

# **Investigation into Metro Financial breach**

## **Draft scope**

### **Background**

Delivery of the Wolverhampton Interchange scheme to extend the Midland Metro light railway system was commissioned at a cost of £33.3m. Funding for this project was provided through a government grant with additional contributions being made by WMCA and City of Wolverhampton Council.

Programme management and delivery of the Wolverhampton City Centre Metro Extension is the responsibility of Midland Metro Alliance (MMA), a consortium of design experts and rail construction specialists, established by, and working in conjunction with WMCA to deliver the infrastructure on its behalf, with an expected completion and opening date of Spring 2023.

The extension forms part of the wider Wolverhampton interchange programme which involves multiple interfaces and dependencies with other projects including the delivery of a remodelled Wolverhampton rail station and the regeneration of, and public realm improvements being delivered in conjunction with the City of Wolverhampton Council.

Financial monitoring by WMCA has recently identified that the costs of work instructed to date have significantly exceeded the budget provision, including contingency allowances, without the required approvals from WMCA to the sum of c.£9.6m, and has resulted in a breach of the organisation's financial regulations.

### **Purpose**

An urgent and independent investigation is required to review the cost controls, financial management and programme management controls currently in place for this project, to identify the systems in place that have allowed cost escalation and overspend to arise without appropriate due diligence having taken place, including compliance of contractual obligations and/or WMCA's financial regulations.

### **Scope**

To review the programme management and financial management control measures in place for the Wolverhampton City Centre Metro Extension project to determine how the value of works have exceeded the project budget in advance of the appropriate governance arrangements being complied with.

The review should include, but not be limited to:

- A review of delegated authorities including a review of if, and how these levels were complied with by all parties including commercial partners.
- The adequacy of risk management arrangements and the effectiveness of those arrangements to raise early warnings around project cost.

- Compliance with corporate governance processes and the alignment back to original expectations including Change Control arrangements.
- Adequacy of budgetary control and associated management information available to provide senior officers and decision makers with project oversight and visibility of early warnings.

## **Requirements**

WMCA is seeking to appoint an independent consultant with a background in Programme and Financial management to complete an urgent review as detailed above and invite you to quote for this assignment.

Please note, this is a time sensitive issue due to political concerns having been raised and as a result, the review must be completed with a need for interim findings to be presented, in the strictest confidence, to relevant committees on 13<sup>th</sup> January, and 24<sup>th</sup> January with completion required by 3<sup>rd</sup> February 2023.

In submitting a quotation, please provide a brief summary with details of:

- The approach to be taken in completing the assignment
- The number of days required for completion.
- Overall cost for the assignment.
- Confirmation of your immediate availability to undertake the assignment and meet the reporting dates as provided above.

Please submit your quotation by 17:00 hours, 22<sup>nd</sup> December 2022.