

GFirst Local Enterprise Partnership

Board Paper – 9th August 2016

1. **Agenda Item 5 b)**

2. **What is this item for:**

- a. To update the Board on lessons learned by the Programme Management Group (PMG) for the current Growth Deal projects and programme management
- b. To update the Board on planned improvements to Growth Deal programme and project management processes resulting from these lessons learned.

3. **Background:**

Members of the Programme Management Group (LEP staff and Gloucestershire County Council officers) have reviewed their work managing the first year of implementation of the Gloucestershire SEP and Growth Deal and this has generated a number of lessons learned.

These lessons learned have been used to update the Assurance Framework and inform part of the Growth Deal Round 3 submission and, post-review by the Board, will be discussed in more detail with our Cities and Local Growth Team Relationship Manager, Katie Jenkins. They will also be used to inform programme and project management of Growth Deal projects in the remainder of 2016 and beyond.

A summary of the lessons learned is shown below along with planned improvements to Growth Deal programme and project management processes resulting from these lessons learned.

Lesson learned	Follow-on action
<p>Project development</p> <p>Early discussions and collaboration with project promoters is critical to: emphasise the sorts of projects the LEP and Government want brought forward; re-inforce the key criteria involved (e.g. economic growth outcomes, private/public sector leverage, deliverability, etc.); make sure project promoters understand their projects are part of a bigger programme so delivery and spend must fit this (e.g. a delay in spend on one project can impact on the whole programme).</p>	<p>Run project initiation meeting with all project promoters for new projects attending. Use this to reinforce the key messages and follow this up with written guidance that they can share with others in their organisations.</p>

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<p>Positive news stories and national Government announcements about Growth Deal funding allocations caused promoter impatience and raised expectation. Promoters need to know that the funding secured isn't 'their' funding until they have been through the full appraisal and due diligence process so the funding they asked for may be reduced or withheld if they don't deliver the appropriate information, plans, etc.</p>	<p>Use workshop and ongoing communications with promoters to ensure any press releases/media coverage they initiate doesn't indicate they have full funding secured.</p>
<p>It is important to work with several key individuals in the project promoter organisations (e.g. CEO and marketing manager as well as the project manager) as some project managers don't have the strategic knowledge/understanding or are more focused on 'getting the job done' than promoting progress on the project to stakeholders/the public.</p>	<p>Continue arrangements for 'lunch' meetings of projects where project manager, senior management and marketing manager from project promoter attends.</p>
<p>Project promoters need more clarity about who they should report to and what they need to report when.</p>	<p>Reporting arrangements to be more clearly explained to providers by LEP from outset of project and re-emphasised in the launch meeting.</p>
<p>New initiatives and developments that were not in progress when the project business case was submitted can impact on projects (e.g. the University Technical College (UTC) development on another part of the Berkeley Green site) and early awareness of and communication between project promoter/s, LEP and Accountable Body are very important. This helps ensure that the risks and impacts of the new initiative/development are clearly seen by all the stakeholders and suitable actions can be taken.</p>	<p>Emphasise to project promoters the need for early communication about this. Ensure project promoters include this in their project risk registers. Ensure LEP continues to include this in programme risk register.</p>

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<p>Getting project promoters to understand the options for and to commit to environmental enhancements to their projects needs to be done at an early stage so that the advice provided on this (predominantly through the Local Nature partnership (LNP)) can be ‘bought into’ at a senior level within the organisation, be budgeted for, and incorporated in the detailed project plans.</p>	<p>LEP to include this in early stages of discussions with project promoters. LNP to meet with project promoters early in project development phase.</p>
<p>Robust challenge of outline business cases (i.e. at an early stage of development) helps to ensure project promoters can actually deliver the outputs/outcomes they propose and in the timescales they say they can.</p>	<p>LEP leads, projects and programme managers to continue to do this.</p>
<p>Programme Management</p> <p>Robust programme management is needed to keep project promoters on track in terms of delivering the wider ‘vision’ for projects as well as the outputs specified in the funding agreement.</p>	<p>LEP leads, projects and programme managers to continue to do this. LEP Board sponsor to hold project promoter to original vision. LEP staffs to find out how other LEPs are doing this.</p>
<p>A strong Programme Management Group (PMG) that combines LEP and Accountable Body staff that meets monthly has worked well as a mechanism to ensure our programme of projects remains on track and takes action to deal with any problems/issues as quickly as possible.</p>	<p>PMG to continue to meet monthly, with reviews of finances and funding profile in between meetings.</p>
<p>The LEP and Accountable Body found the preparation for and the actual Annual Conversation with the Cities and Local Growth Unit of BEIS (Formerly BIS) very positive. The external scrutiny and questioning on this gave additional insight into the strengths and weaknesses of our programme management processes.</p>	<p>LEP/PMG to continue this process with colleagues in the Cities and Local Growth Unit of BEIS.</p>

<p>Project promoters need to make sure they provide sufficient appropriate evidence when they submit their claims to draw down funding otherwise this will be delayed/withheld.</p>	<p>Drawdown claim evidence to be discussed with project promoters by LEP when funding agreement is set up and again in the project launch meeting.</p>
<p>Risk Management</p> <p>The risk management workshops we have run with project promoters have greatly helped their understanding that their projects are part of a bigger programme and that risks identified at a project level can impact on the programme as a whole. Our improved project and programme risk management processes have incorporated feedback from project promoters.</p>	<p>Ensure new project promoters for Growth Deal 3 projects attend follow-up risk management workshops run by LEP.</p>
<p>Due Diligence</p> <p>There is a level of detailed information needed from project promoters before the due diligence process can commence. In some cases, project promoters have not had this information ready or their project planning has been under-developed.</p> <p>The due diligence process is difficult and requires better scheduling and time management as some projects have gone through this too early. Part of the reason for this has been because of pressures to keep to the spend profile required by BEIS (formerly BIS). This forced pace had caused some problems and ‘pinch points’ in terms of the impacts on resources and input from project promoters, PMG, external assessors, LEP Board and Accountable Body.</p> <p>.</p>	<p>LEP leads and PMG to continue to re-inforce to promoters that their project plans must be sufficiently well developed in order to go through the due diligence process.</p> <p>PMG to agree stricter timescales and cut-off points for projects to be ready for due diligence so that the due diligence, funding decision and funding agreement processes can be carried out more effectively and in a less time-pressured, resource intensive way.</p> <p>Cut-off dates for due diligence, etc. to be communicated by LEP to project promoters early in the project discussions.</p>
<p>Transport projects benefit from a more defined process including an appraisal specification report</p>	<p>Retain this process for transport projects.</p>

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<p>State Aid rules are complex and based on interpretation</p>	<p>Retain state aid section of due diligence reports. Retain links between LEP and a state aid specialist.</p>
<p>Resources of LEP & Accountable Body</p> <p>Staff resources are needed in both the LEP and the Accountable Body to run the Growth Deal process. Funding/resource for this needs to be available in both organisations as members of the Programme Management Group (PMG) have been under considerable time pressure to keep the programme of projects on track and on profile.</p>	<p>GCC and LEP to review staff resources and expenditure on Growth Deal programme and project management to date. Results of this to be made available to GCC senior management and the LEP Board.</p> <p>PMG to propose recommendations for more efficient resourcing of Growth Deal programme management to GCC senior management and LEP Board.</p>

4. **Risks / Issues:**

Failure to make good use of these lessons learned will increase the risk of programmes and projects being managed ineffectively/inefficiently.

5. **Recommendations:**

The Board is asked to:

Note the lessons learned and the planned actions to improve Growth Deal programme and project management processes.

6. **Further information:**

For further information points raised in this Board paper, please contact Pete Carr peter.carr@gfirstlep.com