

Programme Business Case

Single Assurance Framework



Coventry
University



West Midlands
Combined Authority

PROGRAMME BUSINESS CASE

The purpose of the **Programme Business Case (PBC)** is to select the projects and activities required to deliver the programme’s spending objectives in support of the agreed strategy for the delivery of policy objectives.

A PBC should be used where several linked projects contribute to the same outcomes and cannot be treated separately. Producing a complete and detailed PBC means that the business cases for those projects can be smaller because they can refer to this submission.

To support better spending, investment decisions and better procurement, this Programme Business Case should be written using WMCA guidance. In addition, it is a requirement that all proposals for public funds submitted to WMCA are guided and based around the HM Treasury’s Green Book and supporting information can be found [here](#).

PROGRAMME DETAIL			
Programme Name:	CWG Inclusive Communities Grants Fund		
Directorate (if WMCA internal):	Strategy, Integration and Net Zero		
Organisation (if WMCA external):			
GOVERNANCE			
If external to WMCA, when was this project approved by your internal governance?			
STAKEHOLDER INVOLVEMENT			
Provide the names of the following stakeholders who have been sighted on this business case prior to submission, note this is a mandatory requirement:			
Senior Responsible Owner (SRO):	Claire Dhami		
WMCA Executive Director:	Ed Cox		
Finance Lead:	Aqeel Rizvi		
Legal Representative:	Nigel Channer		
Procurement Lead:	Brad Benson		
Other (i.e., HR / Health & Safety):			
VERSION CONTROL			
Version:	DRAFT 2	Date:	19/03/2023
PBC Prepared by:	Bethan Stimpson	Job Title:	CWG Head of Legacy

EXECUTIVE SUMMARY

PLEASE PROVIDE A ONE-PAGE STAND-ALONE SUMMARY OF THE PROPOSED PROGRAMME WHICH INCLUDES (MAX 500 WORDS)

- A BRIEF PROGRAMME DESCRIPTION
- TARGET OBJECTIVES
- ASSOCIATED OUTPUTS

The Commonwealth Community Grants Fund (CCGF) will enable communities from across the West Midlands (including constituent and non-constituent WMCA members) to access dedicating funding, set aside to continue the impact of the Birmingham 2022 Commonwealth Games. From 1st September 2023 to December 2024, WMCA will, via an appointed Grant Administrator, award more than £9million of funding to organisations, community groups and clubs across our region.

The Fund administration will be overseen by a reputable and established administrator(s), able to demonstrate their ability manage substantial grant volume and value, commitment to WMCA objectives and tangible connections with the regional community for whom the Fund has been established. The Grant Administrator(s) will be required to establish an independent Community Panel to support in the review, challenge and selection of successful grant applicants. It is a core principle of this fund (further detailed below) that this Grant Fund is participative in its design and delivery; by the community for the community.

WMCA recognises that this Fund is likely to be oversubscribed and therefore not all prospective projects will be successful in seeking a grant. Projects that are unique, have a genuine community need, and stand out as having a real impact on improving community wellbeing will be prioritised. The process for grant applications will be transparent, fair and equitable, giving organisations across the West Midlands the same opportunity for success.

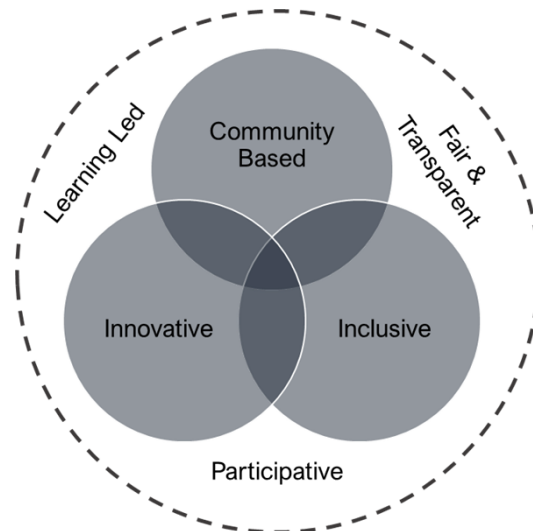
Fund Principles

This Fund has been made possible by an underspend on the 2022 Birmingham Commonwealth Games (B2022). It is therefore important that the Fund retains a connection to its origins; the Games itself. From its onset, B2022 established core mission principles which were embedded into the Games' Legacy Plan. These core missions remain fundamental to the foundations and decision-making principles of this new fund.

As the responsible organisation for B2022 Commonwealth Legacy Fund from April 2023 onwards, it is also critical that Fund principles align with and contribute to WMCA core objectives. The Fund has been positioned with WMCA's Inclusive Communities portfolio, with the expectation that core 'designing in' inclusion principles derived from WMCA led activity, including the Young Combined Authority, Faith Strategic Partnership Group, Race Equalities Taskforce, Homelessness Taskforce and our wider work to address health and equity will be embedded in Fund design.

The diagram below sets out how Grant Applications will be required to demonstrate alignment with B2022 mission statements, WMCA Objectives and Inclusive Communities High Level Deliverables (HLDs).

		Being a catalyst for change			
WHAT?	HOW?	Bringing People Together	Improving Health and Wellbeing	Helping the region to grow	Putting us on the map
Promote inclusive economic growth in every corner of the region	Community Centred Participative	●	●	●	●
Ensure everyone has the opportunity to benefit	Inclusive Fair and Transparent	●	●	●	
Reduce carbon emissions to net zero and enhance the environment	Innovative Learning Led	●	●	●	



Financial Summary

The total budget allocated to this project is £10.5million. It is expected that c. £9million will be awarded in community grants. The balance of £1.5million is required to cover WMCA programme critical costs summarised in the table below:

Cost Element	Budget
Community Grant Awards	9,000,000
Grant Administrator Fee (Contract Value)	900,000
Programme Evaluation (5%)	450,000
Core Staffing	150,000

Within the Community Grant Awards budget allocation (£9m) the WMCA Board has issued two mandates in respect of spending targets within this Grant Fund envelope:

- £3million of the funds awarded have suitable oversight from the Wellbeing Board. This may result in some strand specific considerations, including but not limited to specific granting criteria and eligibility, where sector specialisms are considered;
- £2million to be spent of local community events.

The targets outlined above are not mutually exclusive, and it is noted that a community based sports event would satisfy Board across both criteria.

FINANCE SUMMARY

<i>Table 1</i>	
Finance Summary	PBC (£)
Total Programme Cost:	£10,500,000
WMCA Funding Required:	£10,500,000
WMCA Funding Stream:	TBC
Funds Secured:	TBC
Funds Not Secured:	TBC

1 – STRATEGIC CASE

PROVIDING STRATEGIC FIT SUPPORTED BY A COMPELLING CASE FOR CHANGE

1.2 PROGRAMME OBJECTIVES AND ALIGNMENT TO WMCA AIMS

Outline the SMART (Specific, Measurable, Achievable, Realistic and Time-Dependent) objectives of the programme and how they will be measured within the table below. Desired outcomes include improved economy, efficiency, effectiveness, replacement and compliance.

Note, all programmes need to consider Inclusive Growth and its contribution to Net Zero.

Table 2 below sets out detailed objectives for this Programme. In addition, the Programme has considered the following top-level WMCA priority objectives worth noting:

- (i) Secure new powers and resources from central government – the commitment from DCMS and HMT to retain the B2022 Games underspend within the West Midlands is in itself a significant achievement. Scrutiny from Central Government is expected to remain significant throughout the funding period. Successful delivery of this Grants Programme, particularly given its public facing campaign, has the opportunity to positively influence WMCAs future ability to leverage in new funding to the region.
- (ii) Develop our organisation and our role as a good regional partner – WMCA will seek to extend the impact of this Fund through additionally leveraged match funding, either through WMCA itself, or through contractual expectations on the appointed grant administrator and/or successful grant applicants.

Table 2

#	Objective	Quantitative Baseline	Target	Specific actions to achieve objective	How will the customer be impacted? (i.e., Outcomes)	Alignment to WMCA Aims and Objectives
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1.	Award grant funding to causes which contribute to existing regional and national policy priorities, including causes which continue the legacy impact of the 2022 Commonwealth Games.	NA	NA	Local, regional and national policy priorities to be embedded in Grant Administrator performance criteria (e.g. minimum geographical funding allocations, alignment with IMDs).	<p>Individuals/organisations that may have historically struggled to access funding will have greater opportunity to engage with this fund through innovative application practices.</p> <p>The presence of the fund should be felt more widely across the West Midlands through effective community engagement.</p> <p>Building and extending evidence-based practice from the Games legacy.</p>	Promote inclusive economic growth in every corner of the region
2.	Extend the reach of community-based, including the Physical Activity, Health and Wellbeing sector, to	NA	NA	Grants applications will need to be based on community need, evidence an inclusive and accessible	Target groups including young people, women and girls, and individuals with disabilities are better	Ensure everyone has the opportunity to benefit

	support disproportionately disadvantages groups, with particular focus on youth, women and girls, and those with disabilities.			approach including being community led. Priority groups to be embedded in Grant Administrator performance criteria (e.g. minimum geographical funding allocations, alignment with IMDs).	positioned to access funding and benefit. Organisations are better upskilled to know how to produce a positive funding application.	
3.	Support regional communities and organisations to engage with this grant funding opportunity; enabling funding to reach new audiences through barrier breaking and innovative grant making practices.	NA	NA	We will absorb learning from active legacy and community programmes on a case study basis to develop the grant funding criteria upon which new funding investments might be made.	Individuals/organisations that may have historically struggled to access funding will have greater opportunity to engage with this fund through innovative application practices. The presence of the fund should be felt more widely across the West Midlands through effective community engagement.	Promote inclusive economic growth in every corner of the region
4.	Support an upskilled region-wide community.	NA	NA	Enabling organisations in Non-Constituent members of the Combined Authority to apply for and deliver activity, which will enable a	Individuals and organisations are better able to access this and other funding opportunities available.	Ensure everyone has the opportunity to benefit

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				<p>considerably bigger area where benefits will be felt.</p> <p>Ensure that there is a community engagement element to the grant tender specification.</p> <p>Make specific provisions for capacity building spend within granting framework.</p>		
5.	<p>Maximise impact, reach and timeline of Games surplus funding through additional leveraged match funding from key regional contributors (e.g., Sport England and National Lottery Funders).</p>	NA	NA	<p>The Grants Programme will support pump-prime investment into emerging opportunities that fit agreed investment criteria.</p> <p>Work in parallel with other regional funders to maximise sustainability and longevity of funding, e.g. through match.</p>	<p>Individuals and organisations would have the opportunity to access more funding with scope to extend beyond 2025.</p> <p>Individuals/organisations supporting to build direct relationships with long term/sustainable funding partners.</p>	<p>Develop our organisation and our role as a good regional partner</p>

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6.	Be better positioned to attract inward financial investment through improved community capacity.	NA	NA	<p>Ensure cross-connectivity with other CWG Fund Programmes, with particular emphasis on Social Economy and Social Value projects.</p> <p>Continue WMCA led engagement with private sector organisations with scope to match, extend and sustain grant activity.</p>	<p>Individuals and organisations have increased funding opportunities through a range of sources and with scope for improved sustainability.</p>	Secure new powers and resources from central government
7.	Develop knowledge of granting practices and learning and impact on the communities who are the beneficiaries of such investment	NA	NA	<p>A collaborative and participative method of grant making is required. Reference groups engaging sector specialist, key stakeholders and community leaders are in the process of being established to support this process.</p>	<p>Funding processes are better designed to meet the genuine needs of the West Midlands population.</p> <p>Evidence of learning of the positive impact and change that the grant has made</p> <p>Understanding how impact is sustained post funding</p>	Promote inclusive economic growth in every corner of the region

1.2 ORGANISATIONAL OVERVIEW

This PBC has been produced directly by the WMCA using relevant subject matter experts and internal organisational learning to inform best practice.

WMCA will appoint an Administrator(s) to oversee delivery of this Grant Programme. The delivery agent(s) will be selected through a competitive procurement process to ensure best value for money. The Administrator(s) will be required to provide demonstrable experience of participative schemes, suitable delivery infrastructure and relevant governance processes.

Further details are outlined within this PBC in the Assurance, Subject Matter Expert and Evaluation sections.

1.3 EXISTING ARRANGEMENTS AND BUSINESS NEEDS

The proposal included in this PBC represents a new investment in a Community Grants Programme resulting from a significant budgetary underspend on the 2022 Commonwealth Games. There is no existing business as usual activity within the WMCA in this specific area.

WMCA has a four-year history of collaborative working alongside the B2022 Organising Committee, and it publicly regarded as a known contributor to the Games and its success. The implementation of this Community Grants Programme will continue WMCA's contribution to the Games' ongoing legacy ambitions, securing positive public perception.

The WMCA has a credible track record of developing programmes and projects which benefit everyone in the region through activity within its Inclusive Communities portfolio. This includes the Young Combined Authority, WM Mental Health Commission, Include Me West Midlands, the Faith Strategic Partnership Group, the Leadership Commission our broader work on community engagement. Alongside this, the portfolio works closely with our Equalities, Diversity and Inclusion team, the health and communities team including regional work to improve the lives of people with disabilities and work to address health inequalities.

WMCA has been selected as the recipient body for £70million of the Games underspend. There is a public expectation that much of this funding will be used to support community based organisations and projects; particularly those that were perceived to receive limited benefits from the Games itself. This Grants Programme will enable WMCA to achieve the following:

- Identification and continuation of projects born out of the Games with scope to apply and receive ongoing funding to effect further change;
- Plug gaps in the Games funded landscape, particularly addressing geographic funding deficiencies (e.g. Walsall) for funding made to date.

The selected projects directly align with WMCA's strategic objectives to:

- Ensure everyone has the opportunity to benefit: the Grants Programme has been designed to continue alignment with the Games' mission statement; 'the Games for everyone', driven in ensuring the grants are used to deliver and embed an inclusive and accessible activity reflective of individual and community needs.



- Promote inclusive economic growth in every corner of the region: selection of funded projects will reflect WMCA's commitment to inclusive and accessible practices, embedded within the existing Inclusive Communities team.
- Develop our organisation and our role as a good regional partner: WMCA's investment in this Community Grant Programme may facilitate additional investment from wider regional stakeholders, including funders, local authorities and private sector investors.

1.4 KEY RISKS

Table 3							
ID	Risk	Risk Type	Impact (1-5)	Probability (1-5)	RAG Rating	Risk Owner	Mitigation
1.	The £10.5million budget is failed to be allocated and spent out within the pre-defined programme timescales, as defined by Central Government. Funds may have to be repaid to HMT, and the opportunity for the West Midlands to realise benefit from this additional investment would be lost. Trust from Government in WMCA's ability to deliver against spend commitments may also be eroded.	Business Risk Service Risk	4	3		CD/BS	An experienced grant Administrator(s) will be appointed to limit delays to implementation timescales. An experienced SME has been contracted to oversee programme design and implementation to mitigate delays to timescales. Commencement activities have begun 'at risk' to ensure prompt programme start pending approval from Investment Board in June 2023.

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2.	The £10.5million Grants Fund is non-strategically allocated to small projects with little scope to drive lasting impact. The overall impact of the fund is diminished as a result.	Service Risk	4	3		CD/BS	<p>An expert Reference Group has been established to embed a best practice, strategic approach.</p> <p>The grants fund has a financial structure for volume and value of grants to ensure that a balanced portfolio of projects, with scope for sustainability are selected.</p>
3.	The Grants Fund is used plug gaps in existing public services that should be/are eligible for funding from existing public monies.	Business Risk	4	3		CD/BS	<p>Eligibility criteria will be set with the Grant Administrator to ensure items that should be funded through other sources are not funding from this scheme.</p> <p>Ongoing monitoring of awarded grants will be undertaken.</p>
4.	Inconsistency in the definition of the 'West Midlands' between	Business Risk	4	3		CD/BS	The WMCA Board has approved

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	<p>WMCA and B2022 results geographic regions that were previously eligible for funding now being excluded. A significant public and political backlash from excluded Local Authorities could be expected.</p>						<p>inclusion of non-constituent members within the scope of this Grants Programme.</p> <p>Discussions with external funders with scope to address gaps in the geographic landscape are underway.</p>
8.	<p>The current programme plans proposes appointment of a Grant Administrator in June 2023. This is an ambitious timescale. Failure to appoint the Administrator in June as planned will result in delays to Fund launch, and potential negative public backlash resulting from an increasingly compressed delivery window.</p>	Business Risk	4	3		CD/BS	<p>Significant pre-emptive work has been undertaken with Procurement to establish a realistic timeline to supplier appointment. Procurement activity will take place in tandem with the SAF and Investment Board processes, to ensure that following Business Case approval in June, swift appointment of a</p>

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							supplier can be made. Details of the Procurement timeline have been provided as a separate appendix item.
5.	Lack of clarity in how much of the £70million underspend managed via WMCA is allocated to the Community Grants Fund results in misaligned public expectations over the scale and scope of funding available, and its associated outcomes.	Business Risk	4	3		CD/BS	<p>A Fund wide comms strategy will be developed to provide clarity to the public on the intentions for the Games underspend.</p> <p>A Community Grants Programme specific comms plan, including a formal launch will provide clarity on the exact funds available, as well accessibility and eligibility to these monies.</p>
6.	Perceptions that access to the Community Grants Fund is not fair and transparent results in negative publicity, damaged public opinion	Business Risk Service Risk	4	2		CD/BS	The Community Grants Fund will be operated by a transparently appointed

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	and ultimately reduced ability to achieve programme objectives.						<p>Administrator, using WMCA best practice Procurement approaches.</p> <p>The appointed Administrator will be required to implement a fair and transparent application process. A Community Panel to support in selection and decision making will be a condition of the Administrator supplier contract.</p>
7.	<p>Lack of clarity over what proportion of the £10.5million programme budget is actually awarded as grants results in negative public perception damaged public opinion and ultimately reduced ability to achieve programme objectives.</p> <p><i>It is expected that a proportion of the £10.5million will be required to cover oversight and central costs</i></p>	<p>Business Risk</p> <p>Service Risk</p>	4	2		CD/BS	<p>The numbers advertised publicly for grant distribution will reflect the net budget value, accounting for contributions to essential central functions. This will be embedded in relevant comms</p>

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	(e.g. Evaluation, Administrator fee, Comms)					activities/strategies and reiterated throughout the programme lifetime.
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A column has been added to the above risk log to denote risks as either 'business' (i.e. WMCA) or 'service' (the supplier, specifically for the Programme the Grant Administrator). Risks relating to reputation are inherently tied to the WMCA itself and have therefore been assigned as Business risks. Operational delivery of the Fund and compliance with relevant WMCA set thresholds and targets will be the responsibility of the appointed Grant Administrator and are therefore Service Risks. There are instances of risks being both Service and Business, where there are operational and reputation consequences resulting from the same concerns.

1.5 BENEFITS

Table 4

#	Benefit	Benefit Type	Beneficiary
1.	Giving greater opportunities to young people, particularly Women in Sport and People with Special Educational Needs	Quantifiable benefits Qualitative benefits	Local Residents/individuals – young people
2.	Supporting individuals with doing greater physical activity, through the Physical Activity element of the £10.5 Million	Quantifiable benefits Qualitative benefits	Local Residents/individuals – elderly people
3.	Local organisations are empowered to bid for funding, through the diversification of Grant Funding	Quantifiable benefits Qualitative benefits	Local organisations (e.g., charities, sports clubs)
4.	Expand the reach of such programmes, through the inclusion of Non-Constituent members in this programme	Quantifiable benefits Qualitative benefits	Local organisations (e.g., charities, sports clubs)
5.	Supporting the growth of the region's social economy	Non-cash releasing benefits Qualitative benefits	Local organisations (e.g., charities, sports clubs)

1.6 CONSTRAINTS

The full £10.5 million budget must be spent out by March 2025, in line with the current Government Spending Review period.

WMCA Board has mandates that at least £3 million of the £10.5million be demonstrably used to support projects in the Physical Activity, Health and Mental Wellbeing space. It has also required that of the £10.5 million, up to £2 million must be used to support local level community events (e.g., local street activity). It is accepted that some of the £3 million Physical Activity, Health and Mental Wellbeing thematic mandate may also contribute to the £2 million local events target, i.e., where a community-based sports event is funded through the Programme, it would satisfy both Board requirements.

The Physical Activity, Health and Mental Wellbeing strand of the Community Grants Programme will be subject to oversight from the WMCA Wellbeing Board. Strand specific principles may be implemented, however alignment with fund wide principles and priorities will remain essential.

1.7 DEPENDENCIES

Delivery of this Programme is dependent upon the timely appointment of a suitable Grant Administrator, with demonstrable experience of Community Engagement and Infrastructure set up.

2 ECONOMIC CASE

MAXIMISE PUBLIC VALUE TO SOCIETY THROUGH THE SELECTION OF THE OPTIMAL COMBINATION OF SCOPE, COSTS AND OUTCOMES

2.1 CRITICAL SUCCESS FACTORS

#	Critical Success Factor (CSF)	Alignment to Programme Objectives / Related Project (s)
1.	<p>Community grants awarded directly or indirectly, with a particular focus on women and girls, differently abled communities, and youth</p> <p>Measures will include quantifying number and value of grants awarded to sector priorities listed above.</p>	<p>Extend the reach of community-based support in particular to Young People, Women and Girls, People with SEND's, Disability Inclusion, Volunteering, and Social Value.</p>
2.	<p>Greater reach into less engaged communities</p> <p>Measures will include geographic assessment of investment and the setting of KPI threshold limits to ensure alignment with MID values.</p>	<p>Enabling organisations in Non-Constituent members of the Combined Authority to apply for and deliver activity, which will support an upskilling of people right across the region.</p>
3.	<p>Improved trust and connectivity between regional communities and the West Midlands Combined Authority.</p> <p>Measures will include real-time identification of funded projects spanning multiple ward or local authority based geographies. Monitoring will be undertaken through CA led community/stakeholder forums to establish qualitative feedback on success.</p>	<p>Support regional communities and organisations to engage with this grant funding opportunity; enabling funding to reach new audiences through barrier breaking and innovative grant making practices.</p>
4.	<p>Additional leveraged funding secured for the region, which might otherwise have been invested elsewhere nationally.</p> <p>Measured through quantifiable additional funding generated. This will be monitored and recorded throughout the programme duration.</p>	<p>Award grant funding to causes which contribute to existing regional and national policy priorities and which helps to give everyone a chance to benefit.</p>
5.	<p>Greater consistency in funding distribution regionally.</p> <p>Measures will include geographic assessment of investment. Alignment with MIDs will be ensured to facilitate need based investment.</p>	<p>Be better positioned to attract inward financial investment through improved community capacity and develop knowledge of granting practices.</p>

6.	<p>Plugging of gaps and cold spots which were not otherwise reached or engaged with during the Commonwealth Games.</p> <p>Mapping of new funding against historically produced funding maps from the CWG will demonstrate success in this area.</p>	<p>Enabling organisations in Non-Constituent members of the Combined Authority to apply for and deliver activity.</p>
7.	<p>Maintenance of existing community led projects with proven impacts, where a lack of alternative funding may otherwise result in closure/cutting back having to take place.</p> <p>Successful projects will be tracked, to monitor where existing projects have been facilitated to continue through this Fund.</p>	<p>Maximise impact, reach and timeline of Games surplus funding through additional leveraged match funding from key regional contributors (e.g., Sport England and National Lottery Funders).</p>

2.2 LONG LIST OF OPTIONS

Table 6

#	Option Description	Advantages (Benefits)	Disadvantages (Disbenefits)	Option meets Objectives and CSFs of this programme? (Y/N)
1.	<p>In-house delivery of a c. £10.5million Grants Scheme</p>	<p>Potential reduction in the cost associated with Programme oversight, as compared with the appointment of an experienced Grant Administrator (see option 2). Current budget allocation for external supplier is £900k, it is likely that an internally resourced team could be recruited for a reduced fee.</p> <p>Absolute WMCA control over the final selection of funded projects. Reduced risk of the selected supplier not retaining alignment with core WMCA priorities/objectives when selecting successful grantees.</p> <p>Reduced burden on existing WMCA leadership in respect of line management and</p>	<p>Insufficient staffing/resources will require immediate resolution through a lengthy recruitment process, incompatible with Programme delivery timescales.</p> <p>Failure to capitalise on existing Grant Administrator experience and infrastructure results in unnecessary delays to delivery.</p> <p>Reduction in direct control of WMCA in the selection of successful grantees. Will require tight contract management control to mitigate risk of misalignment with WMCA objectives.</p> <p>Reduced control for WMCA over mitigation of timescale risk. Timescales will be driven by ability of the selected supplier to deliver within the agreed contract period.</p>	<p>N</p>

		day-to-day oversight of programme delivery.		
2.	Appointment of a Grant Administrator via a competitive Procurement process for the supply of services	<p>Benefit of knowledge and expertise of an experienced Grant Administrator. Ability to benefit from established technology infrastructure and community links to maximise breadth of applicants and ability better engage 'unusual suspects'.</p> <p>Contractual security will ensure a claw back mechanism in the event that the selected Grant Administrator fails to deliver against terms.</p> <p>The proposed plan includes a budgetary allocation for WMCA staff to oversee contract management. This will enable WMCA to retain suitable control, whilst outsourcing day-to-day high time demand workload.</p>	<p>Additional budget implications for VAT cost component if run as a Service Supply rather than Grant Agreement.</p> <p>Negative public perception that the total £10.5million budget is being 'topliced' to facilitate payment of a supplier (c.£900k).</p> <p>Additional costs incurred to cover WMCA contract management staffing of Administrator resulting in further reductions to availability of budget for actual grant awards (£9m).</p> <p>Reduction in WMCA's direct day to day control over selected grantees. WMCA will devolve decision making to the Grant Administrator.</p>	Y
3.	<p>The WMCA does not choose to pursue this Programme activity by any of the options outlined in this table (i.e. 'do nothing').</p> <p>There is no current service provision related to this programme. Therefore, a separate 'business as usual' option has not been separately presented, as this would be</p>	<p>No draw down on capacity of existing WMCA central function teams (e.g. Procurement, HR) or on leadership/line management. Existing staff are able to focus attention on existing WMCA priorities and tasks.</p> <p>Elimination of programme delivery risks, including potential reputational</p>	<p>WMCA would need to either reallocate this funding to an alternative programme within the Commonwealth Games Legacy Enhancement Fund portfolio, or inform Central Government that it does wish/is not able to spend out the funding. Any change to this financial proposal would also require renewed sign off by the WMCA Board.</p> <p>Failure to deliver the planned activity would negatively impact relations and perceived reliability of WMCA with Central Government, resulting in negative and far reaching central/local devolved funding relations across the organisation.</p> <p>Significant public backlash would ensue as commitments to a community based grants fund have been made via</p>	N

	synonymous with 'doing nothing'.		WMCA Board and the Mayor's LinkedIn. Cancellation of these plans would damage public perceptions towards the CA and its positioning as a useful regional connector.	
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Note that no separate 'do minimum' option has been analysed as there is no differentiation between this and the details presented in option 2. The decision by WMCA to invest in a Community Grants Programme is a 'go/no go' decision: the specific contract values does not have a bearing on this decision or on the risk profile associated with the programme.

2.2 SHORTLISTED OPTIONS

The options presented in the above table have each taken account of key risks, costs and benefits. In summary, the viability of options has been considered balancing two key factors: cost and timescale. Timescale is the number one risk outlined in the risk log of section 1.4 Key Risks. Failure of WMCA to spend the budget within the pre-defined timeframe will result in significant reputational backlash from Central Government, and inability to capitalise on the investment in the West Midlands.

- In-house project delivery has been assessed as not meeting Critical Success Factor objectives due to the significant negative impact on timescales anticipated. This is not a viable delivery option, despite delivering potentially better value for money in respect of direct costs (i.e. supplier and staff costs).
- 'Doing nothing' has also been assessed as failing to meeting Critical Success Factors. The perceived benefits on cost and removal of business risks from not progressing with this programme are outweighed by public expectation and resulting reputational risk, as well as failure to meet WMCA's overarching organisational objective to be an effective regional partner.

Therefore, the only viable option in respect of delivery that will enable WMCA to mitigate the above-mentioned timescale risk is the appointment of a Grant Administrator (supplier). As detailed above, this option also delivers increased positive delivery outcomes, including the opportunity for WMCA to benefit from the experience and expertise of an established supplier. Cross analysis with the risk register was completed in the analysis of this option, and the option enables reasonable management of identified risks to enable programme success.

As the preferred way forward, appointment of a Grant Administrator via Procurement also takes account of best practice learnings from previously run WMCA Grant Schemes such as the Community Green Grants Programme and the Shared Prosperity Fund. Both of these funds make effective use of a Grant Administrator.

Procurement and Legal colleagues have been consulted on the preferred option for this Programme. It is agreed that the appointment of an Administrator is financially and legally viable, and there are strong documentary precedents in place from previously run schemes that will drive increased efficiency in the process for this programme.

2.3 SOCIAL VALUE FINDINGS

Detail the calculation of Net Present Social Value (NPSV) and Net Present Social Cost (NPSC) for the shortlisted options. This should also include significant impacts that cannot be quantified or included in the NPSV calculation and indicate how the preferred way forward offers the greatest value for money.

Not applicable to this Programme.

3 COMMERCIAL CASE

COMMERCIALLY VIABLE AND ATTRACTIVE TO THE SUPPLY SIDE

3.1 OVERVIEW OF COMMERCIAL CASE IN SUPPORT OF PREFERRED OPTION

Following discussion with Procurement, a suitable DPS Framework from which a Grant Administrator can be appointed. The Framework has a specific sub-category titled 'Grant Administration' with 20 existing organisations signed up to tender for this type of service when appropriate filters are applied. Market research into the 20 organisations has been conducted, and at least 10 organisations have been deemed to have the maturity and regional scale to deliver this scope of works.

Pre-emptively, a Prior Information Notice (PIN) (details can be found at: <https://www.find-tender.service.gov.uk/Notice/010755-2023>) has been issued to the market to gather Expressions of Interest from suppliers, and to give organisations that are not presently registered on the DPS the opportunity to do so. Four formal expressions of interest have been received to date, with more expected to follow in advance of 5th May 2023.

Separately, internal benchmarking and investigation has demonstrated existence of suppliers with the necessary skills and experience to operate as a Grant Administrator. Programmes like the Community Green Grants Fund and Shared Prosperity Fund have each helped to identify suitable provisional suppliers. A process to ensure these suppliers are signed up to the relevant Procurement DPS Framework will be undertaken, in line with the Programme's core values of fairness and transparency.

- Separately, legal support will be required in the contracting stage, once a suitable supplier has been identified and appointed. Active discussion are ongoing with the Head of Legal and her team. Discussions with legal to date have focussed on ensuring the following key performance criteria are captured in the resulting contract: Evaluation and Monitoring – that the grant administrator has the commitment and infrastructure to provide the required inputs to any WMCA set monitoring and evaluation criteria;
- Governance – the delivery agent must be able to demonstrate suitable governance processes and procedures to ensure the effective running and decision making related to the devolved programme delivery;
- Financial Controls – the Delivery Partner/s must demonstrate suitable Financial maturity (for example through evidence of a suitable Financial Control framework) to receive and spend out the allocated funding.

It is acknowledged that due to the tightness of timescales articulated in the Programme Risk log (spend out by March 2025) that the Procurement timeline for the Administrator is tight. This has been discussed and agreed with Procurement in order to mitigate against the risk to programme delays. Procurement activity will take place in tandem to the approval of this PBC, ensuring that pending formal approval at Investment Board in June 2023, progression to contracting and commencement of delivery is suitably expedited. A schedule of

timescales for this agreed with Procurement is included as an appendix item to this PBC. The draft tender specification has already been written and is undergoing internal review and approval from relevant central function teams (legal, procurement etc).

A newly established Reference Group, engaging sector specialists, key stakeholders, and community leaders, is supporting in the design of specific grant criteria which will also be reflected in the finalised grant agreements. We will also absorb learning from active legacy and community programmes on a case study basis to develop the grant funding criteria upon which new funding investments might be made.

It is expected that Subsidy Control will pass to the selected Grant Administrator, consistent with similar WMCA led grants programmes run previously. A small team within WMCA will oversee contract management of the Administrator, with particular focus on community engagement and reputational exposure. There is no significant impact anticipated for HR and IT above and beyond supporting in the recruitment and set up of this small internal team (see section 'Organogram' for details).

3.2 OVERVIEW OF THE COMMERCIAL STRATEGY

As indicated throughout this document, a Community Grants Reference Group has been established including members from several major funding bodies. It is expected that these individuals will use their experience and expertise in developing specific elements of the Programme including the potential for additional match funding to promote increase Programme sustainability beyond March 2025. The group is of a consultative format and has no formal responsibility over outputs and services, with organisations involved being nationally known and respected for grant funding purposes. This is also acknowledged to provide cover to WMCA in respect of strategic decisions made; ensuring that the organisations can suitably demonstrate engagement and buy-in from leaders in this space. A member of the group will be present on the Administrator supplier selection panel as part of the Procurement process. The group's Terms of Reference which gives specific details on roles and responsibilities, are attached as an Appendix.

A quantifiable social value metric derived from delivery of the programme will be used to benchmark future community grant investment and value for money. Day-to-day responsibility for the Grants Programme evaluation will be delegated to the selected delivery organisation(s). This relatively new approach will be embedded in lessons learned for future organisational application.

In addition, value for money will be further achieved in the following ways:

- The project will provide community insight to the WMCA to enable more effective community engagement and awarding of funds for similar future schemes.
- The project will catalyse conversations with additional funders, including the private sector, to encourage additional inwards investment and sustainability of the fund beyond March 2025. This has the potential to make WMCA less dependent on future government grants by unlocking alternative sources of investment that will further benefit the region.
- We will work with the selected grant Administrator to build capacity within the regional community sector, supporting organisations to better connect with private sector investors (with a focus on Corporate Social Responsibility), thus reducing their reliance on public funding.
- This initiative has the potential to align with other grant funds led by the WMCA, particularly the Community Green Grants scheme run within the same Directorate.

- Opportunities to drive efficiencies in centralised activity (e.g. marketing and communications) will be explored to maximise reach and value of both funds.
- We will apply quality and best value approach to the procurement of the grant Administrator. A 20% weighting for price has been implemented within the Procurement Strategy to ensure value for money across the supplier base.
 - Where appropriate, we will use rules, standards and certification that are already available and have track record, rather than developing everything from first principles.
 - We will support wider national shared learning to ensure all stakeholders interested in this approach learn from and develop approaches that work for their locality. This will be on an ongoing basis but with formal case studies shared by 31 March 2025.

4 FINANCIAL CASE

AFFORDABLE AND FUNDABLE OVER TIME

4.1 CAPITAL AND REVENUE FUNDING STATEMENT

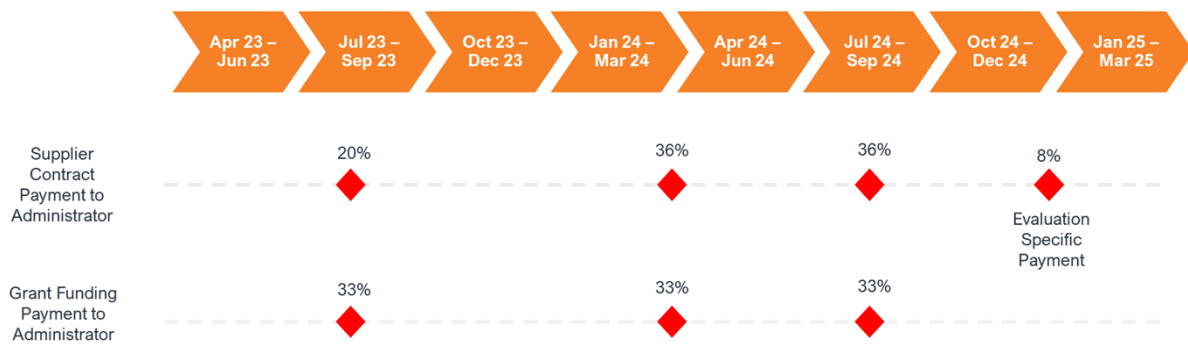
<i>Table 7</i>		
	Status (Secured / Not Secured)	£M
Revenue Costs	Unsecured	£10,500,000.00
Capital Costs	NA	0
Gross Costs	Unsecured	£10,500,000.00
Development Funding within the above (funding required to reach the next stage)	NA	0
Total	Unsecured	£10,500,000.00

4.2 OVERVIEW OF FUNDING AND AFFORDABILITY SUMMARY

£70million of new inwards funding to WMCA has been secured from DCMS resulting from a significant underspend on the Birmingham 2022 Commonwealth Games. £10.5 million of this budget has been pre-emptively allocated to the programme set out in this BJC and provisionally approved in December 2022 and March 2023 WMCA Board meetings, awaiting confirmation of details at June Investment Board meeting.

The programme has been specifically designed to the allocated budget, having initially been costed at £11.5 million. Efforts to minimise spend and maximise efficiency, whilst not compromising outcomes have been prioritised. There is therefore no budgetary shortfall to delivery, subject to the full £10.5 million budget set out in this PBC being approved at June Investment Board.

The table below sets out the total budget allocations against the four core cost bearing components. These costs will largely accrue evenly over the lifetime of the programme (to March 2025). Details of proposed payment milestones are set out in the diagram below.



Notably, the Evaluation spend (c. £450k) will be largely deferred until later in the programme lifetime as it is a backwards looking activity, requiring a significant proportion of activity to have been delivered before being undertaken. Thus a deferred Evaluation payment has been proposed.

Cost Element	Budget
Community Grant Awards	9,000,000
Grant Administrator Fee (Contract Value) (8-10%)	800,000
Programme Evaluation (5%)	450,000
Core Staffing	150,000
	10,500,00

The project has been fully costed to the point of delivering the fund. There is a finite budget and the final deliverables will be scoped and built to fit within the total envelope. The costings for the different elements of the project have been designed based on experience within the WMCA in working on similar projects in the past as well as specific inputs from the Reference Group. Notably, the percentage allocations for the Grant Administrator and Evaluation (8-10% and 5% respectively) have been directly informed by best practice, lessons learned and industry standards.

<i>Table 9</i>	
Funding Type <i>Grant / Cashflow (repayable) / Underwrite</i>	<i>Grant</i>
Funding Commencement Date	<i>01/07/2023</i>
Funding Completion Date	<i>31/03/25</i>
Basis of Reimbursement <i>Quarterly in arrears of expenditure incurred (WMCA Standard)</i>	Fund from DCMS to WMCA are expected to be awarded under a Section 31. Payments will be made half-yearly in advance. Cashflow is critical to achievement of objectives and the Grant Administrator will require payment on account for grant funds before being able to distribute these to successful organisations. Suitable assurance and monitoring processes will be implemented.

<p>Any Conditions Precedent?</p> <p><i>e.g., securing DfT funding. Include any spend deadlines, eligible spend outputs and high priority items likely to be included in any Conditional Grant offers or development agreements in principle (Heads of Terms)</i></p>	<p>The aim is to launch the ‘tender’ process to identify grant administrators in May 2023, with the awarding of funds to the selected organisations in Q3 2023.</p> <p>We expect the following conditions will need to be reflected in the final grant agreements with the selected grant administrators:</p> <ul style="list-style-type: none"> • Evaluation and Monitoring – that the grant administrator has the commitment and infrastructure to provide the required inputs to any WMCA set monitoring and evaluation criteria; • Governance – the delivery agent must be able to demonstrate suitable governance processes and procedures to ensure the effective running and decision making related to the devolved programme delivery; • Financial Controls – the Delivery Partner/s must demonstrate suitable Financial maturity (for example through evidence of a suitable Financial Control framework) to receive and spend out the allocated funding. • Geographic remit and footprint – successful bidders will be required to demonstrate a significant base of operations and/or beneficiary base with the West Midlands.
<p>Order in which WMCA Funding is to be drawn</p> <p><i>1st/2nd/3rd</i></p>	<p>NA</p>
<p>Work streams for which WMCA Funding is available to be drawn against</p> <p><i>e.g., all / workstream 1, 3 and 4 etc.</i></p>	<p>All</p>

4.3 BORROWING SUMMARY

No borrowing is required for this Programme.

4.4 IMPACT ON ORGANISATIONAL FINANCES

WMCA will receive new funds in the form of a Grant from DCMS. The date for receipt of these funds is anticipated to be April 2023. There is no other financial 'at risk' consideration for WMCA within the delivery of this programme.

4.5 STAKEHOLDER SUPPORT

The West Midlands Combined Authority has support from its political leaders with a WMCA Board paper approved on December 16th, 2022, and a further paper with specifically agreed elements for each funding pillar being ratified on March 17th, 2023.

In illustrating external engagement for the Inclusive Communities Grants Programme, a Reference Group with multiple individuals from external organisations has been established, in order to bring expert knowledge and insight into suitable grant criteria and develop plans for the allocation and distribution of the funding.

The group is accountable to the WMCA's CWG Legacy team and will be able to draw on a range of additional resources where required, with other relevant stakeholders being invited to group meetings where appropriate.

This follows meetings with WMCA colleagues, who are leading on projects as referred to in section 5.10 Lessons Learnt part of this Programme Business Case and which have outlined that engagement with individuals from external bodies, are an extremely valuable part of processes surrounding grant development.

On top of this and as part of engagement right across the West Midlands, the WMCA will hold events and workshops throughout the region with stakeholders (including key communities) and organisations.

This will be to ensure that the Inclusive Communities Grants Fund is influenced by creatives and experienced people in all corners of the West Midlands and in particular, reaches out to the non-constituent areas which will be eligible to seek funding for this Programme.

5 MANAGEMENT CASE

CAN BE DELIVERED SUCCESSFULLY BY THE ORGANISATION AND ITS PARTNERS

5.1 MANAGEMENT AND GOVERNANCE

WMCA Board has mandated that £3million of the funds awarded through this Grants Programme have suitable oversight from the Wellbeing Board. The Inclusive Communities team and Health and Communities teams will work collaboratively through April to cement specific governance plans to address this mandate. It is acknowledged that this may result in some strand specific considerations, including but not limited to:

- The appointment of a separate, specialist Grant Administrator for Physical Activity, Health and Mental Wellbeing related grant;
- Specific granting criteria and eligibility, where sector specialisms are considered;
- Specific communications requirements to target specialised granting criteria and or eligibility.

Consistency with Programme wide principles across all sector themes of the Fund is a critical success factor, and important consideration for public experience in applying for grants. This will be ensured through delivery by effective collaboration between all WMCA engaged staff.

Governance Gateway	Condition
Appointment of Administrator	<p>The appointed Administrator will be required to demonstrate compliance with standard WMCA Governance requirements, including but limited to presence of a suitably experienced and fairly appointed Executive Board.</p> <p>The Chair of the Wellbeing Board, or a suitable nominated representative will be engaged in the Administrator selection and appointment process.</p>
Participative Community Stakeholder Panel	<p>The Administrator will be required to implement a Community Stakeholder Panel through the grant selection process to embed community decision making.</p> <p>WMCA will elect a suitably senior representative (e.g. Head of Inclusive Communities) to retain visibility over group making decisions and ensure alignment with WMCA Programme objectives.</p> <p>The Panel will include community representatives approved by the WMCA Wellbeing Board.</p>
Reference Group	<p>A formal Grants Programme Reference Group has been established to gather and embed best practice expertise from Funding sector contributors. Reference Group meetings take place weekly during the Programme design phase.</p> <p>The WMCA Wellbeing Board will be invited to nominate suitable representative(s) to this Group in addition to officers from the Communities and Wellbeing team.</p>

WMCA Wellbeing Board	Wellbeing Board will have specific oversight of the £3million Physical Activity, Health and Mental Wellbeing element of the Grants Fund. The Board will retain a role in the above listed processes and governance fora, and will also receive regular reports regarding progress in relation to the £3million Physical Activity, Health and Mental Wellbeing strand.
WMCA Board/Executive	As and when relevant, WMCA will be kept up to date with Grant progress. High level 6-monthly updates (aligned with the Programme Monitoring approach set out in this PBC) will be made available to members of WMCA leadership.

The WMCA will implement a dedicated team of four (including the creation of a new Apprentice), who's role it will be to oversee successful delivery of objectives under this grant agreement.

The newly established team will report into the existing SRO for Inclusive Communities. This team will also have dual responsibility for WMCA staffing of the Trailblazer Programme Funding which will be administered by the United By 2022 Legacy Charity (£5million), covered separately under its own Business Justification Case.

The newly established team is expected to be in place from Q3 2023 calendar year and will take over from the current Head of Legacy (Inclusive Communities), operating as an expert short-term contractor.

Subject to approval, the proposed roles would be funded from Summer 2023 until 31st March 2025 from the £10.5million Programme budget and would coincide with the Government deadline to spend all CWG Legacy Funding.

The specific Organogram is in section 5.3 on Page 25.

Change management arrangements (inc. reference to WMCA Change Process)

Regular review meetings with the project team will provide the opportunity to understand any operational issues and for any changes required in line with progress against project objectives, deliverables, milestones and contracts. A review of the risk register will give early notice of any potential forthcoming changes required. The Head of Inclusive Communities will have authority to approve changes within the project. Any change requests affecting the project will be sent to the WMCA's SAF inbox to ensure alignment with WMCA process. We would anticipate that the Director of Strategy, Integration and Net Zero would hold responsibility for sign off of change request with delegation up to £1m within WMCA Single Assurance Framework thresholds, as well as any grant agreement requirements from the funder (DCMS).

The WMCA Change Control request form has been reviewed as part of this PBC preparation. There are four core spend components for successful delivery as below. The figures presented below reflect the agreed budget allocation for each element, with Change Control requests required for any inter-element cost variations as set out in the authority limits table further below.

Cost Element	Budget
Community Grant Awards	9,000,000

Grant Administrator Fee (Contract Value) (8-10%)	800,000
Programme Evaluation (5%)	450,000
Core Staffing	150,000
	10,500,00

The following thresholds/tolerances for variation on project spend is set out as follows:

Threshold Limit	Change Procedure
£0-£10,000	Changes up to £10k within any quarterly period can be made by the Programme Strategic Lead on a BAU basis.
£10,000-£50,000	Changes from £10k to £50k within any quarterly period can be proposed by the Strategic Lead but require formal approval from the Departmental Head of Service. The Change Control form shall be completed for audit purposes, but will not be submitted to SAF as variance is below 10%.
£50,000-£1,000,000	Changes from £50k to £100k within any quarterly period can be proposed by the Strategic Lead and/or Head of Service but require formal approval from the Departmental Executive Director. The Change Control form shall be completed for audit purposes, but will not be submitted to SAF as variance is below 10%.
£1,000,000+	Proposed changes exceeding £1,000,000 will require a completed Change Control form to be submitted to SAF using the relevant mailbox as variance exceeds 10%.

5.2 PROGRAMME SCHEDULE FOR DELIVERY

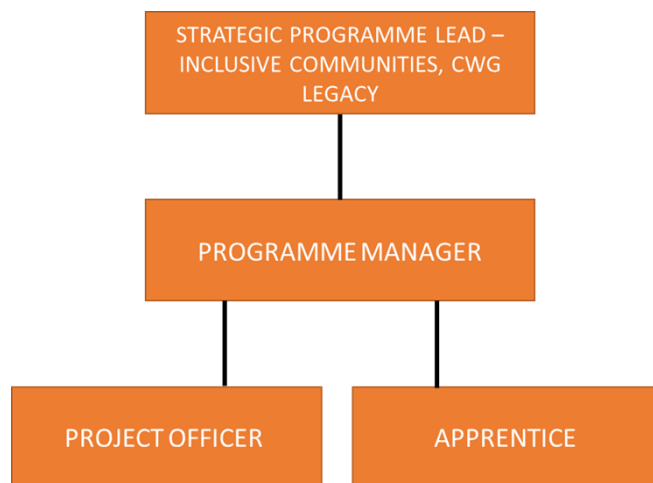
The diagram below sets out the topline Delivery Plan and timescales for this Programme. Further Programme specific milestones are provided within the Monitoring and Evaluation section of this PBC.



Table 11

#	Milestone	Start Date	End Date
1.	Consultation – Reference Groups and Community Engagement	April 1 st 2023	1 st September 2023
2.	Development – Grant Criteria and Tender Specification	April 1 st 2023	May 2023
3.	Public Launch – Open Tender Process for Delivery Organisations	September 2023	-
4.	Awarding of Funding to Grant Administrator/s	October 2023	-
5.	Public Launch – Distributor seeking Grant Applications	November 2023	December 2024
6.	Final Grants Awarded	December 2024	-
7.	End of Programme Evaluation	January 2025	March 2025

5.3 PROGRAMME TEAM ORGANOGRAM



The team structure set out in the Organigram will provide capacity across the breadth of the Community Grants Programme, including the Physical Activity, Health and Mental Wellbeing

£3million allocation. The team will be sighted within the SINZ Directorate under Inclusive Communities, but may have 'dotted' reporting lines into relative members of Physical Activity, Health and Mental Wellbeing Management/Leadership.

5.4 PROGRAMME DELIVERY ROLES AND RESPONSIBILITIES

<i>Table 12</i>							
	Executive Director SINZ	Head of Inclusive Communities	Head of Communities and Wellbeing	Strategic Lead	Programme Manager	Project Officer	Grant Administrator
Appointment of Grant Administrator	A	R	R	-	-	-	-
Consultation with sector specialist contributors	I	A	R	R	C	C	-
Consultation with community groups/stakeholders	I	A	C	R	C	C	R
Day to day monitoring of Grant Administrator performance	I	I	C	A	R	C	-
Financial management and budgetary oversight	A	R	R	R	R	C	R
Effective spend out of grants budget	-	-	-	-	-	-	R
Programme Evaluation	A	R		R	C	C	R
Physical Activity, Health and Mental Wellbeing specific matters	A	-	R	R	C	C	R

5.5 USE OF SPECIALIST ADVISERS

Within the WMCA, a specialist team of four has been identified to develop and implement the deployment of activities set out in this BJC. It is expected that this team will be required to support until at least 30th June 2023, and this has been costed in to the proposed cashflow.

A CWG Community Grants Reference Group (CWG CGRG) will provide expert knowledge and insight into suitable grant criteria and develop plans for the allocation and distribution of the funding. This will include:

- Supporting the WMCA CWG team to identify gaps in the existing regional funding landscape and establishing innovative approaches to addressing these gaps through the new Community Grant programme;
- Providing insight into existing grant processes and mechanisms to avoid duplication and ensure regional alignment;
- Supporting development of the communications strategy to engage suitable delivery organisations. This could include identification of specific organisations with the maturity and reputation to be credible grant administrators;

- Supporting the WMCA CWG team in the development of its public tender process for grant fund administrators;
- Ensuring that the necessary governance, due diligence, and assurance mechanisms are built into the WMCA's Grant Programme evaluation and monitoring plans to ensure appropriate use of public funds.

Support from Procurement and Legal has been sought to establish best practice and compliance with Subsidy Control legislation, alongside working closely with the Procurement team to devise a number of possible approaches. This and a Tender Specification can be found as appendices to support this section and document and they expand into the details of the plan, based on the work undertaken to date.

5.6 CHANGE AND CONTRACT MANAGEMENT ARRANGEMENTS

WMCA recognises that the scope for optimal change plans on this Programme are limited by the rigid timescales imposed by DCMS. This is noted as the primary programme risk in the section 1.4 risk Log.

The most considerable change that is a low probability but high impact risk for this Programme is substantial underperformance of the Grant Administrator, requiring a change to granting approach. It is unlikely, due to tight timescales, that the Administrator would be removed from operations entirely (provided no gross misconduct were identified). Instead, a supplementary Administrator may be added to increase delivery capacity and reach. The implementation of this change would require approval from the relevant Departmental Executive Director.

Responsibility for the Grant Administrator Contract Management will fall within the remit of the newly created Strategic Lead. This individual will monitor performance of the Administrator against pre-agreed priorities and delivery criteria.

Changes to Grant Programme Principles (transparency and fairness, inclusivity, community led) will not be permitted through the course of delivery. WMCA considers these principles to be broad enough to not be restrictive to the achievement of operational objectives.

Changes to Grant award principles, may, at the discretion of the Head of Inclusive Communities be imposed, provided they are in line with Board level approvals (e.g., Board has mandated a £3million spend of Physical Activity, Health, and Mental Wellbeing). Such changes might include specific targets relating to geographic spread of funding allocations, or the amount of funding supporting priority groups. As above, alignment with core Fund principles will be required through delivery.

5.7 RISK AND ISSUE MANAGEMENT

A risk register will be maintained through delivery of this Programme. A template version of the proposed risk register is included as an appendix item to this PBC.

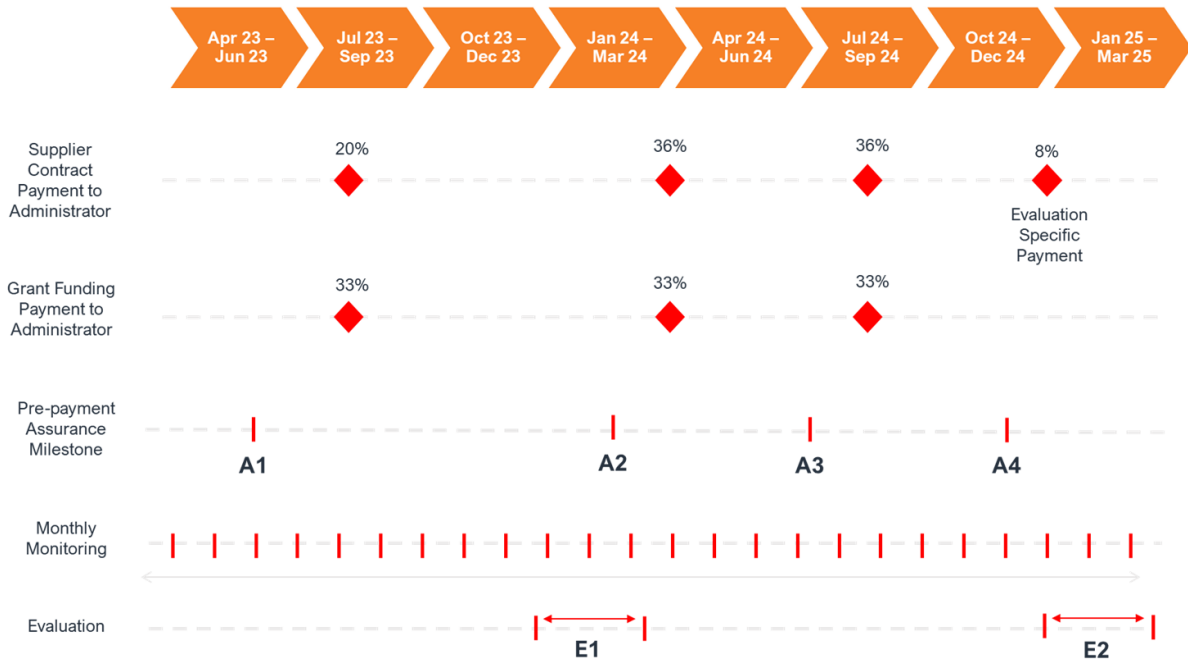
Risks that have significant Financial and or Reputational consideration for WMCA will be prioritised. Where appropriate and as recommended by the Department Executive Director, risk reporting will be provided to the WMCA Board.

Day to day risk management will be the responsibility of the Programme Strategic Lead, with oversight from the Head of Inclusive Communities.

5.8 PROGRAMME ASSURANCE

There is an expectation from DMCS that Legacy Fund (£70million) wide assurance checkpoints will need to be satisfied. This Programme will contribute and feed into any top-level commitments as required.

The diagram below sets out key project assurance milestones in respect of financial and evaluation gateways.



Delivery and Evaluation

The end-to-end delivery timeline for this programme is fixed and runs between April 2023 and March 2025. A period of implementation/set-up time is expected to run between present and September 2023 whilst an Administrator is fairly appointed and suitable communications strategies put in place. Delivery work will cease in December 2024, to enable a robust end of programme Evaluation to take place in Q1 of the 2025 calendar year. A mid-way Evaluation review will also be required in Q1 of the 2024 calendar year; this will identify and emerging gaps in programme delivery and will also provide WMCA with evidence of outcomes which can be fed into relevant comms strategies. The Administrator will be required to demonstrate their commitment to Evaluation and Monitoring at tender stage.

Performance Assurance (including reference to payments)

Payments for the programme will be issued to the Grant Administrator in advance and in line with the payment schedule outlined in the diagram above. Because payments are to be made on a pre-payment rather than accruals basis, the process for financial and delivery assurance is more rigorous to minimise project risks for WMCA.

One month in advance of each agreed payment date, the Grant Administrator will complete a performance report template. This template will be required to confirm the following details;

- Financial variance analysis: demonstration of actual spend within the period, compared to the budget/spend profile as articulated at tender stage;
- Summary on delivery of key objectives/outcomes: aligning with the financial variance analysis, a written summary of achievements agreed milestones for the period per details provided at tender stage;
- Identification of any missed or postponed milestones: as at the pre-payment assurance milestone the Grant Administrator will provide details of any delays, postponements or cancellations to key milestones in line with tender documentation. Where milestone activities are not met within the payment period, the Administrator will provide business justification and a proposed solution in line with one of the following three options:

	Milestone Update	Suitable Business Justification provided	Action Required
1	Delayed/Postponed	Yes	Milestone activity and associated funding will be ported into following Payment period.
2		No	Funds for undelivered activity will be deducted from next payment amount. Unspent funds will be held in contingency by WMCA.
3	Cancelled	Yes	Where an activity or milestone has been cancelled, and a suitable alternative cost incurring activity is proposed within the Business Justification, mechanism (1) of this table will be implemented.
4		No	Funds for undelivered activity will be deducted from next payment amount. Unspent funds will be held in contingency by WMCA.

Figure 1, milestone payment assurance framework

Governance

WMCA will, under the supplier contract with the Administrator, reserve the right to request attendance and presentations from Executive/Board representatives at relevant WMCA governance fora.

Monthly meeting between the Administrator senior representative and relevant WMCA counterpart will be required. Pro-active identification of any delivery challenges will be expected and monitored via these check in meetings in advance of required variance analysis (as above).

5.9 CONTINGENCY ARRANGEMENTS

WMCA will hold a small proportion of its allocated grant funding as operational contingency. This should, in discussion with the relevant WMCA contract manager, enable WMCA and the Grant Administrator to respond to minor workplan changes, including delays and disruptions.

WMCA recognises that the scope for optimal contingency plans on this Programme are limited by the rigid timescales imposed by DCMS. This is noted as the primary programme risk in the section 1.4 risk Log.

Robust financial, milestone and evaluation plans will be implemented to facilitate prompt identification of issues during delivery. WMCA will implement a four-person contract management team responsible for day-to-day monitoring of issues. Where identified, the WMCA team will support the Administrator in considering suitable mitigating actions, for example recruitment of additional members of staff or adaptation of milestone outcomes.

Most significantly and in the absence of all other options, where systematic delay or disruption to delivery is identified as a result of performance by the Grant Administrator which puts the ability to complete full draw down of the allocated budget, WMCA may seek to appoint a second Administrator to increase delivery capacity; any payment due to the Administrator(s) would reflect this change in responsibility. Where this is not deemed feasible, WMCA may consider re-allocation of funds to a different strand of the Inclusive Communities pillar (e.g., the Legacy Trailblazer Programme) or Physical Activity, Health and Mental Wellbeing portfolio (where related to the £3million Board mandated spend in this area). This decision would be by exception and the responsibility of the relevant Departmental Executive Director and would likely require Board level approval.

5.10 LESSONS LEARNT

This proposal has been developed through discussions and engagement with internal WMCA colleagues, including those responsible for management of:

- Community Renewal Fund
- United Kingdom Shared Prosperity Funded Programmes
- Multiply Programme
- Community Green Grants Fund (in partnership with the Heart of England Community Foundation)

Existing documentation, including critical success factors and staff reflections, have been used to influence the shaping of this scheme.

Specific points of note shared through this process include:

- Having external individuals in decision making processes is beneficial. For example, The Community Green Grants Fund has at its heart a Grants Assessments Panel, whose members include representatives of both the Heart of England Community Foundation and the WMCA, as well as several external individuals' part of its membership and this therefore brings not only experience to the table, but fresh and unbiased perspectives. This has been reflected in the implementation of a mandatory Community Stakeholder Panel to support in a participative grant making process.
- The size of funding being given means processes and procedures should be expedited. Experienced colleagues identified the tightness of timescales for this Programme. Decisions supporting improvements in timescales (e.g., Procurement related decisions) should be sought and prioritised wherever possible.
- Tailored use of existing written documentation and paperwork (e.g., existing Grant Administrator contracts) has been encouraged. A significant number of resources

have been shared, useful in developing forms for tendering, grant application forms and grant criteria.

There is consensus that appointment of an appropriate Administrator, as opposed to in-house delivery, for a Programme of this value, will create improved time and delivery efficiencies. This is reflective in the Options Appraisal section of this PBC. Outsourced delivery will have a significant positive impact on ongoing resource drain of Central Function staff, above and beyond what has been forecast across the CWG Fund wide portfolio.

To support the above listed procedures and approach, a Lessons Learned Log (see appendix) has been created and will be maintained throughout the lifetime of the programme by the appointed WMCA team. This will align with the wider programme management plan for the team to monitor risk, benefits realisation, financial spend – real time learnings from these operational tasks will be immediately reflected in the Lessons Learnt log on a monthly basis, and where relevant will be cascaded to the wider Directorate and organisation via the Business Improvement team.

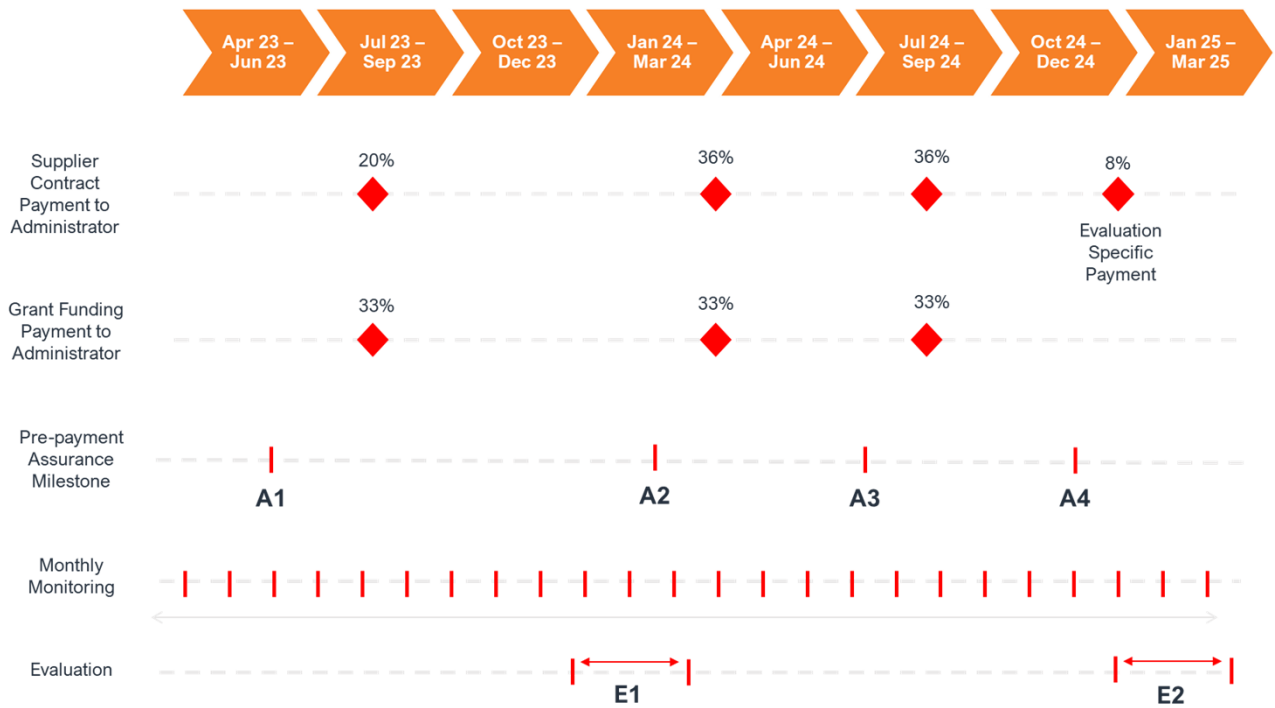
As recommended by the Community Grants Reference Group, regional Learning Events will take place within communities across the West Midlands throughout the delivery of the programme. Responsibility for delivery of these events will fall under the remit of the appointed grant administrator and will drive forwards a clear understanding of what people and places both want from the fund and promote reflection on the success and improvement points on the fund roll out.

5.11 MONITORING AND EVALUATION

Programme Monitoring

The remittance basis proposed for this fund is 6-monthly upfront cash payments to the appointed Grant Administrator. Therefore, robust monitoring for this Programme is critical to ensure effective use of public monies, paid in advance and with significant public scrutiny. The selected Grant Administrator will be required to identify a lead Senior Executive who will be the most senior officer responsible for delivery of outcomes within the Administrator and will be accountable for Programme Monitoring to the WMCA Head of Inclusive Communities.

The diagram below sets out the proposed payment profile and associated monitoring process that will be implemented to ensure effective Programme delivery by the Grant Administrator(s).



1. Supplier Contract Payment to Administrator

The supply of services component of funding will be distributed to the selected Administrator ('the Supplier') in line with standard Procurement and Contract Management practices. The diagram above proposed four milestone payments:

- 20% payment upfront;
- 36% payment at the beginning of Q2 (calendar) 2024 following suitable satisfaction of a mid-way Evaluation period, Assurance milestone 1 and 2, and satisfactory monthly reporting;
- 36% payment in Q3 (calendar) 2024 following suitable Assurance milestone 3, and satisfactory monthly reporting;
- 8% payment to cover robust end of Programme Evaluation costs (NB WMCA reserves the right to instruct an Evaluator via direct contract. In this case, this final payment would not be due to the Administrator. It is however envisaged that the Administrator will be responsible for sourcing a suitable independent Evaluator under their contract with WMCA and thus this payment milestone has been included in the above diagram).

2. Grant Funding Payment to Administrator

Payment of Grant Funds ultimately to be paid out to successful applicants are also proposed to made on an upfront pre-payment basis. This is to eliminate WMCA driven bottlenecks in distribution of funds and to mitigate against the existing known risk of a short delivery window. Three even payments are proposed. Variation in actual spend by the Grant Administrator may result in changes to the payment plan. Evidence of financial records would be required from the Administrator were a funding advance to be under consideration.

3. Prepayment Assurance Milestone

The Grant Administrator will be required to satisfy a formal assurance gateway prior to each payment date. This process is further detailed under the Assurance section of this PBC.

4. Monthly updates via Dashboard and Verbally

The Grant Administrator's Project Lead will attend monthly meetings between the with the Head of Inclusive Communities, or a suitably senior proxy as reasonably required.

In addition to monthly verbal updates, formal budgetary reporting and associated variance analysis will be due from the Administrator once a month, in advance of each upcoming payment milestone (as captured in the diagram above). Budgetary reporting will be completed using the provided WMCA monitoring template, which is included in this PBC's appendix.

Monthly updates will include specific reference to the following:

- Variance of projected financial actuals versus budget – the Grant Administrator will be expected to pre-emptively identify any significant (defined as more than 10%) budget variations for each payment period. Note that where WMCA is not pre-emptively advised of budget variances within payment period, and a subsequent significant variance is identified at relevant assurance checkpoints, WMCA may implement a formal performance review and increase its monitoring procedures accordingly (e.g., monthly verbal reporting may be required at increased frequency, for example weekly). Further details on the consequences of underperformance of monitoring requirements by the Delivery Agent are captured in section Assurance).
- Projected spend for upcoming payment period – the Delivery Agent should identify any projected amendments to the proposed grant budget forecast.

Programme Evaluation

Evaluation will consist of a Programme specific Evaluation, whilst also contributing to a Commonwealth Legacy Fund overarching Evaluation managed centrally for the total £70million WMCA held budget.

Of the £10.5 Million Programme budget, approximately £9million is anticipated to be awarded in Community Grants (accounting for contributions to staffing, Evaluation, Communications etc.). Approximately 7% of this budget has been allocated to fund a Programme specific Evaluation, following expert advice from the Programme Reference Group. This budget may include core staffing and commissioning of expert Evaluator/s for intense Evaluation periods and is consistent with details provided in the Financial Case of this PBC

Responsibility for the Programme specific Evaluation will be devolved to the Grant Administrator(s) reflected as a contractual commitment within the final Contract Award. The Grant Administrator(s) will be required to complete two periods of Evaluation, as set out in the diagram above.

To oversee effective delivery of Evaluation through the Programme lifetime (and not limited to point in time assessment), the WMCA Programme Strategic Lead will be responsible for day-to-day promotion of Evaluation activity, supporting processes to ensure that relevant evidence and data are captured pre-emptively and in real-time, as core inputs to the Evaluation periods. The Lead will also work with internal WMCA Evaluation experts to implement best practice and pre-emptively identify any arising risks. This is consistent with the successful approach implemented by the Commonwealth Games Evaluation between 2021-2022.

MANDATORY APPENDICES REQUIRED FOR THIS PBC

The following documents must be appended to this PBC:

APPENDIX	PROVIDED (Y/N)
Benefits Realisation Plan and Benefits Register	Y
Risk Management Strategy	Y
Communications Strategy	Y
Risk Register and Issue Log	Y
Stakeholder and Communications Strategy	Y
Programme Schedule	Y
Change Management Strategy	Y
If Investment Programme, Project Delivery Plan on a Page (POAP)	NA
If CRSTS, DfT Additional Appendix	NA
Confirmed funding details	NA
Grants Eligibility Criteria	Y
Procurement Timeline	Y
Reference Group Terms of Reference	Y
Lessons Learnt Log	Y