



ZURICH
MUNICIPAL

Managing partnership risk

Building partnerships that last



Managing successful partnerships

Public services organisations are increasingly working with others to deliver their services. These partnerships can involve other areas of the public services, the voluntary sector and the private sector.





While partnership working can offer many benefits, including operational efficiencies, fully realising these means ensuring you are managing your partnerships in the best way, by having good governance arrangements.

Effectively managing your partnership risk is an essential element of good governance. The Audit Commission have issued a best practice paper on the governance of partnerships. This paper sets standards, that if adopted, enables all organisations to have robust internal controls including risk management in place.

This is a particular issue for local authorities, as it will impact on your CPA rating in England, best value audit results in Scotland and improvement ratings in Wales.

In addition to these requirements, managing the risks within your partnerships can drive improvements and remove barriers to success. In this way it can make a valuable contribution to partnerships and their ability to meet their objectives and deliver results.

At Zurich Municipal we have the experience and expertise to help you manage partnership risk and ensure the effectiveness and success of the partnerships you are involved in.



Are you building on strong foundations?

Increasingly public sector work is being delivered through a wide variety of partnerships, and they are at the heart of many delivery arrangements such as Children's Trusts, Local Strategic Partnerships or, in Scotland, Community Planning.



Many public services organisations are also using partnerships to gain operating efficiencies to meet the Gershon targets.

Within local government best practice states that local authorities must meet two key responsibilities for each partnership they have. They must:

- provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are being appropriately managed
- ensure that the partnership has effective risk management procedures in place.

For English local authorities CPA requirements are that the risk management process specifically identifies risks in relation to partnerships and provides for assurances to be obtained about the management of those risks. A similar expectation exists from auditors in Scotland and Wales – especially where funding is involved, as many partnerships are seen as an extension of the authority's financial responsibilities.



If your local authority is facing these issues, or any others relating to partnership risk, we can help.

Common issues

While every public service organisation will be different, we have found that there are certain common issues that they face in meeting their key responsibilities. These issues prevent local authorities from building effective partnerships with strong foundations. They fall into four main categories.

Risk identification

- Although high-level partnership risks will have been identified as part of a strategic exercise, these will often only relate to the higher profile partnerships and not be comprehensive.
- Obvious risks around financing and partnership failure may have been identified but there is a wider spectrum of risks that needs to be considered.
- A risk assessment may have been carried out at the start of the partnership, but this has not been updated in line with the developing relationship.

Working relationships

- Organisations have no agreed way to identify, prioritise, manage and report the partnership's risks and therefore have not developed a risk management protocol.
- There are no agreed processes for taking decisions on managing risks that may damage relationships or result in fraught negotiations over the contract.
- There is a lack of communication and understanding on risk between partners.

Uncertainty over current position

- The organisation is unsure of what constitutes a partnership and is unaware of which partnerships it is involved in.
- There is uncertainty over what partnership risk management processes are already in place and their effectiveness.

Missing skills

- Employees are encouraged to develop partnership working but without the necessary guidance and training to ensure their effectiveness.
- Members are asked to make decisions and scrutinise partnerships and their performance without being aware of the key issues and how risk management can support them.

Support from the experts

To help you manage your partnerships effectively and successfully, we offer products that cover all aspects of partnership risk.



Providing assurance

We can work with you to create a register of risks for each of your partnerships. This register will enable you to manage your partnership risks and demonstrate to the public, auditors and inspectors that you are doing so.

Identifying your partnership risks

We will facilitate workshops that enable you and your partner organisations to identify the key risks that could stop the partnerships from achieving their objectives. This approach allows all parties to share their views on the risks the partnerships face, prioritise those risks and decide who will be responsible for managing them. It also allows the partners to share concerns and agree on priority issues.

Managing your own risks

By conducting a thorough risk audit of your partnerships, we can help you to improve and standardise your approach to partnership risk management. This will include a clear definition of a partnership and recommendations for improvements. In addition, you can use this audit as evidence of your approach for CPA purposes.

Creating a framework

We can help you to put together a risk protocol, which will define a common framework and language for you to use when assessing the risks facing your partnerships. This will form part of your overall governance arrangements.

Training your people

We offer two courses to help you develop your people's skills in managing partnership risk:

- Half-day sessions for staff and members to raise awareness of the risks associated with partnership working and show how these can be identified and managed effectively.
- One-day training courses for all members of a partnership who would benefit from understanding how risk management can help a partnership to achieve its objectives. We can also add facilitation skills to this course, making it a two-day event.

As well as giving attendees valuable knowledge in this area, these courses can help to meet the CPA requirement for risk management training.

Zurich Municipal

Southwood Crescent, Farnborough, Hampshire GU14 0NJ England.
Telephone 0870 2418050. Fax 01252 370404. www.zurichmunicipal.com

Zurich Municipal is a trading name of Zurich Insurance Company a limited company incorporated in Switzerland.
Registered in the canton of Zurich No CH-020.3.929.583-0. UK branch registered in England. No. BR105.

Authorised and regulated by the Financial Services Authority.
UK Registered Office: Zurich House, Stanhope Road, Portsmouth, Hampshire PO1 1DU.



**ZURICH
MUNICIPAL**

For further information please speak to your Zurich Municipal
Risk and Insurance Consultant or contact us at: info@zurichmunicipal.com