

**BRISTOL CITY COUNCIL
AUDIT COMMITTEE**

3 February 2012

Report of: Strategic Director (Corporate Services)

**Title: Grant Thornton Value for Money Follow-up of 2009-10
Recommendations**

Ward: Citywide

Officer presenting report: Richard Powell, Chief Internal Auditor

Contact telephone number: 0117 92 22448

RECOMMENDATION

The Audit Committee note, and comment as appropriate, on Grant Thornton's report.

Summary

This report through discussion with officers of the Council and a review of documentation assesses progress against the original recommendations raised in 2009-10.

Where further progress is required we have either repeated the original recommendation or revised the recommendation to reflect current arrangements and circumstances. We have set out all our recommendations in Appendix A of our report.

Policy

None affected by this report. The Audit Commission has statutory responsibility for inspection and assessment at the Council. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements. In particular these are the Audit Commission Act 1998 and the Code of Audit Practice with regard to audit, and the Local Government Act 1999 with regard to best value and inspection.

Consultation

Internal: Grant Thornton consulted with Officers of the before finalising the report.

External: not applicable.

1 Introduction

1.1 Grant Thornton is required to provide a value for money conclusion (VFM). This report will inform our VFM conclusion got 2011-12.

1.2 Grant Thornton, responsible for the City Council's audit will be attending the Committee, and will be pleased to answer Members' questions.

Other Options Considered

Not applicable.

Risk Assessment

Not as a result of this report.

Equalities Impact Assessment

There are no issues arising from this report.

Legal and Resource Implications

None arising from this report.

Appendices:

Appendix 1: Grant Thornton's Value for Money Follow-up of 2009-10 recommendations

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None

Bristol City Council

Value for Money Follow-up of 2009-10 recommendations – Final Report

January 2012



Content

1	Our audit approach	1
2.	VFM Conclusion 2009-10	2
3.	Financial Standing – In Year Reporting	6
4.	Review of Capital Projects Management Arrangements - follow up	8
5	Review of Asset Management Arrangements – Follow up	11
Appendix A – Action Plan		14

1 Our audit approach

Introduction and background

During 2010-11 we completed a number of detailed reviews to support our Value for Money (VFM) conclusion. These reviews were reported to Bristol City Council (the Council) and included a number of action plans. This report through discussion with officers of the Council and a review of documentation assesses progress against the original recommendations.

Where further progress is required we have either repeated the original recommendation or revised the recommendation to reflect current arrangements and circumstances. We have set out all our recommendations in Appendix A to this report.

This report addresses the following reviews completed in 2009-10:

- VFM Conclusion 2009-10
- Financial Standing – In Year Reporting
- Review of Capital Projects Management Arrangements - Follow up
- Review of Asset Management Arrangements – Follow up

Code of Audit Practice

Under the Code of Audit Practice, we are responsible for issuing a conclusion on whether we are satisfied the audited body has proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Our VFM conclusion for 2011-12 will be informed, in part, by the findings within this report.

Use of this report

This report has been prepared to advise the Council of the matters arising from our work and should not be used for any other purpose or be given to third parties without our prior written consent.

Our report is part of a continuing dialogue between the Council and ourselves and should not be relied upon to detect all opportunities for improvements in management arrangements that might exist. The Council should assess the wider implications of our conclusions and recommendations before deciding whether to accept or implement them, seeking its own specialist advice as appropriate.

We accept no responsibility in the event that any third party incurs claims, or liabilities, or sustains loss, or damage, as a result of their having relied on anything contained within this report.

The way forward

Based on our findings within this report we have made the following recommendation:

The Council should introduce formal arrangements to ensure recommendations from external bodies are addressed.

Acknowledgements

We carried out this work through discussions with Council officers, and by reviewing key documentation. We would like to record our appreciation for the assistance and co-operation provided to us during our work.

2. VFM Conclusion 2009-10

Original Recommendation 2009-10	Progress to date	Recommendation
<p>1. Managing spending The Council should consider how it can evidence and demonstrate to Members the impact of spending decisions, both relating to investment and dis-investment on services.</p>	<p>Further improvements are required to address this recommendation.</p> <p>The Council's public reports to Cabinet and the Resources and Scrutiny Commission, which considered the amendments to the draft revenue budget, aimed to provide guidance on the implications on service delivery. For each budget adjustment a brief description was provided. We consider that the comments included within the public reports do not consistently ensure that the likely impact on service delivery is fully understood and considered.</p> <p>In addition for some adjustments equality impact assessments (EqIA) were completed. However, based on a selection of EqIAs, we identified that they were not consistently completed to the same standard.</p>	<p>The Council should improve how it provides evidence and demonstrates to Members the impact of their spending decisions, in relation to:</p> <ul style="list-style-type: none"> • the budget setting process; and • equality impact assessments, to ensure they are completed consistently and to a high standard.
<p>2. Delivering efficiency savings 2.1 The Council should focus on ensuring that its services are VFM, for example Adult Social Care and Education.</p>	<p>Further improvements are required to address this recommendation.</p> <p>The Council developed and launched its new VFM Strategy in June 2011. The VFM Strategy includes a toolkit that requires each service manager to annually assess how they are doing in terms of delivering value for money, beginning with 2011-12. The Directorates have identified individual priority areas, but the toolkit has yet to be applied to all service areas.</p> <p>Successful adoption of the VFM Strategy should enable the</p>	<p>The Council should ensure the VFM Strategy and supporting toolkit is adopted by all Directorates and Service Managers, prior to the annual analysis planned for February 2012.</p>

Original Recommendation 2009-10	Progress to date	Recommendation
	Council to deliver and demonstrate VFM.	
2.2 The Council should monitor through the year its progress against efficiency targets, to ensure it is on track to deliver planned efficiencies.	<p>The Council's Strategic Options Delivery Board (SODB) began monitoring progress against its 2011-12 savings targets in March 2011.</p> <p>The information provided to SODB is based on Directorate monitoring, which is focused on actions and processes which should result in savings. We consider that arrangements should be improved to ensure the achievement of its savings is monitored as well as the actions intending to deliver savings.</p>	Now that the SODB is monitoring progress against the savings targets, the Council should ensure that the achievement of its savings is monitored as well as the actions intending to deliver savings.
<p>3. Commissioning</p> <p>The Council needs to build on its new arrangements, the Commissioning Strategy and Delivery Plan and demonstrates clear outcomes as a result.</p>	<p>The Council is in the process of introducing a new and consistent Council wide approach to commissioning.</p> <p>The Council's Strategy is set out within its Commissioning Intentions and supported by the introduction of a commissioning framework. The Commissioning Intentions are available to the public and training has been rolled out to ensure the new approach is understood and consistently applied.</p> <p>The Council aims to deliver significant savings and benefits as a result of this new approach. However, as the Council is at the beginning of this process, significant benefits and outcomes have yet to be demonstrated.</p>	The Council should ensure its new approach to commissioning delivers clear outcomes and benefits.
<p>4. Performance Management</p> <p>The Council should introduce corporate performance monitoring, which integrates both financial and performance information.</p>	<p>This recommendation was reviewed in detail as part of our review of corporate performance reporting.</p> <p>The following recommendation was raised as part of this review.</p>	We continue to recommend that the Council should introduce corporate performance reporting – showing the full range of service performance against targets – that also enables links to be made between service performance, unit costs and budgets.
<p>5. Partnership Working</p> <p>The Council should demonstrate that partnership working achieves maximum benefit for the public and is able to minimise the impact of change as a result of financial cuts going forward.</p>	<p>This recommendation remains outstanding.</p> <p>The Council has agreed that the Bristol Partnership outcomes will be reviewed by the Bristol partnership Governance Group and the Audit Committee.</p> <p>Two reports have been presented to the Audit Committee,</p>	The Council's assurance arrangements should ensure that emerging and existing partnerships deliver their expected benefits and VFM.

Original Recommendation 2009-10	Progress to date	Recommendation
	<p>April 2010 and January 2011.</p> <p>In January 2011 the Audit Committee concluded that insufficient detail and information was presented on the Bristol Partnership to demonstrate if the partnership delivers value for money.</p> <p>Since the time of our original audit the statutory requirements from central government for the Bristol Partnership have changed and a number of thematic boards have developed further, independent of Bristol Partnership Exec Board oversight, such as the Health and Well Being Board. However, partnership working remains a valuable mechanism through which the Council both enables and ensures effective service delivery.</p>	
<p>6. Asset Management</p> <p>The Council should demonstrate how its asset management plans support and help to deliver the Council's strategic and operational priorities.</p>	<p>This recommendation has been considered as part of the follow-up of asset management arrangements, see section 5.</p>	
<p>7. Workforce</p> <p>7.1 The Council should develop Directorate workforce plans to support the People Strategy.</p>	<p>This recommendation is outstanding.</p> <p>The Council has now secured approval to introduce a People Programme.</p> <p>This programme will develop a People Strategy to address the workforce needs of the Council</p>	<p>The Council should ensure it introduces an effective People Strategy supported by resource plans.</p>
<p>7.2 The Council should establish agreed service standards against which the HR Shared Transactional Services can be performance monitored.</p>	<p>This recommendation is outstanding</p> <p>The Council has agreed a Service Use Charter for the HR, Shared Transactional and the Facilities Services. The service standards and supporting service level agreements to monitor performance against this Charter have yet to be agreed.</p>	<p>The Council should establish agreed service standards against which the HR Shared Transactional Services can be performance monitored.</p>
<p>7.3 Users of the service should be aware of how the HR STS is performing and be able to</p>	<p>Service users are able to provide feedback via the Knowledgebase. However performance cannot be assessed</p>	<p>Recommendation as 7.2</p>

Original Recommendation 2009-10	Progress to date	Recommendation
provide feedback on the service they receive.	against standards as these have yet to be agreed.	
7.4 The Council's HR service should continue to work with service managers to address individual employees under performance.	<p>This recommendation remains valid, although we recognise the work begun to address employee under performance.</p> <p>The Council is working to address individual employees under performance. The drive is to address under performance as it occurs, not just when it is recorded on the PMDS system. Work is also underway to make the PMDS system a more effective tool for management.</p>	The Council's HR service should continue to work with service managers to address individual employees under performance.
7.5 The Council should continue to consider how it can address the age profile of its workforce.	<p>The Council continues to recruit to its apprenticeship scheme. The Council has a range of policies in place which consider all aspects of the Council's business and workforce.</p> <p>There is a continual process for reviewing HR policies and new arrangements have been introduced to ensure interdependencies are considered.</p>	No further recommendation.

3. Financial Standing – In Year Reporting

	Original Recommendation 2009-10	Progress to date	Recommendation
1	The risk assessment section within revenue monitoring reports should be expanded to include quantified risk assessment of identified risks to the budget in terms of both likelihood and impact.	This recommendation remains outstanding. Key risks are included in Member reports, however we consider that quantified, more detailed and consistent risk assessments across the Directorates should be provided.	The outstanding recommendations within this section are being progressed through Grant Thornton's financial resilience review.
2	Variance commentaries from individual directorates should be reviewed to ensure that they clearly describe the elements and causes of the variance, and are consistent.	This recommendation remains outstanding. Directorates' commentaries remain varied and could be improved to provide better explanation of reasons for variances.	
3	Significant movements in the projected year end position should be clearly highlighted with brief narrative to highlight whether they are in response to planned action or if they represent a real change in the financial position.	This recommendation remains outstanding. This recommendation applies to reports reviewed by Cabinet and the Resources and Scrutiny Commission.	
4	The Council should consider integrating financial reporting with performance monitoring on a regular basis.	The Council is in the process of addressing this recommendation. Directorate scorecards were introduced in August 2010. A detailed review by GT on the scorecards has been completed. We identified 9 recommendations setting out how the scorecards could be improved. The following high level recommendation was raised in this report.	The Council should introduce corporate performance monitoring – showing the full range of service performance against targets – that also enables links to be made between service performance, unit costs and budgets.

	Original Recommendation 2009-10	Progress to date	Recommendation
5	The Council should ensure that clear explanations about the use of reserves and contingencies across all directorate budgets are incorporated into revenue budget monitoring reports.	This recommendation remains outstanding. A statement on the projected position for reserves was included in the Cabinet papers for September and November 2010, no statements have been made since.	
6	Revenue monitoring reports to Cabinet should incorporate progress against planned savings targets for the year.	This recommendation remains outstanding. A detailed summary of progress made against planned efficiency savings was reported to Cabinet in 2010. However, progress against delivery of efficiency savings for the end of 2010-11 was not reported. For quarter 1 of 2011-12 reporting to Cabinet was limited to the following statement "the results of the first monitor indicate that directorates are on target to deliver over £23m (82%) of the total budgeted savings (£28m)." ¹	
7	Summary Directorate financial monitoring reports should clearly set out the key uncertainties, assumptions and estimates in the information presented.	This recommendation remains outstanding.	
8	Consideration should be given to setting objectives to ensure forecasting of financial position on an accurate basis from period six.	This recommendation remains outstanding.	

¹ Cabinet Papers 21 July 2011 Agenda item 11
© 2012 Grant Thornton UK LLP. All rights reserved.

4. Review of Capital Projects Management Arrangements - follow up

	Original Recommendation 2009-10	Progress to date	Recommendation
1	Strengthen the process for completing Project Business Cases to ensure that they contain sufficient and robust information on the scope of the project and the associated costs and that the individual capital projects are using them as an effective tool in capital project management.	<p>This recommendation remains outstanding.</p> <p>In 2010-11 very few projects have begun. As a result we have been unable to assess any new business cases developed in 2010-11.</p> <p>Gateway reviews have been introduced to ensure continued improvements in the process.</p>	We continue to recommend that the Council strengthen the process for completing Project Business Cases to ensure that they contain sufficient and robust information on the scope of the project and the associated costs and that the individual capital projects are using them as an effective tool in capital project management.
2	Implement a formal procedure for reporting on the project structure and project team. These details should be considered for inclusion in the reports for programme approval to Members.	<p>This recommendation has been addressed.</p> <p>The Council includes project responsibilities and structure with the PID. PIDs are approved by the Infrastructure and Development Board.</p>	No further recommendation.
3	Ensure that any joint delivery proposals for capital schemes are in line with the capital project procurement arrangements at the Council.	<p>This recommendation is now an ongoing requirement, therefore we have not repeated the recommendation.</p> <p>The Council has updated its procurement regulations and procurement manual.</p>	No further recommendation.
4	Report to Members on the risk transfer options when requesting approval on joint authority capital projects.	Although we are aware that the Council does not have any projects within the year in which risk transfer has been considered, it does have a number of projects which involve	The Council should update its procurement guidance to ensure it addresses arrangements for joint authority capital projects, including the possibility of risk sharing and

	Original Recommendation 2009-10	Progress to date	Recommendation
		<p>other authorities and organisations.</p> <p>The procurement guidance should be updated to ensure the approval requirements are addressed and ownership of risks is noted where it rests with other organisations.</p> <p>At present neither the financial regulations or the procurement manual and procedures address risk sharing.</p> <p>As part of this work we considered the risk registers for the procurement of the Avonmouth wind turbine and Knowle West Regeneration Framework. As a result the following recommendation has been raised.</p>	<p>transfer.</p> <p>All risks on risk registers should have a risk owner and named individual. Where this is outside the Council, the organisation and a named individual should be listed.</p>
5	Review the current mechanisms to report to the Executive Members with responsibility for Capital Projects on cost risks and potential overruns to ensure that they are aware of the risks and the options being reviewed by the project teams to manage these.	<p>This recommendation has been addressed.</p> <p>The Council has introduced monthly meetings with the Executive Member responsible for capital and introduced detailed quarterly monitoring to support these meetings.</p>	No further recommendation.
6	Consider the value of using external rather than internal resources when working in partnership for major projects. This should be undertaken at the feasibility stages and where external consultants are used, should consider the options for knowledge transfer to internal resources.	<p>This recommendation has been addressed.</p> <p>We recognise that the Council considers each project individually and has considered the best option for its own internal engineering service to deliver value for money. However, we consider that these actions do not address the original recommendation.</p>	
7	Ensure the PID sets out the risk transfer that is involved with the contract route and that the approach is in line with Council procurement guidance.	<p>This recommendation remains outstanding.</p> <p>Risk sharing and transfer was not considered in the PID, but was considered in the procurement strategy for the Bus Rapid Transport.</p>	Ensure the PID sets out the risk transfer that is involved with the contract route and that the approach is in line with Council procurement guidance.
8	Expand the financial regulations to cover situations where SLAs are required, for example partnership and joint working schemes.	<p>This recommendation remains outstanding.</p> <p>No changes have been made to the financial regulations.</p>	Expand the financial regulations to cover situations where SLAs are required, for example partnership and joint working schemes.
9	Ensure the financial regulations and/or the	This recommendation is outstanding.	Ensure the financial regulations and/or the procurement

	Original Recommendation 2009-10	Progress to date	Recommendation
	procurement regulations include the requirement to formally report risk assessments to the Executive Member throughout the project.	Although we recognise that Executive members are regularly briefed and that this briefing is likely to include risk assessments. No changes have been made to the financial regulations.	regulations include the requirement to formally report risk assessments to the Executive Member throughout the project.
10	Update the financial regulations to include the process for setting the level of cost certainty required for major capital projects, where relevant.	This recommendation remains outstanding. The Council considers that cost certainty is unlikely to be used within its contracts. No changes have been made to the financial regulations.	Update the financial regulations to include the process for setting the level of cost certainty required for major capital projects, where relevant.
11	Include in the financial regulations and / or supporting guidance the requirement for Member approval at different phases of capital projects.	This recommendation remains outstanding. Whilst the Council regulations included the requirement to introduce quarterly reporting to Executive Members, the financial regulations do not specifically refer to member approval at different phases of the project. No changes have been made to the financial regulations.	Include in the financial regulations and / or supporting guidance the requirement for Member approval at different phases of capital projects.
12	Update the Financial Regulations to include the process for approval of variations to the regulations.	This recommendation remains outstanding. No changes have been made to the financial regulations.	Update the Financial Regulations to include the process for approval of variations to the regulations.
13	Review the area of benefits realisation for major capital projects to ensure that the concept is considered and applied from initial business case planning, through to post project reviews, including the interim measures that can be made.	This recommendation remains outstanding. The Council has established a Benefits Realisation Board which should ensure the delivery of expected benefits.	Review the area of benefits realisation for major capital projects to ensure that the concept is considered and applied from initial business case planning, through to post project reviews, including the interim measures that can be made.

5 Review of Asset Management Arrangements – Follow up

	Original Recommendation 2009-10	Progress to date	Recommendation
1	Agree a mechanism for the development of a forum, for example, Asset Management Boards across directorates to ensure that there is a coherent and consistent approach across the Council, allowing for strong robust arrangements for the corporate oversight.	<p>This recommendation remains outstanding.</p> <p>The Council still needs to agree a Corporate approach to asset management, which is consistently applied across the Directorates.</p>	<p>The Council should agree a mechanism for the development of a corporate approach to asset management, which is coherent and consistent across the Council, allowing for strong robust arrangements for effective oversight of the full asset base. This mechanism should include steps for identifying good practice in asset management and applying this across the Council's full asset base."</p> <p>This could be achieved by either:</p> <ul style="list-style-type: none"> • a single Corporate Property Division which has responsibility for & manages the Council's entire asset base; or • the current structure is maintained but robust mechanisms are rolled out across all divisions with responsibility for property to ensure that the approach to asset management is consistent and coherent across the Council.
2	Review the current arrangements for providing corporate challenge of the existing asset base to ensure that there is effective Member scrutiny.	<p>The Council is still working to improve corporate challenge and Member scrutiny.</p> <p>Member scrutiny is limited to individual asset management projects over £500,000. There is no process in place to enable scrutiny of the complete asset base, either internally</p>	<p>The Council should ensure that the existing asset base is reviewed and challenged at Directorate level and across Directorates, to ensure a high-level, corporate and council-wide view is always considered.</p> <p>This challenge and review should be carried out by officers</p>

	Original Recommendation 2009-10	Progress to date	Recommendation
		or at Member level, which would enable consideration across Directorates.	and Members.
3	Develop the mechanism within Corporate Property to provide strategic support to the directorates on asset management and understanding the links with the departmental and corporate strategy, building up a greater base on which to provide corporate challenge to the current asset base held by departments.	This recommendations remains outstanding. Corporate property provide an advisory function only.	Recommendation 2 above.
4	Develop the Departmental Asset Management Plans to ensure that there are clear links to the corporate and directorate objectives, focusing on the current asset base against expected future need on a value for money basis.	This recommendation remains outstanding. Responsibility for asset management remains within the individual Directorates and as such it is difficult to challenge the VFM of the Council's complete asset base. Clear links with the Corporate Plan and strategic objectives have also to be demonstrated.	The Council should implement processes to ensure asset management across the Council is clearly linked to the Corporate and Directorate Objectives. These processes should enable VFM to be considered and obtained from across whole asset base.
5	Develop the Departmental Asset Management Plans to ensure they are aligned with those of other local service providers, where there are strong asset links within the Council.	This recommendation is progressing well through the 'Total Place' agenda. The Council is working with South Gloucestershire, North Somerset and Bath and North East Somerset Councils to develop local area asset plans. The aim of the joint working is to aid planning, improve the utilisation of underperforming assets and identify opportunities for sharing. The next stage is to include other public bodies.	The Council should continue to work with others, both public, voluntary and private bodies to improve VFM across the Council's asset base.
6	Review the current arrangements within the Directorates for identifying the asset and stock conditions to ensure that there is a consistent and risk based approach to asset condition.	The Council now has a central asset register which enables the condition of the asset to be recorded. The Council is in the process of identifying gaps and ensuring this field is completed. The Council does not has a consistent approach across the Directorates for assessing the condition of an asset.	The Council should review the current arrangements to ensure that: <ul style="list-style-type: none"> • there is a corporately determined consistent and risk based approach to identifying and recording asset and stock conditions; and • the condition of all assets and stock is accurately and routinely recorded in the central asset register.

	Original Recommendation 2009-10	Progress to date	Recommendation
7	Implement the performance management framework to include a clear strategy on improving asset management performance across the Council.	<p>This recommendation is outstanding.</p> <p>The Council does not have a clear set of performance indicators against which asset management performance can be consistently assessed across the Council.</p>	The Council should introduce a consistent approach to improve asset management performance across the Council.
8	Develop the strategy for gathering feedback so that that views, compliments and complaints are used in developing the asset management plans and overall strategy.	<p>This recommendation is outstanding.</p> <p>The Council does not have a consistent approach across the Council to obtain users and community feedback. Any approach in place is at a Directorate level, such as Landlord services.</p> <p>This recommendation should be implemented when a Council wide asset management strategy has been introduced.</p>	Introduce mechanisms within the Council to gather feedback at a Corporate level, once corporate systems have been introduced.
9	Develop and implement a reporting mechanism for performance within asset management. There should be clear reporting structures and actions identified to drive performance forward.	This recommendation is outstanding.	Develop and implement a reporting mechanism for performance within asset management. There should be clear reporting structures and actions identified to drive performance forward.

Appendix A – Action Plan

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
1	The Council should introduce formal arrangements to ensure recommendations from external bodies are addressed.	H	Internal Audit, the Performance and Improvement Team (P&I) and the External Auditor (EA) to work together to ensure that all external reports are followed up and recommendations addressed. Internal Audit to work specifically on reports from the EA, where the EA themselves are not following up, and the P&I Team taking forward progress against recommendations for all other high risk external reports.	Dick Powell, Chief Internal Auditor March 2012
	VFM report			
2	<p>Managing spending</p> <p>The Council should improve how it provides evidence and demonstrates to Members the impact of their spending decisions, in relation to:</p> <ul style="list-style-type: none"> the budget setting process; and equality impact assessments, to ensure they are completed consistently and to a high standard. 	H	<p>Because the council is undergoing significant transformational change to achieve budget reduction targets the 12-13 budget process has not enabled more detail to be provided within budget options. However, detailed proposals will be produced for Members in through the approval process of the change agenda.</p> <p>The standard and quality of EQIAs has been improved for the 12/13 budget setting process. A document showing the cumulative impact of savings across the Authority has been included in the budget report to Cabinet on 26/1.12.</p>	<p>Pete Robinson, Service Director, Finance</p> <p>April 2012</p> <p>Complete</p>
3	<p>Delivering efficiency savings</p> <p>The Council should ensure the VFM Strategy and supporting toolkit is adopted by all Directorates and Service Managers, prior to the annual analysis planned for February 2012.</p>	H	The P&I Team are driving forward the implementation and application of the VFM Strategy, having already provided appropriate training to senior officers and specific/targeted training where required. The P&I Team continue to work with service areas to support their VFM aspirations and give guidance on VFM measures. All Services are required to submit a VFM Self-assessment by 31 December 2011, with a quality review by the P&I Team and IA scheduled to take place mid-January 2012.	<p>Dick Powell, Chief Internal Auditor</p> <p>Feb 2012</p>
4	The Council should ensure that the achievement of its savings is monitored as well as the actions intending to deliver savings.	H	Progress against target savings, as well as alternatives are reported to SODB monthly. The Council has achieved it's 11/12 target of £28m saving.	<p>Pete Robinson, Service Director, Finance.</p> <p>Complete</p>

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
5	<p>Commissioning The Council should ensure its new approach to commissioning delivers clear outcomes and benefits.</p>	H	<p>The commissioning framework has been embedded throughout the Council. An electronic workflow system with review points and management reporting systems fully reflecting the framework, allow for an improved approach to analysis and planning, with greater focus on outcomes. This has been facilitated by a Quality Assurance process, which ensures compliance with the commissioning framework. The framework sets out the need for setting clear outcomes and Benefits at the start of all commissioning activity. Reporting through the Quality Assurance process, which takes place at the end of each of the 4 stages of the Commissioning cycle, ensures process and targets and outcomes are set, the measurement will be on going dependant on the deliverable requirements of each individual commissioning activity.</p> <p>Further development of the process to ensure on-going progress and benefits are measured and met through review arrangements in place by means of contract monitoring and monitoring through the intentions and the Enabling Commissioning Board.</p>	<p>Service Director Strategic Housing Nick Hooper</p> <p>(Sarah Kelly, Commissioning Development Manager)</p> <p>September 2012</p>
6	<p>Partnership working The Council's assurance arrangements should ensure that emerging and existing partnerships deliver their expected benefits and VFM.</p>	H	<p>Bristol Partnership The Partnership has undergone a process of change in response to central Government removing the requirement for Local Strategic Partnerships and Local Area Agreements. Partners hope to reconstitute the Executive Board to be more responsive and engaging and focussed on key issues for the city, rather than focussed on monitoring and reporting. In accordance with this, the Council no longer provides dedicated partnership staff, but has incorporated the officer lead in to the Executive Office. Accountability to the Council will be provided through an annual report to Full Council.</p> <p>West of England Local Enterprise Partnership The new Local Enterprise Partnership covers the 4 West of England local authority areas and is focussed on job creation and growth for the sub region. It is an equal partnership between local authorities and businesses, and builds directly on the former, local authority only, West of England partnership. Elements of this previous partnership remain in place, principally the Stakeholder Group (based on the membership of the former West of England partnership board), and the Joint Scrutiny Committee, which are in place to hold to account the local authority engagement in the LEP, and deliver against an agreed LEP Business Plan.</p>	<p>Paul Taylor Head of Executive Office Ongoing</p>

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
7	Workforce The Council should ensure it introduces an effective People Strategy supported by resource plans.	H	This will be achieved through the development of a business case.	Business case April 2011 Service level resources plans December 2012 Mark Williams Service Manager Corporate HR
8	The Council should establish agreed service standards against which the HR Shared Transactional Services can be performance monitored.	M	Service plans are now in place.	Complete Mark Williams Service Manager Corporate HR
9	The Council's HR service should continue to work with service managers to address individual employees under performance.	M	Under performance issues are being addressed – report considered by Resources and Scrutiny November 2011. Action to improve alignment of personal performance with organisational performance is part of the People Programme.	Mark Williams Service Manager Corporate HR December 2012
Review of Capital Projects Management Arrangements				
10	Strengthen the process for completing Project Business Cases to ensure that they contain sufficient and robust information on the scope of the project and the associated costs and that the individual capital projects are using them as an effective tool in capital project management.	M	Considerable work has been done to improve business cases as part of a suite of project documentation.	A Owen Service Director, Major Projects February 2012
11	The Council should update its procurement guidance to ensure it addresses arrangements for joint authority capital projects, including the possibility of risk sharing and transfer.	H	Will be completed with the next update of documentation.	A Owen/J Charters Service Director, Major Projects February 2012

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
12	All risks on risk registers should have a risk owner and named individual. Where this is outside the Council, the organisation and a named individual should be listed.	M	This requirement has been re-emphasised onto project managers	A Owen Service Director, Major Projects Complete
13	Ensure the PID sets out the risk transfer that is involved with the contract route and that the approach is in line with Council procurement guidance.	H	No current projects have contract routes with significant risk transfer. Contract discussions are part of all early project discussions.	A Owen Service Director, Major Projects Complete
14	Expand the financial regulations to cover situations where SLAs are required, for example, partnership and joint working schemes.	H	Will be completed with next update of documentation.	A Owen - Service Director, Major Projects /R Powell – Chief Internal Auditor Feb 2012
15	Ensure the financial regulations and/or the procurement regulations include the requirement to formally report risk assessments to the Executive Member throughout the project.	H	Will be completed with next update of documentation.	A Owen - Service Director, Major Projects /R Powell – Chief Internal Auditor Feb 2012
16	Update the financial regulations to include the process for setting the level of cost certainty required for major capital projects, where relevant.	H	Will be completed with next update of documentation.	A Owen - Service Director, Major Projects /R Powell – Chief Internal Auditor Feb 2012

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
17	Include the financial regulations and/or supporting guidance the requirement for Member approval at different phases of capital projects.	H	Will be completed with next update of documentation.	A Owen - Service Director, Major Projects /R Powell – Chief Internal Auditor Feb 2012
18	Update the Financial Regulations to include the process for approval of variations to the regulations.	H	Will be completed with next update of documentation.	A Owen - Service Director, Major Projects /R Powell – Chief Internal Auditor Feb 2012
19	Review the area of benefits realisation for major capital projects to ensure that the concept is considered and applied from initial business case planning, through to post project reviews, including the interim measures that can be made.	H	The Council has established a Benefits Realisation Board, both to monitor and ensure delivery of expected benefits. Further training has been put in place to emphasise this important aspect of project management. Gateway reviews also deal with the post project review aspects of this item.	A Owen Service Director, Major Projects Ongoing Initial training complete

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
Review of Asset Management Arrangements				
20	<p>The Council should agree a mechanism for the development of a corporate approach to asset management, which is coherent and consistent across the Council, allowing for strong robust arrangements for effective corporate oversight of the full asset base. This mechanism should include steps for identifying good practice in asset management and applying this across the Council's full asset base.</p> <p>This could be achieved by either:</p> <ul style="list-style-type: none"> • a single Corporate Property Division which has responsibility for and manages the Council's entire asset base; or • the current structure is maintained but robust mechanisms are rolled out across all divisions with responsibility for property to ensure that the approach to asset management is consistent and coherent across the Council. 	H	<p>Cabinet proposal to introduce a 'Corporate landlord'.</p> <p>This approach if agreed by Cabinet on the 26 January 2012 should ensure a "One Council" approach to Bristol's buildings and land assets to optimise best value and ensure asset management is driven and owned corporately.</p>	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>
21	<p>The Council should ensure that the existing asset base is reviewed and challenged at Directorate level and across Directorates, to ensure a high-level, corporate and council-wide view is always considered.</p> <p>This challenge and review should be carried out by Officers and Members.</p>	H	<p>This will be addressed through the proposed refocusing of property management.</p>	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
22	<p>The Council should implement processes to ensure asset management across the Council is clearly linked to the Corporate and Directorate Objectives.</p> <p>These processes should enable VFM to be considered and obtained from across whole asset base.</p>	H	This will be addressed through the proposed refocusing of property management.	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>
23	The Council should continue to work with others, both public, voluntary and private bodies to improve VFM across the Council's asset base.	H	This will be addressed through the proposed refocusing of property management.	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>
24	<p>The Council should review the current arrangements to ensure that:</p> <ul style="list-style-type: none"> • there is a corporately determined consistent and risk based approach to identifying and recording asset and stock conditions; and • the condition of all assets and stock is accurately and routinely recorded in the central asset register. 	M	This will be addressed through the proposed refocusing of property management.	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>
25	The Council should introduce a consistent approach to improve asset management performance across the Council.	M	This will be addressed through the proposed refocusing of property management.	<p>Will Godfrey Strategic Director (Corporate Services)</p> <p>December 2012</p>

Rec No	Recommendation	Priority	Management Comments	Responsibility and deadline
26	Introduce mechanisms within the Council to gather feedback at a Corporate level, once corporate systems have been introduced.	M	This will be addressed through the proposed refocusing of property management.	Will Godfrey Strategic Director (Corporate Services) December 2012
27	Develop and implement a reporting mechanism for performance within asset management. There should be clear reporting structures and actions identified to drive performance forward.	M	This will be addressed through the proposed refocusing of property management.	Will Godfrey Strategic Director (Corporate Services) December 2012



www.grant-thornton.co.uk

© 2012 Grant Thornton UK LLP. All rights reserved.

"Grant Thornton" means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton UK LLP is a member firm within Grant Thornton International Ltd ("Grant Thornton International"). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

This proposal is made by Grant Thornton UK LLP and is in all respects subject to the negotiation, agreement and signing of a specific contract/letter of engagement.

The client names quoted within this proposal are disclosed on a confidential basis. All information in this proposal is released strictly for the purpose of this process and must not be disclosed to any other parties without express consent from Grant Thornton UK LLP