

APPENDIX 2 – WISBECH ACCESS STRATEGY PROJECT REVIEW AND LESSONS LEARNED

DATE: 05 OCTOBER 2021

SUBJECT: Wisbech Access Strategy (WAS) Decision Summary and Lessons Learned

Report outlining the decision process and lessons learned relating to the Wisbech Access Strategy funded through the Local Growth Fund (LGF).

Background

Wisbech Access Strategy (WAS) was a two-part project funded through the Local Growth Fund (LGF) first round monies; the first piece of work was a Feasibility Study at a cost of £1million that was approved by the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP) in 2015. The GCGP LEP Board was comprised of public and private sector representatives which included senior representatives from the District councils, County council and both City councils. The County Council was at the time the Accountable Body for the GCGP LEP in respect of all funding decisions. The second phase of funding was awarded in November 2018 by the newly created Business Board and ratified by the Combined Authority Board in the same month. The funding was awarded to Cambridgeshire County Council who led the application and subsequent delivery of this project.

The Wisbech Access Strategy project was presented to the Cambridgeshire County Council (CCC) Highways and Transport Committee on 7 July 2020, where it was proposed and agreed that subject to the Business Board and CPCA Board approval, three of the five schemes: Broad End Road (BER2); Elm High Road roundabout (EH1); and Elm High Road (EH7B) be progressed into construction with the remaining two schemes paused pending decisions relating to the proposed energy plant and Wisbech Rail progression. Therefore, the LGF commitment would reduce to £6million returning £4.5million LGF funding for use on other projects. The remaining funds of £3.9million to complete these three schemes in phase 1 beyond March 2021, to be approved for release from the subject to approval lines in the Combined Authority's Medium Term Financial Plan (MTFP).

A formal LGF Change Request was submitted for the reduction in funding of £6m and reduced programme of delivery. This was approved at the BB on the 27 July 2020 and ratified at Combined Authority Board on the 05 August 2020. Project board meetings were held monthly and included all key partners, and council representatives where update on progress was reported, along with regular project governance reports via Highlight Reports.

The project continued to experience issues with delivery and was maintained at a Red Risk for the LGF returns to BEIS and raised at Business Board meetings as red-flagged. The Project Monitoring has been managed throughout by the Combined Authority Transport Team liaising with CCC as the project delivery organisation, and relaying monthly and quarterly highlight reports to the LGF team.

A further LGF Change Request was submitted to the Business Board on the 27 July 2021 for a further reduction in delivery of the project, the request reduced the output to reduce the scope of the project from design and full construction of the 3 junctions to completing the Detailed Design stage for all three projects, including land procurement work. This was rejected at the Business Board and a recommendation to the Combined Authority Board to reject the change. The Combined Authority Board rejected the change and agreed to look at alternative sources of funding for this piece of work.

CCC were formally informed that the change request was rejected and that final accounts were required by the 30 September 2021 to ascertain the value of the returning funds to LGF. The funds will then be re-assigned to new LGF projects subject to the usual governance arrangements in place.

Lessons Learned

We have not evaluated the WAS project yet, but a formal closure report has been issued to CCC for completion to begin that process. It is due to be independently evaluated this year and will continue this piece of work to enable us to gain an independent review of the work and how the project has been delivered.

The Business Board was established with new and robust governance and accountability arrangements put in place. The administration of the LGF within the CPCA was overhauled and a new transparent decision-making process for LGF applications created which included an external independent appraisal panel and revised legal contract and Grant funding agreement documents.

The new arrangements implemented by the Business Board for managing LGF also included more stringent scoring criteria on projects applying for LGF from a value of money, deliverability and long-term outputs/outcomes delivery arrangements. This included a minimum threshold score for approval of funding.

In terms of learning points in relation to the WAS project and specific changes to processes and procedures for current and future funding awards the following is noted:

1. The internal assessment conducted on the WAS project was not as detailed as we would carry out under the new Business Board arrangements.

Lesson implemented: Independent external appraisals on all project funding applications are now included for every project and the external scoring from that review and any recommendations or conditions from it, form part of the decision-making process for the Business Board and translate into conditions in the Grant Funding Agreements. The minimum scoring thresholds at Expression of Interest and Full Application now prevent project applications with poor assessment scores being approved. Furthermore, any weaknesses, lack of clarity or areas for improvement identified by the independent evaluators, are enshrined as conditions of approval for the grant offer being made.

2. The funding awarded to the WAS project was 100% LGF at both original £10.5m first approved amount and the revised £6m LGF amount later. When the project change request in July 2021 was rejected the remaining spend required was successfully approved from Combined Authority Gainshare.

Lesson implemented: Applications for funding projects are now not funded 100% unless exceptional circumstances are identified. However, this is reflected in the scoring criteria assessment at both the Expression of Interest stage and the Full Application independent assessment, meaning that a project would be “down-marked” for low or no match contribution from the applicant, and must be exceptional (and score exceptionally) in all other areas to get approval for funding at 100% intervention grant rate. When calling for projects and in the guidance for each funding scheme match funding is encouraged, set as a nominal 50% and increases the likelihood of approval for project applicants. It also provides the ‘buy-in’ from applicants to drive the delivery when their own match funding is invested alongside a grant investment award.

3. The stronger legal arrangements within the LGF Grant Funding Agreements allows us to clawback unspent LGF as in the case of this project and the final accounts from CCC for this project are currently being verified following the submission of final accounts.

Lesson Implemented: A full review of the Local Assurance Framework took place in early 2021 to include strengthening of the processes for clawback which included more options within grant funding agreements to pursue repatriation of funds and the sale of project assets and handling Project Change Requests based on learning from the iMET project and others, which has been applicable to this project.

4. Day to day monitoring and oversight of the WAS project was conducted by Combined Authority through its Transport Team and this put them in between the delivery partners CCC and the LGF team, in the earlier months of the WAS project this was not ideal in terms of responsible Officers in the chain through which being managed and reported but this has improved immensely this year which shows that this project has had much closer monitoring and robust oversight leading to CCC Project Change Request being rejected.

Lesson Implemented: Much stronger monitoring and oversight regime instigated by the LGF team to especially include closer working with Transport team colleagues to enable earlier alert on any projects which are not on track to delivery and output milestones, and through the transport team some of our LGF is still in delivery for transport projects.

5. Although the Business Board is responsible for the LGF and the CPCA its Accountable Body, and it's through those two boards the decisions have been debated and agreed, one of the areas that could have been improved is the involvement of the Local Authority earlier in this process, outside of Boards, for advice and support on delivery, redirection and reuse aspects of the project.

Lesson Implemented: The LGF Officers are now working much more closely with Local Authority Officers during all phases of projects being awarded, delivered and most crucially when changes requested or project failures, closures occur and clawback has to be instigated.

WAS Decision Summary			
Date	Meeting or action	Paper/Activity	Decision
01/04/2015	GCGP Meeting	Funding Approval - LEP	Approval of the Feasibility Study value £1m. Starting 01/04/2015 - 31/03/2017 The Feasibility Study will develop an Outline Business Case for the implementation of the preferred option for delivery and application for further funding of £10.5m of LGF
26/11/2018	Business Board Meeting	WISBECH ACCESS STRATEGY	It was resolved to: a. note the proposed package of measures for further development (Table 2 Recommended Wisbech Access Strategy Package); b. recommend the Combined Authority Board approve a budget of £10,500,000 to enable the procurement of an appropriate design and build contractor to immediately commence the delivery of an overlapped phased design and construction programme; c. recommend the Combined Authority Board delegate authority to the Transport Director, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver this package of works on behalf of the Business Board; d. recommend to the Combined Authority Board to, subject to BEIS Ministerial approval of the release of future Growth Deal funds, release of the £10.5m Growth Deal funding for the delivery of this vital scheme for the housing and economic growth of Wisbech.
28/11/2018	Growth Deal (a) Wisbech Access Strategy – Summary of study work and request to proceed to delivery of design with simultaneous construction of phase 1 interventions (b) M11 Junction 8 Improvement Project	Combined Authority Board	It was resolved to note the decisions of the Business Board and, subject to confirmation from Government that local growth funds have been released for allocation by the Business Board, to: a) approve a budget of £10,500,000 to enable the procurement of an appropriate design and build contractor to immediately commence the delivery of an overlapped phased design and construction programme. b) delegate authority to the Transport Director, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver this package of works on behalf of the Business Board. c) subject to BEIS Ministerial approval of the release of future Growth Deal funds, release of the £10.5m Growth Deal funding for the delivery of this vital scheme for the housing and

			<p>economic growth of Wisbech.</p> <p>d) release the £1m Growth Deal funding to Essex County Council, to support the delivery of the range of improvements outlined within this paper for the M11 Junction 8.</p>
20/02/2020	Growth deal - GFA signed for £10.5m	Business Board agreed	GFA signed for the implementation of the preferred options for Wisbech Access
27/07/2020	Business Board Meeting		<p>Recommended that the Combined Authority Board note all the programme updates outlined in this paper.</p> <p>Recommended the Combined Authority Board approve the change request for the Wisbech Access Strategy project.</p> <p>Noted the funding position and forecast for Local Growth Fund Projects in delivery.</p> <p>Noted the summary of funding streams under management of the Board.</p>
05/08/2020	Local Growth Fund Programme Management July 2020	Combined Authority Board	<p>It was resolved to:</p> <p>a) Note all of the programme updates contained in the report to the Business Board on 27 July 2020.</p> <p>b) Approve the change request for the Wisbech Access Strategy Project.</p>

27/08/2021	Strategic Funding Management Review July 2021	Combined Authority Board	It was resolved to: a) Reject the Project Change Request for the Wisbech Access Strategy Project. b) To note that officers will work with Wisbech Access Strategy Project lead to explore all implications and consequences of next steps for the project and report to next Combined Authority Board meeting. c) Note the other programme updates contained in the report to the Business Board on 14 July 2021. d) Support, in principle, the use of £1.88m of existing medium term financial plan (MTFP) budget to complete design work and land acquisitions for the three remaining schemes within the Wisbech Access Strategy project, subject to the business case being received by the Board.
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