

PARTNERSHIP RISK MANAGEMENT POLICY

Report of the Director of Housing & Customer Service

1. SUMMARY

This report updates the Board on the development of a policy for managing the risks inherent in partnership working.

2. RECOMMENDATION

That the Board approves the Partnership Risk Management Policy.

3. MATTER FOR CONSIDERATION

3.1 Partnerships help Derby Homes to:

- work effectively with a wider range of organisations whose skills help us to respond to the complex demands placed on our services and assist us in achieving our strategic aims
- add value by bringing in additional financial and human resources to deliver services
- bring additional skills that help us to innovate and create new ways and means of delivering services.

3.2 In January 2011, Derby Homes was audited by Derby City Council on its management of partnerships as part of the routine auditing process. This audit highlighted a number of areas that needed attention some of which were in the process of being addressed internally by Derby Homes' management at the time.

3.3 The Partnership Management Policy is presented as a 'Manager's Guide to Partnerships'. It is intended that this concise format will encourage managers and staff to use it.

3.4 The policy applies to all partnerships with a value exceeding £2,000 and requires such partnerships to have agreed Terms of Reference, performance measurements and an analysis of any risk.

- 3.5 The Guide includes lots of good advice based on experience and best practice, specifically stating what we expect. It comes with two Appendices: Appendix 1 provides a framework by which managers and staff can evaluate the strength of potential partners so that we can make informed decisions about who we go into partnership with.
- 3.6 Appendix 2 is a template document which managers will be required to complete to comply with the requirements of the policy.

4. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

A risk management policy for partnership working will strengthen and protect our business plan and service improvement standards so that they continue to deliver sustainable services to customers. The Policy will also help to reduce the financial impact of any risks incurred by working in partnership with other organisations.

5. LEGAL AND CONFIDENTIALITY IMPLICATIONS

The Policy's expectation that partnerships over £2,000 in value must have a terms of reference (TOR). The TOR will help reduce the risk that our partners revert to damaging and costly legal action in the event of a breakdown of any partnership. The TOR enables Derby Homes and its partners to sort things out between themselves without resorting to any legal remedy.

6. EQUALITIES IMPACT ASSESSMENT

- Does this report affect the delivery of a service?: *Yes. Any service where we are involved with partnership working will benefit from this Policy.*
- Has an Equality Impact Assessment been completed? *No.*

Equalities Impact Summary

This Policy advises Derby Homes' officers to complete an Equalities Impact Assessment with the help of an Equalities Champion when they create a terms of reference for their partnership, particularly where the partnership creates a new service or improves an existing one.

7. HEALTH & SAFETY IMPLICATIONS

The Policy does cover Derby Homes having due regard to our duty of care for the Health and Safety of our staff where they share work space and tasks with partnership organisations (see page 7 of the Policy).

8. RISK IMPLICATIONS

There is a risk that without such a Policy guiding managers and staff, Derby Homes maybe facing unquantified risks in its partnership working arrangements that may seriously undermine its reputation, affect our ability to deliver our services and negatively affect our relationship with our sponsoring organisation and client, Derby City Council.

9. POLICY REVIEW IMPLICATIONS

This is a key policy of Derby Homes and will be included in the Key Policy Review Schedule. In accordance with minute 10/51 this policy will be reviewed no later than 3 years from the date of this meeting.

The areas listed below have no implications directly arising from this report:

- Consultation
- Personnel
- Environmental

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None

Supporting Information: None

Derby Homes

Manager's Guide to Partnerships
(Partnership Management Policy)

2011

*'a **partnership** is an arrangement where a number of independent parties agree to **cooperate** to advance their **mutual** interest'*

1. Introduction

Welcome to the Derby Homes Partnership Management Policy. Partnerships are an important part of delivering modern services. Partnerships help Derby Homes to:

- work effectively with a wider range of organisations whose skills help us to respond to the complex demands placed on our services.
- add value by bringing in additional financial and human resources to deliver services.
- bring additional skills that help us to Innovate and create new ways and means of delivering services.

However, partnerships also have their challenges:

- They can consume time and commitment (and money).
- They introduce risk because:
 - we are unable to directly manage and control the organisations we work with – they already have their own managers and issues
 - some partnership projects will take us into new areas of work we are unfamiliar with.

The purpose of this policy therefore is to empower and enable you to create effective and well managed partnerships that will help you and your team to successfully meet Derby Homes' aims and objectives.

It is full of useful advice that the Derby Homes Board and Senior Management Team (SMT) expects you to use that will help you to fulfil your responsibility in managing partnerships safely, avoid wasting time and money and delivering outcomes that make a difference.

Qualifying partnerships

If your partnership involves a budget of over £2000 or above, (for services or staffing) we expect you to use the guidance in this policy (including having **terms of reference**). If you choose not to use part of this policy, its omission will have to be explained.

Sources of partnerships

You can find partners in:

- **the public sector** - The City Council and its departments, other statutory bodies, (such as the Police).
- **the 'Third Sector'** or voluntary and community sector (for example, the YMCA)
- **the private sector** – companies and service providers who are ran for profit.
- **existing partnerships** involving any of these above.

Derby Homes Partnership Register

Do not forget to input your partnership onto the partnership register found in controlled documents available on DHNet.

2. Starting a partnership

Potential partners for your project or work can be found online (on the Web), or at meetings where networks or partnerships are already making things happen (or trying to).

Choosing your partner(s) – key things for you to consider for success

Derby Home's Board and SMT will expect your partnership to contribute to the outcomes of:

- Derby Homes' Service Improvement Targets
- Derby Home's Business & Delivery Plan.
- Specific aims and objectives of Derby Home's strategies for particular services (such as the Financial Inclusion strategy of the Income Management Team for example)
- Derby City Council Plan.

You will need to check your partnership against these strategic documents above. This helps to make the *business case* for your partnership.

It is desirable that your chosen partners' aims and objectives are sympathetic to Derby Homes' aims and objectives – look for overlaps and common interests in solving particular problems by looking at the literature/promotional material of your prospective partner. Also consider the geographical location of your chosen partner – how easy is it to meet with them face to face?

Meeting with people from your potential partner organisation face to face is a good way of exploring the willingness and commitment to work together. Meetings also help to develop a rapport and trust, build relationships with people and make things happen. Meetings can even help to discover that the partnership may not be suitable after all.

A frame work for developing the partnership

Right from the very beginning whilst you get to know your new partners, you need to clearly build the relationship around the following **key elements** of effective and robust partnerships:

- 🔑 Clear, shared objectives and vision (overall agreement) for the partnership
- 🔑 A commitment from the partners to do their bit/fair share for the partnership
- 🔑 Being comfortable with honesty and being able to trust each other by sharing key information - for example sharing financial information/processes with each other
- 🔑 Agreeing who is responsible in each organisation for processes and outcomes (accountability)
- 🔑 Realistic ways of measuring the partnerships' achievements and outcomes
- 🔑 An agreed end date and exit strategy for the partnership.
- 🔑 A realistic plan and timetable for reaching these objectives (key times/dates/calendars)

These **key elements** should be developed and agreed at meetings so that as relationship building continues, they can become part of the **terms of reference** we expect you to produce for your partnership (see overleaf). This is sometimes also called a 'partnership agreement' or 'project charter'.

3. Terms of Reference for partnerships

This important document formally sets out how the partnership will be managed. It should be agreed and signed ideally before the work of the partnership begins. In addition to the **key elements** on page 3, the Derby Homes Board and SMT would expect to see:

1. Who the partnership is between, including full contact details of all partners and key personnel involved.
2. The purpose and business case of the partnership;
 - a. The partnerships' aims and objectives and how the partnership meets Derby Homes'/City Council aims and objectives
 - b. Any needs that have been identified from research or statistics about customers that the partnership will meet.
 - c. Critical success factors (CSF) the partnership has identified. CSFs are the things that mean most to the end user (customer) of the partnership's work and meeting these factors helps the partnership to succeed. State what these are and how you will meet them.
 - d. What outcomes does the partnership have in mind – what will be improved?

This information above helps Derby Homes to understand and support the partnership.

3. Key accountable people and what they are responsible for in the governance of the partnership and:
 - a. how decisions are made
 - b. how decisions are recorded
 - c. who ensures that what is decided happens
 - d. the reporting back of actions
 - e. who, back in the partner organisations, oversees the partnership
4. A programme of regular meetings set up to review the performance of the partnership aims and objectives/outcomes:
 - a. how the partnership will know about where it is succeeding or failing
 - b. who manages and reports performance
 - c. how issues of commitment from the partners themselves will be dealt with
 - d. identify and agree the triggers (when you need to meet) for additional meetings to resolve any issues.
5. State and acknowledge the risks in the partnership and say how the risks will be managed and who in the partnership manages which risk. Risks to consider are those to:
 - Customer satisfaction
 - Service delivery (capacity to do the job)
 - Finances
 - Reputation of the organisations
 - Health and safety of employees and customers
 - Extra demands on resources if a partner(s) drops out.
 - Specific risks that arise in particular partnerships.

6. A statement about the partnerships finances, stating:
 - a. who provides the money
 - b. how decisions are made about how it is spent
 - c. how much work by the partnership costs
 - d. how and when expenditure and budgets are reported
 - e. what happens to the money if the partnership has to end early (see 9 below)
7. Explains how the partnership will be promoted to the public to help take up of its services, meet its objectives and be accountable to the public
8. Refers to a completed Equalities Impact Assessment (for Derby Homes) if applicable.
9. A termination clause that gives partners time to wind up the project professionally/make other arrangements in the event of something happening that will stop the partnership continuing (such as budget cuts for example). Remember to discuss the possible termination of a partnership with your line manager before taking any action.
10. States the duration of the partnership, and also:
 - a. an exit strategy
 - b. any handover period to another party
 - c. a commitment to review the work done by the partnership when it is over and report back to the partner organisations and public about the achieving value for money (meeting aims and objectives, generating outcomes)
11. Sets out and explains any agreed omissions to the terms of reference.
12. Includes corporate backing for the partnership (support and interest from the Boards and SMT of the organisations involved). For example, a senior manager or board member from each organisation could sign off the terms of reference.

4. Evaluating the viability of your partner

When we talk about the viability of an organisation, we are talking about its capacity to contribute fully to the partnership. By capacity we mean two things (1) the **resource capacity** - that the partner has the resources to do their bit for the partnership (such as people and budgets) and (2) **skills capacity** – that the people they employ have the skills to do the job.

The viability of a partner organisation is important to the health of a partnership as it determines whether the partnership will be successful or not. It will also help you to see where there may be weaknesses or possible problems and can be seen as a form of risk assessment, enabling you to negotiate with the partner to divide the work up in a way that plays to each organisations' strengths. You can begin to assess your potential partner's viability as soon as start to build the relationship. Weaknesses might be addressed in the risk assessment you do together.

In the **Appendix 1** on pages 5-7, we have identified a number of areas we expect you look at when assessing your potential partners in order to help your partnership be successful. You can deploy this frame work when using the **internet** and **media** as sources of information.

In **Appendix 2** we have set out **template** to get you a started.

Appendix 1: Partnership Viability Assessment Framework

Area of Risk	Sources of information to request from potential partners (The internet is a good place to start, also the media)	Lines of Enquiry/Key questions/Actions
1. Financial capacity	<ul style="list-style-type: none"> Audited Accounts (most recent) Operating costs to income References from Companies House or the Financial Services Authority Trade association/industry press Financial press/web news. Credit rating agencies. 	<ul style="list-style-type: none"> Warnings from these sources about particular parts of the organisation's conduct of business? Credit ratings? Any national news about financial health/performance? Stock market price/leveraging? Financial Times/investment media
2. Customer service capacity	<ul style="list-style-type: none"> Published standards (policy/customer leaflets). Complaints procedure. Complaint resolution recording (customer service and organisation learning capability). 	<ul style="list-style-type: none"> Evidence of these policies/procedures being used. Evidence of customer satisfaction. Evidence of customer feedback being used to improve performance. Talking to customers or the partner.
3. Performance capacity	<ul style="list-style-type: none"> A published performance regime Published targets/priorities – standards. Existing Service Level Agreements. HouseMark – other benchmarking fora Industry periodicals/award schemes. Industry accreditation processes. 	<ul style="list-style-type: none"> Data sets (actual verses target). A nominated team of personnel to address performance (effective management) Issues arising from SLA reviews or from the existing partnerships. Are performance outcomes woolly /unclear?
4. Governance capacity	<ul style="list-style-type: none"> Board/committee papers /minutes – actions/progress chasing Their own risk assessments Code of conduct. 	<ul style="list-style-type: none"> Recruitment processes. Board member competences/commitment Board training (How often?).
5. Equalities capacity	<ul style="list-style-type: none"> Policies & procedures Equalities monitoring Terms of reference Equality Impact Assessments 	<ul style="list-style-type: none"> Methods/efforts made by potential partner to enable equality of access to their services by a wide range of people. Employment of ethnicities as % of workforce
6. Staffing capacity	<ul style="list-style-type: none"> Opening hours Number of volunteers/ paid staff. Staff training /care & supervision. Staff turnover 	<ul style="list-style-type: none"> Commitment to providing customers with a service. Flexibility of service hours in line with customer expectation/need? Are opening hours commensurate with our own?

7. Local/National Reputation	<ul style="list-style-type: none"> List of other partners/companies they have worked with locally. Links with the local Council. National profile of the proposed organisation. Web based reviews of partner services/products. 	<ul style="list-style-type: none"> Get out there, ask partners for feedback. Ask other local community organisations for feedback, experiences, opinions Any national/local spectacular failures? Any big name sponsors? What's their feedback?
8. Political considerations	<ul style="list-style-type: none"> Are they or their activity 'in' or 'out' out of favour with Government or the market? Is there resistance to the partnership with DH amongst the management or board of the partner? Observed clashes between factions in the partnership meetings or organisation's Board? Clashes with Central Government policy? Observations of any prejudices at meetings? 	<ul style="list-style-type: none"> Engage with dissenters – find out what their problem is. Try to reassure them of our role if their problem is with Derby Homes. Refer to the partners Equalities policy.
9. Geographical/proximity issues	<ul style="list-style-type: none"> Where is the proposed partner based? Local, national or both? Who else they work with locally at a national level (throughout the country). Consider the length of time you might spend travelling o meetings and impact on your time. 	<ul style="list-style-type: none"> Full contact details for offices/key personnel. Clear lines of communication established between offices. Nominated people in the proposed partner organisation who are tasked with responding to the needs of your partnership.
10. Competition/duplication	<ul style="list-style-type: none"> Local media; web - using subject matter/type of service. What is the unique selling point of your partnership as opposed to existing partnerships? Is there one? What external funding streams will you be competing for? 	<ul style="list-style-type: none"> Who are the competitors? Are there already existing partnerships that you can be part of? Have both organisations identified the needs to be met and the quality of service expected by the end user? What are the critical success factors (CSF s) for your partnership?
11. Health & Safety skills <i>(Particularly where your staff might be seconded to working with a partner)</i>	<ul style="list-style-type: none"> Health and Safety Policies Up to date Employers Liability Insurance certificate. Accident recording books. First Aid equipment and training Building security/alarm systems when dealing with the public. Fire equipment maintenance and equipment 	<ul style="list-style-type: none"> How many accidents or incidents there have been in the partner organisation? Are there regular fire escape practices? Access to keys.

APPENDIX 2: TEMPLATE PARTNERSHIP TERMS OF REFERENCE



Partnership Terms of Reference

(For projects over £2000 in value)

(Name of Project/Partnership here)

This document is a terms of reference for a partnership between:

Organisation Name Derby Homes Ltd
Address: South Point
Cardinal Square
10 Nottingham Road
Derby
DE1 3QT
Telephone: 01332 711000
Email: enquirycentre@derbyhomes.org
Lead Officer telephone:
Lead Officer email:

Organisation Name 1
Address:
Telephone:
Email:
Lead Officer telephone
Lead Officer email

Org Name 2
Address:
Telephone:
Email:
Lead Officer telephone
Lead Officer email
(delete as applicable)

1. Purpose of the partnership

Explain what the partnership is going to do together, including aims and objectives. How long will the partnership last? Who are the stakeholders and how will they all benefit?

2. Business Case *(why are you going to do what you said on the previous page in (1))*

(You need to justify your partnership by linking it to relevant DH/DCC service plans, SITs plus any research and statistics about the customers whose needs you want to meet).

3. Critical Success Factors *(these are the key outcomes of the partnership that customers value the most. Considering these will help you to have a successful partnership).*

Critical Success Factors	Metrics (how measured)?	Who measures what?	CSF met?

4. Objectives and outcomes *(other objectives that the partnership has set itself)*

Objectives	Metrics (how measured)?	Who measures what?	Outcomes met?

Sections 3 and 4 can be used by you to evaluate the partnership for a Board report for example.

5. Budgets & Finance *(In this section you need to state the financial commitment by each organisation to the partnership – this includes specific budgets, staff costs and overheads).*

Derby Homes Ltd	Organisation 1	Organisation 2	Totals
£/staffing/overheads	£/staffing/overheads	£/staffing/overheads	£/staffing/overheads
Actual +/-:	Actual+/-:	Actual+/-:	Actual+/-:

Use 'actual' at the end of the project to evaluate it.

6. How will the partnership be managed?

In this section mention:

- Who is responsible for each part of the partnership's work?*
- How often you will meet to report back on progress?*
- How decisions will be made and how records will be kept?*
- How will budgets be monitored and reported?*
- How any risks will managed?*
- How will the partnership promote its work?*

7. Risks and constraints on the partnership

Constraints are factors that you know about that could impede success. Risks can be known and unknown. Both will need to be anticipated, managed or allowed for. State them here and say what you are going to do about them! To help you, one of your partnership meetings might explore different scenarios (make believe situations) of things going wrong and how you would deal with them to prepare you just in case.

8. Termination clause and exit strategy

If the partnership has to end suddenly for some reason, the termination clause (a set agreed procedure with a time limit on it which all partners have a right to) will help to wind down the partnership professionally and leave no loose ends (including accounting for and redistributing unused money or other resources).

An exit strategy does exactly the same but does so in a scheduled way, when the partnership comes to the end of its useful life. It might be that one of the partners takes over all the work, so in this case you would be talking about an effective handover to the succeeding organisation as an exit strategy.

9. Equal Opportunities

If you are creating a new service or improving one, you will need to sit down with an Equalities Champion and complete an Equalities Impact Assessment for the partnership.

10. Derby Homes Partnership Register

State when you entered this partnership on the DH partnership register.