Local government
Briefing

Building capacity through partnership

Learning from comprehensive performance assessment: briefing 6
The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our work covers local government, housing, health and criminal justice services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money.

The Audit Commission is publishing a series of ‘Learning from CPA briefings’ to accompany the national report Patterns for Improvement: Learning from Comprehensive Performance Assessment to Achieve Better Public Services (April 2003). Each briefing examines a key driver for improvement identified by the first round of CPA for single tier and county councils in 2002, describes the critical success factors for improvement, and signposts sources of help and advice. As each of the briefings are published they will be made available on the Commission’s website at www.audit-commission.gov.uk/cpa/analysis.asp

Introduction

1 The first round of comprehensive performance assessments (CPAs) for single tier and county councils has identified building capacity through partnership as a key driver for improvement. The purpose of this briefing is to:
   - briefly explain what the Commission means by building capacity;
   - give some of the headline messages and findings from the corporate assessments;
   - describe some critical success factors that have resulted in improved capacity;
   - outline future Commission work in this area; and
   - suggest where more information and advice can be found.

2 This briefing is designed to assist those who have an interest in and responsibility for how a council can build capacity through partnerships. This will provide a useful starting point for improving capacity through partnership by building on the key learning points from CPA.

Building capacity through partnership

3 Parliament has given councils a clear role in leading their communities and joining up their activity with others in order to promote economic, social and environmental wellbeing, through the creation of community strategies, local strategic partnerships (LSPs) and public service agreements (PSAs). The majority of councils have high levels of ambition for their communities and have set themselves challenging targets for improving the quality of life of their citizens. They also possess the capacity – that is the staff, money and other resources available – with which to achieve many of these targets. However, in an increasingly diverse and complex society, local authorities recognise that they do not have the capacity to deliver all the services that local people need.
4 One of the key ways to build capacity is for councils to work in partnership; by linking up with other councils and the public, private and voluntary sectors to achieve a common goal; planning and implementing jointly agreed programmes of action, as well as encouraging local people to participate in improving their quality of life. Partnership working is not new; most councils have been involved in partnerships for many years in order to tackle difficult policy and operational problems, achieving better value for money, and drawing upon the expertise of others.

5 However, in recent years though the scope and number of partnerships have increased. The evidence from CPA is that these partnerships are beginning to lead to improved services for local people, and to an increase in the types of services that are on offer. Joint local working now needs to be extended to form a fundamental part of local service delivery, and the ability of councils to lead or contribute to partnerships will become increasingly important in securing improvement for their localities.

Messages from corporate assessments

6 As part of CPA, corporate assessments were carried out at each council by a small team, which included an auditor and inspector as well as officers and councillors from 'peer' councils. The outcome of the corporate assessment was a high-level report on the council's strengths and weaknesses and a judgement about its ability to improve, which contributed to the council's overall CPA.

7 Corporate assessments examined how councils engaged in partnership, in terms of their community leadership role and in terms of exploring alternative options for delivering services. Most councils were found to be developing their community leadership role well, extending it through partnerships such as LSPs. The better councils were using the LSP as a focal point for partnership working, developing joint strategies and drawing on the strengths of their partners in order to enhance their own capacity. These councils were also good at focusing on the service user and commissioning alternative methods of service delivery from a developed mixed market.

8 An analysis of a sample of corporate assessment reports has built on previous Commission thinking to identify five factors that are critical to successful partnership working (Exhibit 1, overleaf):

- strategic overview;
- focus on service users;
- building partner participation;
- managing performance; and
- learning.
Exhibit 1

Critical success factors for partnership

An analysis of corporate assessment reports has identified five factors critical to successful capacity building through partnerships.

Success factor one – strategic overview

9 Maintaining a strategic overview is critical to giving shape to the many different partnerships and joint working arrangements that councils are involved with. Public, private, community and voluntary sector organisations all have a part to play in improving the quality of life of local people. Successful councils acknowledge that they cannot deliver all the services that citizens need by themselves. They are committed to using partnerships to increase their capacity to deliver a wide-ranging vision of local service delivery and sustainable development for the community in collaboration with partners.

10 The best councils develop a clearly articulated mission and set of priorities with key partners, which are jointly owned and have the full backing of members, staff and partners. In the London Borough of Lewisham the council’s long-term view for the community has been developed with, and adopted by the LSP. Partners describe being inspired by the vision and drive of the council. By bringing together council initiatives, local plans and partnerships, strong links can be established, arrangements simplified, duplication reduced and effectiveness improved.

11 Objectives are regularly reviewed to ensure that plans remain on track and reflect changing needs and circumstances. In Herefordshire Council each ambition is linked explicitly to key council and partner plans. The LSP’s ambitions and framework are clearly incorporated into the council’s corporate plan and best value performance plan. The LSP’s priorities provide a strong agenda for both council and partners to develop joint working to tackle cross-cutting issues and the delivery of shared priorities.
12 Successful councils provide active, visible and effective community leadership by working with a range of partnerships that are recognised and appreciated by partners. Warwickshire County Council has shown leadership, not by dictating priorities, but in playing a leading role in working with other organisations to develop them. A range of partners including Warwickshire Police, the Learning and Skills Council and the county’s district and borough councils were involved in developing Warwickshire’s county-wide strategic plan and delivery of the plan depends on strong partnership working.

13 Good working relationships with partners are increasingly viewed as an integral part of local working. This is underpinned by councils investing time, effort and resources in building capacity within the community and among partners in order to meet the needs of local people. For example, Leicester City Council invests substantially each year in the voluntary sector to ensure that voluntary organisations contribute towards the improvement of local services.

14 Councils are also able to remain focused and outward facing. A clear focus on outcomes is supported by sound partnership structures and processes, which ensure that work is kept focused on what matters. In many cases, the development of partnership plans act as a key mechanism for maintaining strategic focus on both the medium and long term and underpins the council’s future plans. In the London Borough of Hammersmith and Fulham, the borough partnership has increasingly become the focal point of the drive for improvement, particularly in major, cross-cutting initiatives where co-operation between organisations is the key to success and where partners speak the same language of continuous improvement.

Success factor two – focus on service users

15 The best councils put local people – service users, citizens and taxpayers – at the heart of partnership design and joint working. They systematically engage with the community on what and how services should be provided. By consulting widely with local citizens, being responsive to the comments received and establishing clear links to priority and budget setting, users are more likely to understand and support the council’s vision. Engagement can take many forms, including citizens’ panels, focus groups, advisory panels, area committees and user satisfaction surveys to keep in touch with changing needs and engaging with hard-to-reach groups, such as young people and ethnic minorities to ensure that local needs are identified and met. This ensures that current plans balance local needs with national priorities. For example, Reading Borough Council has effectively used local consultation to affirm national priorities through cross-referencing all suggested themes and targets in its PSA against priorities identified through its Residents’ and Business Surveys and Sustainable Communities Dialogue. This has enabled the council to decide on a plan that meets local needs as well as national requirements.
Successful councils adopt an open approach to partnership and service delivery and view experimentation with different service options as a key aspect of continuous improvement, based around local needs. The best councils actively research alternative ways to deliver services and study good practice, working in innovative ways with partners, both at a strategic and operational level, to deliver the council’s vision. Partnership working extends the range of contracts with potential alternative or complementary providers of services and, by doing so, can provide better value for money. Durham County Council is positive about developing a mixed economy of provision for many of its services and is using pilot projects to test out potential new approaches and different ways of doing things. Examples include a strategic partnership with two private sector companies for the provision of building and civil engineering services, partnership working with district councils to develop and deliver a waste management strategy for the county, and increasing the capacity of voluntary organisations across the county through the agreement of a voluntary sector compact.

Success factor three – building partner participation

By respecting and supporting the contribution that individual members can play in a partnership, councils can build trust and commitment among partners and add value to partnership arrangements. Successful councils enhance relationships through effective information-sharing and consultation. They develop partnership plans through systematic consultation with partner organisations creating a genuinely shared agenda. West Sussex County Council makes use of external skills to deliver better services by consulting with, and supporting, the voluntary sector through the Voluntary Organisations Liaison Group and providing a forum for debate and input for the business sector through a number of well-supported partnerships. Such initiatives provide the focus for consistent communication between partners at a strategic level and help to cement operational joint working, supported by clearly established processes for information sharing and arrangements for dealing with conflict resolution.

Successful councils adapt their management styles to suit particular circumstances and encourage meaningful involvement from partners, allowing them to draw on the expertise of the partnership. Councils can play a positive role by developing consensus and in harnessing the energy and capacity of partners. Depending on the maturity of the partnership and the strengths of its partners, councils need to be equally good at knowing when to take a facilitative and collaborative approach as when to initiate or take the lead. Rather than providing directional leadership, the council’s role is often seen as providing stability and acting as a catalyst for development and improvement. Through power sharing, partnerships can achieve high levels of commitment and increase inter-agency capacity. In the case of Darlington’s LSP, the partnership agreed that Darlington Borough Council would not chair the LSP or any of its sub-groups, creating space for individual partners to do so instead. Partners noted that the partnership would not have operated so successfully had the council not adopted its careful, enabling approach to community leadership.
The first step is for partners to identify the main objectives that the partnership is intended to achieve. Partners should then turn these objectives into specific outcomes — that is, answer the question 'How will I know when these objectives have been achieved?'

Audit Commission, Listen Up! Effective Community Consultation

Success factor four – managing performance

19 With the majority of councils participating in a wide range of separate and often diverse partnership agreements, it is critical that effective monitoring systems are in place to ensure that partnerships deliver good outcomes for local people and represent value for money. Successful councils ensure that robust performance management frameworks are in place, together with specific performance monitoring arrangements in areas undertaken jointly with partners, through which both the council and partners can regularly monitor progress. The London Borough of Hammersmith and Fulham has an effective system of shared monitoring of inter-agency working in place for its LSP which allows each partner organisation to comment on the performance of others. In Sandwell Metropolitan Borough Council, various mechanisms are in place to ensure that focus remains within the overall partnership, such as an annual LSP conference, seminars to monitor progress of the plan and a regular 'state of Sandwell' report to ensure focus on service improvement across the borough.

20 Challenging outcomes-based targets are agreed from the outset and target setting is closely linked to financial planning, risk management and budget allocation. This is supported by an effective approach to collection and use of performance data and analysis of trends. A number of councils have successfully adopted a traffic light system to warn of slippage in performance, enabling a sustained focus on partnership priorities and remedial action to be taken where necessary. By setting stretching targets and incentives, partnership arrangements also offer the opportunity to deliver savings to the council. Rotherham Metropolitan Borough Council's strategic partnership has established clear and measurable targets for all key partners with specific milestones throughout the process to help to ensure that targets are achieved.

A 'Learning from CPA' briefing on managing performance is available at:
http://www.audit-commission.gov.uk/cpa/analysis.asp

Success factor five – learning

21 Evaluating outcomes and taking on board learning from different experiences of working in partnership are essential parts of the capacity-building process. By celebrating successes and learning from mistakes, councils and their partners are able to make best use of enhanced knowledge of good practice and implement successful strategies for improvement. Successful councils are self-aware and learn from experience. Where performance falls below accepted standards, effective action is taken to rectify this. Through the 'Leeds Initiative', Leeds City Council has set up a 'vision' group to look at future challenges for economic development in the area and to build on learning from its successful partnership working model.
The best councils ensure that processes are in place to enable them and their partners to learn from their experiences, and regularly take time out to review what is working well and to seek internal and external challenge. Feedback is sought from staff and other stakeholders and shared across partner organisations. This is used to good effect and clear outcomes and proposals are derived from this learning. North East Lincolnshire Council has exposed itself to external challenge through peer reviews, good use of external consultants and, more recently, through the development of its LSP. Through partnership working the council has shown that it is receptive to different ways of doing things and is able to adapt its approach in light of experience. As a result the council has been able to use this learning and the expertise of its partners to drive service improvement.

Case Study 1
Building capacity in St. Helens

St. Helens has many of the critical success factors in place. It has led business and community partners in achieving an outstanding transformation over the last ten years. It has strong and effective leadership that is key to the local community's shared vision for the future and is clear about its priorities for improvement.

A key factor in the successful regeneration of the borough over the past ten years has been the development of an innovative range of high-quality partners, particularly from the business sector. This has led to the creation of a strong LSP, developed from the council's award winning 'Ravenshead Renaissance', an early model for public/private partnerships.

The council consults the local community extensively. A people's panel and area forums have been established. The council has made efforts to build capacity through the voluntary and community sectors. There are formal compacts in place between the council, voluntary sector and health services, working to develop a community empowerment network aimed at enabling the community to better influence policy development. The voluntary and community groups share the council's ambitions and priorities and pay tribute to the efforts the council has made to include them. But the corporate assessment highlighted that more needs to be done to ensure that these groups make a more effective contribution — by developing resources and support to give them a stronger voice with key partnerships.

The council's focus on priorities is assisted by its developing performance management system, which requires members and officers to continually review how services are performing in priority areas. The council and its partners have shown determination in tackling the major problems of a declining area and have used their resources to help deliver important priorities. For example, the Chamber of Commerce, which represents the local business community, leads business and economic development and delivers schemes such as the New Deal. The council has in turn supported the growth of the local economy by dealing effectively with difficult problems, such as the widespread contamination of land in the borough caused by its industrial past.
As a result local people have seen excellent economic and community development through an improved transport infrastructure, new commercial and retail development and town centre renewal that includes a new hotel, cinema complex and a walk-in health centre. St Helens now has a number of new housing schemes, many developed on brownfield sites, and a continuing demand for new sites from developers wanting to invest.

Source: developed from Audit Commission Corporate Assessment Report

Future Audit Commission work on building capacity

23 The Commission is committed to carrying out further work on capacity building as part of its improvement planning agenda, including:

• supporting the council's improvement efforts around partnership working by targeted audit and inspection work using the Commission's new model and tools for audit/inspection of partnerships;

• follow-up work on the Audit Commission's Corporate Governance in the Public Sector report (to be published in September); and

• Audit Commission Relationship Managers will share notable practice around capacity building through partnership arising from CPAs with authorities.

Sources of information and advice

24 The following list suggests sources of further information and advice.

Audit Commission publications
(available from freephone 0800 50 20 30 or www.audit-commission.gov.uk)

Audit Commission, Learning from Audit, Inspection and Research – Competitive Procurement, 2002.
Audit Commission, Change Here!: Managing to Improve Local Services, 2001.

**Other Resources**

**Improvement and Development Agency** – variety of case studies and general material on partnership working and LSPs: [www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)

**Local Government Association** – advice notes on involving the voluntary and community sectors, accountability and scrutiny, developing LSPs in two-tier areas, case study examples and in-depth research into development and policy issues for LSPs: [http://www.lga.gov.uk/OurWork.asp?Isection=58&ccat=257](http://www.lga.gov.uk/OurWork.asp?Isection=58&ccat=257)

**Office of the Deputy Prime Minister** – information and guidance on a range of partnership working initiatives: [www.odpm.gov.uk](http://www.odpm.gov.uk)

**Joint LGA/ODPM prospectus on capacity building**, which sets out details of the new programme to support continuous improvement in local government: [http://www.lga.gov.uk/Documents/Briefing/improvement/Prospectus%20FINA L%20June03.pdf](http://www.lga.gov.uk/Documents/Briefing/improvement/Prospectus%20FINA L%20June03.pdf)

**Neighbourhood Renewal Unit** – includes a performance management framework for LSPs and guidance: [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk)

**Joseph Rowntree Foundation** – variety of research findings and papers covering many aspects of partnership working: [www.jrf.org.uk](http://www.jrf.org.uk)

**New Local Government Network** – articles and publications on managing strategic service delivery partnerships and strategic partnering for local service delivery: [www.nlgn.org.uk](http://www.nlgn.org.uk)

**Institute of Public Policy Research** – a number of publications on public-private partnerships: [www.ippr.org.uk](http://www.ippr.org.uk)
Copies of this report are available at:
www.audit-commission.gov.uk
or to order a printed copy telephone:
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