

5 WLEP Programme Delivery Group proposal

WLEP BOARD RECOMMENDATION

The WLEP Board is asked to:

- Note the work that has been undertaken by WLEP Executive Team and FAR Committee in preparing the WLEP Programme Delivery Group proposal and its requirement to support effective monitoring of non-EU WLEP-funded activity;
- Approve the proposal to establish a WLEP Programme Delivery Group, and implement with immediate effect; and
- Agree the proposal to phase the remit of the PDG operations, prioritising the GBF and LGF programme monitoring by end of 2020/21, before increasing the PDG remit to include all non-EU WLEP funded activity by start of 2021/22.

5.1 Context

5.1.1 WLEP has established a strong track record of successful delivery since its inception. This has been evidenced consistently in the ratings provided by Government following the LEP's Annual Performance Review (APR), over several years.

5.1.2 The 2019/20 WLEP APR meeting with the Cities and Local Growth Unit (CLGU) and Business, Energy and Industrial Strategy (BEIS) officials identified an action for WLEP as follows:

- *LEP to consider implementation of Programme Delivery Sub-board or a similar mechanism*

5.1.3 CLGU commented that currently there is no Programme Delivery sub-board group in place, which could provide an overview of performance across all projects.

5.1.4 This report outlines a proposal to address this APR action and strengthen WLEP's governance and performance monitoring operations.

5.2 Implementation of a WLEP Programme Delivery Group

5.2.1 The WLEP Board and Executive Team has consistently sought to maintain a culture of continuous improvement and is keen to avoid complacency. Our Local Assurance Framework (LAF) was last reviewed in 2019, with several improvements approved and adopted as a result. A subsequent review is scheduled to take place before the end of 2020/21.

5.2.2 WLEP recognises that a Programme Delivery Group sub-board could improve the Board's understanding of how the overall WLEP-funded programme is performing.

5.2.3 This action was not pursued in 2019/20 due to several factors, including the with-holding of additional capacity funding from central government due to the overlapping geography issue. This was considered against the fact that the majority of LGF schemes in 2019/20 were being

delivered by WCC as the lead delivery organisation, and WLEP attend the Major Projects Review board, facilitated by WCC. As such, oversight of WLEP programme performance was assured.

- 5.2.4 However, as we move towards the end of the Local Growth Fund (LGF) programme and establish the Getting Building Fund (GBF) capital programme, a higher level LEP-led overview will become increasingly more important.
- 5.2.5 This is becoming increasingly pertinent, when considered in the context of preparing for the UK Shared Prosperity Fund (or similar), and the imminent publication and launch of the WLEP LIS, which will forward-look to 2030; as well as informing the Worcestershire Economic Recovery Plan. It is crucial the WLEP has a good understanding of programme/project performance.
- 5.2.6 WLEP Executive Team are proposing that WLEP Board establishes a Programme Delivery Group (PDG) as part of its governance structure. The primary purpose of the WLEP PDG would be to provide assurance to the WLEP Board that LEP-funded activity is being delivered on-time, to budget and to the quality required.
- 5.2.7 The WLEP PDG would be responsible for monitoring and evaluating project and programme performance across all non-EU LEP-funded activity (EU LEP-funded activity is assured by the ESIF Committee).
- 5.2.8 The initial remit of the WLEP PDG would be to ensure the GBF programme is established effectively and efficiently, receiving inputs from all lead delivery partner organisations and assuring itself that progress meets the requirements of the LEP and those stipulated by central government.
- 5.2.9 Once established, the WLEP PDG would extend its remit to other WLEP-funded programmes including for example the performance of WBC-funded activity, so that it acts as a one-stop shop for managing and monitoring performance across all WLEP-funded activity (non-EU funded).
- 5.2.10 Over time, the WLEP PDG could potentially also coordinate the WLEP project pipeline, taking a lead on shaping the projects and prioritising those projects being developed for pitching into future funding opportunities; ensuring Worcestershire remains in a strong position to leverage funding into the county to deliver against the WLEP's medium to long-term economic vision.
- 5.2.11 A proposed Terms of Reference and membership for the WLEP PDG are attached at Appendix 1.

5.3 Updating the WLEP Local Assurance Framework

- 5.3.1 Subject to approval, implementation of the WLEP PDG would need to be reflected in an updated version of the WLEP Local Assurance Framework, and the agreed Scheme of Delegation.
- 5.3.2 It is envisaged that the WLEP PDG would provide progress reports to the FAR Committee and WLEP Board by exception.
- 5.3.3 The establishment of a LEP-led PDG would improve transparency to partners and stakeholders on the progress of WLEP-funded activity.
- 5.3.4 The FAR Committee considered the WLEP Programme Delivery Group proposal at their meeting in November 2020 and endorse the recommendation to the WLEP Board to adopt and implement the proposal with immediate effect.

5.4 Next Steps

- 5.4.1 If WLEP Board approval is granted to implement the PDG, then WLEP Executive will work with partners and stakeholders to seek nominations for representatives, establish the group, and set up the necessary reporting mechanisms to ensure progress is reported regularly.

Luke Willetts
Director of Operations

Appendix 1: Terms of Reference for the WLEP Programme Delivery Group

WLEP Programme Delivery Group (WLEP PDG)

Terms of Reference: 16/11/2020 v2 (*updated to incorporate FAR Committee feedback in Nov 2020*)

The WLEP Programme Delivery Group (WLEP PDG) is a formal standing sub-group of the Worcestershire LEP Board. It is responsible for overseeing the progress, delivery and spend of all non-EU LEP-funded programmes and serves to strengthen WLEP's governance and performance monitoring operations, providing assurance to the WLEP Board.

1. Purpose

- 1.1. The primary purpose of the WLEP Programme Delivery Group (WLEP PDG) is to provide assurance to the WLEP Board that LEP-funded activity is being delivered on-time, to budget and to the quality required.

2. Responsibilities

- 2.1. Oversee the operational delivery of all non-EU WLEP-funded programmes, ensuring that the proper processes and procedures are in place to secure delivery, in line with the WLEP Local Assurance Framework.
- 2.2. Advise the LEP Executive Team on appropriate programme and project management arrangements for all non-EU WLEP-funded programmes.
- 2.3. Review quarterly LEP-funded project and programme progress monitoring information prior to sign off by WLEP Board and Section 151 Officer / WLEP Chief Exec and submission to central government; and escalating any significant project or programme financial concerns to the Finance, Audit and Risk Committee (FAR).
- 2.4. Monitor and evaluate operational project and programme performance across all non-EU WLEP-funded activity, through the review of quarterly monitoring reports covering:
 - Financial spend against profile
 - Delivery of milestones/outputs against agreed timescales
 - Delivery issues/risks
- 2.5. Develop and oversee a change request process, in line with central government requirements for variances to approved outputs, expenditure, key milestone dates etc, escalating decision to the WLEP Board if there is significant deviation from project profile or significant impact on the programme.
- 2.6. Monitor and maintain a WLEP-funded programme level risk register and ensure appropriate mitigation actions are in place, escalating any significant project or programme risk to the Finance Audit and Risk Committee (FAR).
- 2.7. Oversee and review project and programme evaluations.

3. Scope

3.1. Immediate Term

- 3.1.1. Ensure the Getting Building Fund programme is established in accordance with the WLEP Local Assurance Framework and ensure that central government requirements are being met.
- 3.1.2. Oversee final year of delivery (2020/21) of LGF funded programme to ensure projects successfully delivered, communications and branding guidelines adhered to, outputs are being monitored and LGF funding defrayed to profile.

3.2. Medium Term

- 3.2.1. Monitor and evaluate operational project and programme performance for other non-EU WLEP-funded activity, in accordance with WLEP Local Assurance Framework and central government requirements.
- 3.2.2. Oversee the process and coordinate the pipeline of potential investment proposals for the WLEP, in line with the WLEP Local Assurance Framework, recommending schemes and projects that should be prioritised for future funding opportunities to the WLEP Board.

4. Membership

- 4.1. Membership of the WLEP PDG will include a balance of representatives from the private and public sector, to include WLEP Board / FAR Committee representation.

- 1 x WLEP CEO
- 2 x Private Sector WLEP Board Members – one of whom will be appointed as Chair
- 1 x Education and Skills Representative – from WLEP Board (or nominated substitute from that organisation)
- 1 x FAR Committee Representative (private sector)
- 5 x Public Sector Officer Representatives: to include representation from:
 - 1x North Worcestershire District/Borough Councils;
 - 1 x NWEDR;
 - 1 x South Worcestershire District Councils
 - 1 x Worcester City Council
 - 1 x Worcestershire County Council
- 1 x Deputy Chief Finance Officer (under delegations from the CFO) from Accountable Body (non-voting observer)

- 4.2. Meetings will be deemed quorate for decision making purposes if at least 1 out of the 2 members of the WLEP Board structure and 4 out of the 8 other members (or their nominated deputies) are in attendance.

- 4.3. All members of the PDG will have 1 vote each except for the Chair, who will have an additional casting vote in the event of a stalemate. The Chief Finance Officer's representative will attend in a non-voting capacity.

- 4.4. Meetings will be facilitated by the WLEP Executive Team.

5. Accountability

- 5.1. The WLEP PDG will provide progress reports to the FAR Committee including financial updates and risk assessments on a quarterly basis and WLEP Board by exception.

- 5.2 The WLEP PDG will monitor and maintain a programme-level risk register and escalate any concerns to FAR Committee in the first instance. FAR will provide a critical friend 'check and challenge' to WLEP PDG in the same way it does to other WLEP Board sub-groups.

6. Frequency/Meetings

- 6.1. The WLEP PDG will formally meet minimum quarterly. The WLEP PDG meetings will be planned around quarterly central government data reporting submission schedules and align with WLEP Board bi-monthly meeting cycle, where possible.
- 6.2. The WLEP PDG agenda and papers will be published 5 working days before the meeting takes place.
- 6.3. The minutes of the WLEP PDG meeting will be published within 10 working days of the meeting taking place.

7. Review

- 7.1. The Terms of Reference is effective from [date] and may be reviewed upon request by the WLEP PDG in order to ensure the PDG's remit remains fit for purpose.