

## **Report to the Transport for South Hampshire Joint Committee**

**Date:** 22 January 2010

**Report by:** Jon Pittam, County Treasurer, Hampshire County Council;  
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Hampshire

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**Subject:** Transport for South Hampshire Audit Improvement Plan

### **Purpose of the Report**

At the meeting of the Joint Committee in September 2009, the District Auditor presented her report on the Transport for South Hampshire (TfSH) Statement of Accounts for 2008/09. Included in the report was an evaluation of the effectiveness of TfSH in achieving Value For Money (VFM). The report concluded that the Joint Committee had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources and identified areas for improvement. This report sets out actions that are proposed to achieve the improvements required.

### **Recommendations**

- 1. That the Joint Committee approves the Improvement Action Plan, attached as Appendix 1.**
- 2. That the Joint Committee approves and adopts the Strategic Risk Register, attached as Appendix 2.**

### **Introduction**

1. This report provides a response to the VFM Action Plan submitted by the District Auditor as part of the Annual Governance Report in September 2009.

### **Actions for Improvement**

2. Attached as Appendix 1 of this report is the Action plan submitted by the District Auditor, setting the specific improvement actions identified in the VFM section of the Annual Governance Report which was adopted by the Joint Committee in September 2009. Each action has an identified person responsible for implementing the improvement, together with a date by which it should be done, and comments on how this will be done.

3. A key recommendation of the Action Plan (no.R9) is to identify TfSH's strategic risks. This will need to be adopted formally by the Joint Committee as an annex to its next business plan. In order to address this issue, a Strategic Risk Register has been prepared and is attached as Appendix 2 of this report

## **Conclusion**

4. The District Auditor's Annual Governance Report listed a number of VFM improvement actions. These improvements have been fed into the TfSH Improvement Plan for the Joint Committee's approval, together with the Strategic risk Register.

Section 100 D - Local Government Act 1972 - background papers

**The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.**

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

LOCATION

None

# Action Plan

APPENDIX 1

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<b>KLOE 1.2 (understanding costs and achieving efficiencies)</b>						
	<b>R1</b> Make staffing costs clear in financial reporting to the Joint Committee to enable the partnership to assess VFM by comparing costs and performance.	3	1. Treasurer	Yes	Incorporate into 2009/10 Accounts.	31 March 2010
	<b>R2</b> Complete and review effectiveness of new performance management framework.	2	TFSH PD	Yes	2. Review arrangements in the light of the revised TFSH Business Plan.	31 March 2010
	<b>R3</b> Integrate financial and performance reporting to support assessment of VFM.	2	1. TFSH PD 2. TFSH PD / Treasurer	Yes	1. Integrate timetable 2. Consider incorporating performance information into finance reports	31 March 2010
<b>KLOE 1.3 (financial reporting)</b>						

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	<b>R4</b> Joint Committee to consider budget reports quarterly.	3	Treasurer	Yes	Quarterly budget monitoring reports are being submitted to the Joint Committee.	Sep 09
	<b>R5</b> Ensuring that information about TFSH, including its accounts (when published) is easily available on the TFSH website and accessible to residents whose first language is not English.	1	TFSH PD	Yes	Incorporate appropriate levels of access on TFSH website.	31 March 2010
<b>KLOE 2.3 (good governance)</b>						
	<b>R6</b> Update TFSH website to reflect the changes to the partnership's working groups.	2	TFSH PD	Yes	Ensure up to date partnership information is appropriately recorded on the TFSH website.	31 March 2010
	<b>R7</b> Develop a consultation policy and make sure this includes reporting to the Joint Committee so that the Committee can be assured that key consultations which relate to TFSH are well managed and include	3	TFSH PD	Yes	Review TFSH communications strategy, and report to Joint Committee on the outcomes of the review and recommend any changes if appropriate.	31 March 2010

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	consultation with ethnic minority and vulnerable groups.					
	<b>R8</b> Make complaints and whistle-blowing policy and procedures accessible to the public and staff through TfSH's website.	3	TFSH PD	Yes	Ensure policies and process is on TFSH website.	31 March 2010
<b>KLOE 2.4 (risk management and internal control)</b>						
	<b>R9</b> Identify and manage TfSH's strategic risks and report regularly on the management of these risks to the Joint Committee.	3	TFSH PD	Yes	Incorporate risk management reporting into performance reports to Joint Committee setting risk management approach and any actions taken.	31 March 2010
	<b>R10</b> Ensure that lead councils are appointed for all funded projects; they understand their risk management responsibilities for their allocated projects and that exceptions are reported to the Joint Committee.	3	TFSH PD	Yes	Lead councils appointed for all projects. And they are to be made aware of risk management responsibilities and to report exceptions to Joint Committee .	31 March 2010
	<b>R11</b> Make clear TfSH's arrangements for	2	Treasurer	Yes	Incorporate into revision of	31 March

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	preventing and dealing with fraud and corruption in the partnership's financial protocols.				Finance Protocols.	2010

# Strategic Risk Register

APPENDIX 2

Risk	Level of Risk	Comments	Actions
<b>R1</b> Insufficient funding to deliver transport interventions necessary to support of sub-regional growth agenda	H	PUSH New Growth funding has recently been cut significantly and national transport funding could be cut significantly post general election for 2011/12 onwards irrespective of which party wins the election.	Ensure that South Hampshire Delivering a Sustainable Transport System (DaSTS) sub-regional study identifies and justifies critical need for transport interventions to deliver South East Plan growth. Recognise that any reduction in overall funding would require greater emphasis on Reduce and Manage elements of the Reduce – Manage – Invest strategy. Ongoing development of sub-regional transport and modelling evidence base is essential to justify the need for transport interventions.
<b>R2</b> Insufficient staff to resource and implement the TfSH work programme	L	The TfSH Business Plan 2009-11 has identified the need for additional resources to deliver TfSH work programme.	Recruitment of additional staff resources is being undertaken to address this issue. External consultancy services can be procured through the framework contracts as additional resource where necessary.
<b>R3</b> Change of government leading to abandonment of Regional	L	In the event of a change of government, the future of regional government is	TfSH has good contacts at regional and national level and can react to any

Risk	Level of Risk	Comments	Actions
Government with consequent changes to decision making for transport funding currently made by Regional Transport Board.		unclear. This would introduce uncertainty over how decisions would be made on allocating transport funding.	changes in the decision making process to ensure that it can have appropriate influence on decision makers.
<b>R4</b> Economic conditions make delivery of South East Plan growth by 2026 difficult.	H	South East Plan is due for review, which will take into account economic conditions. Lack of growth could potentially reduce justification for supporting transport investment.	If overall programme for sub-regional economic growth is extended or reduced, TfSH should promote any growth in the two cities and existing urban areas, as a priority ahead of less sustainable greenfield locations, as the necessary transport interventions are more affordable and deliverable.
<b>R5</b> Change of Government leads to abandonment and / or revision of South East Plan development targets	M	If a change of government were to remove regional structures, this could have significant implications for South East Plan.	TfSH should react accordingly post election to circumstances. If revisions lead to a reduction in development targets, TfSH should promote any growth in the two cities and existing urban areas, where the necessary transport interventions are most affordable and deliverable.
<b>R6</b> Change of Government leads to abandonment of sub-regional partnerships, such as TfSH.	L	Indications are that all political parties would support sub-regional partnership working.	No actions proposed.
<b>R7</b> Poor collaboration from TfSH partner authorities	L	Three TfSH partner authorities currently work together closely through the Joint Committee, despite representing different	No actions proposed.

Risk	Level of Risk	Comments	Actions
		political parties.	
<b>R8</b> Poor collaboration from external partners	M	External partners are key to the delivery of the overall TfSH sub-regional transport strategy. Public transport operators in particular have a key role towards increasing the modal share of bus and rail journeys. The Highways Agency have a key role managing the Strategic Road Network.	South Hampshire MAA has led to the signing of a Memorandum of Understanding (MoU) with the Highways Agency. Refresh of the MAA aims to further formalise arrangements with the public transport operators and infrastructure providers. This includes a potential MoU with Network Rail and development of a formal partnership agreement with the South Hampshire Bus Operators Association (SHBOA).
<b>R9</b> Local Planning Authority LDF Core Strategy to be found unsound due to transport impacts.	M	The transport impact of sub-regional development proposed in the South East Plan is significant. The full impacts of this have yet to be identified. Highways Agency require strategic assessment of overall impact of all development on the Strategic Road Network.	M27 Corridor Study will identify overall impact of new development on key parts of the Strategic Road Network. This will be supplemented by additional work by Local Planning Authorities and the transport and modelling evidence base.