



Name of meeting: Audit, Risk & Assurance Committee

Meeting date: 03 February 2025

Report title: Assurance Performance Report – Q2 2024/25
(Jul-Sep 2024)

Responsible Director: Linda Horne, Executive Director of Finance & Business Hub
Email: Linda.Horne@wmca.org.uk

Report author: Joti Sharma, Head of Programme Assurance & Appraisal
Email: Joti.Sharma@wmca.org.uk

Key Decision? No

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Recommendations

The Audit, Risk and Assurance Committee is asked to:

(1) Note the contents of the report which has been considered by WMCA's Executive Board.

Voting Requirements

A simple majority of the members appointed by the constituent councils, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendations/proposition for it to become a decision of the board.

1. Executive Summary

- 1.1 The report provides reassurance that the WMCA continues to support embedding the Single Assurance Framework (SAF) arrangements at WMCA (this is to support an increase in project management capability within the organisation).
- 1.2 This report details thematic programme assurance information from WMCA projects that have been assured through the Single Assurance Framework (SAF) – this applies to projects funded through devolved investment funds only. This report will help demonstrate that projects are being delivered and are demonstrating compliance to devolved assurance arrangement standards as requested by Central Government.

2. Matters for Consideration

2.1 N/A

3. What options have been considered and what is the evidence telling us about them?

3.1 N/A

4. Reasons for recommending preferred option

4.1 N/A

5. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	n/a
Promote inclusive economic growth in every corner of the region	n/a
Ensure everyone has the opportunity to benefit	n/a
Connect our communities by delivering transport and unlocking housing and regeneration schemes	n/a
Reduce carbon emissions to net zero and enhance the environment	n/a
Secure new powers and resources from central government	n/a
Develop our organisation and our role as a good regional partner	n/a

6. Consultation and Scrutiny:

6.1 Executive Board

7. Financial implications:

7.1 N/A

8. Legal implications:

8.1 This report will provide the Audit, Risk and Assurance Committee with assurance that it is fulfilling its functions as set out in WMCA Single Assurance Framework which is a mandated Mayoral Combined Authority requirement when utilising devolved public funding to deliver major investment projects and programmes.

9. Implications:

Programme Assurance and Appraisal Implications:

9.1.1 The table below summarises Programme Assurance and Appraisal Team activity between **Oct 2023 - Sep 2024** It demonstrates SAF engagement and compliance across all WMCA Directorates and an overall continued increase in activity over time.

REPORTING PERIOD	DIRECTORATE/ EXTERNAL ORG.	Business Case Assessment (BCAT)	Health Checks	Risk & Investment Appraisal	Change Requests
Oct – Dec 2023	TfW/M	6	1	6	10

(Q3)	Strategy, Economy & Net Zero (SENZ)	3	0	4	0
	Economy, Skills, Health & Communities (ESHC)	1	1	0	2
	Housing, Property & Regeneration (HPR)	1	0	1	2
	Investment Programme	1	0	1	2
Q3 TOTAL		12	2	12	16
Jan - Mar 2024 (Q4)	TfWM	9	1	6	8
	Strategy, Economy & Net Zero (SENZ)	8	0	5	3
	Economy, Skills, Health & Communities (ESHC)	0	1	1	0
	Housing, Property & Regeneration (HPR)	4	0	4	1
	Investment Programme	0	0	0	3
Q4 TOTAL		21	2	17	15
Apr - Jun 2024 (Q1)	TfWM	5	0	3	6
	Strategy, Economy & Net Zero (SENZ)	6	0	7	1
	Economy, Skills, Health & Communities (ESHC)	1	0	1	1
	Housing, Property & Regeneration (HPR)	5	0	5	0
	Investment Programme	0	0	0	2
Q1 TOTAL		17	0	17	10
Jul - Sep 2024 (Q2)	TfWM	6	0	7	8
	Strategy, Economy & Net Zero (SENZ)	5*	1	4	1
	Economy, Skills, Health & Communities (ESHC)	1	1	0	0
	Housing, Property & Regeneration (HPR)	3	0	2	1
	Investment Programme	0	0	0	1
Q2 TOTAL		15	2	13	11

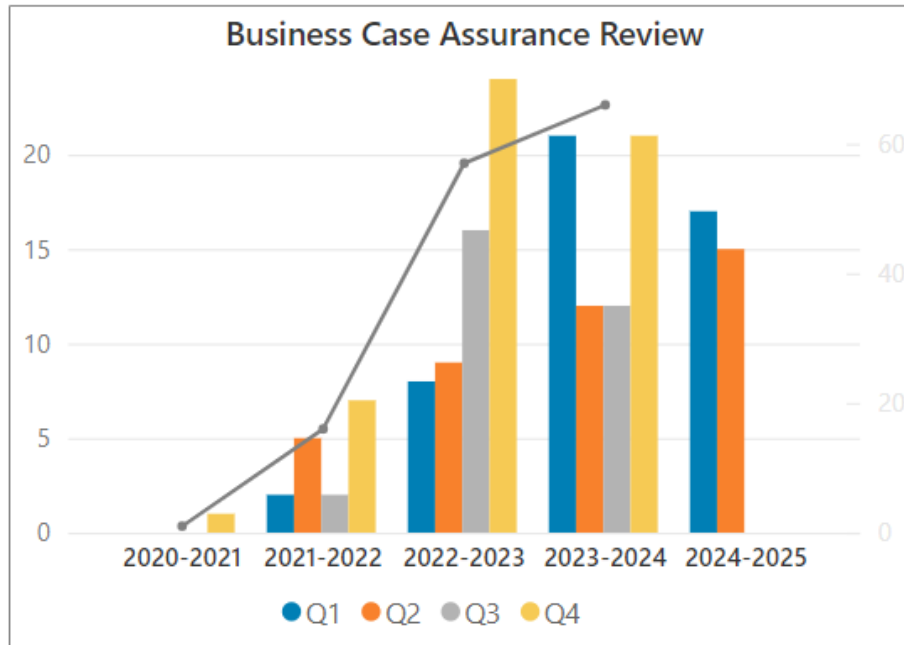
* Two of these reviews were compressed Programme Assurance and Appraisal reviews

9.1.2 High Level SAF Trend Observations

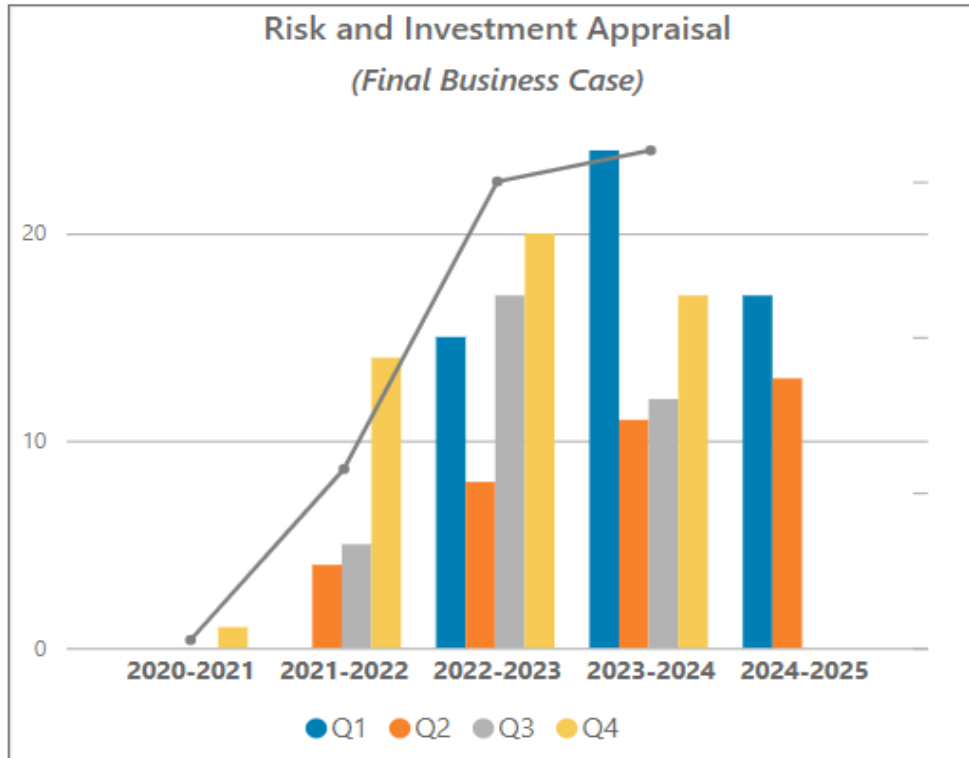
9.1.3 Whilst the number of Business Case Assurance Reviews (BCATs) completed in this reporting period (Q2) decreased by **12%** compared to the previous quarter (Q1), the general direction of travel in terms of business case review activity is increasing. The total number of assurance reviews completed in Q2 2024-2025 has increased by **25%** compared to the assurance reviews completed in Q2 2023-2024 (*refer to chart below*).

9.1.4 During this period two compressed Programme Assurance and Appraisal reviews were conducted on draft business cases from the SENZ Directorate. This proportionate approach was agreed due to the low value/low risk of each business case/project (both business cases were valued at £250k or less).

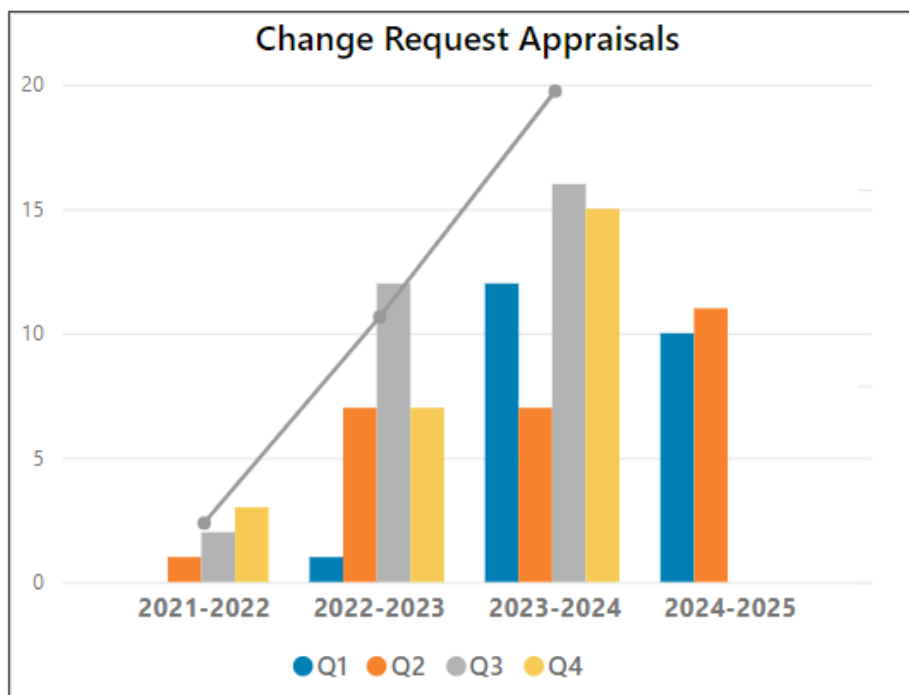
For the financial year to date this compressed approach has been adopted to review a total of seven business cases. This is used in exceptional circumstances when risk exposures are reduced. The reviews continued to be independent assessments undertaken by the Programme Assurance & Appraisal team and is a permissible approach in the WMCA SAF Framework.



- 9.1.5 Assurance reviews of draft business cases, and the subsequent improvement activity undertaken by project leads, continues to drive improvements to the maturity of business cases and helps to drive organisation-wide improvements to processes and controls. Any improvement recommendations not addressed by project leads following assurance reviews form part of the Programme Risk & Investment Appraisal assessment of ongoing project/programme risks.
- 9.1.6 The number of Risk & Investment Appraisals undertaken by the team in this reporting period (Q2) decreased by 24% (13) compared to the previous quarter (Q1). Yet, the total number of Risk & Investment Appraisals undertaken by the team in Q1 2024-2025 has increased by 18% when compared to those undertaken in Q2 2023-2024(refer to chart below).



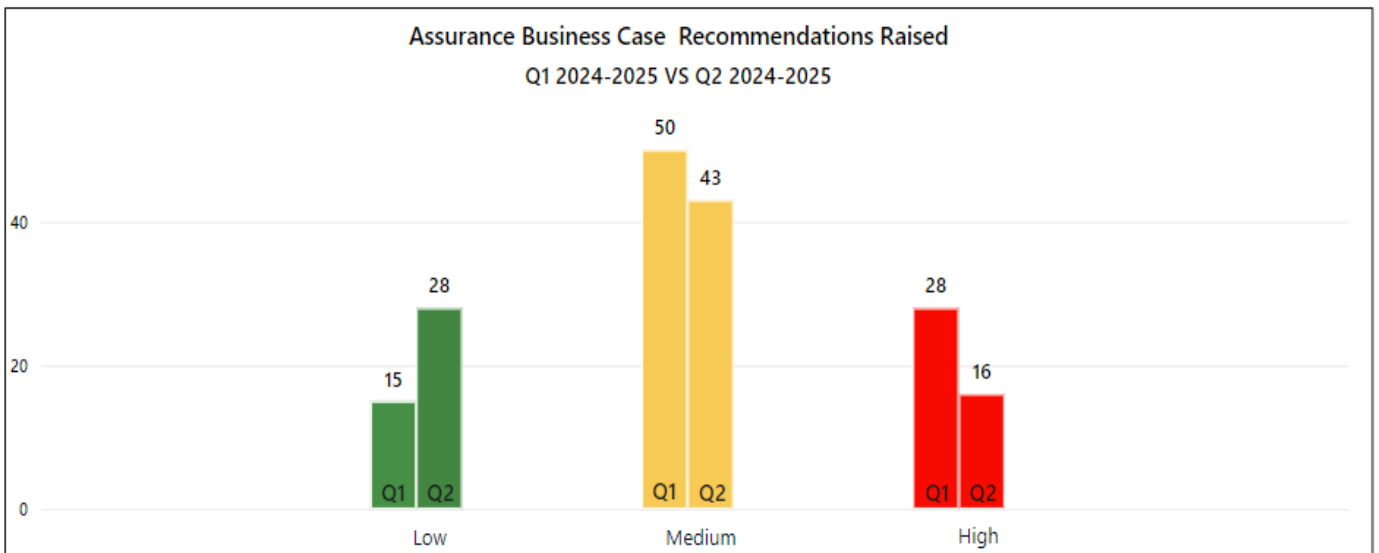
9.1.7 The number of Change Requests undergoing formal independent Risk & Investment Appraisal completed in this reporting period (Q2) increased by **10%** compared to the previous quarter (Q1). In addition, the total number of change requests received in Q2 2024-2025 has increased by **57%** compared to the change requests received in Q2 2023-2024 (refer to chart below).



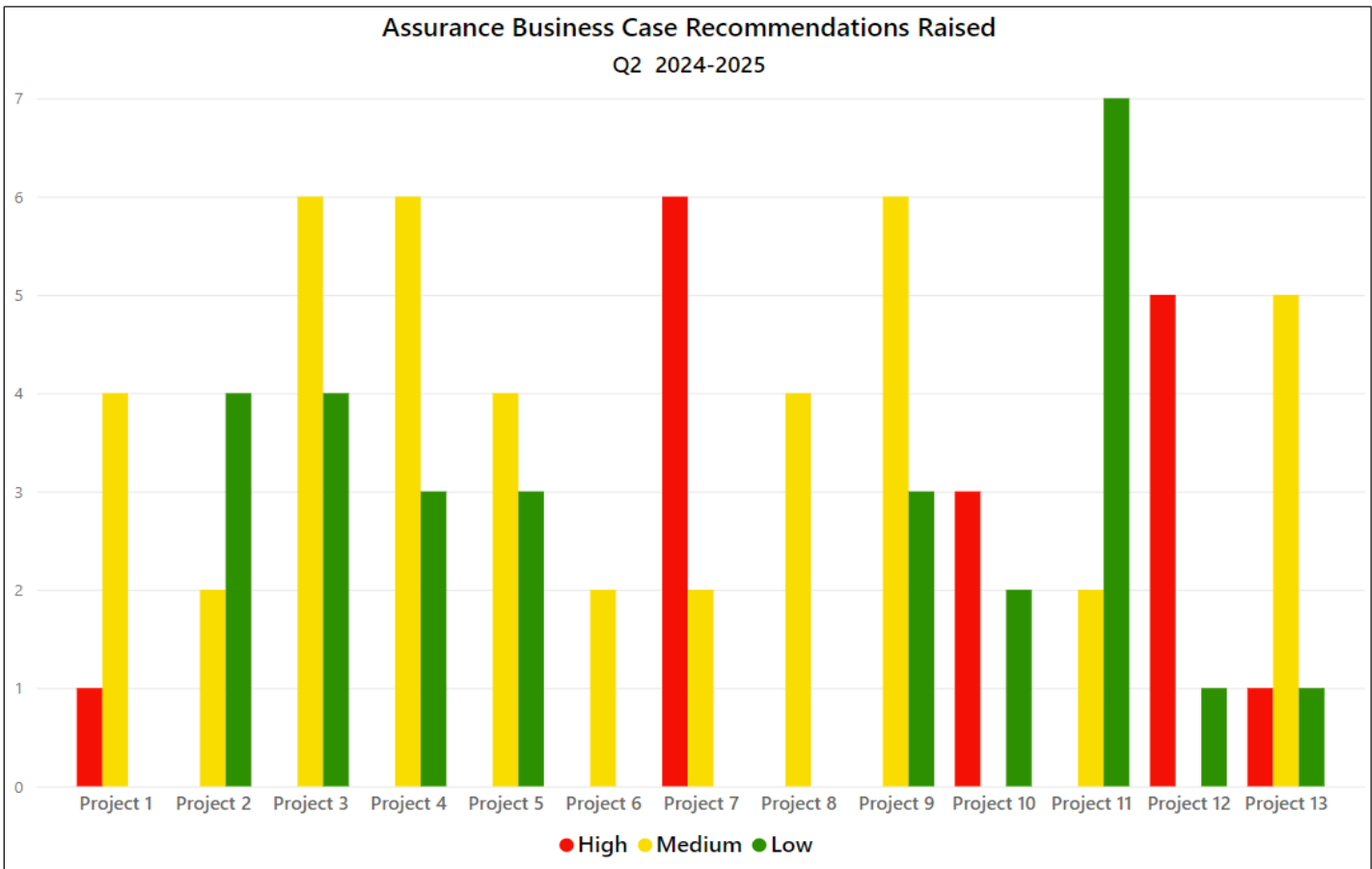
9.1.8 Business Case Maturity Assessments/Reviews (BCAT) & Assurance Performance Analytical Insights

9.1.9 A total of **15** Business Cases were assessed in the reporting period, **2** of these were joint Assurance and Appraisal assessments, undertaken on low risk/low value business cases to provide a proportionate approach and meet SAF requirements. A total of **16** high priority recommendations were raised.

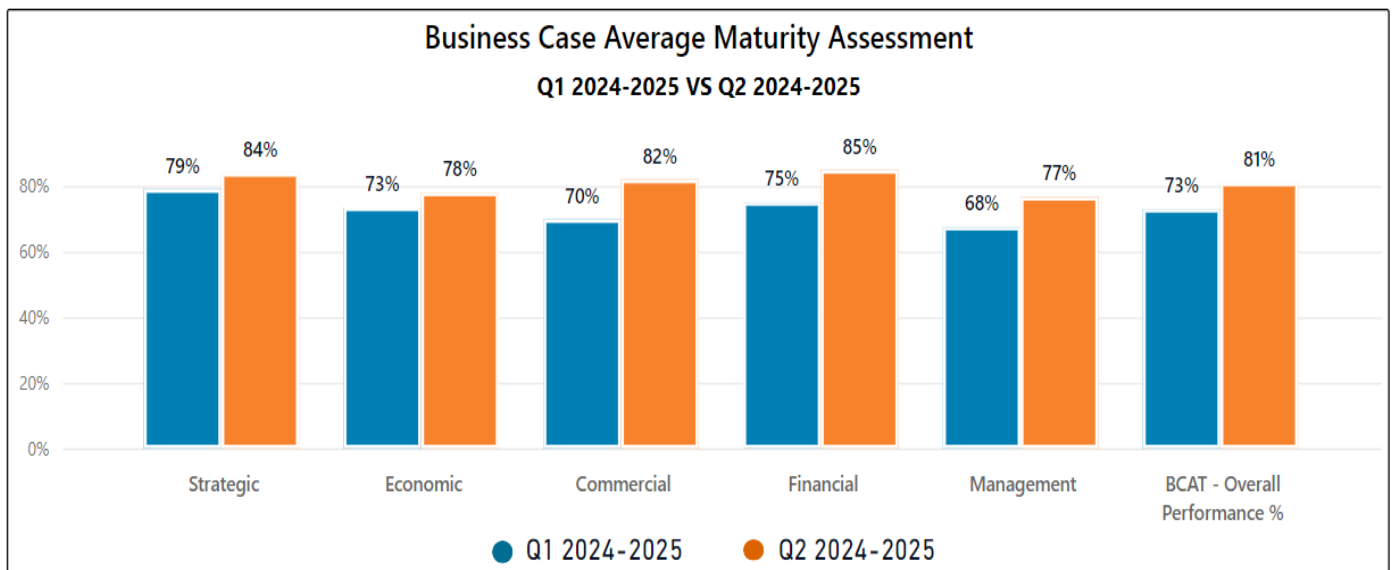
9.1.10 The following graph provides a comparison of total recommendations raised for the current and previous quarters (Q2 Jul-Sep vs Q1 Apr-Jun). It is encouraging to note the total number of medium and high priority recommendations raised has dropped since the previous quarter, reflecting the increase in overall business case maturity across all five dimensions since the previous quarter.



9.1.11 The graph below provides a detailed overview by project, of the number and priority of recommendations raised following assurance reviews during Q2. As a reminder, recommendations are raised on draft business cases submitted to the Programme Assurance & Appraisal Team and it is expected that these will be addressed prior to the business case progressing to Risk & Investment Appraisal and Approval. Any recommendations that have not been addressed prior to approval will be highlighted as a risk to inform the decision-making process. The graph demonstrates the general trend, since the previous quarter, of improved business case maturity and fewer high and medium priority recommendations.

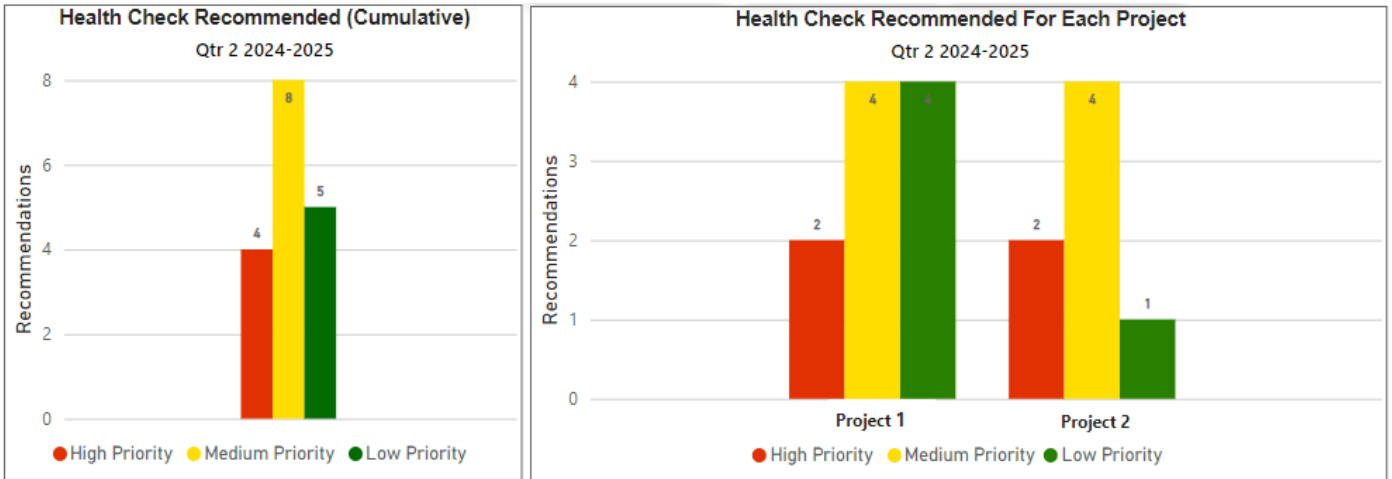


(a) The following chart compares business case maturity across each of the five dimensions for the current and previous quarters (Q2 & Q1). It is encouraging to note an improvement in maturity across all business case dimensions.



9.1.12 Project & Programme Health Check Reviews

- (a) Two Programme Health Checks were completed during Q2 (Jul- Sep) with a total of 20 recommendations for improvement raised.
- (b) Follow-up activity will be scheduled with Programme leads at an appropriate time in the future to review progress made with these recommendations. This follow-up activity provides an opportunity for escalation, where appropriate, if expected progress and improvement has not been evidenced.



- (c) The table below details each Health Check assessment across each of its eleven themes. Finance, Performance and Risk Management are the themes providing the greatest opportunity for improvement. Detailed Health Check reports have been shared with relevant enabling services leads to help ensure organisation-wide learning and improvement can be implemented, where appropriate.

RAG Rating
Qtr 2 2024-2025

Project	Client & Scope	Finance	Governance	Organisation Capability & Culture	Performance	Planning & Scheduling	Risks	Social Responsibility & Sustainability	Solution	Stakeholder Engagement & Communication	Supply Chain	Overall Rating
Project 1	Green/Amber	Amber	Green/Amber	Green	Amber	Green/Amber	Amber	Green	Green	Green	Green	Green/Amber
Project 2	Green	Amber	Green/Amber	Green/Amber	Amber	Green	Green/Amber	Green/Amber	Green/Amber	Green/Amber	Amber	Green/Amber

9.1.13 Risk & Investment Appraisal Reviews

9.1.14 A total of **13** Risk & Investment Appraisals were completed by the Appraisal team during the period, in comparison to the **16** undertaken in the last reporting period. A summary of the funding sources of the business cases reviewed is detailed in the table below:

Funding Source	Business Cases Appraised
Active Travel Fund 4	2
Brownfield Housing Fund	2
City Region Sustainable Transport Settlement (CRSTS)	4

MHCLG	2
Revenue, DfT, DBT, ERTICO, ITS UK	1
Innovate UK	2
Total	13

9.1.15 Change Request Reviews

9.1.16 A total of **11** Change Request appraisals were processed by the Programme Risk & Investment Appraisal team during the period. The change trends remain stable, the main driver for types of change this quarter is evenly distributed across the three areas. This is considerably different from the previous quarter where schedule and predominantly time extensions was the main driver.

9.1.17 The impact of the City Regional Sustainable Transport Settlement (CRSTS) rebasing activity, is still evident in the transport changes where 7 of the 8 contain schedule extensions.

9.1.18 A summary of these changes is detailed in the table below:

Funding Source	Change Requests Appraised
City Region Sustainable Transport Settlement (CRSTS)	5
Brownfield Infrastructure Land Fund	1
Investment Programme	2
Other	2
UKSPF	1

Change Request Type	Change Requests by Type (NB some changes fall into multiple change types)
Scope (Objective Changes)	8
Value (Cost)	8
Schedule (Time)	8

Change Request Root Cause	Change Requests by Root Cause (NB some changes fall into multiple root causes)
Governance	0
Economic	2
Financial	1
Opportunity	3
Operations	0
Delivery	4
Reputational	1

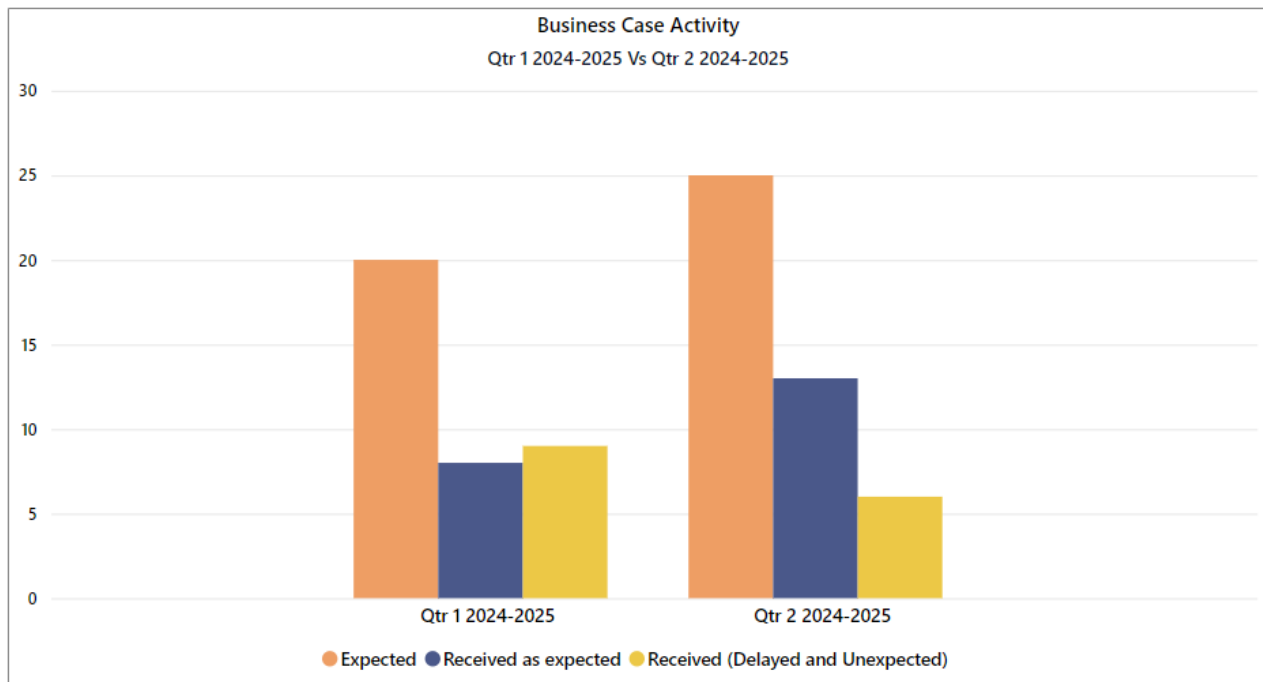
Change Requests Appraised		Time	Cost	Scope
Q3 – Oct- Dec 2023	16	11	12	8
Q4 – Jan – Mar 2024	15	6	9	8
Q1- Apr-Jun 2024	10	4	5	9
Q2 Jul-Sep 2024	11	8	8	8

9.1.19 Business Case Submission Trends & Themes Identified

(a) The overall business case submissions through WMCA Single Assurance Framework in Q2 (Jul-Sep) was **19** compared to 17 in Q1 (Apr-Jun) which is encouraging to demonstrate compliance and that these projects are developing plans for delivery. The breakdown of the business cases submitted this quarter is in the table and chart below:

Status	Number of business cases
Received as expected (in the quarter)	13
Received delayed (from the previous quarters)	1
Received Unexpectedly	5
Total	19

(b) However, the data also demonstrated that the number of Business Cases received of the expected (25) is **48%** (**12** received in the quarter) indicating that project planning in some areas is less mature. Five of the expected business cases were withdrawn, 2 of which were withdrawn after going through the PAA process and 3 were withdrawn before submission to the PAA.



9.1.20 Report Summary SAF Activity in Q2 2024

- The report continues to provide a strong evidence base that the WMCA Single Assurance Framework is embedded within the organisation and is supporting the Combined Authority to gain greater confidence in project delivery plans.
- Although there is some decrease in % terms in the number of assurance and appraisal reviews in this period in comparison to the previous quarter, the number is not that significant and the summer period could have had an impact too.

- c. Encouragingly, the business case maturity levels have seen a considerable increase in maturity against all dimensions. This can be attributed to the fact that the Programme Assurance & Appraisal team have introduced a partnering approach to delivery teams to utilise the team as a sounding board to construct business cases. The PAA team is also actively connecting with Local Authority delivery teams.
- d. To further strengthen support provided to all Delivery Teams internally and externally several workshops have been held with Local Authority partners to promote a better understanding of the Single Assurance Framework. In addition, Business Case Guidance material and training materials have also been improved and shared with all teams.

9.2 Procurement Implications:

9.3 N/A

9.4 Equality Implications:

9.5 N/A

9.6 Equality Implications:

9.7 N/A

9.8 Inclusive Growth Implications:

9.9 N/A

10. Risk implications, including Risk Appetite:

10.1 N/A

11. Local Authority Impact:

11.1 N/A

12. List of appendices referred to:

12.1 N/A

13. Background papers used to compile this report:

13.1 N/A

14. List of Other Relevant Documents

14.1 N/A