

BRISTOL CITY COUNCIL

Audit Committee

16th April 2010

Report of: Helen Ball, Service Director - CAA/UofR

Title: Evidencing the delivery of Value For Money (VFM) in Partnerships in Bristol

Ward: City-wide

Officer Presenting Report: Helen Ball

Contact Telephone Number: 0117 922 2894

RECOMMENDATION

Members are asked to comment on these draft proposals, for submission to the Governance Group of the Bristol Partnership

Summary

Value for Money (VFM) is at the core of the annual Use of Resources assessment. It is essential that the council (and other public agencies) understand the cost/benefits of working in and through partnerships and can evidence this. This paper sets out a framework to achieve this

The significant issues in the report are:

Appendix 1 - the draft report to the Governance Group of the Bristol Partnership

Policy

1. The council has recently adopted its Value for Money Strategy.

Consultation

2. Internal

SLT

3. External

NHS (Bristol)

Avon and Somerset Police

Avon and Somerset Fire and Rescue Service

West of England Partnership Office

Bristol Partnership Team

GOSW

Context

4. This committee has in its work programme been concerned that there are proper systems in place to assess the Value for Money implications of working in partnership. Attached is a paper that will be considered by the Governance Group of the Bristol Partnership at its May meeting, which directly addresses this issue. The West of England Partnership is using the attached paper as a the basis to take forward similar work in the West of England, and are supportive of this work.
5. The attached paper focuses on our strategic partnerships: Bristol Partnership and the West of England Partnership. The principals set out here can equally apply to all partnerships the council is engaged with (as set out in the Partnership Policy and Toolkit).
6. VFM is at the core of the Use of Resources assessment. With the policy shift towards greater reliance on partnerships, within a 'Total Place' framework, and the probability that Use of Resources will be assessed on a 'place' rather than an organisation basis, it is important that there is clarity about how we evidence VFM within partnerships in Bristol. This is the purpose of this paper, which substantially builds on the recently developed VFM strategy. It is a framework not a straightjacket. It has been developed with partners and other agencies as set out above.
7. There are three elements to VFM in partnerships and evidencing VFM:
 - deciding whether to engage with a partnership (set out, for the council, in its Partnership Policy and Toolkit)

- assessing the VFM of any support mechanisms in place (using the Audit Commission template)
- embedding VFM and evidencing outcomes in any project plan/ business case for specific pieces of work (as set out, for the council, in its VFM strategy)

Proposal

Members are asked to comment on these draft proposals, for submission to the Governance Group of the Bristol Partnership

Other Options Considered

8. None - this is a core element of the Use of Resources annual assessment and therefore needs to be addressed

Risk Assessment

9. With the policy shift to assessing Use of Resources on a 'place' rather than organisation basis, there is the potential risk that we do not prepare ourselves for this change, that the council's and other public agencies' reputation may be damaged by a poorer assessment. The attached paper prepares us for this change, and acts as mitigation

Equalities Impact Assessment

10. N/A

Legal and Resource Implications

Legal

None sought

Financial

(a) Revenue

None sought

(b) Capital

None sought

Land

None sought

Personnel

None sought

Appendices:

Appendix 1 - Bristol Partnership Governance Group - Evidencing the delivery of Value for Money in Partnerships in Bristol (including 2 further appendices)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Evidencing the delivery of Value for Money in Partnerships in Bristol.***Purpose of report***

The purpose of this report is to agree how to assess and evidence the delivery of Value for Money in partnerships in Bristol. The immediate focus is the Bristol Partnership and its five Partnership Boards. The West of England Partnership is taking forward a report setting out the same principles through its decision making structures. Over time these principles can be applied more widely.

These proposals have been developed with public sector partners (council, police, fire and PCT), the Bristol Partnership, GOSW, and the West of England Partnership (to ensure alignment)

Introduction

1. The Comprehensive Area Assessment, and the Use of Resources judgement that contributes to this assessment, place importance on partnership working as a way of delivering improved outcomes for local communities. The importance of partnership working is likely to increase as public agencies work to mitigate the impact of reducing resources, and develop further the thinking behind Total Place, particularly to tackle unnecessary duplication. It is therefore essential that as public agencies we are able to assess the cost/ benefit of working in this way, and where appropriate make decisions about when this is not the most effective way of working.
2. This paper draws extensively from the Audit Commission report 'Working Better Together - managing local strategic partnerships'. In its conclusions, this report found that ' few LSPs have assessed the cost and benefits of joint working' This paper addresses the following KLOEs within the Use of Resources assessment:
 - 1.1 Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?
 - 1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?

Bristol context

3. In the 2009 CAA judgement and related public agency Use of Resources judgements, Bristol was assessed as 'performing well', with all public agencies scoring a 3 in their organisational assessment. This

means that there is a sound basis on which to build. Future improvement for Bristol will rely more on strengthening activity and outcomes jointly across agencies, rather than individual organisational improvement. Jointly clarifying our approach to assessing Value for Money in partnerships is one step in strengthening future outcomes.

4. In Bristol, the council has identified 2 Partnerships as strategic:

The Bristol Partnership (with its 5 Partnership Boards)
The West of England Partnership

The principles as set out could apply to public agencies working with other partnerships over time.

5. The council has agreed a strengthened Partnership Policy in February 2010: which identifies strategic partnerships and other significant partnerships, how they are identified and reviewed. One element of this is around VFM. For new partnerships, the council requires a business case to be signed off (attached as Appendix 1). For existing, or statutory partnerships (such as the Bristol Partnership), there is an expectation that the requirements of the business case template is adhered to. The Fire Service, PCT and Police have similar policies/mechanisms.
6. This paper makes explicit what we mean by VFM in partnership working. The paper has been developed as a public sector paper, which will shape how the key public agencies (council, fire, police and PCT) will assess VFM in partnership in the future. The WEP and Bristol Partnership team have also contributed to its development. The paper is not a straightjacket, but a framework within which all agencies can work to evidence delivery of VFM. This paper seeks to ensure a consistent approach is developed in measuring VFM across partnerships.

Evidencing the delivery of VFM in Bristol partnerships

8. VFM is about obtaining the maximum benefit with the resources available. It is about achieving the right balance between economy, efficiency and effectiveness: spending less, spending well and spending wisely. This means that VFM not only measures the cost of goods and services but also takes account of the mix of cost with quality, resource use, fitness for purpose and timeliness to judge whether or not, together, they constitute good value.

9. There are three elements to VFM in partnership working.
 - 9.1 A business case assessment about whether or not to engage with a specific partnership by a public agency. Attached as Appendix 1 is the business case template used by the council within its Partnership Policy.
 - 9.2 An assessment of partnership support costs, to be completed by the partnership support team(Audit Commission template set out at Appendix 2). The Audit Commission state that 'Partnerships that know their support costs can make informed decisions about VFM. They are also in a stronger position to agree about different partners' contributions, in cash or kind, for the Partnership support team's work.'

This assessment is relatively straightforward. The outcomes of this assessment are available to the Executive Board to shape future use of available resources, and can be incorporated in the Assurance Statement made to the Council's Audit Committee on an annual basis.

- 9.3 An assessment of the best / most appropriate use of available resources to deliver agreed partnership priorities. This assessment is more complex and is an ongoing process. This assessment will be carried out by the relevant partnership manager.

For the Bristol Partnership, the driver is the delivery of the Bristol Plan 20:20, which the Executive Board, and its 5 Partnership Boards, is overall responsible for. A detailed Action Plan is currently being developed.

To deliver a priority action, a business plan or project plan must be developed and agreed (the formality of the plan will be dependent on the scale and scope of the action). The business / project plan will include as standard the costs (in money/in kind of relevant partners) of delivery, and how performance will be assessed. This will then allow for a regular VFM assessment to be undertaken (addressing the requirements of KLOE 1.1 and 1.2) . The council (as with other public agencies) have standard forms of business/ project planning that can be used or adapted for this purpose.

Recommendations

1. That the Governance Group adopts the framework to assess VFM as set out in this paper, and uses it as appropriate (para 9.2 and 9.3)

2. That it is noted that Public Agencies have a business case template for entering into partnerships (Appendix 1 sets out the council's template: para 9.1)
3. That it is noted that the West of England Partnership is progressing a similar paper re VFM for its purposes, using the principals as set out here.

Helen Ball
Chair
Performance Challenge Group
Bristol Partnership
25th March 2010

Making the business case

Once completed this form should be submitted to your Strategic Director.

This form should be completed if you are considering:

- setting up a partnership
- joining an existing partnership

Name of partnership: _____

If the partnership is STATUTORY tick the box

Are you setting up a partnership or joining an existing one? _____

Issue	Key Questions	Evidence & evaluation
Assessment of 'fit' with the Council and key policies		
Corporate 'fit'	1. How does the partnership contribute to the Council's corporate and service objectives? 2. Is participation in the partnership or its objectives within existing service delivery plans?	
Partnership - key information		
Strategy	1. List the agreed / proposed objectives and SMART outcomes and performance indicators? 2. What is its intended lifespan? 3. What is the exit strategy?	
Membership	1. Which organisations make up the partnership? 2. Are there any key players not in the partnership? 3. If yes, which ones?	
Leadership and engagement	1. Who is the partnership accountable to? 2. What is the role of the Council?	
Risk management	Attach the completed risk assessment for the partnership - refer to 'Managing Risks when working in Partnerships' (link here) for common risks and vulnerabilities in Partnership Working.	(attach risk assessment here)

Excellence and efficiency		
Excellence, Efficiency and Economy	1. Give specific examples of how the partnership will be delivered: <ol style="list-style-type: none"> a. value for money b. 'added value' 2. Detail the other delivery options that have been considered and evaluated? 3. What will be the Critical Success Factors for the partnership and how will they be monitored?	
Resources		
Resources	1. What resources is the Council providing and what are other partners providing in terms of: <ol style="list-style-type: none"> a. finance? b. staff (staff time for meetings and specific work)? c. accommodation? d. legal? e. IT? f. administration? g. training? h. insurance? i. recruitment? j. payroll? k. health and safety l. advice m. communication tools? n. other? [Answer all fields with details]	(attach budget here with an indication as to whether the funding/resource is in place or if it is dependent on a future event)
Funding	1. When is funding for the partnership due to end? 2. If the Council exits the partnership will any funding be lost to the City? 3. If yes, please give details	

Significance of Partnership from Scorecard: Category A / Category B

Business Case completed by: _____ **Date** _____
Job title _____

Approval process

All partnerships: Relevant Strategic Director

**MY OVERALL EVALUATION IS THAT THE BUSINESS CASE HAS / HAS NOT *
BEEN MADE FOR SETTING UP / JOINING * A PARTNERSHIP ARRANGEMENT.**

Completed by: _____ Date: _____

Job title: _____

*** delete as appropriate**

**Category A - significant partnerships only: Executive Member approval
APPROVAL HAS / HAS NOT* BEEN GRANTED FOR SETTING UP / JOINING* A
PARTNERSHIP ARRANGEMENT.**

Approved by: _____ Date _____

*** delete as appropriate**

Reviewing LSP support

Self assessment questions	
<p>1. What are the LSP support costs for:</p> <p>1.1 policy and strategy support?</p> <p>1.2 research and intelligence?</p> <p>1.3 information gathering and presentation?</p> <p>1.4 conferences, meetings and events?</p> <p>1.5 website commissioning and maintenance</p>	
<p>2. How do different partners contribute to the LSP support costs?</p> <p>2.1 Is the LSP making the best use of contributions in kind?</p> <p>2.2 Do contributions reflect partners' involvement in LAA and SCS outcomes?</p>	
<p>3. Does the LSP have a budget for policy development?</p> <p>3.1 How do partners contribute to the development budget?</p> <p>3.2 How has the LSP planned and reviewed its development budget?</p>	
<p>4. Does the LSP get the right balance between research, development, and administration from its spending?</p> <p>5. Does the support team effectively support the LAA and SCS?</p> <p>5.1 Is information for decision- making accurate, valid, reliable, timely, relevant and complete?</p> <p>5.2 Is the evidence base to support prioritisation kept up-to-date?</p> <p>5.3 Does LSP administration represent good value for money?</p>	