

# Audit and Governance Committee

## Briefing Note

The Audit and Governance Committee have asked to monitor progress on the governance arrangements for the Council's Regeneration Partnership. This briefing contains the latest position as at 18<sup>th</sup> June 2021.

### **Subject: Governance Arrangements for the Council's Regeneration Partnership**

The Council entered into a contractually based partnership arrangement with Balfour Beatty in 2010 (the contract is now with Engie Services Ltd). The contract was to deliver a number of services aligned to the regeneration of the borough on behalf of the Council. The contract length was for an initial 10 year period with the option to extend for up to 5 years. The contract was extended for an initial two years in 2012, and in December 2020 Cabinet approved an extension for an additional 3 years, taking the contract end date to 30th June 2025 – no further extensions are allowed under the contract. The agreement to the extension includes a number of commitments regarding savings to the Council, value for money reviews, revised profit/income share arrangements, and commitment to provide value added project opportunities for the Council.

A full review of the contract arrangements was undertaken prior to Cabinet approval for an extension, including a review of the governance arrangements. The review concluded that the structure of the governance arrangements was generally sound, i.e. a 2 board arrangement consisting of a 'strategic' Partnership Board and an Operational Board. There were however some recommended changes to the operation of the boards and these are summarised as follows:

- The Partnership Board will meet twice a year to set the strategy, budget and receive the annual performance measures.
- Elected Member representation on the Partnership Board to reflect the strategic nature of the board
  - Leader of the Council
  - Portfolio Holder for Economic Growth, Housing and Tourism
  - Portfolio Holder for Environment and Transport.
- Opposition Members will continue to have the opportunity to monitor the performance of the partnership through the Council's formal scrutiny arrangements.
- Decisions will continue to be made according to the Council's decision-making arrangements, i.e. via Cabinet and Portfolio Holder meetings in public, which again will be subject to scrutiny as appropriate.

- As decisions are made through the Council's arrangements as above, there is no requirement for meetings of the Partnership Board to be held in public.
- The Operations Board will meet on a bi-monthly basis to review the performance measures for the Partnership and to discuss operational matters and service delivery.
- Performance reports will be referred to the appropriate scrutiny panel every four months.

The changes to these two boards meet the requirements of the revised partnership arrangements over the remaining term.

It should be noted that during the transition period of the contract extension, the Partnership Board has agreed to continue to meet on a quarterly basis and the Operational Board has met monthly.

The Partnership Board has agreed to monitor progress on the contract extension commitments and to have a focus on continuous improvement.

### **Who is on the Partnership Board?**

The Partnership Board is chaired by the Chief Executive of the Council, and the board membership consists of executive and senior officers of the Council, Elected Members and Engie regional and local Managers. The current membership of the board is as follows:

Chief Executive (Chair)  
 Leader of the Council  
 PfH Environment and Transport  
 PfH Economic Growth, Housing & Tourism  
 Assistant Director of Housing, Highways and Planning (Partnership Director)  
 Assistant Director Law, Governance and Assets  
 Executive Director for Environment, Economy and Resources  
 Regional Managing Director – Engie  
 Services Director - Engie  
 Contract Business Manager – Engie

Each partner is entitled to have an equal number of representatives on the board.

### **Additional Governance Arrangements**

- Integrated Management Team – integrated approach to the management of the Partnership led by the Assistant Director of Housing, Highways and Planning. Meets every 2 weeks to provide leadership and timely decisions across the Partnership.

- A Dispute Resolution Process is set out within the contract to include escalation to the Chief Executive of the Council and the Managing Director of the Partner, mediation and finally the use of an external expert. Resolution can also be through legal proceedings if necessary.
- Cabinet/Portfolio Holder – key/executive decisions continue to be made through Council’s decision making processes as required by the Constitution and can be called in by Scrutiny.
- Portfolio Holders are updated on partnership matters on a regular basis, with Assistant Directors and Engie Heads of Service attending Portfolio Holder meetings/briefings as required.
- Change Control – a change control process is set out within the contract to manage requests for contractual changes, additional works/services, legislative changes etc. Change Requests require the signature of the Assistant Director of Housing, Highways and Planning and the Partnership Director (Engie) before any ‘change’ is implemented.
- Performance Reports – reviewed and challenged at Operational Board & Partnership Board before receiving quarterly challenge through the Regeneration, Environment and Housing Scrutiny Panel. Reports are published as part of the Scrutiny Panel agenda. Performance targets are reviewed annually to ensure that they are ‘fit for purpose’ taking into consideration previous results, changes in priorities, changes in resource availability and changes in legislation etc.
- Services delivered by the Partnership are subject to internal audit.
- Budgets managed by Engie on behalf of the Council are monitored through the Council’s Collaborative Planning system, validated by Assistant Directors and the Council’s finance teams, and are a regular agenda item at Senior Management Team.
- Risks are reviewed on a quarterly basis through the management team, and the risk register is updated accordingly.
- All projects have a project manager and lead officer allocated (lead officer /owner is usually the Assistant Director) and are managed through appropriate and agreed project management protocols.
- Engie are currently undertaking a Customer Service/Perception survey. The results of this survey will be made available to the Council.

**Contact Officer: Name, title, contact details**

Mark Nearney - Assistant Director of Housing, Highways and Planning

Tel: 01472 324122      Mobile: 07826 344556