

Agenda Item No. 6

**WEST MIDLANDS REGIONAL ASSEMBLY
Assembly Meeting – 17 January 2007**

Scrutiny and Strategic Review Annual Plan 2006/7

Report of the Regional Scrutiny Manager

1. **Purpose**
To present the proposed 2006/7 Annual Plan commencing September 2006
2. **Recommendation**
That the 2006/7 Annual Plan is endorsed
3. **Background**
 - 3.1 The Strategic Review Group has the responsible for agreeing a forward plan for the scrutiny and strategic review activity to be submitted to the full Assembly for approval.
 - 3.2 At its last meeting the Strategic Review Group agreed the attached annual plan (Appendix 1).
4. **Influencing Factors**
 - 4.1 The Strategic Review Group considered progress made against the 2005/6 Annual Plan and agreed to carry forward two areas of work. These are the unfinished strategic review of the Region's Relationship with Europe and the planned review of Advantage West Midlands' Support for Skills.
 - 4.2 The 2006/7 Annual Plan takes into account the decision taken by the Strategic Review Group not to hold any scrutiny reviews during the Independent Performance Assessment of Advantage West Midlands. Consequently only two scrutiny reviews are scheduled to commence during this scrutiny year with one to be completed in the following year.
 - 4.3 The plan also includes an additional piece of work to be funded by the Learning and Skills Council and identifies issues that are expected to impact on the future development of the regional scrutiny role.

5. **Risks Associated with Proposed Plan**

- 5.1 There are a number of risks associated with the 2006/7 Annual Plan. These are primarily around resources and commitments required to support the review programme. Members should be aware that there is little spare officer capacity to deal with medium term absences or unexpected issues. These risks have been reflected in the Risk Assessment Document.
- 5.3 The 2006/7 Annual Plan has been prepared in conjunction with the development of the 2007/8 Assembly draft budget (see Agenda Item 5). It may, therefore, require amendment depending on the final funding allocation to the Assembly which is expected in mid March 2007.

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Appendix 1

Scrutiny and Strategic Review Annual Plan 2006/7

1. Introduction

- 1.1 This plan is intended to detail key scrutiny and strategic review activities to be carried out by West Midlands Regional Assembly during the scrutiny year September 2006 to August 2007. It should be read in conjunction with the Scrutiny and Strategic Review Protocol agreed between the West Midlands Regional Assembly, Advantage West Midlands and Government Office for the West Midlands.
- 1.2 The extent to which this plan has been realised will be reviewed in the Annual Scrutiny and Strategic Review Report.

2. Timetable

- 2.1 The plan details when activities are expected to be completed and will be amended as specific activity dates are confirmed.

3. Performance Monitoring Reports

- 3.1 These reports are submitted half yearly by Advantage West Midlands to Government Office for the West Midlands. Currently these are detailed reports however they may change as a result of Independent Performance Assessment (see section 4).

3.2 Mechanism

- Summary report to be prepared highlighting strategic implications arising from the Report
- Summary and full report to be discussed by the Strategic Review Group
- Advantage West Midlands representative to answer questions that arise

3.3 Timetable

- Dependant on provision of report from Advantage West Midlands
- Half Yearly Report - Anticipated receipt December 2006
Annual Report – Anticipated receipt July 2007

4. Independent Performance Assessment (IPA)

- 4.1 This was introduced in the 2005 Budget and consists of a 3 yearly assessment of all Regional Development Agencies by the National Audit Office (NAO). All first round assessments will be completed in order to inform the 2007 Comprehensive Spending review.

4.2 Advantage West Midlands' assessment will formally commence in September 2006 and consist of the following stages
Publication of self assessment – 23 October
Assessment team on site – 27 November to 8 December
Draft report for AWM – 2 February 2007
AWM response – 23 February
Final report published – 23 March

4.3 It is expected that the Assembly will make a significant contribution to this process via the Strategic Review Group. This will consist of

- Commenting on drafts of self assessment
- Facilitation of discussion event as part of self assessment consultation
- Discussions with NAO Team as part of on site assessment

5. **Economic Analysis Project**

5.1 West Midlands Regional Observatory has been contracted to provide empirical support for the scrutiny process. This consists of three elements

5.2 Regional Economic Modelling Toolkit – the Assembly is contributing to the development of a regional economic modelling tool. It is expected that this will provide empirical data in respect of options that will support the scrutiny process and monitoring of regional strategies. Progress reports will be submitted in September 2006 and February 2007.

5.3 Annual assessment of the Regional Economy – to identify key trends and issues that may impact on the scrutiny process. To be delivered in July 2007.

5.4 Analysis Reports to support Scrutiny Panel Reviews – three written reports to include appropriate background, empirical data and analysis.

6. **Strategic Review – Relationship with Europe**

6.1 This will use a Panel approach with a number of sessions including briefing, evidence gathering from partners and review of outcomes.

6.2 This thematic review is intended to assess the effectiveness of regional activity in securing and utilising European funding for the West Midlands Region.

6.3 Timetable

- Evidence Gathering – September 2006 to January 2007
- Final Report – April 2007
- Started in 2005/6 scrutiny year and completed within 2006/7

7. **Scrutiny Review - Access to Finance**

7.1 This will use a Panel approach with a number of sessions including briefing, evidence gathering from partners, formal discussions with Advantage West Midlands and review of outcomes. Where possible case studies will be used to support the process.

7.2 This review is intended to examine Advantage West Midlands' broad approach to financial support for businesses, an assessment of gaps in the market, take up and impact of support packages.

7.3 Timetable

- Preparation – December 2006 to January 2007
- Hearings – February to May 2007
- Final Report – July 2007
- Completed within 2006/7 scrutiny year

8. **Scrutiny Review – Advantage West Midlands Support for the Skills Agenda**

8.1 This will use a Panel approach with a number of sessions including briefing, evidence gathering from partners, formal discussions with Advantage West Midlands and review of outcomes. Where possible case studies will be used to support the process.

8.2 This review will examine how Advantage West Midlands is working with partners to support the skills agenda. In particular it will examine how the actions within the Regional Economic Strategy contribute to regional goals in relation to skills and the effectiveness of and support for the Regional Skills Partnership. It will be informed by the strategic review of the Approach to Post 16 Education, Training and Skills

8.3 Timetable

- Preparation – May to July 2007
- Hearings – September to November 2007
- Final Report – January 2008
- Started within 2006/7 scrutiny year and to be completed within 2007/8 scrutiny year

9. **Strategic Review – The Approach to Post 16 Education, Training and Skills**

9.1 This review is to be carried out jointly with the Regional Learning and Skills Council. It will use a Panel approach with a number of sessions including briefing, evidence gathering from partners and review of outcomes. It will be reported formally both to the Assembly and to the LSC.

9.2 It is proposed that the review contributes to the development of partnership arrangements and to the understanding of how skills issues impact across the region in terms of policy areas and geography.

9.3 Timetable

- Preparation – December 2006 to January 2007
- Hearings – February to June 2007
- Final Report – October 2007
- Started within 2006/7 scrutiny year and to be completed within 2007/8 scrutiny year

10. **Strategic Review – Transport**

10.1 This will use a Panel approach with a number of sessions including briefing, evidence gathering from partners and review of outcomes.

10.2 Transport congestion has adverse economic, social and environmental consequences for the region. This review could usefully examine how regional partners are working together to deliver the Regional Transport Strategy and the Regional Transport Priorities and are considering the implications of transport decisions on other policy areas such as sustainable development and social exclusion.

10.3 Timetable

- Preparation – April to June 2007
- Hearings – September 2007 to February 2008
- Final Report – July 2008
- Started within 2006/7 scrutiny year and to be completed within 2007/8 scrutiny year

11 **Advantage West Midlands' Annual Report**

11.1 As agreed in the Scrutiny and Strategic Review Protocol, Advantage West Midlands' Chief Executive will provide a verbal annual report to the full Assembly on 25 October 2006.

12 **Reporting Process**

12.1 The Strategic Review Group will submit reports to the full Assembly in respect of Strategic Review Activity. This will take the form of written reports, prepared by WMRA Secretariat and question and answer sessions where appropriate. Written reports will also be provided by WMRA Secretariat to WMRA Board as required.

12.2 The Strategic Review Group will be responsible for the publication of an Annual Report detailing activities and key outcomes. It is anticipated that this will be circulated to Assembly Members and partners during January 2007

13 Development of the Scrutiny and Strategic Review Process

13.1 There are a number of issues that may have a significant impact on the development of the regional scrutiny function. The Assembly scrutiny team will be required to assess these in order to make recommendations to the Strategic Review Group.

13.2 Potential issues include

- The Local Government White Paper
- The development of a national "protocol" for regional scrutiny activity
- CSR 2007

14 Identified Areas for 2007/8

14.1 A number of the reviews identified above will be concluded in the 2007/8 scrutiny year. A provisional plan of work in this period also includes the following

- An assessment of the effectiveness of the Regional Concordat (January to April 2008)
- 2 new scrutiny reviews – subjects to be identified following completion of the review of the RES

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