



National Audit Office

# Independent Performance Assessment

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## South West Regional Development Agency (SWRDA)

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## 1. Preface

1.1 The National Audit Office (NAO) has undertaken this Independent Performance Assessment of the South West Regional Development Agency (the Agency) at the request of the Department of Trade and Industry (DTI), which is the sponsor department for Regional Development Agencies (RDAs).

1.2 The Agency is one of nine RDAs established under the Regional Development Agency Act 1998 to further regional economic development, promote business efficiency and competitiveness, increase employment and the skills base, and contribute to sustainability.

1.3 The English RDAs vary significantly in size, geography, population and economy. Each RDA operates within a unique economic environment reflecting the strengths, activities, infrastructure, and character of the region. The RDAs face diverse challenges with different budgets, so each needs to respond appropriately to its specific circumstances.

1.4 All RDAs do however, face a number of common challenges, including balancing the interests of the region with national policy requirements, managing the conflicting demands of different regional partners and stakeholders, looking outwards to promote the region while staying focused on what is happening inside, and responding to new duties imposed by central government from time to time. The Independent Performance Assessment assesses how well each RDA has responded to these common challenges.

1.5 The Agency will review its improvement plan in the light of our assessment report. The revised plan should be forwarded to the NAO within one month of publication of the assessment. The NAO will then consider the extent to which the plan addresses areas for improvement identified in the assessment report and provide the RDA with advice. The Agency will then formally adopt the plan.

1.6 As part of the IPA process, each Regional Development Agency will include its progress in implementing the improvement plan in the regular performance reports that it puts to its Board, which are shared with Government and are placed in the public domain every six months. Government Offices, acting as the Government's representatives in the regions, will support the RDA in their region in its continuous improvement and will alert departments and Ministers to any issues of concern that may arise.

1.7 We would like to thank the Chairman, Board members, Chief Executive, Executive Management Team, and the Agency's staff for their help and assistance during this Independent Performance Assessment. We would also like to thank the numerous partners and stakeholders who helped us. We are indebted to Roger Sumpton of Advantage West Midlands, who gave valuable time to serve on our team.

## 2. Executive Summary

2.1 The South West Regional Development Agency (the Agency) has scored 18 points out of a possible maximum of 24. This is equivalent to performing well overall. Further detail on how this mark was arrived at is provided below. The Technical Annex describes the methodology for arriving at this assessment. Section 3 sets out the context to the Agency's activities while sections 4 to 8 provide more detail about the five themes.

Theme	Assessment	Score
Ambition	Performing strongly	4
Prioritisation	Performing well	3
Capacity	Performing adequately	2
Performance Management	Performing well	3
Achievement (double weight)	Performing well	3 (6)
Overall	Performing Well	18

2.2 The Agency's self assessment document demonstrated a high degree of self awareness and willingness to submit itself to critical scrutiny. In undertaking its self assessment, the Agency involved a number of key partners and stakeholders to test, review and ensure the document produced gave a fair representation of its own performance. The Agency's improvement plan identified the following areas for further development - clearer focus; improved relationships with partners and stakeholders; bridging regional and local aims; improving relationships with businesses; smarter processes; and developing people.

2.3 The Agency's self assessment and initial improvement plan was both honest and realistic. Government Office and other central government departments commented positively on the self assessment and improvement plan.

2.4 The Agency has successfully led on the review of the South West Regional Economic Strategy (RES) during the last 12 months. The RES is based upon a very strong and extensive evidence base, which has been commented on favourably by stakeholders, partners and central government. In determining the RES, the Agency undertook a detailed consultation process. The resulting RES

document (Regional Economic Strategy for South West England 2006 – 2015, published in May 2006) built upon the previous versions, is more focussed and has a clearer delivery framework.

2.5 During its consultations on the RES, the Agency, together with its partners and stakeholders, identified a number of additional economic issues that were viewed as important for the region to explore in preparation for the next RES. In response to this, the Agency launched the South West Debates (the Debates). The Debates are a positive step forward in the continuing development of the RES and in ensuring further "buy in" by partners and stakeholders to the RES.

2.6 The Agency has a good vision of how it wants to develop the Region's economy, which has been shared and developed with its key partners and stakeholders and which, in general terms, has strong support and buy in. The RES takes a bold step in articulating an aspiration to pursue "economic growth within environmental limits". The Agency acknowledges that much more work needs to be done by the region to fulfil this aspiration but the fact that the RES has differentiated the region in this way is a positive sign of its willingness to embrace sustainable development.

2.7 Following the retirement of the previous Chief Executive, the new post holder took up her position in May 2006. The appointment of the new Chief Executive is seen by partners, stakeholders and staff as a clear step change in the Agency's continuing journey to improve its performance. There are high expectations in respect of the appointment of the new Chief Executive. The Agency needs to make sure that it has a clear plan to manage these high expectations.

2.8 The Board, Chair and Chief Executive of the Agency are well regarded throughout the Region.

2.9 As the Agency has noted in its self assessment, it needs to continue to develop and improve its communications with businesses. Since the appointment of the Chief Executive, the Agency has made tangible progress on this issue.

2.10 Moving forward, there are three main areas for the Agency to focus on as it makes further progress in respect of developing a positive step change in its performance. These three areas, which the Agency has already begun work on, are people development, organisational development and the strategic positioning of the Agency.

2.11 The Agency's priorities have evolved in line with its strengthened evidence base. The Agency has a strong, well deserved, reputation in respect of major capital funded regeneration and physical development projects and has continued to shift its emphasis toward support of enterprise, innovation and business skills as agreed by the Board in October 2003. The Agency does however recognise that further work is needed to change the perception that it is not a major player in these, often "softer", revenue funding based areas.

2.12 The Agency has already recognised that it is not able to "deliver all" and an additional tier of Directors has been created to relieve pressure on the Executive Team and to increase organisational capacity. All these posts have now been filled. We did note however, that the expected benefits from the new tier of Directors have not yet become fully evident to partners, stakeholders and staff.

2.13 Staff turnover at the Agency is low, though there are significant vacancies in some directorates, which may become a risk to the Agency's delivery plans. Not all staff have individual development plans and their objectives are not linked to individual performance. The Agency has already recognised that it needs to develop the capacity of its Human Resource department and this will be a key role for the interim Director of Human Resources. In addition, the Chief Executive has committed the Agency to obtaining the Investors in People (IIP) accreditation next year.

2.14 The Business Delivery Planning and Investment Process has been positively developed in recent years in order to reduce bureaucracy. The Agency acknowledges that the new process (which became "live" in April 2006) has not yet fully "bedded in". As a consequence, partners and stakeholders currently still consider the decision making process to be bureaucratic and time consuming.

2.15 The Agency has a sound financial reporting system, which has drawn favourable comments from the Government Office, DTI and the NAO. It produces a wide range of performance monitoring reports on various themes and subjects.

2.16 In common with other RDAs, the Agency needs to improve its performance in respect of evaluation. The Agency does use performance management information to inform policy development and appraisal decisions. The Agency has established the mechanisms to determine the impact of its activities, however it is not yet at the stage of being able to do this consistently.

2.17 The Agency's self assessment was written in May 2006 within a month of the Chief Executive taking up her post and reflected the position of the organisation prior to this appointment. The NAO's on-site visit, conducted during early September 2006, coincided with what the Agency considers to be the beginnings of real movement in its improvement agenda. Since the NAO's on-site visit, the Agency has provided information on what it considers to be key actions in respect of its capacity, but which were not in sufficient evidence during our on-site visit. Further information on these actions is included in the capacity section (section 6.14) of this report. In summary, these actions are all developments whose successful implementation should improve the Agency's capacity.

### 3. The Context of the Agency's activities

3.1 The South West of England is, geographically, the largest region with an economy of £80 billion of output a year and a population of over 5 million. It is home to approximately 171,000 businesses and has a predominance of small-medium enterprises. The region's three major conurbations, Bristol, Plymouth and Bournemouth/Poole are between 2/3 hours distance from each other and, with Swindon, are the region's most significant employment locations. The South West is the most rural English region with around 35 percent of the population living outside major urban areas in towns of under 10,000 and smaller villages. Some 3 million of the population live within 10 kilometres from the coast.

3.2 The region hosts a large concentration of aerospace industries, accounting for 25% of the UK total sector output. The largest employment sector in the region is the service sector (including tourism, retail and public sector) providing 81% of jobs, with manufacturing (11%) and construction (6%) the other major areas. In addition, the region is also home to internationally competitive sectors in biomedical, advanced engineering and materials, energy and environmental technologies, food, creative and digital industries, business and professional services. Although 80 percent of the region is classified as agricultural land, the farming industry accounts for less than 2 percent of output and 3 percent of employment.

3.3 Whilst the economic performance of the region has improved in the past few years, it is still underperforming with output per head some 7% below the national average. Within the region, performance varies widely, with the northern areas, Gloucester, Bristol, Wiltshire, Swindon and North Somerset performing well above average and Cornwall, Isles of Scilly and Torbay well below.

3.4 The unemployment rate in the region is one of the lowest in the country, well below the national average. For the period to end of March 2006 it has fallen against an increasing UK average.

3.5 The region has 13 Higher Education Institutions but one of the lowest student populations in the country; 8 percent (East of England and North East are smaller). Over 50% of the student population are in 3 institutions; University of Bristol, the University of the West of England, and the University of Plymouth.

3.6 Transport in the region is a major constraint. The region has 18% of the English land, but only 10% of the population which is, therefore, relatively dispersed. As a result some 78% of the working population use their own car to get to work. The South West has one of the least accessible bus services, with only 79% of the population within easy access. The M5 is the 'backbone' of the region's road infrastructure providing a link between Exeter, Bristol, Gloucester/Cheltenham, the Midlands and the North West. The M4 from Bristol east to London and west to Cardiff is also important. However, west of Exeter, major road and rail links are limited to the A30/A38 with relatively poor feeder links from the adjacent rural areas. Penzance for example, is almost 4 hours from Bristol and 6 hours from London by car. Links between Bournemouth/Poole and the Bristol conurbations are also poor.

3.7 The Region is served by five airports at Bournemouth, Bristol, Exeter, Newquay and Plymouth.

3.8 The South West Regional Economic Strategy has identified eight key sector groups as being central to the economic development of the region. These are the 'established sectors' of aerospace, food & drink, ICT, marine technology, and tourism and the 'emerging sectors' of biomedical technology, environmental technologies and creative industries. Together these industries contributed to around 18% of regional output.

3.9 The region has a strong tourism industry attracting 26.3 million visitors spending an estimated £9 billion in the region (2001). In addition, the industry employs over 4 % of the workforce.

3.10 The Agency is one of the smallest of the nine English Regional Development Agencies with a budget of £194 million (gross) (2005/06) and some 280 staff.

3.11 Like every Regional Development Agency (RDA), the Agency has to respond to a variety of challenges, including balancing the economic priorities of the region with national policy requirements, managing the conflicting demands of different regional partners and stakeholders, looking outwards to promote the region while staying focused on what is happening inside, and responding to new duties imposed by central government from time to time. All these challenges are common to Regional Development Agencies; the vital question is how well each responds to them.

## 4. Ambition

*Key sources: Regional Economic Strategy, Regional Housing Strategy, Regional Spatial Strategy and Regional Funding Allocations paper.*

SWRDA is performing strongly in terms of ambition. (SCORE 4)

- Through the Regional Economic Strategy, has the Agency set clear and challenging ambitions for the region?
- Are ambitions based on a shared understanding amongst the Agency and partner organisations of regional needs and opportunities?
- Does the Agency provide strategic economic leadership across the region and ensure effective partnership working?
- Does the Agency, with its partners, have an integrated and cohesive approach to improving regional economic performance?

4.1 The Agency published its revised Regional Economic Strategy for South West England 2006 – 2015 (the RES) in May 2006. The RES builds upon the previous two versions and is a much more focused document in terms of identifying the needs of the region based upon a strong regional evidence base.

4.2 The RES has three strategic objectives, which are to be delivered through 11 headline economic priorities. The RES includes a strategic vision statement and sets clear aims and objectives. The published RES includes a comprehensive range of supporting documents which are all available on the Agency's website. Taken together, these documents provide a very tangible link between the previous version of the RES and the 2006 -2015 document.

4.3 The Delivery Framework (Regional Economic Strategy for the South West: Delivery Framework), that supports the RES, is recognised as a positive step change. The Agency acknowledges that there is still a need for further clarity around which specific organisations lead on which specific actions, and the exact timeframe for delivery of actions. The Agency has put in place a robust process, which it has just embarked upon, for meeting with those partners and stakeholders named in the Delivery Framework to firm up their plans for actual delivery. In agreeing and signing up to this Delivery Framework, partners and

stakeholders have demonstrated their support for the RES.

4.4 The RES consultation process has been very strong and is much improved from previous years. The consultation process saw the Agency lead some 55 meetings across the region, involving more than 700 direct consultations with partners and stakeholders, with approximately 160 written responses being received on the draft RES document. Consultee views are reflected in a specific appendix to the RES (the Consultation Summary). The previous RES involved less consultation (around 49 meetings were held and the Agency received 86 formal written responses).

4.5 Partners, stakeholders and staff have commented positively on the regional evidence base that supports the RES. During November 2005, the DTI specifically commended the evidence base as the best example published in support of a regional economic strategy. The Agency has worked hard to achieve a shared understanding of the social, economic and demographic evidence base with the Regional Assembly, Government Office and other partners and stakeholders. The evidence base for the RES is shared with the Regional Assembly and Government Office. The Agency has developed an evidence base that is widely respected throughout the region and is bought into by the majority of its partners and stakeholders. It is the view of partners and stakeholders within the region, as well as central government, that this evidence base gives the Agency an authoritative stance on regional issues.

4.6 Through the consultation process the Agency recognised a number of areas where the new RES could improve on the previous one (Review of RES Delivery, dated May 2006). These included the RES being strengthened so that lead organisations for specific actions are nominated and target milestones included. The Agency has provided strong leadership through its South West branding campaign.

4.7 During its consultations on the RES, the Agency, together with partners and stakeholders, identified a number of economic issues they regard as important to the continued development of the regional economy but where the economic impact of the identified issue needs to be better understood. These themes were: securing economic growth within environmental limits, a growing, ageing and more diverse population, energy challenges, regional leadership, competitive threats, and opportunities from globalisation. In response to this, the Agency has launched the

South West Debates (the Debates). The Debates, which are all being designed to focus on economic impacts, will take place through a structured programme of events involving a broad range of partners and stakeholders within and beyond the South West. The Debates are a positive step forward in the continuing development of the RES, maintaining it as a "living document" and in ensuring further "buy in" by partners and stakeholders.

4.8 Following the on site visit by the NAO IPA team, the Agency provided additional evidence on how some partners and stakeholders, including South West Regional Assembly, South West Local Government Association, UKTI, the Small Business Service and English Heritage found the structure of the RES to be "clearly laid out and easy to read". We did however receive feedback from other business partners and stakeholders that the actual RES document together with all the appendices were too long. Businesses felt the Agency could identify more clearly which sections of the RES are important for them. We acknowledge that it is difficult for the Agency to produce a document that is "all things to all people". Given the amount of feedback we received on this issue, this is an area for further reflection by the Agency.

4.9 The RES takes a bold step in articulating an aspiration to pursue "economic growth within environmental limits" through the RES Debates. The Agency acknowledges that much more work needs to be done by the region to fulfil this very ambitious aspiration but the fact that the RES has differentiated the region in this way is a positive sign of its willingness to embrace sustainable development. The Agency has made some very positive steps forward and receives praise from partners and stakeholders for its work on the sustainable construction charter "Future Foundations". In addition, the Agency generally undertakes strong assessments of economic sustainability of projects in the appraisals that have been shown to us.

4.10 The Agency uses a sustainable development framework, developed in 2001 by Sustainability SW and the Regional Assembly. A report of progress by the Agency against the framework had not been produced since 2002. Generally, we believe that the Agency does try to encourage environmental sustainability thinking among its staff, partners and stakeholders. For example each project goes through an environmental sustainability assessment. There is however, more work for the Agency to do to show its tangible commitment by, for example, placing more emphasis on sustainability in the Agency's

internal processes, reporting and monitoring progress against the Agency's framework and being more proactive in the sustainability requirements for new projects. The new Head of Sustainable Development will begin monitoring on this area for the Agency.

<b>Strengths</b>	<b>Areas for Development</b>
<ul style="list-style-type: none"> <li>• Very extensive and strongly inclusive approach to RES consultation</li> <li>• RES is significantly more focussed than previous versions</li> <li>• Exemplary evidence base.</li> <li>• Robust process to obtain partner buy in and set out specific actions and timeframes for RES delivery</li> <li>• Positive developmental approach to RES through the SW Debates</li> <li>• Highly challenging ambitions in terms of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Help business partners and stakeholders to identify more clearly with the RES document</li> <li>• Ensure all aspects of sustainability are mainstreamed through the Agency's processes</li> </ul>

## 5. Prioritisation

*Key sources: Regional Economic Strategy, Corporate Plan, Risk Management Strategy, Directorate and Area Team Business plans, Annual Accounts and Annual Performance Reports and Reviews, focus groups, interviews*

SWRDA is performing well in terms of prioritisation. (SCORE 3)

- Are there clear economic priorities within the ambition for the region?
- Is there a robust corporate strategy expressed within the Agency's Corporate Plan to deliver the priorities?
- Is robust action taken to deliver the Regional Economic Strategy?

5.1 The strategic vision of the RES is broken down into three strategic objectives which will be delivered via eleven economic priorities. A summary of each priority and key success measure is included in the RES. The Agency has developed its Delivery Framework to set out in more detail what will be delivered under each priority. The Agency uses the term "Areas for Increased Emphasis" within its corporate plan to further prioritise its resources.

5.2 Some partners and stakeholders commented that the priorities of the RES were expressed in ways that were too general and they were not always sure of the link between the three strategic objectives and the eleven economic priorities. Some partners and stakeholders commented further that by using the term 'Areas for Increased Emphasis' in its corporate plan, the Agency had confused them as to the link between the priorities of the RES and Agency's own priorities.

The Agency clearly supports the existence of a link between the RES and corporate plan and its business and delivery plans. Partners and stakeholders and some staff did not however, readily refer to this link. This is not surprising given that the current Corporate Plan (2005-08) was produced to align with previous RES (2003-12). The Agency is in the process of refreshing their Corporate Plan with the current RES to maintain this alignment.

5.3 In relation to the Agency's internal corporate plan, the Agency acknowledges that the document is not as readable as it would want it to

be. We note that the format of the corporate plan is very much driven by guidance issued by central government which the Agency comments can add complexity to the document. Having noted this, feedback that the Agency received from government regarding the corporate plan was positive. Whilst the corporate plan fulfils the requirements of central government, the Agency has recognised that a document linked more directly to the needs of the Agency would be a good step forward. We were informed that the Executive Team are in the process of developing such a document.

5.4 A revised Business and Delivery Planning and Investment Process has been introduced, the value of which is an ability to tie investment decisions more readily into business planning. The objective of this is to move from a project appraisal led approach to investment towards a more planning and strategic led approach. It still requires Directorates and Area Teams to produce detailed business plans aligning objectives and programmes with the corporate plan and the RES. The Business and Delivery Planning and Investment Process is a positive step towards linking the corporate plan to delivery plans more strongly. Actions in the Area Team business plans can appear too developmental and unspecific and there is a need for firmer targets and achievable milestones against which to measure success.

5.5 The link between the corporate plan and the business plans of the Area Teams is not as strong as the link with the plans of the Directorate Teams. The Area Team business plans should have more explicit links with the corporate objectives and the RES, and some lack solid forward planning leading to a risk that they will become too reactive. We did note that the Agency has already recognised this as an issue.

5.6 Partners and stakeholders were able to give a number of examples where the Agency set up or part funded key delivery bodies and has had strong input into their business plans. Some partners and stakeholders also expressed an interest in the Agency articulating clearly what the relationship was between them and other regional bodies that have been set up, for example, Sustainability SW, Equality SW and Creating Excellence.

5.7 The Agency needs to update its existing communications strategy. Some partners, stakeholders and staff commented that the Agency needs to articulate its role, priorities and achievements more clearly. Some partners and stakeholders perceive that the Agency produces a large volume of publications, not all of which are

useful or needed. The appointment of a marketing and communications Director is anticipated to move the Agency forward in this area.

5.8 While some partners and stakeholders are provided with timely and useful information, others would prefer shorter and clearer communications. In response, in 2004, Culture SW worked with the Agency to produce "Mists, Myths and Aspirations". This document outlines the Agency's priorities and approach to funding in a simplified format. However, effective communication needs to be mainstreamed into the culture of the Agency leading to a more outward facing, customer focussed approach which will ensure partners and stakeholders, internally and externally, are fully aware of priorities, actions and achievements. The new Chief Executive is fully committed to this.

5.9 Many staff, partners and stakeholders expressed the view that the Agency needed to stop trying to do too much and to say no to projects that were unsuitable at an earlier stage. A need was expressed for better understanding and transparency on the Agency's priorities to be mainstreamed throughout the Agency and among its partners and stakeholders of why some aims and projects should be pursued at the expense of others. We also noted that staff, partners and stakeholders expressed a view that the Agency had improved over the last three years in respect of this matter and was continuing to do so.

5.10 As the Agency has noted in its self assessment and draft improvement plan, it does need to become more attentive to the needs of the business community. We were informed that the Executive Director of Enterprise and Innovation has spoken to over 100 businesses through an ongoing programme of monthly briefings. Since May 2006, eight business briefings have been convened by the Chief Executive and attended by around 75 business representatives across the region. However, the business community told us it wants to know what the Agency does and stands for with far greater clarity, openness and transparency. In addition, the business community seeks a better understanding of how the Agency contributes to the vision of the region set out in the RES. Due to other pressures, the Executive Director of Enterprise & Innovation has not been able to develop a strategy for business engagement as fully as they would like. The Agency has therefore not been able to realise the benefits arising from the introduction of additional capacity in this area.

<b>Strengths</b>	<b>Areas for Development</b>
<ul style="list-style-type: none"><li>• Link between RES, Corporate Plan and Business Plans</li><li>• Business and Delivery Planning and Investment Process focuses the Agency on RES delivery</li><li>• Areas for Increased Emphasis provide greater prioritisation</li><li>• Strong input into key delivery bodies' Business Plans</li></ul>	<ul style="list-style-type: none"><li>• Link between Areas for Increased Emphasis and Corporate Plan needs to be further clarified for some Partners and Stakeholders</li><li>• Communication clearer and more proactive, especially in terms of the Business Community</li></ul>

## 6. Capacity

*Key sources: Corporate Plan, HR Strategy, Management Capacity Review, Annual Performance Reports, Business & Delivery Plans for Directorates and for area teams, focus groups, interviews.*

SWRDA is performing adequately in terms of capacity. Score (2)

- Is there clear accountability and decision making to support delivery and continuous improvement?
- Is capacity used effectively and developed to deliver ambitions and priorities?
- Does the Agency, with its partners, have the capacity to achieve change and deliver its priorities?

6.1 The Board and Chairman are well regarded as sound advocates of the region. The Chairman has a high profile across the region and is respected for showing strong leadership. Some staff, partners and stakeholders considered there was some blurring of responsibilities of the Chair and Chief Executive posts during the latter part of the previous Chief Executive's tenure, but this issue has now been resolved.

6.2 The appointment of the new Chief Executive has been well received by partners, stakeholders and staff alike. Since her appointment, she has undertaken a number of visits and met with businesses and staff with the aim of improving communications and awareness of the Agency's aims and objectives. The appointment of the Chief Executive is seen as a positive step forward but there are high expectations surrounding this appointment. The Agency needs to develop a clear plan for dealing with these expectations.

6.3 To improve the capacity of the Agency, an additional tier of Directors has been created and approved by the Board in October 2005. Following the recent appointments of the interim Director of Human Resources, Director of Marketing and Communications and Director of Enterprise, all these posts have now been filled. These posts were intended to improve the decision making and external relations capacity of the Executive team. We received feedback from staff, partners and stakeholders that the anticipated benefits of the additional tier of Directors had not

yet been realised at the time of the NAO on-site visit.

6.4 We found that the Agency's staff are committed and enthusiastic about the Agency and its work. In addition, we found that area offices had close working relationships with their partners and stakeholders however they commented that the area offices could be better aligned with the central directorates. The Agency sickness level for the last 12 months was 2.1% of paid time - 1.6% below the national average.

6.5 Staff, partners and stakeholders all commented that the culture of the organisation can, at times, allow staff to be inward facing, referring upwards when faced with decisions. As a consequence, partners and stakeholders can sometimes view the Agency as risk averse and not dynamic. The Agency has recognised this in its improvement plan and has made positive moves recently to encourage staff to take on more responsibility and become more customer focussed, for example, it has recently reminded staff of their personal delegated authority in individualised letters.

6.6 Not all staff have Individual Development Plans (IDPs), as these are currently optional. The Agency estimated that some 50% of staff may have IDPs. IDPs were, until 2004, set by individuals and did not reflect organisation-led personal development. The Agency uses a Siebel CMS system for its programme management. The Agency has introduced a programme for training all staff in risk management. At the time of our visit half the relevant staff had received training on the risk management element of this system, though this has since increased to include nearly all staff.

6.7 Some staff perceive there to be blockages to career progression at certain grades, in particularly moving from grades 5 and 6 to grade 4. The Agency informed us that whilst there had been some promotion from these grades, these examples were exceptional. We noted that the Human Resources Statistics Report to the Executive Team on 5 September 2006 stated that, in their exit interviews, 50% of leavers said their reason for leaving was for career progression. Some staff perceive that the Agency is building up the central directorates at the expense of the area offices. Regardless of the facts, the Agency needs to deal with these perceptions.

6.8 The Agency's IPA self assessment document noted that overall staff turnover for the Agency was low. We noted however, that in some Directorates and Area Teams there were high

percentage vacancies, for example the Delivery Plans (2005/06) for the Cornwall Area Team showed a 30% vacancy rate, whilst the same plan for the Finance Directorate showed a 27% vacancy rate. The Agency has taken steps to address this and, by November 2006, all the finance posts and most of the Area team vacancies have been filled.

6.9 The Agency are aware of concerns over the staff appraisal, objective setting and development process and commissioned a review of the process before the IPA on-site. At the time of writing a review of the Agency's appraisal and objective setting processes had been undertaken and the interim Director of Human Resources, appointed to strengthen the HR function, has been tasked with producing an action plan. The Agency recognises that the implementation of a rigorous performance appraisal and remuneration system will encourage an enterprising culture among staff.

6.10 The Chief Executive has committed the Agency to preparing the ground to secure the Investors in People (IIP) award by December 2007 and plans to review the IDP system to make it consistent across the Agency. The Executive Management Team (EMT) is currently looking at the take up of the Agency's training courses with a view to improving the position across all areas. We were impressed by the personal commitment of the Chief Executive and Chairman to move the issue of people development at the Agency forward.

6.11 There is a perception among partners, stakeholders and staff of unnecessary duplication in the decision making process and in requests for the provision of additional information from the area teams and central sector teams. The Agency is in the process of rolling out a new Business and Delivery Planning and Investment Process. The full revised process has been in place since April 2006 and approximately 10 projects had come through the new process as at September 2006. The process has been made clearer and more proportionate, with increased levels of delegation and is now linked to the investment process. The Agency acknowledges that the system has not yet bedded in and the claimed benefits of the new process to reduce bureaucracy and increase capacity have yet to be realised. We were informed that the Agency has also successfully rolled out new IT infrastructure across the organisation as part of its phased plan of improvement on information technology.

6.12 County-based Sub-Regional Partnerships (SRPs) have existed as a central part of the Agency's regional partnership arrangements since 1999. The

original role of SRPs was to create a sub-regional interface for the Agency and encourage an open dialogue between them and local partners at a time when mature economic partnerships did not exist across every part of the region.

6.13 Along with other RDAs, the Agency has evolved considerably since these SRPs were established. At the same time, the role of local government and local strategic partnerships (LSPs) in defining local priorities - through Community Strategies and Local Area Agreements - has become much clearer. Accordingly, the Agency is now acting to further strengthen its engagement with local authorities and other key local partners. It has taken steps to align its local engagement with the emerging LSP-LAA partnership architecture. Building on the sub-regional and local partnership capacity that already exists across the region, the Agency is now looking to work with existing or emerging economic partnerships that operate as the economic arms of the region's county and unitary-level Local Strategic Partnerships.

6.14 As well as jointly funding posts, the Agency has set up partnerships specifically to continue the work they have started and to make projects more sustainable. Examples would include Regen South West; Sustainability South West; the South West Forum; the Regional Observatory, Urban Regeneration Companies; Equality South West; Creating Excellence - the region's centre of excellence on regeneration; MCTA and sector groups. This has increased capacity to address the challenges within the region. The Agency's support and use of the Regional Observatory also helps to build capacity in the region and for the Agency itself.

6.15 The Agency's financial and performance management reporting systems are robust we provide further comment in section 7.1.

6.16 Since the NAO's on-site visit, the Agency has provided information on what it considers to be key actions in respect of its capacity, but which were not in sufficient evidence during our on-site visit. We were informed that these include:

- the Chief Executive's commitment to review the structure of the organisation by March 2007.
- a structured change management plan for the organisation is being mobilised: work streams have been identified and members of the Leadership Team have been charged with driving progress in specific areas. Work has begun to draw up a comprehensive timetable

and resource plan for this task. The work streams include strategic positioning, process simplification, internal communications and people and skills, directly address areas for development.

- To underpin this work an interim Director of Human Resources with experience in organisational change has been appointed to address the identified weaknesses within the HR function. We were informed that she took up her position in late October 2006.
- the Chief Executive convening a cross-directorate working group on equalities and diversity, with a diversity manager appointed to review current practice and ensure they are embedded in all practices within the Agency.
- raising the profile of training and people development, with initial reviews of skills and competencies underway. A variety of training is available which includes training on management development, economics, risk management and sustainable development. Training in media handling, tailored to the needs of staff at various levels in the organisation, is being rolled out and is also on offer to Board members. The Agency has also designed a policy-making post-graduate course to be rolled out in 2007. In addition, two new management development courses for Directors have been procured for roll out in early spring 2007.
- a formal strategic alliance with the Higher Education Funding Council (HEFCE), reflecting a commitment to align priorities and investment decisions in relation to this sector. The Agency states that it will be the first region to have such an alliance. We were informed that the strategic alliance will be announced by HEFCE's Chief Executive at the regional Higher Education Regional Association conference in November 2006.

<b>Strengths</b>	<b>Areas for Development</b>
<ul style="list-style-type: none"><li>• Chairman and Chief Executive are well respected throughout the region</li><li>• New Chief Executive has improved internal communications and external awareness of the Agency's objectives</li><li>• Agency has increased capacity through the introduction of an additional management tier.</li><li>• Staff are committed and enthusiastic about the Agency and its work</li><li>• Business and Delivery Planning and Investment Process is moving the Agency from a project led organisation to a more planning and strategically led investment organisation.</li></ul>	<ul style="list-style-type: none"><li>• Agency needs to manage expectations surrounding the appointment of the new Chief Executive</li><li>• The Agency's HR function</li><li>• Implementation of a rigorous performance appraisal system</li><li>• Culture of organisation needs to be more customer focussed.</li><li>• Business and Delivery Planning and Investment Process is still seen as overly bureaucratic and lengthy</li></ul>

## 7. Performance Management

*Key Sources: Corporate Plan, business plans, Annual Accounts and Reports, performance management framework, Government Office performance report, risk management strategy, evaluation framework, communications strategy, internal and external stakeholders, focus groups*

SWRDA is performing well in terms of performance management. Score (3)

- Is there a consistent, rigorous and open approach to performance management?
- Do the Agency and partner organisations know how well they and each other are performing against planned / expected outcomes?
- Is knowledge about performance used to drive continuous improvement in outcomes and learning?

7.1 The Agency's financial management system is robust. The Agency's performance management reporting system is based on a complex series of linked spreadsheets. These can be easily manipulated to show the current state of the Agency's finances, commitments and progress against output targets. This system clearly supports the needs of the Agency; financial forecasting and budgetary control is sound. The NAO financial audit team is consistently satisfied with the Agency's performance.

7.2 Based on our observation, the Audit Committee is carrying out its role effectively and submits the Agency to proper challenge.

7.3 The Board are content they receive sufficient information to scrutinise the Agency and that, where they want to find out extra information, it is easy for them to access members of staff and obtain information quickly. The Board is now taking a more discursive approach to papers in front of them. Based on our observation, the Board are suitably challenging. Comments were made by Board members and staff that more use could be made of Board sub-groups to maximise the use of Board time.

7.4 The Regional Assembly (RA) produces reports on themes relating to aspects of the Agency operations. The Agency produces responses to these for the RA in the form of statements on what the Agency plans to do, or is doing to address any point raised. Some partners and stakeholders

perceive that the relationship between the Agency and RA has been difficult in the past but in the last two years it is felt to have significantly improved.

7.5 The RA comments that the Agency is open to external challenge and scrutiny and that the Agency is cooperative. There is a question, expressed by the members of the RA Scrutiny Committee, as to how far understanding of the relationship between the RA and the Agency extends across the whole Agency. This should change as more members of the Agency's staff are being brought into the RA scrutiny process. In addition, we note that the Agency has recently appointed a Board Member with responsibility for increasing the profile of scrutiny at the Agency's Board. We welcome this as a positive move by the Agency.

7.6 The Government Office has produced a yearly performance report on the Agency's work. DTI report that they are generally happy with the Agency's performance. The half yearly and annual performance reports produced by the Agency satisfy the requirements of the DTI. The Agency could do more to emphasise the role they have played in these achievements, what they have learned from them, and what the next steps should be. If the Agency is to really step up the speed of organisational development and learning, they could use these reports to provide more detailed evidence to the Board, partners and stakeholders on how they are progressing on delivering their corporate plan.

7.7 The Agency produces reports in the form of quarterly newsletters from the Area Teams and an annual Highlights magazine, for their partners and stakeholders. These are useful as an indicator of what the Agency is doing in each geographical area towards its key themes. They do not however, provide detailed performance or delivery information.

7.8 The Agency has a documented communications strategy which was amended in 2005 to reflect changes in the Agency's priorities and since then annual improvement plans have evolved. A key task for the new Director of Marketing and Communications, appointed in May 2006, is to review the Agency's communication strategy from first principles in order to embrace the Agency's ambition of more proactive communications. The absence of an up to date communications strategy has not assisted the Agency. Whilst progress has been made, communications were generally felt to be reactive rather than proactive.

7.9 Internal communications is acknowledged to have improved under the new Chief Executive. In particular, staff commented that their perception was that information was more freely flowing regarding Board decisions.

7.10 The Agency has various stakeholder and customer surveys in place to collect feedback. It is generally regarded by partners, stakeholders and staff as a learning organisation. This reflects the view of the NAO IPA team on the current culture of the Agency. Changes have sometimes been slow to happen in the past but there is tangible evidence of improvements being made in many areas. For example, the new Business & Delivery Planning and Investment process, the internal newsletter (RADAR) and alterations to the SRP network were already underway through the legacy of the previous Chief Executive. The Agency has commissioned some external evaluation of its own activities, and has been keen to speed up the pace of change in response to partner and staff feedback, for example in their work on organisational development. It is generally felt by partners and stakeholders that the Agency sometimes does share good and bad practice and lessons learned but that this could be done in a more consistent way.

7.11 The Agency has a good handle on financial management information and most partners report that the Agency sets out firm criteria for collecting performance information. Some comments were made however, that the Agency can be overly reliant on knowledge about performance and progress being held by their key delivery partners or case officers, rather than building a sound corporate knowledge in-house. The Agency makes use of this performance information but has in the past been less proactive at setting its own, more appropriate measures that reach beyond those required by the tasking framework. Overall, however there is a strong perception of improvement in this area, with some partners and stakeholders specifically commenting on the strong monitoring arrangements that are being drawn up for new projects.

7.12 Evaluation of projects is an area where, in common with all RDAs, the Agency needs to improve its performance. The Agency is now reviewing its evaluation strategy and starting to embed awareness of the need for impact evaluation and how it should be done across all its staff, partners and stakeholders. The self assessment states that the Agency has so far concentrated its efforts on evaluation on project and programme level rather than strategic. The Agency provided us with example evaluations for 3 of its projects. These evaluations appear to be primarily

performance reports and the recommendations and the conclusions in them were more relevant to the delivery agency involved rather than the Agency. They were also very much baseline setting i.e. they indicated data that needs to be in place for future performance measurement. Where specific reference was made to the Agency no evidence was provided of action taken.

7.13 The risk register has now been incorporated into the Siebel CMS system. This enables risks to be flagged to managers and updated on a fortnightly basis. The system can run reports on all aspects of risk that might affect the organisation, from corporate to projects. It can list risks under any category including manager, probability, impacts or type. At the time of our visit half the relevant staff had received training on the risk management element of this system, though this has since increased to include nearly all staff. Roughly one tenth of the projects have been uploaded onto it and there were no plans to back date the data. All new information will be added to the system as new decisions are taken. Previously only the top 5-7 risks were flagged in business plans. Risk plans incorporate tasks on how to mitigate risks and the Agency informed us that they had held workshops with selected key delivery partners to share their risk management strategy and practice. Overall, the Agency has made a positive step change in respect of risk management over the last few years. The register of corporate risks is reported to the Board on a regular basis. There is however, further work to be done to embed risk management across the organisation and mainstreaming the issue within the consciousness of the organisation.

7.14 The Agency's efficiency plan and reporting framework complies with the requirements of the DTI. The plan assumes annual savings of 2.5% from key delivery partners over the next three years. Progress against the plan is reported to the Board and Government Office quarterly and to the DTI every six months.

<b>Strengths</b>	<b>Areas for Development</b>
<ul style="list-style-type: none"><li>• Strong financial management systems</li><li>• Board, Audit Committee and Executive are seen to be suitably robust and challenging</li><li>• Risk Management has undergone a step-change in recent years</li><li>• Partners regard the Agency as having good governance and monitoring procedures for projects and for arms length bodies</li><li>• The Agency has rolled out a number of organisational developments in the last two years and is now regarded as a learning organisation</li><li>• Improved relationship with the Regional Assembly Scrutiny panel</li></ul>	<ul style="list-style-type: none"><li>• Further work is needed to continuously embed risk management across the organisation</li><li>• Communication is reactive rather than proactive</li><li>• Partners and Stakeholders would like the Agency to share good and bad practice in a more consistent way</li><li>• Agency's evaluation is predominantly at a project level rather than strategic</li></ul>

## 8. Achievement

*Key sources: Annual report and accounts, Government Office performance reports, achievements reports, sustainable development framework, feedback from departments and other Regional Development Agencies, external stakeholders*

SWRDA is performing well in terms of achievement  
Score (3)

- Has the Agency delivered its contribution to achieving the ambitions identified in the Regional Economic Strategy as set out in the Corporate Plan for the timescales covered by the assessment?
- Has the Agency made progress in achieving its ambitions in sustainable development?
- Has the Agency made progress in leveraging investment into the region against the priorities set out in the RES and has it influenced the resource allocation of partner organisations?
- Has the Agency made progress towards achieving its ambitions and priorities for its lead role for skills and learning?

8.1 In common with all RDAs, the Agency's targets for 2005/2006 were agreed with the DTI via a mechanism called the tasking framework. During 2005/2006, the Agency reported that all the outputs they delivered were in the target ranges agreed with the DTI. During the period 2002/03 - 2004/05 the Agency achieved the targets it agreed with the DTI.

8.2 The Agency has a strong record in delivering major urban regeneration and development schemes. Some examples include Royal William Yard, Millbay Docks and Devonport which have secured awards for design. Partners and stakeholders were also keen to emphasise other regeneration achievements for example the Gloucester Docks, Bristol City Centre and work that is underway at Portland.

8.3 Partners and stakeholders provided us with a number of examples of where the Agency has acted as a broker and achieved partnership between many bodies working on projects and also where it has been successful in assisting with or getting projects that have previously stalled moving again. Examples of this would be GlosCat and S-Park.

8.4 Partners and stakeholders were also able to provide examples of where the Agency had completed preliminary work in order to kick-start a project that would not otherwise have happened, for example the environmental impact assessment at the Pendennis Shipyard. The Marine Skills Centre and Wave Hub project also provide positive examples of where the Agency has assisted in providing a facility for which there is demand from established key sectors set out in the RES.

8.5 The Agency has shown the ability to deliver projects using its regional status and has had some success in using its leadership role in establishing new, independent organisations like the South West Observatory, Equality South West, Regen South West, the Market and Coastal Towns Association (MCTA), Marine SW and SW Tourism. These are all examples of the Agency building knowledge and delivery capability within the region. Where appropriate, the Agency delegates delivery to independent organisations, such as those named, which it has established or helped to establish. The Agency's approach is seen as being positive in developing these sectors, acting as a central reference and contact point for the other partners and stakeholders, pointing them in the right direction and acting as a broker. For some partners and stakeholders, the only contact they have with the Agency is through these intermediary organisations. This approach is being adopted in other sectors (e.g. Food and Drink), a move welcomed by partners and stakeholders.

8.6 In addition, the Agency has been successful in providing support for a number of region-wide business support initiatives such as Beacon South West, South West Manufacturing Advisory Service and the South West Angel and Investment Network. Partners and stakeholders told us that in some instances they believed that revenue support would be more appropriate for their project than capital funds but that they found it hard to obtain revenue support from the Agency. After our on site work, the Agency informed us that it is their view that the revenue budget is severely constrained and is likely to remain so in future years. The Agency needs to manage this message with partners.

8.7 The Agency has been particularly successful in respect of its engagement with the Aerospace Sector. The sector is heavily concentrated in South Gloucester, Bristol and Somerset. The Agency has taken the lead, on behalf of the RDA network, on the relationship with the sector and the DTI. The Airbus Composite Structures Development centre (a facility to develop leading edge technologies for the

aerospace industry) is generally regarded as a highly innovative and successful project in which the Agency played a key part.

8.8 In reporting its achievements there is a belief among staff, partners and stakeholders that the Agency can, at times, appear overly cautious and can “under report” its achievements. We also noted that the Agency does not make full use of its own branding in highlighting the Agency and its delivery partners’ achievements. Whilst there are clauses in the Agency’s contracts on joint press announcements and sharing of achievement and benefit notices, these are rarely used. In many instances the Agency was unaware of partners’ announcements. This is something the new Director of Marketing and Communications will need to address. Staff, partners and stakeholders did however support the regional image branding the Agency had produced and felt it was a great success.

8.9 There is positive feedback from DCMS on the Agency’s lead role. DCMS endorse the comments on lead role which are set out in the Agency’s self assessment and they specifically comment on the Agency’s role on tourism as being very positive.

8.10 Other RDAs comment that, going forward, the Agency needs to clarify who deals with specific aspects of the DCMS agenda more fully and move away from a “top down” chair led approach to a more deliberative exchange across the network over the breadth of issues and areas of work. The Agency established an extranet to help communication between partners and stakeholders but other RDAs report that the use of this has diminished over the last year and that communication is less regular than in the past. Comments were made by partners and stakeholders that, whilst the Chair is highly regarded as an ambassador for the region, the Agency as a whole needs to “make more noise” in support of the region generally in Whitehall.

8.11 Whilst partners and stakeholders pointed to many positive achievements, some criticise the Agency’s approach to the skills agenda and business support. The Agency has already acknowledged that both of these areas require further development. The new Chief Executive and the Board have given a commitment to improve the Agency’s image and “branding” in both of these areas. On business support, whilst partners were highly satisfied with Business Links since it was taken on by the Agency, they felt that the Agency needs to engage more with businesses themselves and provide more accessible forums for open

communication. As mentioned in 5.11, interaction with the business community has been stepped up over the last year and the Chief Executive has already held a number of meetings with the business community across the region to address this issue. There are some individual examples of where the Agency has stepped up work on skills in specific sectors such as the Marine Skills Centre and the planned Bournemouth Hotel School. The Regional Skills Partnership (RSP) is also now moving forward under the chairmanship of the Agency’s chair.

8.12 The Agency played a positive role in London’s successful bid for the 2012 Olympic Games (the Games). Since the successful announcement of the Games, the Agency has been working with other organisations to establish the necessary structures to manage the South West’s engagement with the Games. A Director has been appointed with the remit to progress the necessary activity further. We found that partners, stakeholders and staff are confused about the Agency’s role in respect of the Games. Along with other RDAs, the Agency is seeking a clearer definition of its role, as defined in the London Olympic Games and Paralympics Games Act 2006, from LOCOG.

8.13 Sustainable development has been consistently high on the agenda of the Agency over the last few years. Through tools such as Future Foundations, MCTI and The Way Ahead the Agency has progressed sustainable policies but not as fast as it would like. The Agency makes a significant commitment, through the RES, to improve awareness of, and support interests in, the environment. The Board of the Agency has an active and positive interest in the environment. Many of the staff, partners and stakeholders we spoke to see environmental sustainability as an economic opportunity for the region. The Agency has moved forward positively on their internal practice in respect of environmental sustainability by, for example, the recently implemented green travel policy. This policy has recently been awarded the 2006 Observer Green Fleet Hero Award (Public Sector category), sponsored by the Energy Savings Trust. There is however, further work for the Agency to do in respect of sustainability as we have noted in section 4.10.

8.14 In terms of the rural agenda, the creation of the Rural Enterprise Gateway as the mechanism for the delivery of the strategy for Sustainable Farming and Food received positive comment from partners and stakeholders. The way in which it operates through groups receives much praise. In addition, the Agency has been instrumental in developing a

unique Chamber of Rural Enterprise in the South West. While largely funded by the Agency, the organisation is seen as being owned by partners and stakeholders and aligned to the economic interests of rural areas. Not only has this allowed the testing and dissemination of Agency ideas but it has allowed the Agency to develop and deliver an effective regional delivery plan for DEFRA's Strategy for Sustainable Farming and Food.

8.15 The Agency has successfully invested in the development of regional accounts which allow it to model the regional economy and evaluate the impact of policy interventions. We were informed by the Agency, that it was the first English RDA to do so.

8.16 The South West is the only region that is likely to benefit from EU convergence funding. The Agency has taken a positive and proactive role in maximising the regions chances of receiving convergence funding.

8.17 After our on site visit, the Agency informed us it was in the process of obtaining ISO 14001 accreditation.

<b>Strengths</b>	<b>Areas for Development</b>
<ul style="list-style-type: none"><li>• The Agency has a strong record for delivering large urban regeneration schemes</li><li>• The Agency acts successfully as a broker and has achieved partnership working</li><li>• The Agency has kick-started projects by completing preliminary work</li><li>• The Agency has achieved successful engagement in the key aerospace sector</li><li>• The Agency has set up some key delivery bodies to build capacity in the region</li></ul>	<ul style="list-style-type: none"><li>• The Agency needs to raise the profile of its prioritisation and achievements in respect of skills, innovation and business support</li><li>• Along with other RDAs further clarification is needed nationally on the Agency's role in respect of the Olympics</li><li>• Although some progress has been made, further work is needed to show leadership on the sustainability agenda and mainstream environmental aspects of sustainability through its internal processes</li></ul>

## 9. TECHNICAL ANNEX

### Independent Performance Assessment Methodology

#### Background

9.1 The National Audit Office (NAO) has undertaken this Independent Performance Assessment of the South West Regional Development Agency (the Agency) at the request of the Department of Trade and Industry (DTI), which is the sponsor department for Regional Development Agencies. The NAO is responsible for advising Government and Parliament about financial management in public sector bodies. The Agency is one of nine Regional Development Agencies established under the Regional Development Agencies Act 1998 to further regional economic development, promote business efficiency and competitiveness, increase employment and the skills base, and contribute to regional environmental sustainability. The Agency is included as part of the second tranche of assessments, reports on North West Development Agency and East of England Development Agency were completed earlier this year and published in June 2006.

9.2 The NAO’s Independent Performance Assessment is covering the eight Regional Development Agencies outside London by March 2007. The Audit Commission published its Initial Performance Assessment of the London Development Agency in November 2004. We are grateful to colleagues at the Audit Commission for their help in designing our Independent Performance Assessment and to colleagues in the Regional Development Agencies for their help in tailoring our approach to their activities.

#### Approach

9.3 The Independent Performance Assessment is structured under three headings:

- aims (covering the two themes of ambition and prioritisation);
- activities (covering the two themes of capacity and performance management); and
- achievement (covering the single theme of achievement).

9.4 We have assigned a score for each theme on the basis of guidance which we prepared in agreement with the Regional Development Agencies. The range of possible scores for each theme is:

- performing inadequately (score 1);
- performing adequately (score 2);
- performing well (score 3); and
- performing strongly (score 4).

9.5 The theme scores combine to give an overall score that gives equal weight to the three headings. This is achieved by doubling the score for the single achievement theme, adding all the resultant scores together and assigning an overall score according to the table below.

Overall score	Weighted theme total
Performing inadequately	6 to 8
Performing adequately	9 to 14
Performing well	15 to 19
Performing strongly	20 to 24

#### Evidence

9.6 We reviewed a wide range of information sources for our assessment, including existing documents, observed routine meetings, site visits and tailored interviews and focus groups with internal and external partners and stakeholders. We tested the Agency’s awareness of its own position by referring to the self-assessment and improvement plan that the Agency prepared before we undertook our assessment. We sought views from other Regional Development Agencies and the Department for Culture, Media and Sports on how well the Agency has conducted its lead role.

We obtained information from the Department of Trade and Industry giving a collective view of the Agency from a range of central government organisations. We invited external partners and stakeholders to respond to a survey. We consulted our colleagues who visit the Agency every year to audit the accounts, developing insights over an extended period. We triangulated all these different information sources to give a rounded view of the Agency and, as a further check, our assessment team included a senior director from another Regional Development Agency.

9.7 In analysing each triangulated information source, we referred to detailed questions underlying each of the five assessment themes, set out at the start of each report section. We drew observations from each source for as many of the questions as were relevant and balanced this against evidence collected from other sources. In arriving at a final score for each theme, we compared the weight of evidence collected against illustrative examples of different performance levels for each question, agreed in advance with the Regional Development Agencies.

9.8 During our assessment, we have:

- used over 120 information sources, including documents, site visits, interviews and focus groups;
- drawn over 600 observations from these sources against individual assessment questions;
- obtained comments from over 100 external partners and stakeholders in interviews and in 8 focus groups;
- obtained comments from over 80 internal partners and stakeholders in interviews and 3 focus groups;
- made 4 site visits (to Bristol, Gloucester, Bournemouth and Cornwall), meeting further internal and external partners and stakeholders; and
- received 83 responses (40% response rate) to our stakeholder survey. The distribution was drawn from the list of partners and stakeholders provided by the Agency and supplemented by the NAO.

## Consistency

9.9 A consistency panel, chaired by a member of the NAO Management Board, was held on 17 October 2006. The panel, comprising of an independent consultant, senior National Audit Office staff experienced in audit methodology, performance management and financial analysis and a representative from the DTI, examined our work in detail to ensure that we have applied the Independent Performance Assessment guidance appropriately, used evidence in a consistent manner and applied the same standards across use of evidence.