



Leicester  
City Council

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# ***Transforming Cities Programme***

## ***Leicester City*** **Assurance Framework**

April 2021

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Primary Author	Pravin Godhanian	Initialled:	PG
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Contributor	Andrew L Smith	Initialled:	ALS
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Review By	Satbir Kaur	Initialled:	SK
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# 1 INTRODUCTION

## 1.1 PREAMBLE

1.1.1 The 'Transforming Cities Board' (TCFB) is established with the aim of managing the Department for Transport's (DfT) 'Transforming Cities Fund (TCF). One of the key aims of this document is to set out how the board will use the TCF public money responsibly and transparently to achieve best value for public spending. It also aims to establish a robust stewardship of the resources that are available with clear roles and responsibilities.

1.1.2 This framework has been developed following the principles set out in the Ministry of Housing, Communities & Local Government 'National Local Growth Assurance Framework' (January 2019). The document also draws on the Assurance Framework that was prepared by the Leicester and Leicestershire Transport Board (LLTB). The LLTB Assurance Framework was signed off by the DfT in June 2015. However, it has been necessary to review and update the document in light of the January 2019 MHCLG framework to make it fit for purpose for schemes that are being promoted through TCF Tranche 2.

1.1.3 This document sets out:

- The process for ensuring accountability, transparency, legal compliance and value for money by setting a robust governance and working arrangement.
- Confirm the means through which project funding will be prioritised, approved and delivered.
- How progress and impacts of these investments will be monitored and evaluated.

1.1.4 The primary role of the TCFB is to review and approve individual business cases and ensure effective delivery of the programme of schemes identified and approved in the TCF Strategic Outline Business Case (SOBC).

1.1.5 This Assurance Framework is intended to cover the period Q4 2019/20 to Q4 2022/3 or any extension agreed with DfT. It may be amended following revised guidance from DfT or in order to better meet the local needs in the light of experience gained. The DfT will be consulted if any substantive changes are proposed to be made to the Assurance Framework.

## 2 **PART 1 – PURPOSE, STRUCTURE AND OPERATING PRINCIPLES**

### 2.1 GEOGRAPHY

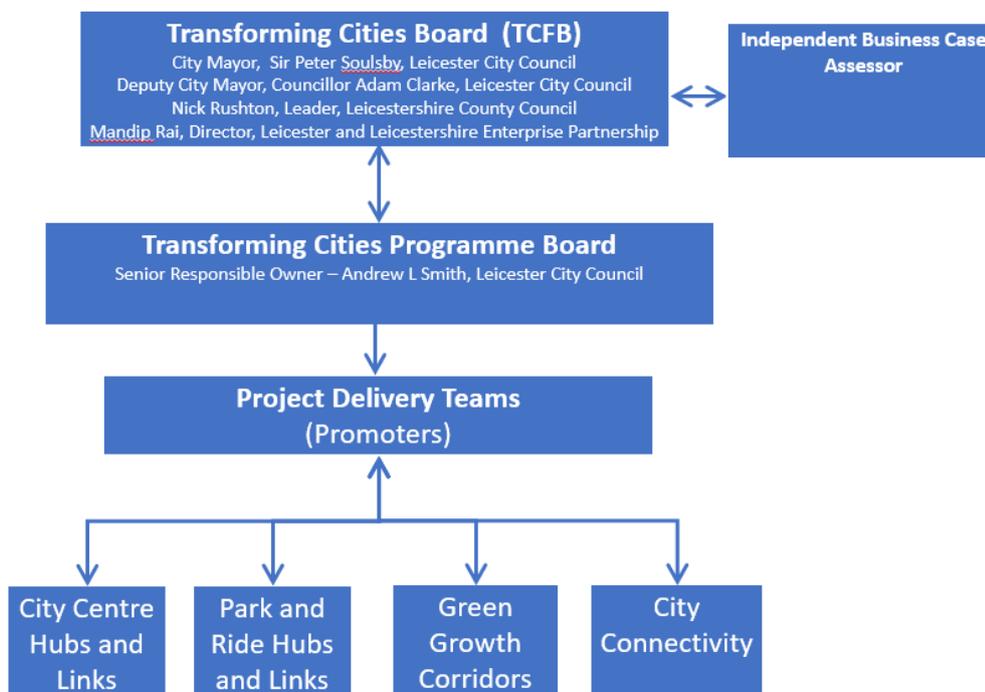
2.1.1 The geographic jurisdiction of the TCFB is based on the programme of schemes approved in the TCF bid to be delivered in the Leicester City urban area. This extends beyond the city council's administrative area into adjacent urban areas under Leicestershire County Council Transport Authority jurisdiction.

### 2.2 MEMBERSHIP

2.2.1 The TCFB comprises Leicester City Council (LCC), Leicestershire County Council (Leics CC) and Leicester and Leicestershire Enterprise Partnership (LLEP) and any co-opted partner organisations/individuals.

2.2.2 Those representing their respective Membership will be reviewed annually and at other times by the Board as may be required. The TCFB has been set up in such a way to allow for future expansion if considered appropriate by the Board. Deputies will be permitted.

#### **Governance Structure for Transforming Cities Fund Programme**



## 2.3 CONFLICTS OF INTEREST

2.3.1 All individuals who are members of the TCFB will be required to disclose any potential conflicts of interest, at the beginning of each meeting, which may prevent them from making an impartial decision on either the prioritised programme or a particular investment or scheme. Depending on the nature of the potential conflict of interest, to be determined by the other members present, there may be a need to co-opt another member on to the TCFB for the purpose of making a particular decision. All conflicts and co-opting will be recorded in the minutes of the meeting.

## 2.4 GIFTS AND HOSPITALITY

2.4.1 TCFB members are not allowed to accept any gift or hospitality from any individual or organisation who has a specific interest in any scheme or other item of TCFB business. All gifts and hospitality offered must be declared on a publicly available register, to be kept by the TCFB and published on the LCC website, and clearly showing whether the gift or hospitality has been accepted or declined.

## 2.5 AUDIT AND SCRUTINY

2.5.1 An independent local audit will be commissioned by LCC and carried out by a qualified auditor mid-way through the programme in 2021/2 and the audit will be made available at the request of the DfT. The aim of the audit will be to verify that the TCFB is operating effectively within the terms of the agreed assurance framework. Any shortcomings identified within the audit will be reported to the TCFB and appropriate remedial action will be put into place. This is to avoid the risk of DfT withholding or recovering funding due to an adverse audit finding or because remedial action has not been taken in a timely manner.

2.5.2 Further audits will be carried out at the TCFB's discretion.

2.5.3 It is acknowledged that DfT may also decide to undertake its own periodic assessments of the quality of appraisal and scrutiny within the TCFB, in order to test the extent to which the TCFB is discharging the responsibilities to deliver value for money. It is noted that the results of these assessments may be taken into account in determining future funding allocations.

2.5.4 The TCF programme may be considered as part of the city and county transport authority's own scrutiny functions at the request of the respective councils.

## 2.6 STAKEHOLDER ENGAGEMENT AND CONSULTATION

2.6.1 TCF programme stakeholders engaged as part of project development and delivery can be co-opted on the TCFB as required by the board. Consultation on TCF projects will be led by Leicester City Council (LCC) or the relevant lead body. Where any projects are proposed to be delivered on county highway, then Leicestershire County Council (Leics CC) as highway authority will be consulted to agree what, if any, Leics CC support is appropriate. All works on the public highway will require approval by the appropriate Highway Authority throughout the design and consultation process. All projects will adhere to statutory and non-statutory consultation requirements applied by each highway authority. Details of the TCF programme will be publicised through the lead authority website. Media releases with appropriate funder recognition will accompany the approval of individual schemes.

## 2.7 STRATEGIC OBJECTIVES AND PURPOSE

2.7.1 The primary objective of the TCFB is to decide which transport investments should be brought forward for delivery from the approved TCF programme, to review and approve individual proportionate business cases for those investments, and to ensure effective delivery of the programme. It will ensure value for money and sound decision making.

2.7.2 The TCFB is responsible for the following in relation to TCF scheme funding:

- Ensuring value for money is achieved.
- Agreeing investments within the available budget.
- Making decisions on individual scheme approvals, investment decision making and release of funding, including scrutiny of individual scheme business cases.
- Monitoring progress of scheme delivery and spend.
- Whole project Monitoring and Evaluation.
- Oversight of the budget and programme to respond to changed circumstances, such as scheme slippage, scheme alteration and cost increases.

## 2.8 SUPPORT AND ADMINISTRATION ARRANGEMENTS AND MEETING FREQUENCY

2.8.1 The TCFB will secure the capacity and capability to undertake all the functions of the TCFB described in this framework. Leicester City Council will guarantee that the required support arrangements are in place.

2.8.2 The TCFB will normally meet as required by the need to approve schemes and review progress of the programme.

## 2.9 TRANSPARENCY AND LOCAL ENGAGEMENT

2.9.1 This section explains how the TCFB will ensure a high level of transparency and appropriate involvement of the public and key stakeholders in decision making. The TCFB regard the opportunity for meaningful input by the public and stakeholders as being very important and will adhere to the Local Government Transparency Code. The TCFB will have a dedicated web page which will be hosted by the City Council. This will contain material accessible to the general public to help inform on programme progress. It will also contain a clear statement of the approach that will be followed by the TCFB when making major investment decisions through this Assurance Framework.

2.9.2 The TCFB will engage as appropriate with key stakeholders on a project by project basis. The level of engagement would be proportionate to the scale of intervention.

2.9.3 Leicester City Council will publish the results of the TCFB decisions on its web site, ensuring that the rationale behind the decisions is clearly explained. This will include the expected outcomes for the schemes that it funds. Leicester City Council will make available copies of the following:

- Scheme business cases and evaluation reports including a Value for Money (VfM) statement.
- Funding decisions.
- The overall TCF programme and individual project programmes.

2.9.4 As the accountable body, Leicester City Council will deal with all information requests made under the Freedom of Information Act 2000 and the Environmental Impact Regulations 2004, in respect of TCFB business.

2.9.5 Leicester City Council on behalf of the TCFB will:

- Publish the necessary information on a timely basis.
- Hold all TCFB papers and documents for at least six years.

## 2.10 COMPLAINTS AND WHISTLEBLOWING

2.10.1 Any individual or organisation is entitled to make a complaint if they feel that the work of the TCFB is not being undertaken in accordance with the standards outlined in this Assurance Framework. Complaints made against the TCFB will be treated in accordance with the Leicester City Council complaints procedure which can be found at <https://www.leicester.gov.uk/contact-us/comments-compliments-and-complaints>.

2.10.2 The TCFB members are committed to high standards of conduct and to compliance with legal obligations and good practice. They want malpractice to be pointed out and dealt with and they expect those who help to deliver the programme of improvements, to help with that. Officers are encouraged to raise genuine concerns as “whistleblowers”. Those who make public interest disclosures reasonably and in good faith will be protected from detriment such as victimisation or discipline. Often, that involves treating the disclosure confidentially, including protecting the whistleblower’s identity.

## 2.11 SECTION 151 OFFICER

2.11.1 The Accountable Body will ensure they address the five principles of the CIPFA guidance:

- Embed a corporate position for Leicester City Council’s Section 151 officer in TCFB assurance
- Create a formal/structured mandate for the LCC Section 151 officer
- Embed good governance onto decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

2.11.1 All Board and sub board documents which have a financial implication will be provided to the LCC Section 151 officer/delegate, and where decisions are being made the Section 151/delegate will have the opportunity to comment.

2.11.2 The LCC Section151 officer will ensure their oversight of the proper administration of financial affairs within the TCFB continues throughout the year. They will provide an assurance statement as part of the Annual Performance Review to the TCFB. They will provide a letter to the Accounting Officer at the DFT, on request, which will include:

- Details of the checks that the LCC S151 officer has taken to assure themselves that the TCFB has in place the processes that ensure proper administration of financial affairs in the TCFB
- A statement outlining whether, having considered all the relevant information, the LCC Section 151 officer is of the opinion that the affairs of the TCF programme are being properly administrated consistently with this LAF.

## 3 **PART 2 – PROGRAMME MANAGEMENT & INVESTMENT DECISION**

### 3.1 SCHEME PRIORITISATION

3.1.1 Scheme prioritisation and development of a scheme programme has been completed at SOBC stage. At SOBC stage prioritisation involved sifting a long list of schemes down to an agreed programme in line with DfT guidance.

3.1.2 The objectives of Leicester City Council, Leicestershire County Council and the TCF are very closely aligned. They recognise the importance of delivering transport investment that supports economic and housing growth for all sectors of the community whilst incorporating measures that will lead to an improvement in air quality and a reduction in Carbon emissions. Schemes were prioritised based on the TCF objectives.

### 3.2 SCHEME ASSESSMENT AND APPROVAL

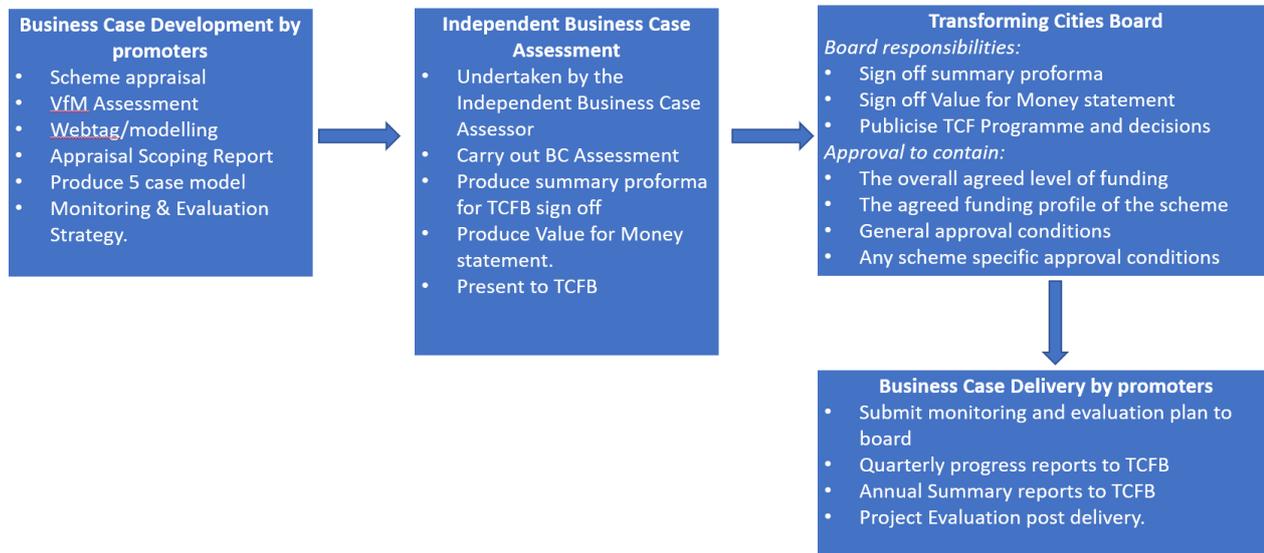
3.2.1 Each scheme will be project managed and promoted by officers (Promoters), who will be responsible for developing scheme proposals and producing business cases that are appropriate in scale and content to the proposals. The TCFB will be responsible for assessing the business case and deciding whether to provide funding for the scheme, and with what conditions.

3.2.2 Individual scheme approval decision made by the TCFB will be supported by an assessment of the scheme, carried out independently of the promoters and signed off by the Independent Business Case Assessor.

3.2.3 Independent scrutiny of business cases for presentation to the TCFB may be resourced by appropriately skilled and qualified professional officers (with appropriate experience in assessing business cases developed under TAG guidance) appointed internally or externally by Leicester City Council or Leicestershire County Council, who have no direct involvement in the particular business case under consideration. The Independent Business Case Assessor will be responsible for overseeing, and signing off, the business case assessment.

### 3.3 LOCAL ASSURANCE FRAMEWORK PROCESS

#### LOCAL ASSURANCE FRAMEWORK PROCESS



### 3.4 THE TRANSPORT BUSINESS CASE

3.4.1 The TCFB will require that all scheme proposals meet the key principles of the DfT Transport Business Case guidance, with the assessment of a scheme set out according to the Five Case Model as follows:

- the Strategic case.
- the Economic case.
- the Financial case.
- the Management case.
- the Commercial case.

3.4.2 The principles of the Five Case Model were required to be met at the Strategic Outline Business Case stage and will be applied proportionally at the project approval stage. Every funding bid should have a clear statement of objectives and the specific outcomes that the scheme is intended to achieve. This will enable the public and stakeholders to be clear on the success or

otherwise of the scheme when it is evaluated. The core of the economic case is the value for money assessment, and this is discussed in more detail below.

3.4.3 All schemes/projects will be subject to proportionate appraisals and business cases.

## 3.5 THE APPROVAL PROCESS

3.5.1 The TCFB will follow a three-stage approval process for individual schemes with the first stage completed as a requirement of programme entry:

- i) **Strategic Outline Business Case** [Submitted to DfT November 2019] – this initial stage advises the TCFB of schemes included in a strategic programme approved by DfT. The appraisal undertaken on schemes was subject to a level of detail appropriate to an individual scheme Outline Business Case and included a clear statement of objectives, along with an outline of the scope and cost of the proposals, including VfM. It also set out how the proposals met strategic policy objectives. Proposals were at outline design stage and included a draft programme and risk assessment with an appropriate action plan for red risks. Constraints at a desktop level were also identified. A Monitoring and Evaluation plan will be submitted at full business case stage. Full Business Cases will now need to be submitted for each of the approved schemes or packages.
- ii) **Full Business Case** – At this stage all approved schemes will be designed and developed to a full proportionate detailed business case, following TAG principles which will be submitted to the TCFB. On relevant schemes, promoters should consider traffic impact and any subsequent mitigation resulting from proposed schemes, including any road space re-allocation. Traffic modelling will be undertaken as appropriate on relevant schemes.
- iii) **Scheme Approval** – will be by formal agreement between the TCFB and the promoter. The agreement will include the approved funding and programme, the scope and detail of the scheme that has been approved, any specific conditions for the particular scheme, monitoring/evaluation arrangements, reporting, claims and audit requirements.

3.5.2 The TCFB must be notified as soon as possible of any significant changes of scope or delays in the approved programme. Full details will need to be submitted to the TCFB. There will be no automatic increase in funding from the TCFB. The TCFB will consider the merits of the submission and take into account any headroom in the overall funding profile held by the TCFB.

3.5.3 On an exceptional/emergency basis (for example linked to the Covid 19 pandemic) and where agreed with the DfT, early programme spend can be incurred without TCFB approval.

3.5.4 Where required TCFB meetings may be held remotely through use of video conferencing. It may also be necessary for Board member decisions on projects to be expedited through exchange of e mails following receipt of business cases without the need for a formal board meeting.

### 3.6 VALUE FOR MONEY

3.6.1 Value for money (VFM) can be described as using public resources in a way that creates and maximises public value. The greater the Benefit to Cost Ratio (BCR) of a scheme, the higher the value for money it is. Scheme benefits potentially encompass a wide range of economic impacts including:

- Journey time savings and journey quality for individuals.
- Reduction in costs to businesses, transport operators and passengers.
- Increasing access to jobs.
- Increasing inward economic investment.
- Keeping roads open to traffic (especially freight).
- Reducing accidents / improving safety and security.
- Health benefits.
- Modal shift from private cars to more sustainable modes of transport such as walking, cycling or public transport.
- Improvements to air quality and the environment.
- Revenue generated from modal shift, particularly with schemes involving rail or any passenger transport.

3.6.2 As well as VFM the promoter may also take into account non monetised benefits, such as more general impacts on the local area, ambience, regeneration (GVA, GDP, jobs) and public realm. Various tools are available to scheme promoters to quantify the fiscal benefits of a scheme. These could (not exclusively) include Heat, AMAT etc.

- 3.6.3 The TCFB requires each scheme submission to be supported by appropriate modelling and appraisal proportionate to, and fit for purpose for, the scheme under consideration. TAG should be applied proportionately, based on the impact of the scheme and the scale of the impacts. It is up to the scheme promoter to make the case for the proportionate use of TAG based on the type of scheme, modelling requirements, potential environmental impacts and projected social / distributional impacts. The scheme promoter will be required to produce a short Appraisal Specification Report (ASR) which will summarise the proposed modelling and appraisal approach.
- 3.6.4 The proportionate use of TAG is mandatory for all schemes. Scheme promoters will be required to conduct appraisals and value for money assessments using the DfT's TAG tool kit: <https://www.gov.uk/guidance/transport-analysis-guidance-webtag> . Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). The appraisal and modelling will be commissioned by LCC and scrutinised by the TCFB and this will be undertaken independently of the promoting authority. This will be done either:
- If in-house capacity is available by appropriately skilled and qualified professional officers from Leicester City Council and/or Leicestershire County Council who have no direct involvement in the particular business case under consideration will act as an Independent Business Case Assessor.
  - Otherwise by the external employment of appropriately skilled and qualified consultants not involved in the particular business case under consideration.
- 3.6.5 The TCFB will scrutinise the appraisal and modelling to include checks on whether:
- The proposed scheme fits with TCFB priorities.
  - The figures used for forecasting of growth, traveller numbers, costs, etc. are appropriate.
  - The scheme appraisal complies with proportionate use of TAG including checks on the suitability of models used and the modelling work undertaken.
  - The factors used to show a benefit or dis-benefit are appropriate, proportionate and reasonable - such as in connection with the impact of behavioural change measures.
  - The combined package of measures proposed is likely to result in the claimed outputs and outcomes.

- 3.6.6 The TCFB will be responsible for scrutinising the scheme appraisal and value for money case. The TCFB will, if necessary, appoint an Independent Business Case Assessor to quality assure the internal work of the TCFB and any external advice. If such an appointment is considered appropriate by the TCFB, Leicester City Council's normal practices for procurement, commissioning and monitoring will be used. This will be approved at director level. The process includes the assessment of potential consultants, to ensure, amongst other things, their suitability to undertake the work and their experience in appraising business cases. Recognised frameworks will be used if considered appropriate by the TCFB.
- 3.6.7 At the stage of the business case approval, the scheme promoter will produce a Value for Money Statement (VfMS). The VfMS will summarise the economic case for the scheme, so that stakeholders can understand the potential costs, benefits and impacts. DfT guidance on the VfMS is available at: <http://assets.dft.gov.uk/publications/value-for-money-assessments-guidance/vfmguidance.pdf> . A VfM statement and a monitoring and evaluation plan will be required for all transport projects in line with DfT advice on assessing VfM and monitoring and evaluation. The VfM statement will be produced by scheme promoters and independently scrutinised by the Independent Business Case Assessor and TCFB.
- 3.6.8 For each scheme seeking approval, the VfMS will provide an overall Benefit to Cost Ratio (BCR) which will compare the monetised benefits with the costs (such as those in relation to journey time savings and the reduction in accidents). In purely monetised economic terms, the value for money of a scheme will be categorised as follows:
- Poor VFM if the BCR is less than 1.0
  - Low VFM if the BCR is between 1.0 and 1.5
  - Medium VFM if the BCR is between 1.5 and 2.0
  - High VFM if the BCR is between 2.0 and 4.0
  - Very high VFM if the BCR is greater than 4.0
- 3.6.9 The TCFB base expectation is for a BCR of 2.0 or higher and it is these schemes that demonstrate high value for money (a BCR of over 2.0 accounting for significant non-monetised impacts and key uncertainties) that will have the best chance of being funded. Notwithstanding the principles on value for money, the TCFB will be able to approve schemes having lower VfM, having regard to specific circumstances including:

- Very convincing wider economic, social and environmental benefits;
- The ability of the scheme to address multiple city regional policy objectives as set out in Chapter 3.3 of the TCF bid submission dated November 2019;
- Social/Distributional impacts;
- Circumstances where very significant levels of match funding are being provided by the scheme promoter; or
- Where there are other urgent considerations i.e., CoViD related impacts, regeneration opportunities, health benefits or where there is a high element of qualitative benefit.

3.6.10 Schemes with a BCR of less than 1.0 will not normally be funded and will only be funded by exception where there is very strong overall business case (including non-monetised benefits) or where there are clear linked overall programme benefits resulting in a combined higher level VFM/BCR; it is noted that there could be schemes which do not clearly fit the appraisal tools available and that the benefits are not easily captured. These schemes will be examined by the TCFB on a case by case basis. Those schemes that do not achieve high Vfm may still be funded providing the promoter can demonstrate that the preferred option meets the councils strategic objectives as defined by their Local Transport Plan and aligns with key Local, DfT and TCF objectives.

3.6.11 A summary pro forma will be prepared for the TCFB.

3.6.12 The standard assessment procedure will examine opportunities for higher performing schemes that could deliver higher Vfm. The standard process will also check on scheme development to ensure that schemes are not being de-scoped.

3.6.13 The Independent Business Case Assessor engaged to undertake the review of the business cases would be responsible for ensuring that appropriate checks are carried out and by suitably qualified persons. This will include a consideration of the robustness and relevance of all the non monetised evidence provided by the promoters. Any inconsistencies within this evidence, and between this evidence and the economic case, will be carefully considered by the Independent Business Case Assessor, who may request further impartial due diligence which will be reported to the TCFB with recommendations.

- 3.6.14 The Independent Business Case Assessor will be the officer responsible for the VfM sign off on behalf of the TCFB.
- 3.6.15 The TCFB will consider to approve the business case based on the VfMS and other evidence as appropriate.
- 3.6.16 If a conflict of interest becomes apparent at any stage concerning the designated officer, Leicester City Council's Chief Operating Officer will be advised and will if necessary appoint another officer to act as the Designated Officer to be responsible for sign off.

### 3.7 EXTERNAL VIEWS ON BUSINESS CASES

- 3.7.1 Proportionate business cases for schemes with a construction cost more than £5m will be published (and publicised) on the TCFB website for at least two weeks before funding approval decisions are made so that external comment is possible. This would include a Value for Money Statement produced by a supporting independent officer/consultant and signed off by a member of the TCFB (Programme Manager). Opinions expressed by the public and stakeholders will be available to TCFB members when decisions are being taken. There will be exceptions for any commercially sensitive information.

### 3.8 RELEASE OF FUNDING, COST CONTROL AND APPROVAL CONDITIONS

- 3.8.1 The TCFB scheme approved funding can only be spent on the specified scheme and only on capital expenditure. Funding will only be released after the full approval stage and only in quarterly instalments (which could be suspended if spend is not keeping pace). A nominated finance officer must sign off applications for payment. The TCFB may consider applications for a part contribution to cost increases on a one-off basis and subject to the TCFB having sufficient funds available. Full supporting information will need to be submitted to the TCFB and there is no guarantee of any additional funding being made available.
- 3.8.2 All scheme promoters in receipt of TCFB funding are required to provide regular quarterly progress reports containing financial and delivery information to the TCFB, including a full outturn cost profile. No funding will be allocated to the scheme promoter until a proportionate business case has been approved by the TCFB. The TCFB approval will contain:
- The overall agreed level of funding for the scheme.
  - The agreed funding profile of the scheme.

- General approval conditions – e.g. capital expenditure only.
- Any scheme specific approval conditions (for example in relation to third party contributions, dates and format of progress reports).

3.8.3 Before any funding is released, the scheme promoter will need to accept the funding (and the conditions for its use) through confirmation that the money will be spent on the agreed purpose.

3.8.4 The scheme promoter will be responsible for submitting timely three-monthly claims to the TCFB for payment in arrears, on dates specified by the TCFB and in a format to be specified by the TCFB. On receipt of the claim, the TCFB will then instruct the accountable body to release the funds to the scheme promoter. If the claim differs from the agreed funding profile, the scheme promoter will need to provide an explanation to the TCFB and there is no guarantee of funding outside the agreed funding envelope. Only actual costs can be claimed. In the event of a scheme under spend, the difference between the under spend and the Approved Budget must not be claimed. If a scheme is completed and it transpires later that outstanding accounts are settled and there has been an under spend, any over claimed monies must be returned to the TCFB within 28 working days. TCFB monies cannot be transferred to fund other schemes without the approval of the TCFB. The TCFB will be mindful of the need to ensure that there is a mechanism in place to be able to make available any surplus funds held by the TCFB to alternative schemes within the wider programme as required and justified.

3.8.5 The TCFB will arrange audits of the expenditure by requesting evidence that it is being spent against the deliverables of the agreed scheme.

### 3.9 PROGRAMME AND RISK MANAGEMENT

3.9.1 The scheme programme will initially run from Q4 2019/20 to Q4 2022/23. A realistic programme is essential to enable funding to be provided within the TCFB available funding envelope and profile. It is necessary to plan expenditure to an agreed profile. Project delays need to be brought to the TCFBs attention as soon as they are foreseen. There is no guarantee of funding outside the agreed profile for the scheme. A Programme Manager supporting the TCFB will be responsible for overall management and monitoring of the major scheme programme.

3.9.2 A programme level Quantified Risk Assessment (QRA) was submitted with the SOBC for DfT approval. The QRA was prepared following the principles in the TAG Scheme Costs guidance ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data)

[a/file/625380/TAG\\_unit\\_a1.2\\_cost\\_estimation\\_jul17.pdf](#). All the risks identified were registered in a risk management table and quantified. This showed the probability of each risk, the actions required to mitigate each risk, the owner of the risk and eventually the date of closure. Through the stages of programme approval and delivery risk management table will be reviewed and updated regularly, new risks added, and any appropriate action will be taken immediately. It will be the boards responsibility to ensure that those risks are managed effectively.

- 3.9.3 Full project-level QRA and mitigation/contingency plans are required for each scheme as part of the assurance process within business cases. Where a project is seen as High Risk the TCFB will inform the promoter setting out the risks and requesting a written response outlining how the risks will be mitigated. If the Board are not satisfied with the response, then they may decide to remove the project from the programme.
- 3.9.4 In the event that a project has, in the opinion of the TCFB, significantly changed (by 10% or more) from what was originally proposed (i.e.: spend profile, outputs and outcomes, or delivery) the board will write to the promoter requesting a written response detailing why the project has changed. Following receipt of the response the TCFB may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.
- 3.9.5 If a project has not commenced within 6 months of the board meeting at which the project was approved, the project will be reported as a high-risk project. In this instance the TCFB will write to the promoter requesting a written response detailing why the project has been delayed. If the Board are not satisfied with the response, they can remove the project from the programme.
- 3.9.6 For each scheme that is included in the programme, the scheme promoter will be required to provide a project programme including estimated timescales for:
- Statutory Orders.
  - Public consultation.
  - Scheme procurement.
  - Construction.
- 3.9.7 As the business case work progresses, scheme promoters will need to provide timely updates on progress and provide an up to date register of project risks.

## 4 MEASURING SUCCESS

### 4.1 WHY MEASURE SUCCESS?

4.1.1 Measuring the success of projects provides important lessons which are used to further improve the decision-making processes outlined in the previous section. This increases the likelihood of successful delivery of future projects.

4.1.2 Further, measuring the impact of a project is important to understand the outcomes achieved by the funds available to the TCFB. This information is useful both to the funding provider (DFT), who will wish to quantify the benefits gained by the fund, and also to the TCFB in order to ensure adherence to the principles of value and efficiency in future decisions about spending on projects. The impacts achieved would also be beneficial to other scheme promoters and local areas to learn from past experience.

### 4.2 MONITORING & EVALUATION

4.2.1 The scheme promoter should prepare summary reports one year and five years post completion of the project as recommended in the 2012 guidelines. The summary report should highlight the outputs, outcomes and impact of projects and activities funded by the TCFB. This is an integral element of the commissioning and delivery stage in the TCFB programme/project management cycle, and forms the basis of the TCFB performance management reporting procedures.

4.2.2 Scheme promoters are responsible for informing the TCFB of any changes to scope, costs and implementation timescales. The TCFB will assess the impact of any changes on the overall scheme programme, cost increases or slippage and will report this to the appropriate Board where necessary. The TCFB does not guarantee that it will meet any cost increases either in full or in part.

4.2.3 Once a project is underway, a continual communication process is maintained between the TCFB and the project promoters. The promoter provides regular update reports (Highlight Reports) to the TCFB. The Programme Management team will then collate the programme information and completes (quarterly/annual) reports to the board. Performance summaries are included in the monthly Highlight Reports to the TCFB.

4.2.4 Monitoring takes place throughout the lifespan of the programme. Specifically, the Finance Team works with the Programme Management to understand the overall scale of investment. This

ensures that there is ongoing assessment of the effectiveness of each type of investment in line with the expectation of funding providers. The programme monitoring process therefore identifies the funding of each project and allocates the outputs achieved by each project to its contributory funds accordingly.

- 4.2.5 Evaluation is an important element of the scheme. It allows promoters and the TCFB to be able to demonstrate to stakeholders, the public and the Government that an investment has delivered as predicted. It also allows any 'lessons to be learnt'. Monitoring is defined as the collection of data to check progress against planned targets and benefits. Evaluation is defined as the assessment of the scheme effectiveness and efficiency during and after implementation. This includes measuring the causal effect of the scheme on planned outcomes and impacts and assessing whether the anticipated benefits and value for money have been realised. The results of evaluation and monitoring for each scheme will be published on the TCFB website.
- 4.2.6 The overall method that the TCFB will use to carry out monitoring and evaluations will be published. Subsequently the actual evaluation reports will also be published. Hard copy will be available on request to the Designated Officer and these documents will be published on the TCFB web site.
- 4.2.7 Promoters must submit proposals for, and undertake proportionate monitoring and evaluation in accordance with the DfT guidance documents on evaluation available at: <https://www.gov.uk/government/publications/monitoring-and-evaluation-framework-for-local-authority-major-schemes> and also in accordance with the emerging TCF Evaluation Guidance. This later guidance recommends to:
- Establish a 'Theory of change'.
  - Develop a counterfactual (before and after).
  - Collect baseline data.
  - Plan what monitoring is needed.
  - Plan for data access.
- 4.2.8 Scheme promoters are expected to submit a detailed Monitoring and Evaluation Plan to the TCFB prior to the Full Approval submission or before any data collection is programmed, whichever is

the earliest. This plan will be assessed independently of the promoter, The TCFB will advise the promoter of any improvements required to the plan.

4.2.9 In most cases promoters will be expected to propose and implement a standard monitoring and evaluation plan, but in some instances enhanced monitoring may be required. These are schemes which have an expected outturn cost of over £50m. If promoters require early guidance on the level of monitoring required, they should request this when they submit their outline monitoring and evaluation plan with the Full Scheme Business Case at the Programme Entry stage. The plan should include:

- Logic mapping identifying the input, output, outcome and impact criteria. It should also set out how these would be measured.
- The proposed before and after monitoring study.
- The proposed approach to project management; and arrangements for monitoring its efficiency and effectiveness.
- The proposed timescale for post-scheme evaluation.

### 4.3 CLOSE AND REVIEW

4.3.1 The TCFB will have a comprehensive monitoring and evaluation framework designed to provide robust feedback on the lessons learned from individual projects. At the end of the delivery stage, the scheme promoter is responsible for summarising the evaluation that has taken place.

4.3.2 The scheme promoter is required to ensure adequate resource is allocated at Full Business Case stage to undertake the agreed monitoring and evaluation.

4.3.3 Project evaluation not only provides accountability for the investment made but also provides the local evidence base to improve future bidding and the assessment of value for money and appraisal. It is also to confirm that a project/scheme has met all key requirements and deliverables in accordance with the funding agreement and TCF objectives. The evaluation/closure reporting will assess the success of the project, identify best practice for future projects, resolve any open issues and formally close the project.

Once the scheme evaluation report has been agreed with the TCFB, it will be published on LCC's website. The TCFB will be responsible to disseminating and completed reports to other scheme promoters such that they can build on lessons learnt and improve efficiencies.

## 5 Contact Details

### 5.1 TRANSFORMING CITIES PROJECT EXECUTIVE

5.1.1 Andrew L Smith  
Programme Director  
Transforming Cities Fund  
Tel: 0116 454 2801  
Email: [andrewl.smith@leicester.gov.uk](mailto:andrewl.smith@leicester.gov.uk)

Satbir Kaur  
Programme Manager  
Transforming Cities Fund  
Tel: 0116 454 2855  
Email: [Satbir.kaur@leicester.gov.uk](mailto:Satbir.kaur@leicester.gov.uk)