

REGULATION 21: EXTERNAL ARRANGEMENTS (Current)

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21.1 PARTNERSHIPS

Under the modernising agenda the Council is seen as providing a distinctive leadership role in the community. As part of the Community Strategy it brings together other local public, private, voluntary and community sector organisations in partnership to address local needs.

Best Value authorities are also required to challenge the way services are provided and consider alternative delivery options. Orders made under section 16 of the Local Government Act 1999 may give a Council the powers to enter into partnerships or contract partnering arrangements with the public, private or voluntary sector and these are seen as ways in which services may improve their economy, efficiency and effectiveness.

A partner can therefore be an organisation undertaking part funding or participating as a beneficiary in a project, or a body whose nature or status give it a right or obligation to support the project, or a body working on a joint venture with the Council for the delivery or acquisition of services.

Due to the varying nature of potential partnerships, this regulation seeks to set out the guiding principles for partnership arrangements, where any form of Council expenditure is involved.

21.1.1 Project Appraisal: A thorough project appraisal must be carried out on the viability of the project before any partnership project commences. At a minimum this must cover the following:

- Cost benefit and option analysis
- Analysis of the full extent of potential partners to participate in the proposals
- Funding requirements and proposed sources
- Risk analysis and contingency planning
- Resource implications
- Staff and expertise requirements
- Taxation implications

21.1.2 Project Approval: All partnership frameworks must be approved by the Executive or Other Committee on receipt of a written report.

21.1.3 Projects involving Neighbouring Authorities: Where the partnership will be involving working with neighbouring authorities then approval for the Project should follow the requirements of the Council's Framework for Developing Collaborative Working with Neighbouring Authorities.

21.1.4 **Financial Viability Check:** The risk management appraisal of funding sources, financial viability and contingency plans across current and future years must be approved by the Statutory Chief Finance Officer.

21.1.5 **Approved Projects Governance:** Before commencement of an approved project, appropriate governance mechanisms must be established in accordance with the Council's Framework for Partnership working. In particular these should include:

- An appropriate agreement with the parties involved, in a format approved by the Monitoring Officer.
- Aims and Objectives of the Partnership.
- Membership, roles and responsibility and powers of each partner involved, including health and safety responsibilities.
- Management and meeting structure and reporting requirements, including reporting arrangements to FBC members.
- Decision Making Processes.
- Processes to amend partnership rules.
- Exit Strategy.

21.1.6 **Financial Management Arrangements:** Before commencement of a partnership, which will be managing funds, the following financial control mechanisms must also be established and agreed with the Statutory Chief Finance Officer:

- Which organisations Financial Regulations and Contract Standing Orders are to take precedent.
- Budget forecasts and funding mechanisms.
- Expenditure approval processes and limits
- The financial accounting, monitoring, reporting and record keeping arrangements to be established.
- Ownership and audit accessibility to partnership documents.

Any authority over the management and spending of partnerships funds given to FBC employees must be established in writing and signed by all the parties involved.

21.1.7 **Significant Partnerships:** Any partnership assessed as “significant” In accordance with the FBC Framework for Partnership Working must also demonstrate the following arrangements:

- Procedures for dealing with conflicts of interest.
- Annual review of membership and opportunity to select chairman.
- Risk Management Arrangements

- Performance Management framework with measurable outcomes.
- Consultation with the local community and complaints procedures.

21.1.8 **Council Representation:** All members and employees must be mindful that they are representing the Council in any partnership arrangements and therefore must act with appropriate propriety and professionalism. In particular an appropriate 'arms length relationship' must be maintained with any organisation from whom we make or receive funding.

21.1.9 **Confidentiality:** All members and employees must hold confidentially and securely any information received as a result of partnership activities or duties that are of a confidential or commercially sensitive nature.

21.2 EXTERNAL FUNDING

Sources of external funding such as the National Lottery and the regeneration budget provide additional resources to enable the Council to deliver services to the local community. However, care needs to be taken that the funding conditions meets the aims and objectives of the Council.

21.2.1 **Match Funding:** Directors and Chief Officers must confirm with the Statutory Chief Finance Officer that any match funding requirements have been given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

21.2.2 **Timing of Claims:** Directors and Chief Officers must ensure that all claims for funds are made by the due date.

21.2.3 **Accounting:** The Statutory Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

21.2.4 **Use of Funds:** Directors and Chief Officers must ensure that any external funds are properly spent and recorded in accordance with the scheme.

21.3 WORKING FOR THIRD PARTIES

Current legislation enables the authority to provide a range of services to other bodies on a client/contractor basis in order to maximise the use of its resources and expertise. However, there are restrictions under the Local Authority Goods and Services Act 1970 as to the nature of the bodies to whom we can supply a service (principally public sector organisations.) The Council itself can also be the recipient of services from similar organisations under this act, in which case the rules for procurement (Financial Regulation 15) should be followed.

- 21.3.1 **Tender Appraisal:** Before entering into an agreement to provide services for a third party a comprehensive risk appraisal must be carried out covering at least the following:
- confirmation with Legal Services that the Council has a legal power to provide the goods or service;
 - assessment on whether the service has the appropriate resources and technical expertise to undertake the work across the duration of the contract;
 - assessment of whether the contract will impact adversely upon the services provided for FBC;
 - confirmation that the Council will not be subsidising the contract in any way and there are no tax implications;
 - confirmation that the client is financially viable and the Council is not at risk of future bad debts;
 - assessment of any additional insurance arrangements that may be needed.
- 21.3.2 **Financial Advice:** Advice must be sought from the Statutory Chief Finance Officer on the tender sums being submitted and the proposed contingency arrangements for any perceived risks.
- 21.3.3 **Member Approval:** All third party arrangements must be approved by the Executive before negotiations are concluded.
- 21.3.4 **Authorisation of Agreements and Contracts:** Agreements and contracts can only be authorised by an employee whose level of delegated authority is above the total net value of the contract.
- 21.3.5 **Authorisation List:** A list of officers authorised to authorise agreements or contracts on behalf of the Council shall be given to the "Nominated Chief Officer with responsibility for Exchequer functions" together with their specimen signatures and any limits imposed, in accordance with [Financial Regulation 4](#).
- 21.3.6 **Contract Terms and Conditions:** Authorising Officers must ensure that all contract documents have been checked by Legal Services before entering into a contract, to ensure that they do not put the Council at undue risk or conflict with the Council's Aims and Objectives.
- 21.3.7 **Contract Register:** Directors and Chief Officers must ensure that a contract register is maintained of all contracts entered into and all payments owing and received are recorded.

Other Points of Reference (underline denotes a hyperlink is available)

[Financial Regulation 2: Responsibilities of Statutory Officers](#)

SECTION E: EXTERNAL ARRANGEMENTS – REG. 21 (External Arrangements)

[Financial Regulation 4: Authorisation Limits](#)

[Financial Regulation 15: Contract and Procurement Procedures](#)

[Anti-Fraud and Corruption Policy](#)

FBC Framework for Partnership Working

FBC Framework for Developing Collaborative Working with Neighbouring Authorities