



West Midlands
Combined Authority

Audit, Risk & Assurance Committee

Date	18 January 2021
Report title	Programme & Project Management Framework Update
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Report to been considered by	Audit, Risk & Assurance Committee

Recommendation(s) for action or decision:

The Audit, Risk & Assurance Committee is recommended to:

- (1) Note the work that has been undertaken to date on delivering a consistent Programme & Project Management Framework and against the recommendations contained within the Internal Audit Report in May 2020.
- (2) Note the next steps of the Single Assurance Framework implementation and delivery.

1. Purpose

1.1 The purpose of this report is to:

- Provide an update on the progress made towards meeting the recommendations and how improvements are delivered through the Single Assurance Framework
- Provide an overview to ARAC of the route map for delivering the regular Assurance Update Report and trend analysis.

2. Single Assurance Framework Implementation and Progress against audit actions

2.1 In May 2020 the Programme & Project Management Framework Audit report provided ARAC with 3 amber recommendations together with agreed audit actions to deliver improvements. The majority of actions would be delivered through the Single Assurance Framework, which was approved by WMCA Board in July 2020, and implementation of the first tranche has provided a number of tools and processes to deliver an organisational wide Project Management Framework.

2.2 There are broadly three areas within a project lifecycle that are supported by the new assurance Framework – Initiation, Development and Approvals. The new Approvals stage went live in September 2020 with the Investment Panel; any proposal/Business Case that requires Investment Board/WMCA Board approval will first be considered at the Investment Panel. The Panel has 4 WMCA panel members who review and make observations on the business case/proposal against HMTs 5-case dimensions (strategic/economic/commercial/financial and management), plus representatives from each constituent Council and each LEP and is Chaired by the Finance Director from Dudley Metropolitan BC.

2.3 Following the Investment Panel an Output Report is produced for each business case/proposal. This outlines the observations from WMCA Panel members against the 5 dimensions, the fit against strategic objectives (the 'Golden Thread'), the contribution or consideration of WMCA Major Policy Framework and any additional recommendations or observations. This is shared with the project sponsor to make any amendments before submission to Investment/WMCA Board and is part of the package of papers to Investment Board, alongside the Assurance Observations report and Risk & Investment appraisal.

2.4 Development - significant engagement took place across WMCA, led by the Strategic Hub, with SMEs and SLT to develop a suite of business cases that adhered to key principles requiring that they were based around HMT's 5 case model, reflective of Green Book standards, demonstrated the Golden Thread and would drive Inclusive Growth considerations. The Business Case templates provide consistent content that produces the evidence and detail for BCAT and Risk & Investment appraisal and is in a 'Board Friendly' format to support approval considerations.

2.5 The following documents have now been produced and are ready to roll-out:

- Funding Initiation Document (FID)
- Strategic Outline Case suite of documents (Board Friendly/ Context Appendices/ Guidance)
- Outline Business Case suite of documents (Board Friendly/ Context Appendices/ Guidance)
- Full Business Case suite of documents (Board Friendly/ Context Appendices/ Guidance)
- Business Justification Case + Guidance

- Draft Case Paper (for Fund Managed items)

Communication and cascade of the new documentation across WMCA and external stakeholders has already commenced and there will be a 6 month review following the Mayoral election and checks against the new Green Book.

2.6 To support better business cases there have been new products developed, these will be fully implemented in early 2021 to deliver compliance with the Assurance Framework:

- Assurance Observations Report provides a maturity assessment of a business case and 'red flag' any areas of concern
- Risk & Investment Appraisal – this is designed to provide 'out of directorate/sponsor' analysis of key elements of the business case/proposal and will be undertaken for any project in excess of £1m

In the interim, whilst these tools were being developed and tested, the Strategic Hub undertook desk-based appraisals of the business case and worked with project delivery teams to ensure finance and legal were engaged and supportive of the development and these were presented at the Investment Panel.

2.7 The final element of tranche 1 of the SAF implementation will be launching the Initiation Stage in March/April which is linked with the Annual Plan process. This will involve each Directorate having pipeline meetings and getting early Finance/Legal/Strategic Hub and Inclusive Growth engagement. Ownership and accountability for projects will remain with the Directorate.

2.8 To summarise, in addition to delivering an enhanced Single Assurance Framework, tranche 1 also provides:

- Consistent Project Initiation Process driven by Directorates
- Consistent Project Development Process with WMCA Minimum Standards
- Thematic Board political oversight and purposeful core roles
- Financial Delegations appropriate to support effective decision-making
- Directorate accountability for quality and content of projects being developed
- Investment Panel to replace IAG
- Enhanced focused role and terms of reference for Investment Board
- Enhanced Assurance offer from Strategic Hub
- Creation of WMCA Activity Register and supporting Portfolio Pipelines

3. Focus on Appraisal and Assurance Arrangements

3.1 To support an enhanced Assurance offer aligned to the Single Assurance Framework, the following improvement and additions have been developed in readiness for implementation. The Assurance arrangements will be applied consistently and proportionately to all projects and programmes. The new ways of working and tools will provide an opportunity to embed an Assurance culture across the WMCA. Lessons learned will be rolled into a continuous improvement framework, to be developed, to ensure regular evaluation and feedback is used to make changes that support better ways of working.

<p>Health Check Tool</p>	<p>A self-assessment has been developed using the Association for Project Management (APM) collateral and guidance and its aim is to provide Project Leads with a tool to self-assess a project's maturity against ten fundamental categories of project management and, in doing so, enable an improvement plan to be developed.</p>
<p>Stage Gate Review (BCAT)</p>	<p>The Business Case Assessment Tool (BCAT) has been developed using the assessment guide from HM Treasury's 'Guide to Developing the Project Business Case' and has been aligned with the Infrastructure and Project Authority's Review guidance for OGC Gateway Reviews 1-3 and APM best practice.</p> <p>Each of the five cases within a Business Case, as determined by HM Treasury (Strategic, Economic, Commercial, Financial and Management), are assessed as part of the BCAT process. The assessment incorporates fundamentals of project management including, but not limited to, planning, risk management, stakeholder management, financial management, alignment to strategic objectives, procurement processes and ensuring the project delivers value for money. The Business Case reviews will be aligned to the Single Assurance Framework and will be undertaken for each project per business case stage.</p>
<p>Assurance Observation Report.</p>	<p>The Strategic Hub will produce an Assurance Observation Report based upon the Business Case maturity assessment, engaging with the business area/sponsor throughout the process. The Assurance Observation Report will highlight any recommendations for improving the maturity of a business case and, in turn, will help to inform the Executive Director Progression process and subsequent approval forums.</p>
<p>Risk & Investment Appraisal Report</p>	<p>This Risk and Investment Appraisal Report is completed to support better spending, investment decisions and better procurement. This appraisal will take place after the BCAT Assessment and will allow the Risk & Investment Appraisal to be more focused. It is a tool which summarises the in-depth analysis of Business Cases across the five case model to highlight any key investment risks and issues. The recommendations are then shared with the project delivery team/business case authors with the aim that they use the feedback to improve the quality and their business case.</p>
<p>Integrated Assurance Map & Assurance Matrix</p>	<p>The Integrated Assurance Plan will help give the team indicators to share with SLT – give intelligence on where to invest assurance activity based of a risk centred approach. Assurance can be targeted to higher risk areas and complementary to other assurance activity being undertaken. An integrated assurance approach has benefits of a better spread of assurance activity (greater efficiency) and more effective as assurance reviews can be more targeted as specific risk areas/ projects.</p>

Activity Register and Forward Plan	Fed by the Portfolio Project Pipelines the Activity Register and the Forward Plan will help the Hub to understand all the different project activity across WMCA Portfolios and map the assurance and governance requirements for these projects. The Activity Register is interfaced with the finance system and will be also be used to develop Portfolio Dashboards.
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- 3.2 It was previously agreed with ARAC that the Assurance & Support Team would provide regular reporting into ARAC for two purposes:
- To provide trend analysis information on the number of projects going through the Single Assurance Framework, their status and completion of recommendations
 - To provide a summary of any issues with the Single Assurance Framework process that have been escalated to WMCA Strategic Leadership Team for attention

It was agreed with the Chair of ARAC that the earliest meaningful opportunity to initiate this process would be in post-April 2021. The SAF transition was initiated in September 2020 for Investment Programme projects and to date there have been a limited number of projects that have submitted business cases. The next larger tranche of projects to transition will be from Solihull MBC. Engagement meetings took place with Solihull in December 2020 for their intended transition to begin in early 2021. By spring this will allow the team to have greater amount of trend analysis data to share. The focus of the team to date as highlighted in the Programme Management and Assurance audit report has been to prepare the tools and processes that support to new operations aligned to SAF and HM Treasury Green Book.

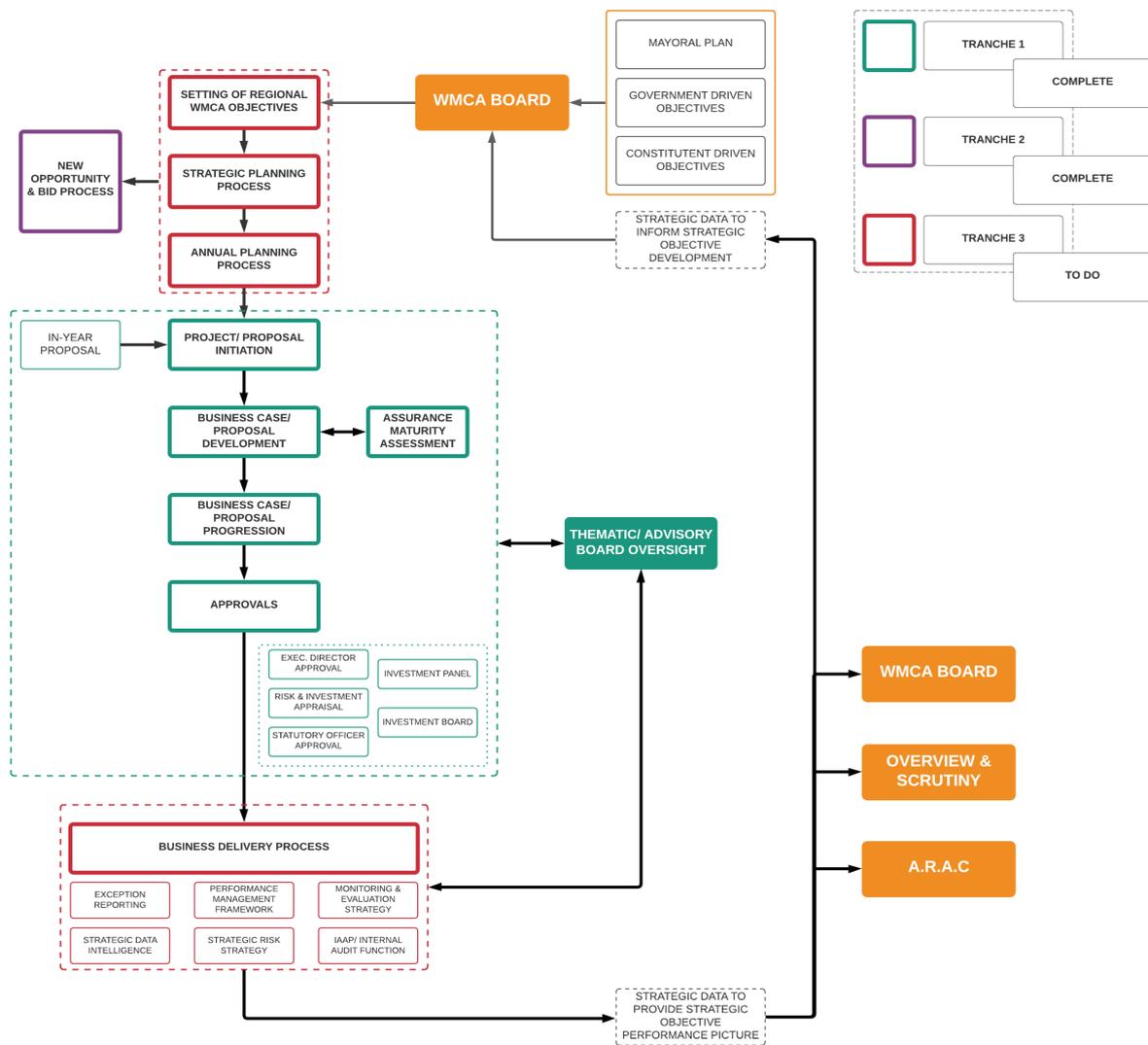
- 3.3 A considerable amount of progress has been made since the last report to ARAC in May 2020 and can be broken down into key elements as follows:
- Development of compliant and proportionate ‘Board Friendly’ business case templates built around Green Book and five case model with comprehensive guidance and evidence-based appendices
 - Enhanced Assurance Offer – Business Case Assessment Tool to guide project development and provide maturity assessment of business cases
 - Improved legal, finance and inclusive growth considerations and early engagement requirements in all business cases
 - Ownership and accountability for all projects developed sits with Directorates

In addition, a workshop has been planned with Senior Leadership Team and senior managers in January 2020 to share the SAF roll out plan, new ways of working and tools and to specifically discuss their role in supporting the wider implementation of the new ways of working. The workshop will be facilitated by WMCA Chief Executive and WMCA Director of Strategy.

4. Next Steps

- 4.1 It has been 5 months since the SAF implementation began and much of that has been developing the tools and processes in a collaborative way. In September the transition of Investment Programme projects to the SAF started with Coventry and then Solihull before Christmas 2020. The Investment Panel has met 5 times now and the process is continuously improving. The next stage of implementation as the development stage is rolled-out and then initiation in March/April are key and we will work to support and guide colleagues as the tools and processes are introduced.

4.2 The diagram below provides an overview of the 3 tranches and what will be delivered in tranche



4.3 The target date for completion of actions in tranche 1 is March 2021 and whilst good progress has been made it is proposed that a further update is provided to ARAC as the new tools are rolled out. There is progress underway to develop a Project Manager community/network to support delivery of the Assurance Framework and PM's own Continued Professional Development and the aim is that this will support a continuous improvement and learning culture around good project delivery.

5. Financial Implications

5.1 There are no financial implications arising from this report.

6. Legal Implications

6.1 There are no legal implications arising from this report.

7. Equalities Implications

7.1 There are no equalities implications arising from this report.

8. Inclusive Growth Implications

8.1 There are no inclusive growth implications arising from this report.

9. Geographical Area of Report's Implications

9.1 There are no geographical area implications arising from this report.

10. Other Implications

10.1 There are no further implications arising from this report.

11. Schedule of Background Papers

May 2020 – ARAC Audit Report