



**Asiant Cefnffyrdd Gogledd a Chanolbarth Cymru**  
**North & Mid Wales Trunk Road Agent**

# **Joint Committee Report**

**28<sup>th</sup> September 2015**



Yn gweithio ar ran  
**Llywodraeth Cymru**  
Working on behalf of the  
**Welsh Government**

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## 1 Introduction

- 1.1 This report provides information on the topics which come under the particular terms of reference of the Joint Committee.

## 2 Work Allocation to Local Authority Service Provider Units

- 2.1 Work continues to be allocated to all Partner Authorities across the main functional areas of the Agency for Consultancy Services, Works and Technical Administration in accordance with the Agency protocols. See Table 1 below showing draft final payments for 2014-15 (subject to agreeing final claims). Projected revenue expenditure for 2015-16 is expected to be similar to 2014-15. However, capital funding levels are lower than previous years. This is impacting on Partner Authority Consultancy workload as well as the Agent's private sector supply chain.

Partner	Core Costs £000	Routine/ Reactive Maintenance £000	Consultancy / Structures £000	Framework and other External Payments £000	Total £000
Ceredigion	265	1,889	646	-	2,800
Conwy	130	3,155	1,695	-	4,980
Denbighshire	146	1,284	808	-	2,238
Flintshire	42	2,528	-	-	2,570
Gwynedd	434	2,791	3,648	-	6,873
Powys	855	6,361	1,185	-	8,401
Wrexham	25	1,243	-	-	1,268
NMWTRA	3,337	-	-	14,738	18,075
<b>Grand Total</b>	<b>5,234</b>	<b>19,251</b>	<b>7,982</b>	<b>14,738</b>	<b>47,205</b>

## 3 Partnership Arrangements

- 3.1 Despite uncertainty over the future of Trunk Road management arrangements in Wales pending the WG review process good partnership arrangements have continued to be maintained with no issues regarding ongoing service delivery.
- 3.2 Meetings with Chief Officers are continuing in order to provide updates on the review process and outcomes and to discuss service delivery, share best practice and addressing any issues arising.
- 3.3 The Partnership Risk Register has been reviewed and updated to identify risks to the NMWTRA Partnership and to demonstrate on-going actions being implemented in order to manage and mitigate risks wherever possible. The Partnership Risk Register is attached as Appendix A.

#### **4 Satisfying WG Requirements with regard to the Agency Agreement**

4.1 The TRMU is responsible for ensuring that WG requirements as specified in the Agency Agreement are satisfied. No issues regarding service delivery have been raised by WG in the reporting period.

#### **4.2 Agency Steering Group**

A further Steering Group meeting was held on 7<sup>th</sup> August 2015. The main focus of discussion was the then awaited Ministers Decision.

#### **4.3 Quality Management Systems (QMS)**

An external Audit of the NMWTRA Quality Management System (QMS) was undertaken by BSI at the beginning of September and the report is awaited.

### **4 Performance**

#### **5.1 PA Works Units**

Generally there are no issues with Works Unit performance. Benchmarking is ongoing and levels of harmonisation of works costs are improving.

#### **5.2 PA Consultancies**

The performance indicators shown in Appendix B, Chart 1 demonstrate that generally the PA Consultancies are continuing to provide a good level of service.

#### **5.3 Private Sector Frameworks**

The performance indicators shown in Appendix B Chart 2, 3 and 4 for the private sector framework arrangements show a consistent level of good service delivery.

### **6 Continuous Improvement**

6.1 The main focus of NMWTRA in the period December 2014 to date has been in identifying cost reduction measures as part of the WG review of Trunk Road Management and to meet the Ministerial Challenge presented in the November Written statement. This culminated in a NMWTRA submission to WG on April 31<sup>st</sup> 2015. A detailed update on the Minister's decision and response will be provided as a separate Agenda item.

### **7 Disputes under Clause 9.6 of the Partnership Agreement**

7.1 Clause 9.6 of the Partnership Agreement sets out an escalation process for the resolution of disputes which may arise between the TRMU and SPUs. Such disputes may be referred to the Joint Committee for determination if they remain unresolved.

7.2 There are currently no issues which have been escalated under this process for the Joint Committee's consideration.

## **APPENDIX A**

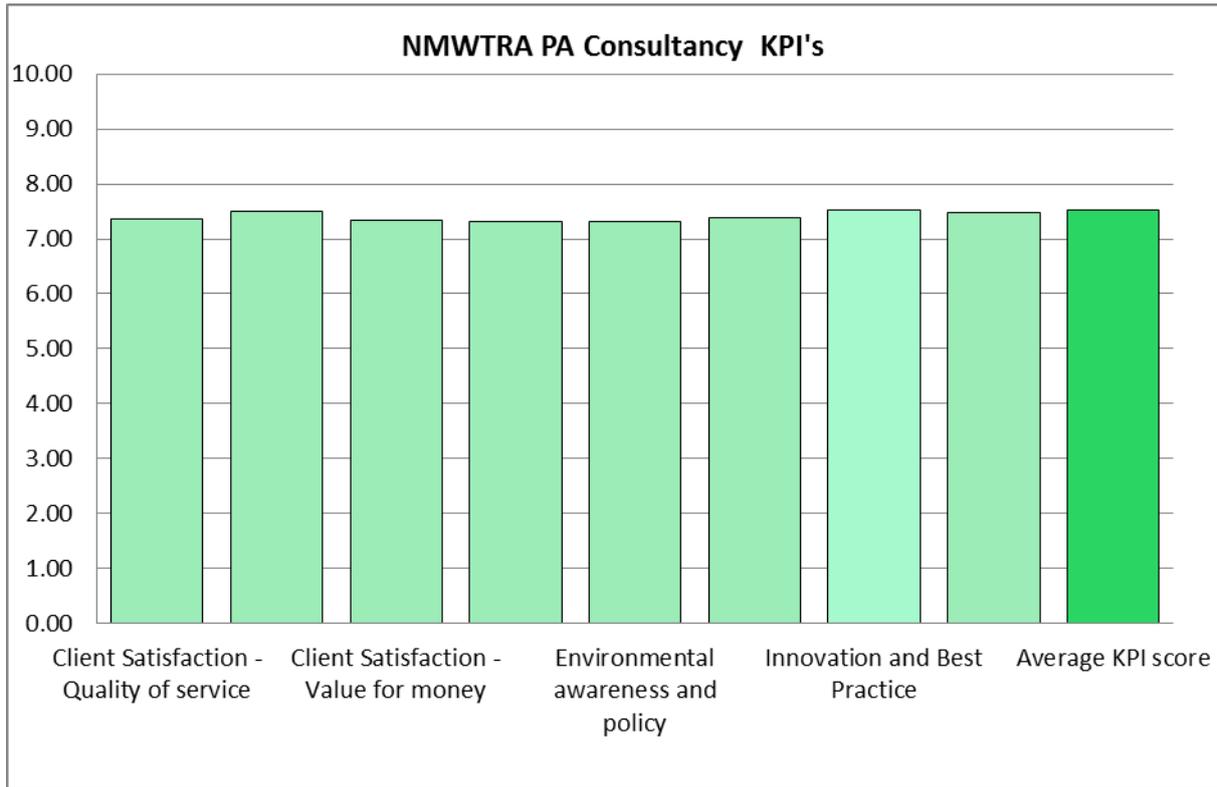
### **Partnership Risk Register**

NMWTRA Partnership Risk Register 2015/16 - Reviewed by AMT September 2015.

No	RISK	Probability	Impact	Risk Score: Prob x Impact	EFFECT OF RISK	RISK OWNER	RISK ACTION	MITIGATION TO DATE	Probability	Impact	Risk score following mitigation Prob x Impact
2P	Failure to meet WG service delivery requirements.	4	4	16	1. Dependent upon the nature and extent of failure, potential WG actions are: a) Agency to implement corrective action plan b) Change of service provider for underperforming service areas c) Termination of Agency.	Lead and Partners	1. Maintain performance within required WG target levels.	1. Regular monitoring of performance by TRMU and WG. 2. Agency/WG Steering Group identifies and addresses potential problems. 3. Maintain compliance with Quality Management Systems. 4. Joint Committee scrutiny role. 5. Audit regime implemented. 6. Revised SOR implemented and confirmed as preferred procurement model by WG. 7. Robust inter PA and private sector benchmarking. 8. Fixed-fee commissioning implemented for consultancy services with appropriate market testing. 9. Satisfactory performance confirmed by external WG auditors.	1	3	3
3P	Failure to meet WG Financial management requirements.	4	4	16	1. Failure to meet WG budgetary requirements 2. Potential significant reputational damage to Agency and PA's which could threaten the future of the Agency. 3. Inability to optimise budgets 4. Detrimental effect on PA cashflow	Lead and Partners	1. Maintain performance within required WG target levels.	1. Commitment Accounting system established by TRMU 2. New SOR implemented combined with monthly invoicing. 3. Surety of cost in Schedule of Rates and priced briefs. 4. Audit regime implemented. 5. Implemented fixed-fee commissioning basis for consultancy services with payment on milestone completion. 6. Revised Technical Administration Service Provider Schedule implemented.	1	4	4
4P	Termination of Agency by WG as a result of political decision.	3	5	15	1. Termination of Partnership. 2. Potential significant loss of income. 3. Potential significant staffing implications. 4. Potential significant loss to local economy.	Lead and Partners	1. Sustain performance and reputation of Agency and PA provision. 2. Continuous improvement to demonstrate value for money. 3. Harmonisation of Schedule of Rates and delivery processes. 4. Adoption of best practice methods of working to improve efficiency of operations. 5. Deliver NMWTRA April submission cost reduction business cases. 6. Deliver WG stretched target cost savings.	1. Major WG review completed.. 2. NMWTRA April 2015 submission and business cases accepted by WG.	2	5	10
6P	One PA withdraws from Partnership	2	3	6	Threat to service provision on Trunk Road network within the affected county.	Lead and Partners	1. Revised Partnership Agreement would be needed. 2. Would need to review extent of service provision by the departing PA. 3. Would need to reallocate work to other PAs or Private Sector supply chain. 4. TRMU would need to maintain continuity of service	1. Partnership Agreement Clause 12 covers this risk - revised Partnership Agreement can be agreed by the remaining Authorities. 2. Partnership Agreement Clause 6 covers cross border working. 3. Private Sector supply arrangements in place via Frameworks if needed.	1	3	3
7P	Significant dispute between Lead and Partners	2	2	4	Threat to service delivery	Lead and Partners	1. Follow escalation process	1. Partnership Agreement Clause 9 defines escalation process.	1	2	2
9P	Local Government Reform in Wales.	4	4	16	Significant change to supply chain structure and size and associated change processes may disrupt future service delivery	Lead and Partners	1. Revised Partnership Agreement would be needed. 2. Review extent of service provision by new Local Authorities. 3. TRMU would need to maintain continuity of service	1 Revised NMWTRA model is compatible with proposed new LA arrangements.	4	2	8

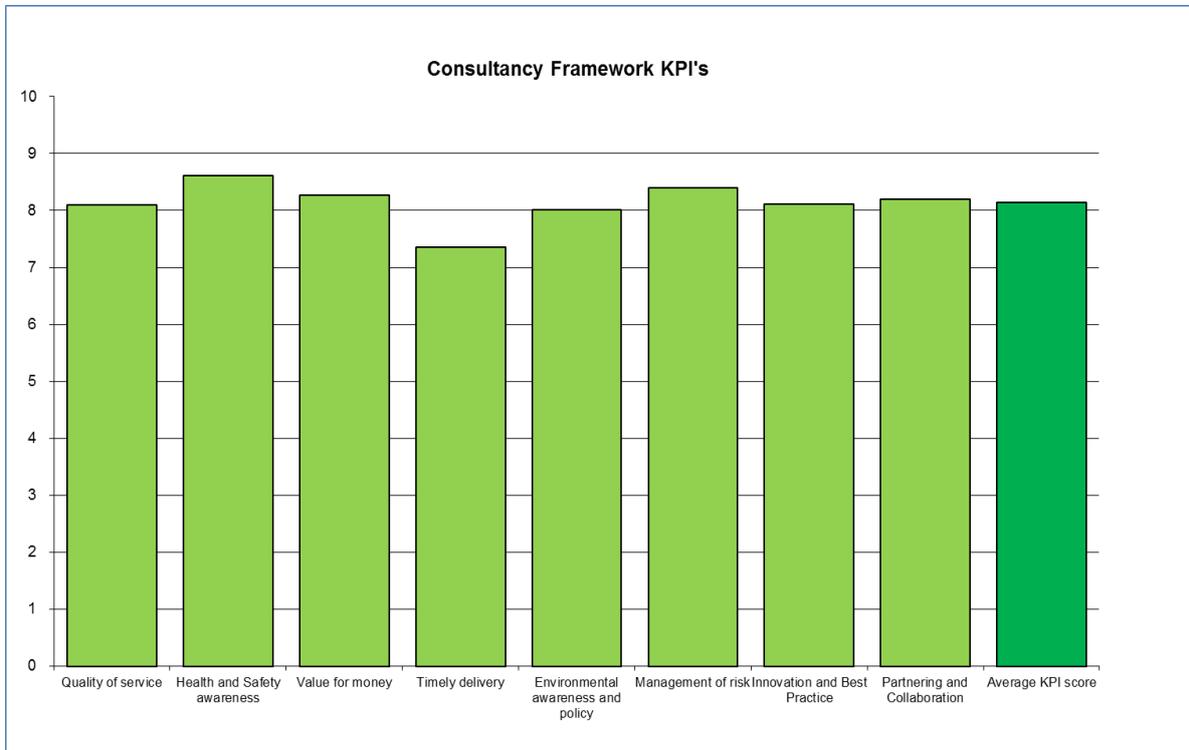
## **APPENDIX B**

### **Performance Charts**



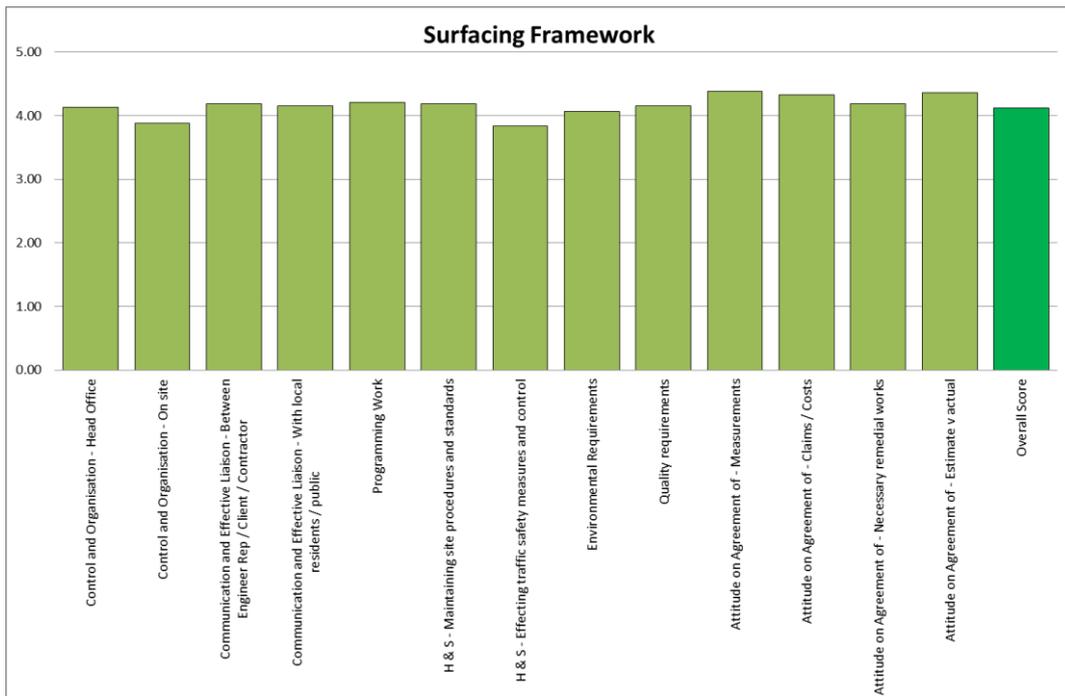
*Based on 95 completed KPIs*

Chart 1



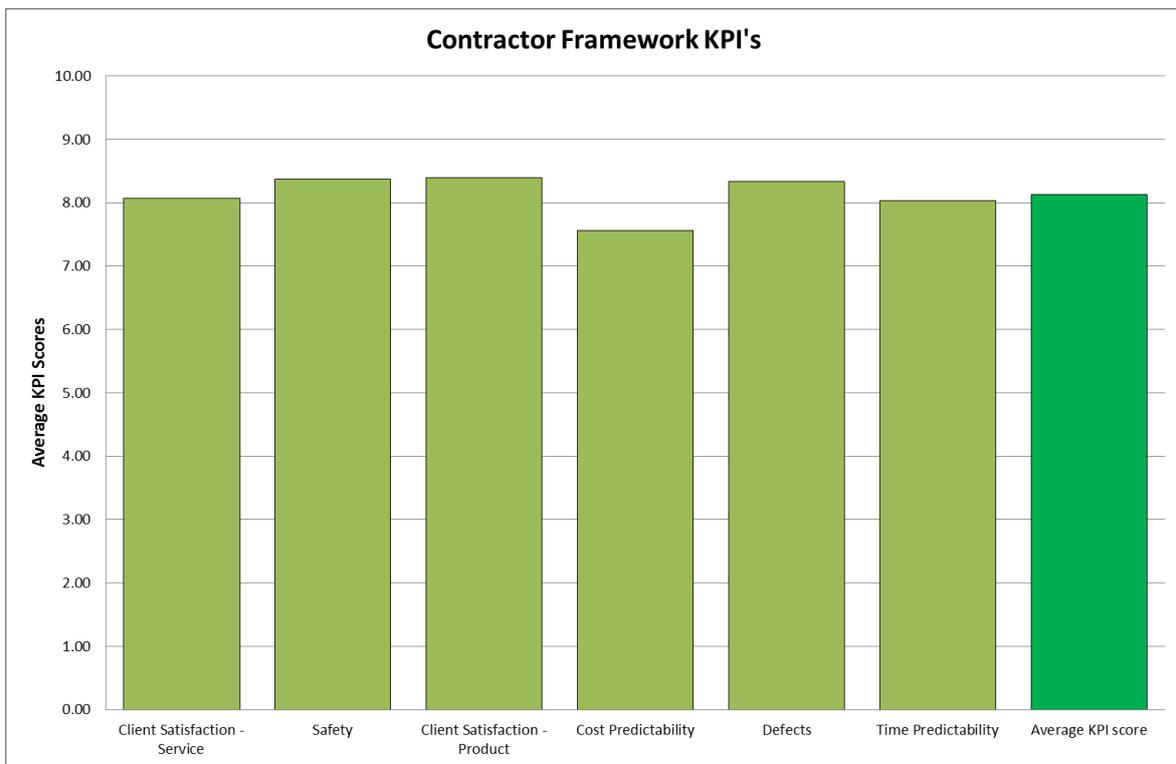
*Based on 29 completed KPIs*

Chart 2



Based on 57 completed KPIs

Chart 3



Based on 14 completed KPIs

Chart 4