

**REPORT TO:** WEST OF ENGLAND COMBINED AUTHORITY  
COMMITTEE

**DATE:** 8 April 2022

**REPORT TITLE:** DELIVERY ASSURANCE

**DIRECTOR:** RICHARD ENNIS – INTERIM DIRECTOR OF  
INVESTMENT & CORPORATE SERVICES

KATHRYN VOWLES – INTERIM DIRECTOR OF  
INFRASTRUCTURE

### **Purpose of Report**

At the committee meeting in January, CEOs were tasked to come to the next Committee meeting with a collective proposal for the management and mitigation of Investment Fund project delays. This must include:

- A formal process of robust challenge and support for project Senior Responsible Owners (SROs).
- A public quarterly report at Committee that does not just note delays but sets out what action has been agreed to mitigate and bring projects back on track – or in significant cases moved out of the current programme to allow for other projects.
- All projects with an aggregate value of over £5m and / or an overall delay of over 6 months must be actively reviewed by Leaders and Mayors.
- Projects where recovery actions are not correcting delays and budgetary or other issues will be reported as appropriate by the new Programme Delivery Board

### **Impact of Covid-19 pandemic**

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed, recognising that pandemic issues have caused some project delay and re-prioritisation, and this is taken on board in the development of this paper.

### **Recommendation**

- *It is recommended that Committee approve the proposed reporting and delivery assurance process as set out in this paper.*

### **Background / Issues for Consideration**

1. A summary of current reporting mechanisms is set out in Appendix A.

2. It is recognised that there have been significant improvements in project reporting against the regional delivery programme, and we have created a culture of openness and transparency in reporting progress and capturing risks and opportunities.
3. Both BCC and BANES have undertaken significant steps to improve project and programme management process and resources within their organisations.
4. We now have further regional funding through the City Region Sustainable Transport Settlement. We need to ensure we are delivering that programme effectively and will have to report publicly on delivery performance via a proposed Department for Transport website.
5. We also need to ensure we are making best use of our Investment Fund and delivering value for money solutions, quickly and efficiently, for our regional communities.
6. The next stage is to:
  - strengthen the approach to reporting and the escalation of delays and cost changes to ensure effective utilisation of our funding, and to incentivise timely delivery ensuring both realistic and challenging delivery timescales that avoid over optimism bias,
  - create a 'use it or lose it' culture with respect to regional funding allocations.
  - provide quarterly public reporting of deliver in line with our committee cycle.

This paper sets out a proposed approach for Committee approval.

**Budget Exchange 'use it or lose it' principles:** This is one of the constructive, robust and supportive challenge mechanisms that will be introduced and used to drive delivery of projects and good practice, to agreed timescales. It is a positive mechanism to re-allocate unspent budgets for a range of reasons where projects stall and fail to meet these milestones without understandable and or unreported reasons.

It is intended that this will be one of a number of changes to enhance delivery of projects across the region for the benefit of those who live, work in and visit the region.

The ultimate principle is there should be no assumption that unspent budgets will roll forward, in particular where delivery has been delayed and full appropriate reporting and recovery actions have not been reported and undertaken. Year-end budget roll forward decisions will be a decision for the Committee or as delegated by the Committee.

These mechanisms should be implemented in the 2022/23 delivery year in full and this year-end report for 2021/22 should be used to trial the principles.

Principles:

1. Project leads must forecast accurately and any underspends not forecast in advance of the end of the financial year will be returned to the Investment Fund.
2. Projects with an aggregate value greater than £5m, that fall more than 6 months behind of an agreed key milestone date will report to the Committee at the next available quarterly meeting, after reporting earlier and taking actions as requested at the new monthly 'programme delivery board' chaired by the West of England Combined Authority S73 Officer.
3. Projects with any pressures are expected to be managed down through for example re prioritising and making off-setting savings elsewhere in the project
4. Exceptionally project leads may seek additional support from the Investment Fund through the Committee

### **Reporting and Delivery Assurance Proposal**

7. The proposed approach for reporting and delivery assurance is set out in Appendix B, alongside the principles above. Once approved, this approach will be adopted immediately, with the first report to Committee in June 2022. The terms of reference of the new programme delivery board will be agreed with S151 Officers in April 2022.

### **Recommendation**

- *It is recommended that Committee approve the proposed reporting and delivery assurance process as set out in this paper.*

### **Consultation**

8. N/A

### **Other Options Considered**

9. N/A

### **Risk Management/Assessment**

10. It is important to note that risks are captured on a project by project basis, and risks are reported back to

### **Public Sector Equality Duties**

11. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

- 10.1 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 10.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 10.3 Project Equalities implications are addressed on a case by case basis.

**Finance Implications, including economic impact assessment where appropriate:**

12. There are no direct financial implications from this report explicitly. Its purpose is to improve the delivery of projects through constructive challenge, and support to unlock issues.

**Legal Implications:**

13. N/A

**Climate Change Implications**

14. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- \* The emission of climate changing gases?
- \* The region's resilience to the effects of climate change?
- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental

assessment/consideration as necessary as part of their detailed project-specific management arrangements

**Land/property Implications**

15. N/A

**Human Resources Implications:**

16. N/A

**Appendices:**

Appendix A – Current Reporting Arrangements and information flow

Appendix B – Proposed Approach for Reporting and Delivery Assurance

**Background papers:**

N/A

**West of England Combined Authority Contact:**

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## Appendix A – Current Reporting Arrangements and information flow

<b>Documents</b>	<b>What are these used for</b>	<b>Who looks at the outputs</b>
Funding Applications Business Cases	Committee investment decisions	Grant Assurance External Assurance Reviewers External Funding Organisations Stakeholders Scrutiny Committee Committee
Change Requests	Committee investment decisions	Grant Assurance Scrutiny Committee Committee
Highlight Reports PMO Update Reports / Dashboards	Project RAG status Upcoming Decisions Spend & Programme Slippage Risks, Opportunities and Mitigations Issue Escalation	Steering Groups, Directors, CEO's and Mayor, reporting to external funding organisations
Options Assessments Appraisal Assessments Monitoring Reports	Assessment of funding decisions & benefits monitoring	Grant Assurance
Long list, short list Consultation, Communications, Deep dive or spotlights	Decisions on options, advice on overlaps, constraints, resources or impact on public	Steering Groups, Directors, CEO's and Mayors & Leaders of respective organisations

## Appendix B - Proposed approach for reporting and delivery assurance

<b>Decision Making Reporting</b>		
<b>Action</b>	<b>Principles</b>	<b>Responsibility</b>
Monthly exception reporting to a new Programme Delivery Board (PDB) meeting with Directors and S151 Officers (Chaired by the West of England Combined Authority S73 Officer)	To create clarity and focus on programme issues and identify effective mitigation. SROs to attend and report on projects with 6 month delays or cost changes, or upon significant emerging issues if earlier. Outputs to report to CEOs and Mayors and Leaders as below. (Terms of reference of the PDB to be agreed with S151 Officers)	S73 Officer Project SROs Directors (Infrastructure) Directors (Business & Skills) S 151 Officers
Quarterly Reporting to CEOs, Mayors & Leaders	Focus on exception reporting from meeting above to ensure mitigation is enacted effective. Ensure all implications for Investment Fund are identified for decisions at the next committee meeting, this can include releasing funding for through awards or allocations, or noting further funding asks.	CEOs, Mayors and Leaders
<b>Public Reporting</b>		
<b>Action</b>	<b>Principles</b>	<b>Responsibility</b>
Quarterly Reporting to Overview & Scrutiny Committee	To receive a summary report of risks and opportunities. To review adequacy of mitigation measures and appropriateness of funding returned to the Investment Fund and of any future funding asks. To provide advice to the West of England Committee.	Project SROs Overview & Scrutiny Committee
Quarterly Reporting to West of England Committee	To report on projects over £5m value and / or over 1 year delay setting out risks and opportunities, programme delays, and mitigation measures.	West of England Committee
<b>Delivery Assurance</b>		
<b>Action</b>	<b>Principles</b>	<b>Responsibility</b>
Revised Funding Conditions	Revise funding conditions to incorporate: <ul style="list-style-type: none"> <li>1. Stage gate reviews by CEOs for projects with significant delay to: <ul style="list-style-type: none"> <li>o reconfirm full funding and project continuation</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"><li>o capture ongoing mitigation and lessons learned</li><li>o Make recommendations to committee with regard to continuing, pausing or stopping schemes delayed by a cumulative total of 12 months from the milestones agreed at approval of initial funding.</li></ul> <p>This would create a 'use it or lose it culture'.</p> <p>2.Priority for subsequent funding within similar programmes, within the frame of regional prioritisation processes.</p>	
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