shall establish a mechanism for measuring and reporting on its performance and shall include the output of this system in its annual report. The partnership shall also provide appropriate training to partners and shall regularly assess the competence of its partners by appraisal against core competencies.
- Public attendance at meetings and access to documentation shall be on the same basis as applies to Council meetings and documents.
- The partnership shall on at least an annual basis conduct a comprehensive risk assessment and produce a Register of Risks which shall be included in its annual report together with an action plan detailing how it intends to eliminate or mitigate these risks.

APPENDIX G

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