

South Gloucestershire Council Audit and Accounts Committee
30 June 2010
Bristol City Council Audit Committee
27 September 2010
Bath & North East Somerset Audit Committee
North Somerset Council Audit Committee

West of England Partnership: Audit Commission Action Plan – Progress Report

Purpose

1. To update members on actions taken in response to the Action Plan agreed between the four authorities and the Audit Commission and to provide members with the Partnership's risk register.

Background

2. In summer 2009 the Audit Commission carried out a review of Governance Arrangements in the West of England Partnership. They focused on Waste Phase 3 as a case study, but also looked more broadly at the governance of the Partnership. Their report, which included an Action Plan, was published in December 2009.

Actions to date

3. The table set out in the Appendix sets out the recommendations and progress to date. The information in the 'Comments' column was provided by the Partnership Office, following discussion with council chief executives prior to the publication of the report in December 2009.

Corporate Risk Register

4. The attached register sets out the corporate risks and related management actions. Members are asked to note that all Partnership projects have their own risk registers.

Recommendation

That members consider the report and give their views.

Appendices

Appendix 1	Action Plan agreed with the Audit Commission, published December 2009, and progress since
Appendix 2	West of England Partnership Corporate Risk Register

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Action Plan agreed with the Audit Commission, published December 2009, and progress since

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Comments (provided to the Audit Commission prior to publication)	Date	Progress since December 2009
1 The Councils with the Partnership should develop criteria to decide which projects are best managed by the West of England Partnership and those which are best carried out at an individual Council level.	3	WEP, Councils and the Partnership Board	WEP to draft core criteria for approval by Councils and the Partnership Board Leaders of Council 18 December Links to R12 below	Feb 2010	WEP Board endorsed criteria on 25 February 2010, following agreement by Leaders of Council on 18 December 2009
2 The WEP and Councils should review the roles and relationship between the Joint Scrutiny Committee, the Strategic Partnership Board and the WEP Committees to ensure that all members of these groupings are clear about their respective roles and responsibilities.	3	WEP	Further develop and communicate the existing terms of reference, priority setting arrangements and working methods. <ul style="list-style-type: none"> • Leaders of Council 18 December • Joint Scrutiny Committee 22 January • Joint Committee/ Boards in February 	Feb 2010	Terms of reference, priority setting arrangements and working methods were considered by Leaders of Council on 18 December, Joint Scrutiny Committee on 22 January and the WEP Board on 25 February. Improvements have been made as a result of these discussions.
3 The Councils and WEP should commit to providing training and support for Members representing Councils on the various Boards and Committees.	2	WEP/Councils' Democratic Services/ Councillor training officers	Discussion and proposals to Boards/ Committees in March cycle of meetings. <ul style="list-style-type: none"> • Support now provided by new Partnership Secretary. • Further workshops focusing on specific issues to be organised by the Partnership Office¹ and Councils. • Concise information pack to be prepared and promoted. • Other support/training is provided by councils. • Council training officers to consider how information on WEP can best be provided at induction. 	March 2010	<ul style="list-style-type: none"> • Discussion of needs as part of 2010/11 Annual Business and approval of Forward Plans at Boards and Joint Committees. • Individual discussions with and briefings of new members. • Further workshops will be held as appropriate.

¹ Examples of workshops:

Joint Scrutiny Committee: 14/11/08 on Regional Investment Planning & Prioritisation, which prepared them for consideration of RFA2 on 12/12/08

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Comments (provided to the Audit Commission prior to publication)	Date	Progress since December 2009
4 An improved method should be determined for the Boards and Committees to allow the prioritisation of work carried out, focusing on high risk tasks.	2	WEP Chief Executive with Chairs of Boards and Committees	Discussion with Chairs in February and March Further improved arrangements from June Annual meetings.	June 2010	<ul style="list-style-type: none"> • Forward Plans are published at Annual Meetings and updated at each Board/Committee meeting, with an opportunity for members to give their views. These are available on the WEP's website. • 2010/11 priorities discussed with Leaders, Chief Executives and the Partnership Board in January to March 2010. • Further prioritisation through review of 2010/11 Executive Forward Plans at Annual Meetings of Boards and Joint Committees • 2010/11 prioritisation by Joint Scrutiny Committee of its work programme at its Annual Meeting, taking into account the Executive Forward Plans. • Periodic reviews of all Forward Plans by Boards/Joint Committees and by Leaders and Chief Executives.
5 The WEP to agree and secure project management resources before starting projects.	2	WEP Chief Executive, Councils and Strategic Partner Organisations	In each case negotiate blend of contributions from existing resources in the Partnership Office, Councils and Strategic Partner Organisations, based on PID objectives, milestones and risks.	Jan 2010	Agreed action undertaken, as required.

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Comments (provided to the Audit Commission prior to publication)	Date	Progress since December 2009
6 Councils need to agree how they will record the time and resources spent at each Council on WEP related tasks to allow proper review of project management costs and VFM.	2	Councils and WEP Chief Executive	Through: <ul style="list-style-type: none"> • PIDs and Project Management Boards • Management of agenda of specialist Officer Boards • Prioritisation of Partnership Boards and Committees • Performance Management Framework • Standard report to March meetings 	March 2010	Chief Executives support these actions but do not require formal time recording of officer time.
7 The Councils and the WEP to agree a joint performance management framework and define the performance management information required to support it - covering all aspects of the Partnership, not just the individual projects.	3	WEP and Councils	Framework to: <ul style="list-style-type: none"> • Chief Executives: 4 December • Leaders of Council: 18 December • Joint Committees/ Boards in February 	Feb 2010	Project Management Framework endorsed by WEP Board on 25 February 2010.
8 The Councils and WEP to develop a joint risk register covering both individual projects and the partnership as whole.	3	Senior Responsible Owners, WEP Chief Executive, Councils' Chief Executives	Chief Executives: 4 December Leaders of Council: 18 December	Dec 2010	The Corporate Risk Register, identifying risks across the Partnership as a whole, has been considered by Chief Executives, Leaders and Resource Directors. Major schemes have risk registers, as do major projects. All registers are reviewed and reported regularly.

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Comments (provided to the Audit Commission prior to publication)	Date	Progress since December 2009
9 The Councils and WEP should agree their respective roles in a communications strategy.	2	WEP Chief Executive and Council Development Directors	Chief Executives: 5 February	Feb 2010	<ul style="list-style-type: none"> Roles are understood but not yet formally adopted as part of a strategy. Communications debated with Leaders, Chief Executives and the Board during review of draft 2010/11 priorities. Officer drafts prepared for consideration with Leaders and Chief Executives on 21 June and at Boards and Joint Committees in accordance with their Forward Plans.
10 The Councils and WEP should agree a communication strategy on a project by project basis.	2	Senior Responsible Owners WEP and Council Media & PR officers	In place for all transport and some other projects. Remainder to be completed by February. All to be reviewed at Project Boards in March.	March 2010	Communications Strategies are agreed for major projects.
11 The Councils with the Partnership should develop value for money measures for the WEP as a whole.	3	Council Chief Executives WEP Chief Executive	<ul style="list-style-type: none"> Chief Executives: 5 February Leaders of Council: 10 March 	March 2010	Chief Executives discussed VFM measures on 5 March. Agreed that partnership working and the joined-up agenda across strategic partner organisations is a source of value for money.
12 The Councils and WEP should develop value for money frameworks for all individual projects.	3	WEP with Senior Responsible Owners	Links to R1	March 2010	In 2010/11 the emphasis will be placed on ensuring increased value for money by improvements in the practical operation of joint working.

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West of England Partnership Corporate Risk Register

Risk Register Owner: WEP Chief Executive

Date now: 15-Sep-10
 Key:
 CX - Chief Executive
 LA - Local Authority
 LEP - Local Enterprise Partnership
 PM - Project Management

SRO - Senior Responsible Owner
 WEP - West of England Partnership
 WEPO - West of England Partnership Office

Risk No.	Risk Category Description	Date Risk Entered on Register	Summary of Management Action	Officer Responsible for Risk & Action	Final Implementation Date	Current Status of actions RAG	Current Mitigated Score										Trend			Potential Financial Impact of Risk High 5; Low 1	
							Likelihood					Impact					Overall Score This Period	Overall Score Previous Quarters			
							1	2	3	4	5	1	2	3	4	5		1 Jul 10	2 Apr 10		3 Jan 10
1	Delivery						L	M	H	L	M	H									
1.1	The West of England Partnerships "Vision 2026" is unrealised.	May-09	Periodically affirm the vision. Ensure it drives sub-regional priorities and strategies. Undertake the annual review of priorities against the vision.	CXs WEPO CX													13	13	13	5	
1.2	The Partnership fails to stay business focused.	Jul-10	Business is involved and consulted in the development of WEP programmes and projects. Business has a key role in the WEP governance arrangements.	WEPO CX	Ongoing												13				
1.3	Failure to deliver projects to timescale, quality or cost.	Nov-09	Adherence to Project Management Framework, including escalation processes, so that early action can be taken to get projects back on track.	WEPO CX		2						3					13				
1.4	Lack of direction and focus.	May-09	Agree and monitor Annual Work Programme. Adhere to Project Management Framework.		Agree annually Ongoing																
1.5	High reliance upon co-operative working by Partnership members and their support.	Nov-09	Ensure wide engagement in developing long-term strategies and priorities and agreeing accountabilities.	CXs WEPO CX	Ongoing												13	13	13		
1.6	Inability to manage the complexity of the challenges and solutions, Partnership programmes and its support.		Strong collaboration in developing and adopting evidence-based strategies, priorities and plans. Adherence to the Project Management Framework. Agree and monitor Annual Work Programme.																		
1.7	Inability to secure the investment required, given public expenditure cuts.	Nov 09/July 10	Ensure responses to needs and ambitions are properly costed and affordable. Articulate a strong, evidenced-based case with clear outcomes. Consider all possible sources of investment.	WEPO CX				3					4				18				
1.8	Insufficient local powers.	Nov-09	Anticipate and lobby early for increased local powers, demonstrating where these will improve delivery and/or outcomes.	CXs WEPO CX				3					4				15				
2	Leadership																				
2.1	Change of leadership may impact on priorities.	Nov-09	Periodically affirm the vision. Ensure it drives sub-regional priorities and strategies. Ensure wide engagement in fixing long-term strategies, priorities and accountabilities. Build strong, strategic and business cases. Promote cases with appropriate agencies. Take action that is appropriate to minimise the effects of uncertainty and establish any new direction as soon as possible. Also see LEP Risk Register.	CXs WEPO CX	Ongoing	2					2			10	10	14	14	5			

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L	M	H	L	M	H	L	M	H																	
6	Capacity of the Partnership Office & partners																								
6.1	Insufficient skills or staff resources.	May/Nov 2009	Plan annual priorities and programmes, taking into account WEPO and partner organisations' capacity and skills.	CXs WEPO CX	Ongoing		2						3				13	13	18	18			5		
7	Reputation																								
7.1	Failure to communicate and consult on the actions planned to achieve its strategic objectives.	Nov-09	Further strengthen and keep under review the Consultation & Communication Plan. WEP managers and Communications Officer works with the identified project and local authority communications officers. Project managers ensure consultation requirements are met.	WEPO CX & Managers, with Communications Officers	Ongoing			3					3				15	15	15	15			5		
7.2	Failure to deliver its agreed projects and programmes.		Adherence to Project Management Framework, including escalation processes, so that early action can be taken to get projects back on track.												3				15						
7.3	Adverse publicity damages Partnership working.		WEP Managers & Communications Officer, or an appropriate officer from a partner organisation accounts for shortfalls or rebuts adverse publicity.																						
8	Financial provision																								
8.1	Unrealistic or insufficient funding (for projects and/or WEPO) to achieve timely outcomes.	Nov-09	Plan, cost and risk assess projects realistically; escalate any subsequent shortfalls. Good project, risk and financial management.	WEPO CX & Managers; SROs & Project Managers	Ongoing			3					3				15	15	15	15					
8.1	Need to contribute to, and reflect impact of, government public expenditure cuts 2011/12 - 2013/14 and the establishment of a Local Enterprise Partnership.	Jul-10	Produce no less than 5% cash savings in 2010/11: Revised 2010/11 budget estimate to Chief Executives and Resources Directors.	WEPO CX & Managers	By 30 September 2010			3					4				18	20					5		
			Put forward a 2011/12 financial plan in conjunction with Chief Executives which delivers required cuts in expenditure and takes account of the current development of a Local Enterprise Partnership. Report to Chief Executives.	WEPO CX CXs	1 October 2010 CXs										4				20	20					
9	Financial management																								
9.1	Poor financial budgeting and management, leading to over/underspend and poor performance.	Nov-09	Ensure clear arrangements for budget preparation, management and administration. Adhere to procurement and project management regulations and systems. Respond to internal and external audits and reviews.	WEPO CX & Managers	Ongoing		2						4				16	16							
9.2	Insufficient commitment to achieving Value For Money.		Ensure focus and specific action on VFM is maintained.												3				15	15	15	15			5
9.3	Failure to comply with financial regulations.		Ensure effective procurement and contract management practices. Measures taken to avoid fraud (checks and balances, such as peer reviews, internal audit, verification and testing decisions through the operation of the project management framework); procurement regulations adhered to.	WEPO CX & Managers; SROs & Project Managers															16	16					
10	Performance management																								
10.1	Lack of direction and focus	Nov-09	Adhere to Performance Management Framework. High level reports to: i) Accountable Body ii) Chief Executives iii) Resources Directors (for the time being use Resource Directors as a substitute for the Project Assurance Board).	WEPO CX & Managers	i) 13 September 2010 ii) 1 October 2010 iii) 29 October 2010		2							4				16	16	16	16			3	
10.2	Failure to set and monitor the achievements of performance requirements.																								
10.3	Unexpected requirements or changes to requirements.																								

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L	M	H	L	M	H	L	M	H	L	M	H															
11	Project management																									
11.1	Failure to adopt and comply with project management disciplines.	Nov-09	Regular Project Management Reviews in accordance with the Project Management Framework. Reinforcement of project management disciplines within teams by Management Team. Ensure specialist advice is sought where necessary. Ensure clear escalation procedures.	WEPO CX & Managers; SROs & Project Managers	Ongoing		1						2					8	8	8	8		4			
12	Legal																									
12.1	Failure to provide and/or comply with constitutional requirements.	Nov-09	Measures are in place to ensure that constitutions and underpinning legal agreements. Work is supported by managers, finance officer, Partnership Secretary, UA Legal Services and, as necessary, specialist consultants. Adhere to, apply and monitor the appropriate authority's procurement processes. Report and account for any failure to comply to the relevant member Board or Committee in relation to other agreements.	WEPO CX	Ongoing		2						3					13	13	10	10		5			
12.2	Legal agreements not in place to protect individual authorities.																									
12.3	Failure to comply with procurement regulations.										2											16		16		
13	Key knowledge in the Partnership Office																									
13.1	Failure to secure, provide and maintain effective information storage and retrieval systems.	Nov-09	The onus is on Management Team members to discharge these responsibilities through their team members. Management Team ensures that the correct documents are held on the shared electronic filing system.	WEPO Managers	Ongoing		2						3					13	13	13	13		2			
13.2	Failure to ensure systems for capturing key knowledge, particularly with staff changes.		Establish and maintain more disciplined use of the shared section of the electronic filing system.		By 1 October 2010																					