

Appendix F

External Arrangements

1. PARTNERSHIPS

Why is this important?

- 1.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 1.2 Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

General

- 1.3 The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk;
 - (b) the ability to access new resources;
 - (c) to provide new and better ways of delivering services; and
 - (d) to forge new relationships.
- 1.4 A partner is defined as either:
- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or
 - (b) a body whose nature or status give it a right or obligation to support the project.
- 1.5 Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in concert with others;
 - (b) acting as a project funder or part funder; and
 - (c) being the beneficiary group of the activity undertaken in a project.

- 1.6 Partners have common responsibilities:
- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
 - (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;
 - (c) be open about any conflict of interests that might arise; and
 - (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
 - (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
 - (f) to act wherever possible as ambassadors for the project.

Key controls

- 1.7 The key controls for authority partners are:
- (a) to be aware of their responsibilities under the authority's financial regulations and the code of practice on tenders and contracts;
 - (b) to ensure that risk management processes are in place to identify and assess all known risks;
 - (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
 - (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences; and
 - (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the Chief Finance Officer

- 1.8 To advise on effective controls that will ensure that resources are not wasted.
- 1.9 To advise on the key elements of funding a project. They include:
- (a) a scheme appraisal for financial viability in both the current and future years;
 - (b) risk appraisal and management;

- (c) resourcing, including taxation issues;
 - (d) audit, security and control requirements; and
 - (e) carry-forward arrangements.
- 1.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Chief Officers

- 1.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Chief Finance Officer.
- 1.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Chief Finance Officer.
- 1.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.
- 1.14 To ensure that all agreements and arrangements are properly documented.
- 1.15 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the authority's statement of accounts concerning material items.

2. EXTERNAL FUNDING

Why is this important?

- 2.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery and the single regeneration budget provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the authority's overall plan.

Key controls

- 2.2 The key controls for external funding are:
- (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
 - (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by Council; and

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- (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Finance Officer

- 2.3 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.
- 2.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 2.5 To ensure that audit requirements are met.
- 2.6 To approve and sign all applications for external funding.

Responsibilities of Chief Officers

- 2.7 To ensure that any applications for external funding within their service responsibilities are approved and signed by the Chief Finance Officer before submission to the funding agency concerned.
- 2.8 To ensure full compliance with the council's External Funding strategy in respect of any external funding proposals undertaken within each service directorate, including obtaining and acting upon advice on any legal and financial aspects of such proposals from the Solicitor to the Council and the Chief Finance Officer.
- 2.9 To ensure that all claims for funds are made by the due date.
- 2.10 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.

3. WORK FOR THIRD PARTIES

Why is this important?

- 3.1 Current legislation enables the authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

Key controls

- 3.2 The key controls for working with third parties are:
 - (a) to ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer :

- (b) to ensure that contracts are drawn up using guidance provided by the Director of Corporate Support Services and that the formal approvals process is adhered to; and
- (c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibility of the Chief Finance Officer

- 3.3 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibility of the Director of Corporate Support Services

- 3.4 To issue guidance with regard to the legal aspects of third party contracts, and provide standard forms of contract to be used.

Responsibilities of Chief Officers

- 3.5 To ensure that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.
- 3.6 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.
- 3.7 To ensure that appropriate insurance arrangements are made.
- 3.8 To ensure that the authority is not put at risk from any bad debts.
- 3.9 To ensure that no contract is subsidised by the authority.
- 3.10 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 3.11 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 3.12 To ensure that such contracts do not impact adversely upon the services provided for the authority.
- 3.13 To ensure that all contracts are properly documented.
- 3.14 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts.