

Alternative Service Delivery Model Toolkit

A guide to alternative service delivery models
(March 2020)

This Toolkit is to help you understand what considerations need to be taken into account when entering into any alternative service delivery model, such as a commissioned service, an in house service, an arm's length organisation, a partnership or to work collaboratively. It is a tool for anyone who works in the Council, as well as a guide for those who are in partnerships. It signposts you to appropriate policies and good practice for considering alternative service delivery.

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Purpose of the Toolkit

The purpose of this document is to signpost you to information you require in terms of consideration for delivering services within the Council. It offers guidance on alternative service delivery models which includes arrangements for commissioned services, an in house service, arms' length service delivery, partnerships and collaborative working. Policies and practices are already set up for these processes, and this document should help you identify a way forward and provide links to methodology, policy, scrutiny requirements, good practice and so forth.

All consideration for the more complex models, such as the commissioned services and arm's length service delivery MUST be taken through the Council's correct processes and worked through with Finance, Legal, Human Resource and Procurement services.

It is important to review and assess partnerships regularly to make sure they offer value for money and that the intended outcomes are achieved. The purpose of this Toolkit is to help us, with our partners, to review the service delivery models we are involved in, and to ensure good governance arrangements are in place. This in turn should lead to better accountability, clearer understanding about performance, and subsequently, improved services for our communities.

The Council is positive about approaching partners and approaches from partners to consider different forms of service provision to maximise use of all resources for a better outcome for our communities. We are flexible in terms of working with partners and will consider most options.

Information on the pages below offers guidelines to key alternative service delivery models (henceforth referred to as ASDM in this document); this list is not exhaustive.

An executive group / team of each partner organisation should provide their strategic overview of the partnership proposal, and provide their organisation's approval to commit to the partnership in accordance with the appropriate internal decision making processes.

Public bodies in particular need to ensure that they don't trigger procurement rules. As part of this process it is advised that before any partnership is entered into, a report must be submitted to the Council's professional leads for Insurance, Financial Services, Legal Services, Human Resources, Audit and Procurement Services for comment, and advice, as mentioned above. Consideration must be given to, though not limited to, Council financial procedures, risk management, audit review, commitment to equality and diversity, and compliance with General Data Protection Regulations (GDPR).

ASDMs used to support change are varied and each model comes with a number of benefits and concerns. There is a clear need for proper due diligence and thorough planning before embarking on an ASDM. For example, key considerations will be:

- Any decision to change the way services are delivered or to use a new delivery model requires a thorough options appraisal and business case.
- The Council needs to establish reporting, accountability and control mechanisms at the start of any new project so they are aware of the risk profile of each delivery model, and the actions being taken to mitigate the risks.
- Reporting, accountability and control arrangements need to be robust with all

parties having full understanding of the risks associated with the model. If the expected benefits and routes to achieving these benefits have not been well understood, then the delivery of the benefits is almost impossible. The credibility of the new model is also quickly challenged as it is impossible to meet the varying expectations of stakeholders, or capture sufficient evidence to demonstrate progress. This may also result in a lack of clarity over responsibilities and expected service practices.

After discussions with the above parties there should be a clear way forward for an ASDM model. It may also be the case that an ASDM model is not necessary.

Which alternative service delivery model to choose

Legal, Finance and Audit Services must be involved from the start of any of the arrangements

Commissioned Services	Back in House Services	Strategic Partnerships	Collaborative Working	Arm's Length Service Models
<p>Outsourced / contracted to an external organisation</p> <p>Definition Click here</p>	<p>Services previously commissioned outside of the Council, now returned to the Council (including modification of these services)</p> <p>Definition Click here</p>	<p>Including Shared Service Level Agreements (SLAs) plus public, private or community partnerships</p> <p>Definition Click here</p>	<p>Joint Venture / Social Enterprise or Community-led Companies / Commercial enterprise agreements, Local Authority Trading Company</p> <p>Definition Click here</p>	<p>Delivered through an Arm's Length External Organisation (ALEO) models, trusts or mutual organisations</p> <p>Definition Click here</p>

Link to Procurement and Commissioning guidance for the Council.	Link to Performance Management Framework for the Council	Link to information to support setting up Partnerships and collaborative working.	Link to information in support setting up Partnerships and collaborative working.	Link to Arm's Length Service Delivery Process.
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Follow Procurement process as above.	Follow Performance Management Framework for Council activities, as above.	Follow guidance Appendices 1,2, 3 and 4.	Follow guidance Appendices 1,2, 3 and 4.	Follow 'Framework for Delivering Services using Alternative Service Providers' (to be finalised end March 2020)
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Any ASDMs, where there is overseeing and performance within the model, should refer to scrutiny - this will include Senior Leadership Team (SLT), Cabinet, Council, Scrutiny Committees, Joint Conwy and Denbighshire Scrutiny Board (part of PSB) and Corporate Plan Programme Board.

Commissioned Services and Contract Management

On many occasions service delivery is arranged by Denbighshire County Council, but not directly delivered by us. This is a commissioning model whereby a provider is paid to deliver a clearly outlined service on our behalf. Support from Procurement to guide you on this process is available. There should be Key Performance Indicators (KPIs) in place to monitor the provider's performance against the contract. Reporting and scrutiny arrangements for this contract should also be in place.

The Council will invite potential suppliers (including the Contractor) to tender for the provision of the services required.

On the basis of the specification, and in reliance on the bid submitted by the Contractor, the Council will select the Contractor to provide the Services. [Click here for Denbighshire County Council Contract Management \(2016 version\)](#)

The Contractor must be willing and able to provide the services in accordance with the Council's stated terms and conditions. This includes community benefits to add value for the Council. Advice on this process may be taken from the Community Benefit Hub. Click here for details ([link will be in place by end March 2020](#)).

More details can be found on the link below.

[Read our Procurement and Commissioning Strategy.](#)

Once good governance is in place, you have something you can refer back to, and can check that the commissioned service is on track to deliver, and that everyone has realistic expectations of working together. An example of this area would be the CIVICA contract.

In House Services

In-house services refer to conducting an activity or operation within the Council, instead of relying on outsourcing. This will include bringing services back in to the Council which have previously been commissioned. This means using our own employees and time to keep a division or business activity, such as financing, in-house. An in-house operation is an activity performed within the Council.

There should be a clear exit strategy from any commissioned service provider. Please refer to the section in this document, '[Ending and Exiting alternative service delivery models](#)'.

Strategic Partnerships / Shared Service Agreements

Any ASDM working refers to a network of multi-agency personnel which offers strategic input around theme(s) of mutual interest and a broad range of actions; this can easily be defined as two or more groups coming together to achieve a common purpose.

For the purpose of this toolkit this means local authorities sharing services and / or working on a partnership basis with other public, private and / or not for profit sector organisations.

'Partnerships can be formed between individuals, agencies or organisations with a shared interest. There is usually an overarching purpose for partners to work together and a range of specific objectives. Partnerships are often formed to address specific issues and may be short or long-term, formal or informal. Partnership working is required by government as an approach to ensure better relationships between central and local government, and the third sector, or indeed, between the statutory sector and the third sector in localities.' (Source: changesuk.net/themes/partnership-working/).

An example of strategic partnerships is the Public Service Board for Conwy and Denbighshire.

Collaborative working

This is the process of two or more people or organisations working together to complete a task or to achieve a goal through building shared knowledge, designing innovative solutions and forging significant change. This work would be for a particular purpose or piece of work, sharing ideas and thinking to accomplish a common goal. This is project / shared service / task and finish based, simply teamwork taken to a higher level. Options range from informal networks and alliances, through joint delivery of projects to full merger.

This document includes tools that can be used at each stage in the life of a partnership / collaboration, from considering the introduction of new partnerships; reviewing existing partnership arrangements; and exiting partnerships. The documentation will assist in identifying any potential problems.

Joint ventures tend to be more contractual and formal than other partnership agreements and often involve the setting up of company structures. This would include a Local Authority trading company.

Arm's Length Service Delivery Models

The Council considers arm's length organisational service delivery models. Some councils no longer rely solely on in-house operations to deliver either public services or their own internal functions. Many have used their legal powers to establish a mixed portfolio of provision, involving delivery models that operate across areas.

Services that are not delivered 'in-house' involve some form of arm's length service delivery model. The Council has guidance that seeks to highlight establishment of legal form, constitution and a corporate governance framework for a new enterprise (which is an independent entity). See Appendix 5 for further information and links to appropriate documentation for ASDMs; the Council's current commercialisation strategy is under review.

Whilst arm's length service delivery models can be set up by a local authority to deliver services on its behalf, its governance arrangements enable local authorities to retain some control and oversight in the organisation. This may be through arrangements such as local authority representation on the board or as a shareholder, through means such as providing assets or funding arrangements.

An example of a current arrangement is the Denbighshire Leisure Ltd delivery model, a wholly Council owned, not for profit Local Authority Trading Company limited by guarantee, to deliver various leisure related facilities activities and functions from 1st April 2020.

Arrangements to put in place for alternative service delivery models

Decisions on entering any ASDM should be based on a sound understanding of the risk and challenges, as well as the anticipated benefits. Some models are statutory. Arrangements are appropriate when they have the potential to deliver:

- Co-ordinated packages of services to individuals.
- Bidding for, or gaining access to, new resources – in cases where large funds are not available to single organisations.
- Meeting statutory requirements.
- Reducing the impact of organisational fragmentation and reduce duplication.
- Added value – achieving something more than an organisation could do by working alone.
- Value for money – when available resources are used economically, efficiently and effectively.

The information below may help you to consider which functions and services can be (or are) delivered by any type of model, and how an annual health check may be undertaken.

Arrangements for each of the alternative service delivery models above should encompass consideration for the procedures below:

- ASDM Agreement
- Performance Management
- Risk Management
- Safeguarding
- Equality and Diversity
- Well-being Impact Assessments
- Decision making and scrutiny
- Resource Management
- Conflicts of Interest
- Dispute Resolution
- Business Continuity
- Information sharing
- Communication and engagement
- Welsh Language Standards
- Complaints
- Data Protection
- Annual Health check
- Scrutiny and Support
- Ending and exiting alternative service delivery model arrangements.

Information on the above, is shared in the sections of the Toolkit which follow.

ASDM (Partnership) Agreements

For new and existing ASDMs their governance arrangements will need to be incorporated within a suitable form of agreement, which makes clear:

- The aims, principles and outcomes that the ASDM is responsible for achieving.
- Roles and accountabilities of each of the partners represented on the ASDM.
- Procedures under which the ASDM will operate.

The specific elements that need to be included in the agreement are highlighted in [Appendix 1](#), which can be changed to suit any circumstance, but no sections should be omitted.

The formality and complexity of the agreement will depend on the significance of the ASDM. For all ASDMs legal advice should be sought to clarify if there should be a legally binding agreement in place.

Heads of Legal and Financial Services for each partner must advise on the agreement as soon as possible within the creation process before it is formally signed.

Performance Management

There is a Performance Management Framework in place within Denbighshire County Council to measure performance and to support regular monitoring, review and progression. This would include whether or not an ASDM is underperforming.

Alignment of ASDM plans with the Corporate Plan priorities ([click here for link](#)) and the Public Service Board (PSB) priorities ([click here for link](#)) is important.

[Please click here to view a copy of “Improving Services for our communities – A guide to Performance Management”.](#)

In Denbighshire we use a cloud storage system called Verto to help us manage our performance and project information. The Strategic Planning Team can help talk you through Verto in particular with regard to content for project briefs, business cases and performance reports.

Risk Management

Any risks associated with an ASDM arrangement should be captured in a Service Risk Register.

ASDM boards should be committed to providing quality, sustainable and value for money provisions for communities. Clarity on responsibility for risks should be confirmed.

Partners must recognise that there are risks involved in all activities; they must ensure that effective risk assessments are undertaken in all key decision making processes, and where necessary, implement risk management plans to alleviate these identified risks, setting clear deadlines, and allocating responsible individuals for particular tasks.

Key risks the Council need to be made aware of would include strategic, financial and reputational risks. The process for identifying, assessing, managing and monitoring risks, and risk appetite for Denbighshire County Council, is an integral part of our management

process. Risk appetite is the level of risk we are prepared to tolerate or accept as a Council in pursuit of our long term strategic objectives.

Safeguarding

The ASDM will be required to describe its safeguarding practice, and what steps are taken to quality assure safe employment practice and safe service delivery. ASDMs may need to consider Disclosure and Barring Service (DBS) procedures. Safeguarding arrangements will be reviewed and assessed on an annual basis, forming part of a regular monitoring process.

[Click for Policy and guidelines Safeguarding](#)

Equalities and Diversity

All public authorities in Wales have a statutory duty, known as a General Duty, to assess the impact or give appropriate weight to the proposal to meet the aims of the Equality Act 2010. The duty ensures that equality considerations are built into the design of policies, the delivery of services, and are kept under review.

The Strategic Planning Team is available to assist with any queries relating to The Equality Act 2010 and Equality Act (Statutory Duties) (Wales) Regulations 2011. Please [click here for Denbighshire County Council pages on Equality, Diversity and Human rights](#).

Well-being Impact Assessment

A Well-being Impact Assessment (WIA) should be considered at the earliest possible opportunity. The logic behind this is simple in that it is easier to tweak proposals and plans to ensure a positive impact (or at least no negative impact) than it is to revise things at a late stage when the final decision on an ASDM proposal is being made.

This WIA tool helps you evaluate the impact of a new idea, policy, report or project. It will support you to consider ways to enhance the contribution you can make to the well-being of future generations, clearly aligned to the Well-being of Future Generations (Wales) Act 2015, and to the Equality Act (2010).

A Wellbeing Impact Assessment must be completed when changes to policies or the introduction of new policies are being considered.

Members of the Strategic Planning Team are available to assist you with any queries relating to Well-being Impact Assessments and additional information is available following the link: [Well-being Impact Assessments](#).

Decision Making and Scrutiny

Where ASDMs take executive decisions themselves, clear lines of accountability and transparent decision making processes are required, particularly for the decisions on committing and allocating resources.

An ASDM agreement should state the voting process required in order to make decisions and / or seek agreement. Votes could be cast through the Chairperson and any matter could be decided by a simple majority so long as a quorum is present. Consider a quorum as the minimum number of members of an assembly or society that must be present at any of its meetings to make the proceedings of that meeting valid. This may be, for example, 50% of the members.

It is good practice to ensure that all relevant information has been circulated at least a week prior to the meeting.

It is essential that members have the delegated authority of their organisation to make a decision on behalf of that organisation. However, no member should sign any contracts or legally binding documentation on behalf of the ASDM without due process.

It is important for the ASDM partners to agree and record how decisions are made.

Transparent arrangements for scrutinising ASDMs must be in place. For Council led ASDMs we have three scrutiny committees (Partnerships, Communities and Performance) and their main role is to give advice to the Cabinet, and to review and challenge Cabinet decisions. They also consider broad policy issues and make recommendations to the Cabinet and Council. [Click here for access to the DCC Website scrutiny pages.](#)

Resource Management

To ensure financial management is embedded within ASDM arrangements there are various stages of review. [Click here for Appendix 2](#) for Resource Management guidelines.

Conflicts of Interest

Procedures are required to resolve conflicts of interest to ensure decisions are open and transparent to all stakeholders. A conflict of interest can arise where two different interests overlap; for example, an ASDM member's duties or responsibilities could be affected by some other interest or duty that the member or official has.

[Appendix 3](#) (Guidance on Managing Conflicts of Interest) provides guidance on producing procedures for managing conflicts of interest.

Dispute Resolution

To avoid bad feeling and potential litigation between partners the ASDM agreement must set out the rules to be followed to resolve disputes. Ideally, disputes between partners should be settled in good faith and wherever possible, by internal discussion and negotiation within the ASDM. The ASDM agreement should include an escalation procedure in the event partners disagree amongst themselves.

Business Continuity

Business Continuity plans outline the action that will be taken in the event of a serious disruption to business, and identifies the priorities for recovery in order to keep the organisation running as normally as possible at all times, even in an emergency. If delivery of services and / or the ASDM project will impact on the Business Continuity Plan of a council service, details of the measures that will be taken to address this impact should be considered. Information regarding our Business Continuity process may be found by clicking [the link here](#).

Information Sharing

Our citizens and communities expect that we work together with our partners to deliver effective and joined-up services. Sharing of personal information for service delivery purposes is one of the key enabling mechanisms for improving collaboration, integration and ensuring effective decision-making. There are key golden rules for information sharing:

- Ensure Information you share is necessary, proportionate, relevant, who need to have it.
- Consider safety and well-being - base decisions on the safety and well-being of the individual and others who may be affected by their actions.
- Gather consent where appropriate - share with informed consent and, where possible, respect the wishes of those who do not consent to share confidential information. You may still share information without consent if, in your judgement, there is good reason to do so, such as where safety may be at risk.
- Keep a record of your decision and the reasons for it – whether it is to share information or not. If you decide to share, then record what you have shared, with whom and for what purpose.
- Be open and honest with the individual from the outset about why, what, how and with whom information will, or could be shared, and seek their agreement, unless it is unsafe or inappropriate to do so.
- Data protection is a framework to work to and not a barrier – remember that Data Protection legislation and human rights law are not barriers to justified information sharing, but provide a framework to ensure that personal information about living individuals is shared appropriately. To see Denbighshire County Council's Data Protection Policies, and for guidance, please [click here](#).

Communication and Engagement

Communication and engagement is vital because it ensures the ASDM's main messages are communicated with one voice, and misinformation is kept to a minimum. A complex strategy document is not necessary; the ASDM agreement might just cover key messages, key audiences, and channels of communication. [Click here](#) for further information on Corporate Communication.

Engagement, at any level is important and valued, and by using the Council's Engagement Toolkit, advice is offered for engagement planning on a formal or semi-formal basis. Please [click here](#) for the Engagement Toolkit link.

It is important that you work to maximise Council brand opportunities, with all services and ASDMs, to ensure brand harmony and clear recognition of Council work. [Please click here for further information regarding branding](#). We need to work together to make sure a consistent style is used throughout the Council.

Welsh Language Standards

The [Welsh Language Standards](#) aim to ensure a level playing field for Welsh language services across Wales and in Denbighshire we recognise the fact that Welsh speakers have a right to access services in the language of their choice.

When forming ASDMs, the Council will ensure the issue of how the model will operate with regard to the Welsh language is discussed and agreed as part of the Terms of Reference and / or constitution of the selected model.

When the Council is the strategic and financial leader within a partnership it will ensure that the public service provision is compliant with the Welsh Language Scheme. When another body is leading, input will still comply with the Welsh Language Scheme and other parties will be encouraged to comply giving priority with services provided to the general public.

When the Council is a member in a partnership, it will encourage the partnership to adopt a bilingual policy. When acting publicly in the name of the consortium, the Council will act in accordance with its Welsh Language Scheme. Should the Council join or form an ASDM, it will ask prospective partners about their Welsh Language Schemes, language policies or the means by which they will operate bilingually.

Complaints

Individuals can encounter difficulties when seeking redress for grievances concerning services delivered through ASDMs. These problems can be overcome by adopting an effective complaints protocol.

Due to the complexity of agreeing a separate ASDM complaints process, it is recommended that partners follow their own procedure. However, the ASDM needs to agree and include within their agreement a description of how the ownership of the complaint will be decided, and therefore whose procedures it will follow. For example, the Chair may allocate or take ownership. This normally follows the process of the organisation against whom the complaint was made, even though an ASDM approach and investigation may be taken (subject to General Data Protection Regulation {GDPR}).

Please click here for Denbighshire [Complaints Procedure](#).

Data Protection

Raising awareness of Data Protection with all employees is mandatory and this must therefore be considered for any ASDM. All information of a personal nature must be handled in accordance with Data Protection regulations (General Data Protection Regulations 2018).

The regulations include seven key principles that must be followed:

- Lawfulness, fairness and transparency
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity and confidentiality (security)
- Accountability

These principles should lie at the heart of your approach to processing personal data.

Support and advice is available from dataprotection@denbighshire.gov.uk.

[Click here](#) to link to our policy on Data Protection.

Annual Health Checks

The Council has a long and successful history of working in partnership across the public, private, voluntary and third sector. The benefits and opportunities of working in partnership are well understood but risks can arise from using ASDMs and the Council must ensure that its involvement in these does not expose it to an unacceptable level of risk. Risks may be strategic, reputational and / or financial.

This document includes a template ([Appendix 4](#)) to undertake an annual 'health check' of each ASDM related to the Council in terms of strategic, reputational or financial importance. This health check is designed to identify any risks to the Council from its involvement in any of the ASDMs, and to make an overall assessment of their effectiveness.

An annual health check may lead to proposals for changes or improvements. It does not, however, substitute for the ASDM itself reviewing its governance and performances. Lead officers within the Council will have a responsibility to support and advise the ASDM to carry out its own review and take any action required to improve its governance.

Scrutiny and Support

There is a role for everyone in the Council to play in ensuring alternative service delivery models are monitored, measured and scrutinised.

Any ASDM needs to take into account where scrutiny for the model will take place, for example, in a Service Business Plan, or at a formal Scrutiny forum.

Ending and Exiting Partnerships

At some point, ASDM arrangements, or the organisation's involvement in these, will come to an end. This could be for several reasons:

- The ASDM achieves all that it set out to do.
- The priorities of an organisation / partnership change.
- On review, the ASDM is not delivering the outputs and outcomes it was set up to do and a new approach needs to be explored.
- The ASDM is replaced by another model or working arrangement.
- External funding sources / resources cease.
- On review, an adverse level of risk of continuing the ASDM is identified.
- The legal framework upon which the ASDM was founded changes.
- A partner organisation is restructured.

We need to be mindful that however ASDMs end, there is a clear closure report to offer. This will be a final document produced and used by senior management to assess the success of the project, identify best practices for future projects, resolve all open issues, offer lessons learnt and formally close the ASDM. This should include involvement with Finance, Legal and Audit Services.

It is important to make note of any lessons learnt during the process of setting up, running and / or closing down any ASDM. This information may be useful for others in the future to ensure that similar mistakes are not made, or, on a more positive note, where successes may be shared. Good practice dictates that models cannot be closed down until the "lessons learnt" have been recorded and benefits to the Council are noted.

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Appendix 1: ASDM Agreement Template

The following model combines all the attributes of best practice. An ASDM agreement must address the following headings. The level of detail provided under each heading will be dependent on the significance of the ASDM. All agreements must be checked by legal, financial and audit representatives early in the process.

All partnership and collaborative working should have annual reviews.

Name of ASDM

1. Parties and Registered Office – partners and the main contact office for the partnership.

2. Powers – set out the legal powers that enable you and your partners to create this partnership.

3. Definitions and interpretation – define key words.

4. Commencement and Terms – length of time partnership will run / point at which it will be reviewed.

5. Purpose – what is the purpose of this partnership? Do you want this partnership to be legally binding?

6. Aims, Objectives and Outcomes - what has this partnership been established to achieve?

7. ASDM principles – consider the relationship between partners and mutual trust, respect, genuineness, and commitment. Understand each other's needs and self-interests.

8. Membership and Terms of Office – this may include:

- The number of representatives from organisations in the public, private and the voluntary and community sectors, which are actively involved in the area (equal representations is not a requirement, unless other rules dictate) and why they were chosen.
- A list of the constituent members and the number of representatives they have on the partnership.
- Who the chairs and vice-chairs of the partnership are, how they were appointed, and for how long?
- How often the membership is reviewed and any time limits that an individual representative can serve on the partnership.
- How the membership of the partnership reflects the characteristics and aspirations of the area / people it has been set up to serve.

9. Roles and Responsibilities

Identify the roles and responsibilities of each constituent member of the partnership. It may be appropriate to include statements explaining what different sector members can bring to the partnership and which areas of partnership activity they will be responsible for. In addition, this section may include the roles and responsibilities of the lead / accountable body, management board, partnership coordinator etc.

10. Staffing (TUPE, Secondment)

The parties will agree any provisions relating to employment, including TUPE, secondment and so forth. Within Denbighshire County Council, the Legal Department and HR Direct should be consulted for advice.

11. Meetings and Secretariat

This may include:

- What is the minimum number of meetings within a period?
- Are meetings open or closed?
- Where is the responsibility for setting meetings, agendas, working papers, minutes, follow up of actions, etc.?
- Who will provide the secretariat function and for how long?
- How and why are venues chosen?
- What are the expectations regarding members' behaviour during meetings?
- If a member needs to deputise the meeting, what protocols need to be followed?
- And any other elements of the meeting that need to be stipulated.

If action notes are used, on a more informal basis, decisions will still need to be recorded.

12. Performance Management

The Council's performance and project management system, Verto, is aligned to Results Based Accountability (for performance) and PRINCE 2 (for project methodology). This has clear guidance for how to formulate plans and take forward partnership and collaboration work in the form of projects and programmes. [Click here to access the Performance Management Framework documentation.](#)

13. Risk Management that includes Indemnity and Insurance

The partnership agreement should specify when, and in what format, the shared risk assessment and risk management plan will be monitored and reviewed, and by whom.

14. Resource Management / Pooled Funds / Unpooled funds

The partnership agreement should specify resource management processes, which may include:

- Processes for financial control and monitoring within and between partnerships.
- Processes for human and physical resources to enable the partnership to operate effectively.
- VAT and Tax arrangements
- Contract standing orders of which partner organisation are being followed
- Processes for auditing the partnership.
- Capital and revenue expenditure.

15. ASDM Assessment and Variation of the ASDM Agreement

The ASDM agreement should specify its self-assessment / review processes, and answer the following:

- How does the ASDM review itself?
- How often is this agreement to be reviewed?
- What are the protocols for changing or amending the ASDM agreement?

16. Exiting of Involvement with the ASDM

The ASDM agreement should specify systems and procedures that exist detailing the need for written notification to the Chair and secretariat of the intention to leave, the notice period required, and any exceptions. Consider final penalties for exiting an ASDM and pre-payment of grant if exiting.

17. Termination of the ASDM

The ASDM agreement should specify systems and procedures that exist in relation to the termination of this.

18. Community Involvement and Safeguarding

The ASDM agreement should specify systems and procedures that exist to involve the community in the delivery of services, and ensure consideration is given to equality and diversity in the key areas of partnership working. Safeguarding policies must also be in place for the ASDM, evidenced for audit purposes.

19. Information Sharing and Communication Methods

The agreement should take into account current Data Protection legislation. See section 27. below for further information.

20. Decision Making Process and Governance

- It is important for the partners to agree and record how decisions are made. The ASDM agreement should address:
- Who are the members of the ASDM?

- How does the ASDM make decisions e.g. simple majority vote? Casting vote by chair? What is a quorum for the decisions of the group?
- Who communicates decisions to people not present?
- How are the actions put into operation?
- What level of delegated authority does each member have?
- If a decision is of major significance (beyond the remit of delegated authority) what due process is required to gain each organisation's authorisation?
- How often will meetings be held? Where?
- How are extraordinary meetings convened?
- Is there a standard agenda?
- Will the Chair be in post? How is the Chair decided and how long will they be in post?
- Consider other positions need to be determined in the same way – secretary, treasurer, etc.
- Who takes note of agreements / decisions made / actions to be undertaken?
- The governance arrangements and any matters reserved. This will ensure consistency and clarity.
- To whom is the partnership answerable?

21. Conflict of Interest

The ASDM agreement should specify the systems and procedures that exist to resolve issues relating to conflicts of interest.

22. Dispute Resolution

The ASDM agreement should specify the procedures that exist to resolve disputes within this, which may include how disputes will be resolved where there is conflict between members, organisations and over decisions?

23. Complaints

The ASDM agreement should specify systems and procedures that exist in relation to management of complaints.

24. NHS Health Care Functions and Health Related Care Functions

This would consider any health care statutory requirements.

25. Confidentiality

This is a statement expressing the expectations of ASDM members with reference to confidentiality.

26. Freedom of Information

The Freedom of Information Act 2000 legislation, together with any guidance or codes of practice issued by the Information Commissioner or relevant government department concerning this legislation should be adhered to. Further information can be found on the [Information Commissioning Office website](#).

27. Data Protection

This sets out the parties' obligations, confirming any requirement to comply with any notification requirements under Data Protection Legislation, The Human Rights Act, and the common law duty of confidentiality.

General Data Protection Regulations: on 25th May 2018, a new European Union (EU) data protection law, the General Data Protection Regulation (GDPR), took effect. The GDPR give individuals in the EU more control over how their data is used and places certain obligations on businesses that process information of those individuals.

28. Human Rights

This sets out parties' obligations to the [Human Rights Act 1988](#).

29. Equalities Duties

Parties should consider in this clause the public sector duty of equality under the [Equality Act 2010](#).

30. Indemnities

This clause should set out who would indemnify who in the event of a breach of the agreement.

31. Liabilities

The parties should consider whether any of their liabilities to each other should be limited or otherwise provided for.

32. Welsh Language provision

The parties should consider any requirements of each other to ensure provision of the Welsh Language, including translator facility and [Welsh Language Standards](#).

33. ASDM and Agency

The parties should consider any requirements with Agencies brought in to support the ASDM.

34. Assignment and sub-agreements

Can one or more parties assign or replace the agreement at all? This would need to be considered.

35. The Contract (Right of Third parties) Act 1999

The partners may wish to exclude any third party who is not a party to the agreement.

36. Notices

This is the address where notices detailing ASDMs should be served under agreement e.g. formal variation.

37. Governing Law

Usually this will be England and Wales. This clause sets out the jurisdiction of the laws of the country that is satisfied that governs the agreement. For example “this agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and Wales”.

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Appendix 2: Resource Management

In instances whereby an ASDM is accessing external funding, a partner may be nominated as an Accountable Body, with responsibility for acting as the banker / financial manager of the funding and main contact with the funding body.

The Accountable Body's role is to act on the ASDMs decisions. For example, it will secure and sign contracts or service level agreements and funds. The role involves:

- Administering and taking responsibility for the funding (e.g. ensuring structured financing procedures are in place).
- Providing resources (e.g. staff, facilities) to carry out the financial obligations.
- Ensuring that the grant allocated is spent according to the agreed plan.
- Establishing and maintaining effective systems for auditing and monitoring expenditure.
- To safeguard the position of the ASDM and to minimise the risk inherent in Accountable Body status, the organisation will carry out an evaluation of systems and procedures to ensure that the partnership is meeting the requirements as laid down by the funding body and the organisation. The financial responsibilities of the partnership should be executed in accordance with the guidance of the funding body and within the host organisation's financial requirements, for example, Contracts and Standing Orders or Financial Regulations within Denbighshire County Council. Regular reports detailing expenditure and income should be provided to the relevant partnership board, and the Council's Principal Finance and Assurance Officer (there is one for each of our services) should be kept up to date with progress at all times.

In cases where the Council has the Accountable Bodies status, it will be the responsibility of the Head of Finance and Property / Section 151 Officer to authorise interim and financial grant claims on behalf of ASDMs. It is an obligation that all members of the ASDM act in accordance with the guidance of the grant giving body.

Other key considerations will include:

- Making provision for tax payments and VAT
- Pooled Budgets
- Grant Funding
- Retention of grant funding records
- Apportionment of losses
- Indirect costs
- Partners Contribution to the ASDM
- Strategic Human Resources and Service Level Agreements
- Sustainability
- Audit arrangements
- Contracting

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Appendix 3: Guidance on Managing Conflicts of Interests

In preparing policies and procedures for dealing with conflicts of interest, the nature of the ASDM's particular structure, functions and activities, and any applicable statutory requirements should be taken into account. It should consider what its operations are, what fields it operates in, and what sorts of problems or risks might typically arise. For example, does the ASDM:

- Contract
- Allocate grants
- Undertake public consultation
- Undertake regulatory decision-making.

Consideration must be given to policies and procedures for managing conflict of interests. Please refer to the Codes of Conduct for the following:

- [Members Code of Conduct](#)
- [Council Officers and Personnel](#)

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Appendix 4: Annual Health Check

Each ASDM for the Council should be asked to complete an annual self-assessment of the 'health' of their governance, giving a score as to how well they meet the criteria. The document below offers a health check template with potential criteria to measure against.

Once an annual health check has been completed, it should be verified and agreed with by colleagues within Internal Audit or Strategic Planning.

Some of the detailed definitions and examples may not be directly applicable to our Council. There may be some additional definitions of good governance that the nominated lead officer will need to apply given the specific circumstances or arrangements for an ASDM. Evidence to support the findings of the health check will be held by the nominated lead officer.

This health check does not substitute for the ASDM itself reviewing its governance and performance. The Council's nominated lead officer and chief officer have a responsibility to support and advise the ASDM to carry out its own review and take any action required to improve its governance.

Contracts with parties outside of the Council, such as CIVICA, have specific suites of Key Performance Indicators (KPI) that need to be monitored and updated.

The health check has four categories, aligned with our Council's Corporate ROYG system.

Score	Category	Description
Green	Excellent	There is an excellent system of governance designed to achieve the partnership's and the council's objectives; any potential strategic, reputational or financial risks for the council are noted and well managed; performance is on track.
Yellow	Good	There is a basically sound system of governance, but some weaknesses that may threaten some of the partnership's and the council's objectives; any concerns regarding management of potential strategic, reputational or financial risks to the council are minor; performance is mainly on track
Orange	Some key areas for improvement	There are some significant weaknesses that could threaten some of the partnership's and the council's objectives; there are some significant concerns about potential strategic, reputational or financial risks to the council and their management; performance is not on track in some areas
Red	Many key weaknesses / Priority for improvement	Governance and controls are generally weak leaving the partnership's system open to significant error or abuse; the partnership's and council's objectives are unlikely to be met; there are many significant concerns about strategic, reputational or financial risks to the council and their management; performance is not on track in most areas.

Denbighshire County Council

ALTERNATIVE SERVICE DELIVERY MODEL GOVERNANCE HEALTH CHECK

In consultation with your ASDM, please complete the tables below. Once the details have been agreed by **the ASDM please return them to the Strategic Planning Team (strategic.planning@denbighshire.gov.uk)**.

Name of ASDM:
DCC Lead Member:
DCC Corporate Director:
DCC Head of Service:
DCC Lead Officer (if appropriate):

Please look through each of the areas of good governance below. In each area we have provided a number of clear statements to illustrate what 'excellent' / Green ROYG status looks like for that area of governance. ROYG status should be used for all areas. They are:

Compliance rating (for each area reviewed)	
R (Red)	Critical Concerns
O (Orange)	Major areas to be addressed
Y (Yellow)	Some areas to be addressed
G (Green)	Excellent

Please record your ROYG status in each area of good governance for your ASDM, making relevant notes on how the score could be improved.

Once these scores are allocated, they can be summarised in a separate template for ease of access to information further down in the document.

Good governance / Health Assessment	ROYG Status	Notes
Resilience Level Criteria: Value for Money		
<p>Aims and objectives</p> <ul style="list-style-type: none"> • The ASDM has clear aims and SMART objectives clearly set out and understandable. • Strong alignment between the ASDM's and the DCC Corporate Plan 2017 – 2022 vision. • The ASDM has a set of values against which decision making and actions can be judged (e.g. code of conduct). • The ASDM achieves more than the sum of its parts. It delivers the benefits identified in the business case. 	Overall ROYG	
<p>Finance and Assets</p> <ul style="list-style-type: none"> • The partnership has access to resources to support delivery of its aims and objectives. It has a financial and /or procurement plan that identifies how it proposes to use these funding to achieve its objectives. • The role of the ASDM in relation to finance and the extent of its powers to make financial decisions and approvals are stated and understood. • The ASDM has effective arrangements for financial monitoring and reporting. • The ASDM uses its resources well and demonstrates how it uses 	Overall ROYG	

<p>them to add value. It ensures that it uses resources to complement and enhance the work of individual partners.</p>		
<p>Resilience Level Criteria: Levels of Demand</p>		
<p>Evaluation and review</p> <ul style="list-style-type: none"> • The ASDM regularly reviews its policies, strategies, membership and use of resources against its objectives and targets. • The ASDM reviews its progress and delivery against clear outcomes, outputs and milestones and takes prompt corrective action if necessary. • Delivery contracts and agreements are monitored and poor performance is tackled. • Arrangements for responding to complaints and dealing with unforeseen problems needing a prompt response are in place and clearly stated. • There are clearly stated procedures to deal with disputes within the ASDM and these are followed when necessary. 	<p>Overall ROYG</p>	
<p>Performance management</p> <ul style="list-style-type: none"> • The ASDM reviews its progress and delivery against clear outcomes, outputs and milestones and takes prompt corrective action if necessary. • Delivery contracts and agreements are monitored and poor performance is tackled. • Lessons learnt are identified and reported (for future reference for 	<p>Overall ROYG</p>	

similar arrangement considerations).		
Resilience Level Criteria: Capacity		
<p>Membership and structure</p> <ul style="list-style-type: none"> • The structure is clear, is set out in Terms of Reference, a Memorandum of Agreement and / or other governing documents and is regularly reviewed. • Roles, responsibilities and contributions are defined for all partners and set out in the governing documents, including whistle- blowing, responding to compliments and complaints, risk assessment, personnel and financial management and financial and performance reporting. • Key partners provide effective leadership. Their leadership roles and responsibilities are understood and fulfilled. • The membership provides the necessary knowledge, skills and experience to do the job. Partners ensure that the right people are in the right place at the right time. • The partners are committed at the highest level to deliver the partnership's objectives. There are constructive working relationships between all partners, the right people attend the meetings, and these are supported by lead officers within partner agencies. • Changes to membership and exit strategies are considered and the governing documents say what will happen if/when a partner wishes to leave. 	Overall ROYG	

Resilience Level Criteria: Safety and Compliance

Decision making and accountability

Decision making is clear and transparent. Authority and delegations are set out in governing documents including

- Who can make what decisions
- Delegated responsibilities.
- The ASDM has a clear procedure for dealing with conflicts of interest.
- Those making decisions are provided with information that is fit for the purpose – relevant, timely and give clear explanations of technical issues and their implications.
- Decisions are properly recorded and notified promptly to those who are affected by them.
- The ASDM has a communication plan to inform service users, members and the public about the partnership, its decisions, its achievements and successes, who is accountable and responsible for what. It provides routes for people to comment / contribute to the partnership's work.
- The ASDM has clear lines of accountability and arrangements for reporting performance.
- Arrangements are in place for the ASDM to report in a timely way on its work and achievements to Council officers and Councillors. Decisions and activities are scrutinized at the appropriate level.
- There are clear routes for members and partners to raise concerns.

Overall
ROYG

<p>Partnership Risk Management</p> <ul style="list-style-type: none"> • Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk. • The ASDM has an agreed mechanism for identifying, assessing and managing risks. • Appropriate tools have been developed and resources are in place to manage risk. • ASDM risks are well managed across organisational boundaries. • There is clear evidence of improved ASDM delivery through risk management. 	<p>Overall ROYG</p>	
<p>Equalities</p> <ul style="list-style-type: none"> • The ASDM assesses its policies and programmes for their impact on equality and diversity. • The ASDM considers impact on inequality and deprivation as part of its performance management. 	<p>Overall ROYG</p>	

Once the health check has been undertaken, findings may be summarized in the following template:

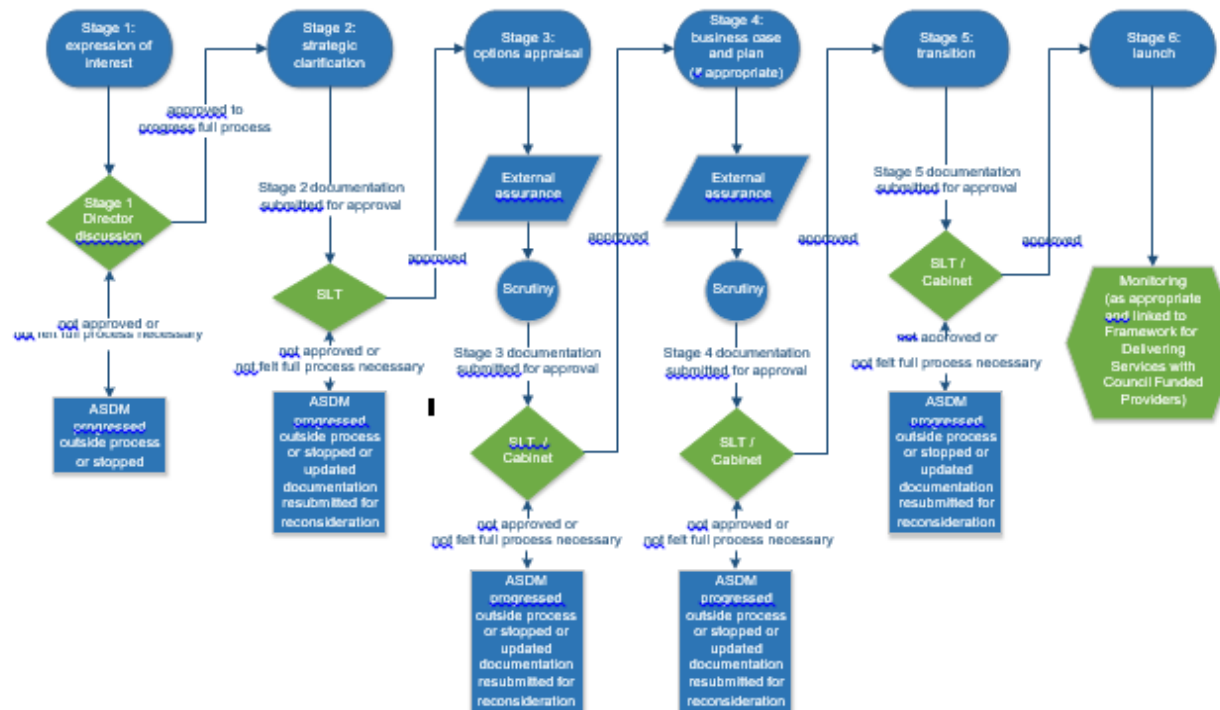
Value for Money		Levels of Demand (volume	Capacity	Safety and Compliance		
Aims and Objectives	Finance	Evaluation and Review	Membership and Structure	Decision Making	Risk Management	Equalities
ROYG	ROYG	ROYG	ROYG	ROYG	ROYG	ROYG

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Appendix 5: Arm's Length Service Delivery Models

Denbighshire County Council documentation exists (at the time of publishing this is under development, hence all documents are noted as draft) to offer guidance for Arm's Length Service Delivery Models.

Denbighshire County Council process for considering alternative service delivery models



The chart above offers guidance as to how the model will be scrutinized when setting up. This is a lengthy process. Link to a copy of this chart - [click here](#).

Additional support documentation is as follows:

- Draft Commercialisation Strategy for Denbighshire County Council (April 2019). Available after March 2020 after which time link will be placed here and documents below may be altered).
- Strategic Clarification Report Template. [Click here](#).
- Business Case Template. [Click here](#).
- Transition Checklist (from a new entity perspective). [Click here](#).
- Summary of Service contracts, partnerships and other alternative service delivery models – see below:

‘The Council is involved in an increasing number of formal partnership arrangements and other alternative service delivery models. There is a need to ensure that all financial risks associated with such arrangements are managed effectively so as to protect the Council’s interests. Partnerships for this purpose shall be defined a working arrangement with a body other than Denbighshire County Council that is not covered by a contract. This shall include, but not be limited to, collaborative agreements, joint funding arrangements, shared services etc. Alternative service delivery models can include partnerships but also arrangements such as contractually provided services, mutual arrangements, joint committees and local authority trading companies.’

Information

The Toolkit has been created by the Strategic Planning Team. If you wish to discuss the documentation, or have more information on anything within the document, our contact details are below:



Email: strategicplanningteam@denbighshire.gov.uk



Phone: 01824 706291 (Monday to Friday, 8:30am to 5pm). Rydym yn croesawu galwadau ffôn yn Gymraeg / We welcome telephone calls in Welsh.



Write to us: Strategic Planning and Performance Team, Denbighshire County Council, PO Box 62, Ruthin, LL15 9AZ.

This document is also available in Welsh, and may be available in other formats on request

