Appendix M   Assurance Plan Report (March 2015)

Blackburn - Manchester Rail scheme

Assurance Plan
April 2015

Executive Summary:

Outcomes of the plan:
A traffic light / dashboard report will be presented to the inaugural Project Board to provide sufficient assurance that the project is dealing with the following key issues:

- Programme and Timetable
- Cost (including key cost milestones)
- Quality and partnership working
- Benefits realisation
- Skills and Capacity to deliver
- Risk management
- Health and Safety
- Communications (internal and external)
- Project evaluation

Regular reporting will take place with the LEP (via TfL) through a Quarterly Monitoring Report (QMR) which encompasses project progress and financial performance based on the previous DfT process. This ensures that the LEP have:

- A summary of in year finance
- Progress against milestones
- Current total estimated outturn costs
- Breakdown of expenditure
- Summary of grant forecast and claims

The QMR process undertaken for the DfT and to be replicated with this project requires the declaration of the Council's Chief Finance Officer (Section 151 Officer). The QMRs will be approved by the Project Board before they are submitted to the LEP.

As part of the project there will be regular reporting to the Council's Executive Board detailing delivery of package elements and financial progress. This ensures that the project is held to account by Councillors and the General Public and provides the public with a detailed update on the Project's programme.

Under the Council's constitution there is a process of Overview and Scrutiny which has been introduced to ensure that members and officers are fully accountable for their decisions.
The rail scheme falls under the auspices of the "Regeneration and Neighbourhoods Overview and Scrutiny Committee" who may wish to recommend that aspects of the scheme are scrutinised in greater detail at any point within the project's delivery. The Committee is made up of members from all political parties, and importantly, Councillors on the Executive Board cannot serve on the Committee.

These reporting arrangements identify what assurance will be provided, when and by whom, which will ensure that Project Assurance remains integral to the roll out and successful delivery of enhanced service pattern to Manchester from Blackburn and station waiting improvements north of Blackburn and at Darwen.

INTRODUCTION:

The project assurance plan for the Blackburn to Manchester rail scheme defines the strategy for the management of the project within a pre-defined scope, and the procedures for its successful completion and implementation. By using a comprehensive methodology, the aim is to ensure successful implementation and delivery of the project.

The project parties associated with each element of the project are as follows:

Rail infrastructure works (passing loop):

- Network Rail –Project & Cost manager
- Construction (Railway engineering) principal contractor: VolkerRail who have won the respective work category in LNW(N) area,
- Construction (Civil Engineering) principal contractor: Buckingham Group Contracting who have won the respective work in the LNW(N) area.
- Design team: Mott MacDonald who have undertaken GRIP 3 design activities with constructability advice from Buckingham's.

Rail infrastructure works (stations):

- Northern Rail – Project & Cost manager
- Design Team / Project Management: Vextrix
- Construction: tbc

PROCUREMENT:

This project to deliver the passing loop at Darwen is part of the portfolio of work intended to be delivered through Network Rails Control Period 5 Panel Framework.

This framework has been through a rigorous tender process over the last 12 months and is anticipated to provide improved value for money and enable Network Rail to better achieve the efficiency targets set by the regulators by early contractor involvement, close collaboration with suppliers and the supply chain in the development and delivery of works.

The delivery of station asset improvements will be managed by Northern Rail as the current TOC for the Northern Franchise.

DESIGN:

The design house used in the development of this project is Mott MacDonald who have undertaken GRIP 3 design activities with constructability advice from Buckingham's.

In order to facilitate a disciplined delivery process, it is essential that the design process is controlled and programmed. Consequently it is important that:
- It is understood that design is a means to and end and not an end itself
- An achievable programme is established and agreed by the design team
- The progress is monitored and the dates achieved by all parties
- The information produced is fully co-ordinated and in the required level of detail
- Emphasis upon finding practical solutions
- All relevant information is prepared in a timely manner, both for the needs of approval, cost forecasting and in line with the project programme.
- The users are provided with relevant time to review and comment on the design team proposals.

RISK MANAGEMENT:

General Approach: The strategy and approach to risk management adopts the following format:
- Setting the objectives and process
- Formal risk review involving identification, assessment, prioritisation, and quantification, management and control
- Maintaining an updated risk register

These stages are depicted in the risk management process chart below:

Risk Management Process Chart
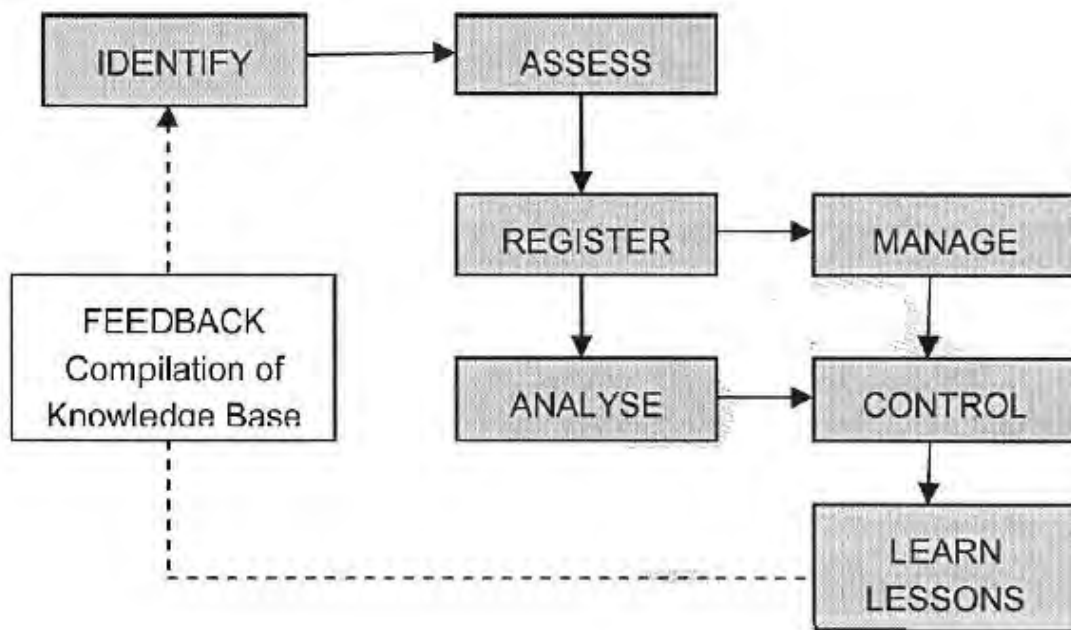
Objectives and Process:

The objectives of the risk analysis are to:
- Recognise the potential impact of risk on the project objectives
- Formulate an accepted procedure of the process
- Identify potential risks and allocate a risk owner
- Assess the impact of the identified risks
- Prioritise and plan risk responses
- Manage and control the risks

Risk Analysis and Risk Workshops have already been undertaken and will continue to take place at the appropriate time in order to facilitate the production of a formal Risk Management Plan which will be monitored and updated throughout the project lifecycle. It is a prerequisite that any new party to the project will become familiar with the Risk Management Plan, and will have an input in further risk analysis work at all key stages.

Environmental Risk Management: The Design Teams will be responsible for undertaking an environmental Check to evaluate the aspects and impacts of their activities on the project. All risks identified as a result of undertaking such an exercise will be reported to the Project Manager for inclusion on the overall risk register and will then be subject to the Risk Management process outlined above.

Health and Safety Risk Management: The process for Health and Safety Risk Management is to be developed by using standard Network Rail policy in order to ensure full compliance with all appropriate regulations and obligations. All risks identified as a result of undertaking such an exercise will be reported to the Project Manager for inclusion on the overall Risk Register and will then be subject to the Risk Management process outlined above.

FINANCIAL MANAGEMENT

Project funding: It is anticipated that funding will be made available for the project as follows:
• Local Authority Contribution: £1.179m Capital (BwDBC)
-LCC local contribution £100k
• LGF funding contribution £12.4m

Total: Capital £13.679m

Revenue funding:
Work undertaken by Mott MacDonald (refreshed business case Nov 2014) calculated a revenue impact of the service to cover all the operating costs for the period 2016 – 2019 at £1.488m. Whilst BwDBC had agreed to cover these costs in line with DfT policy for third party funded rail schemes it has subsequently been announced within the Invitation to Tender documentation for the next Northern franchise that these costs would form part of the baseline service specification. As such all operating costs have been removed from the business case.

ROLES AND RESPONSIBILITIES

General: The various parties to the project, their roles, responsibilities and relationships are described below. All parties should make a concerted effort to ensure that personnel continuity is maintained for the full duration of the project.

Project Board / Client: The partnership between BwDBC and Network Rail forms the Client and Project Board with representation also from LCC and TfGM reflecting the wider geographies involved. The outline of the roles and responsibilities of the Project Board are:
Key Tasks:
- Prepare, issue and maintain the Project Brief including changes
- Approve project programme for baseline
- Ensuring availability of approved project budget
- Gateway approvals as notified at Project Board meetings including commenting on design proposals
- Regular Project Monitoring and overseeing the Project Evaluation process
- Change control approval
- Provide timely decisions on issues raised by Project Manager.

Project Director, Network Rail (Noel Connolly)

- Provide advice and guidance to the joint Project Delivery Team on matters relating to the Project
- Be the principal contact in all dealings with contractors, consultants and other external organisations directly involved in the procurement and delivery and provide all related decisions and directions on behalf of BwDBC / LEP
- Responsible for external press and radio communication
- Responsible for external communications with the DfT and LEP
- Responsible for the management of information to BwDBC to ensure all relevant documentation, information and assistance in relation to the project's delivery (particularly at Key Milestones).

- Meet regularly with the Project Sponsors to discuss all matters in connection with the project including obtaining agreement to the scope of any undefined or new elements of the Project as per the Implementation Agreement signed in Summer 2014
- Consult jointly with the Project Sponsors on matters of policy, direction, finance and content of the project
- Consult with the Project Sponsors with regards to any other projects which may impact on any element of the project
- Approve Change Control requests in accordance with delegated powers
- Issue and monitor progress on issues

Project Manager, Network Rail (Thomas Drury)
The Project Manager is responsible for the over-arching management, coordination and control of the project. The Project Manager will be responsible for ensuring that all parties carry out their duties and responsibilities. It is the responsibility of the Project Manager to keep the parties informed on all matters in connection with the project at all times.

The Project Manager /Cost manager will:
- Prepare, maintain and issue the Project Execution Plan
- Prepare and maintain Risk Register
- Prepare and maintain Issues Log
- Maintain and manage Change Control process
- Prepare and maintain project programme
- Chair and minute project meetings
- Prepare monthly reports and issue to Project Board as requested
- Ensure project brief and any changes are notified to Design and Cost managers
- Co-ordination of information to TOC and DfT
- Maintain overall Cost Plan with cost information input from each element of the programme
- Advise on impact of changes to design as notified by the Design Team
- Prepare cost inflation report for submission to Project Board for approval

Project Manager (BwDBC) will:
- Prepare and maintain update reports to Project Board, Council Executive Board and LEP, CRL.
- Assist in the preparation and maintenance of a risk register
- Assist in the preparation and maintenance of Issues Log
- Assist in the preparation and maintenance of change Control process
- Vice chair for project meetings
- Assist in the coordination of information to the TOC and DfT

PROCEDURES / PROJECT GOVERNANCE

Project Governance: The project will be governed by the formation of a Project Board consisting of members of BwDBC, Network Rail, TfGM and LCC as detailed in section 7.2 in the OBC.
In addition to the outline of roles and responsibilities detailed above, the Project Board will have responsibility for:
- Sanctioning and approving any material change to the scope of the Project Brief
- Approving any change request which would result in an increase in cost or an
- extension of the programme
- Managing all Press and Public Relations issues
- Submission of all reports to LEP and DfT
- Submission for all requests for payment to LEP

Communication

Lines and forms of Communication within the project:
Generally: The Project Manager will be the focus of all communication for the project. It is recognised that direct contact between all project members will take place and suitable records should be kept as

necessary by the relevant project member. The project manager shall be copied on all correspondence relating to key aspects of the project.

In order to manage the project effectively it is critical that the Project Manager is aware of how and when information is passed and, accordingly, this sections sets out how to promote the effective movement of information.

Written Communication: All items of written communication are to bear a unique reference, which is at the discretion of the originating company, but must comply with individual quality assurance systems.

All written communications shall include the following projects / subject particulars.
Project Title: Blackburn to Manchester Rail scheme
Subject: A subtitle referring to the content of the written communication.
Generally, letters should refer to a single subject.

Only those members named in the Project Directory are to enter into written communication. Written correspondence is to be kept to a necessary minimum. Project members are to ensure that all written communication regarding the overarching project are copied to the Project Manager.

Verbal Communication: Conversations between the project parties either direct or by telephone, will be encouraged, to expedite progress. However, the Project Manager must be promptly made aware of the content of all conversations which have an impact, or potential impact, on the project. Notification should be by telephone / verbally as necessary, followed by written notification if necessary or requested.

It must be stressed that the outcome of verbal communications at any level will not relieve the parties of their responsibilities.

Electronic Mail: The use of electronic mail is encouraged. Its status however will be as verbal communication and is consequently an informal means of communication.

Facsimilie Transmission Sheet: All facsimile communication is to be referenced as written communications. Written acknowledgment of receipt of facsimilies will not be required, unless specifically requested within the text.

Records of the distribution of the facsimilie are to be indicated within the facsimilie document. Additional continuation pages may be enclosed, providing that the number of pages for transmittal is indicated on the cover sheet.

Requests for information: Requests for information between the project team members should be made formally in writing using the most appropriate means. All requests should include the reason the request is being made, including any potential implications, and the date by which such information / details are required to ensure continued compliance with the project programme.

A list of all outstanding information should be issued at the next project team meeting and any undue delays which could impact on the continued compliance with the project programme shall be reported to the Project Manager.

Filing: Each party shall be responsible for classification and filing of all communications and documents within their own system.

Meeting and Reporting Procedures

General: The number and frequency of planned meetings in connection with the Project, and the number of regular attendees to each, will be kept to the minimum necessary to ensure effective reporting, action and avoid duplication between meeting types. Agendas will be prepared for all meetings, by the Project Manager, based on a standardised form, and minutes taken and circulated to all attendees.

The project manager shall be responsible for the administrative arrangements, including:

- Booking a meeting room
- Ensuring that those required are available to attend
- Preparing and issuing an agenda prior to the meeting
- Minute the meetings
- Issuing documents and reports in advance
- Approving and issuing the minutes within 5 days (two days for weekly meetings)

Meetings: Regular meetings will be established and dates set in advance, with relevant information circulated to attendees.

Ad Hoc Meetings: It is recognised that ad hoc meetings will be required to discuss specific issues. Project members attending project related meetings with third parties must take notes of the discussions, and any decisions /actions agreed, and issue them to the Project Manager, as appropriate.

Reporting: A structured reporting and review process is required and is used as the key formal communication tool on the project. The project progress reporting philosophy is to report by exception, where divergences exist from pre-agreed plans, and to look forward to report how the divergences will be overcome. Regular progress reports (of a standard format) will be sought from parties and these will be delivered at the regular project meetings.

Reports issued during the project will be of a standard format, in order to promote a high quality of work and ease of reference. Each report will be typed on a double sided portrait A4 paper, appropriately numbered and referenced.

Each report shall include a title sheet of standard layout, containing the following information:
- Party
- Project title
- Document title
- Revision / issue letter
- Date of production
- Author identification

In addition, each report exceeding five pages of text shall include a contents list. It is proposed that the Project Manager will provide formal monthly Progress Reports to the Project Board. The format of this report will be developed and approved by the Project Board but will include an update on progress, cost, compliance with approved project programme, risks and will include details, including implications and dates of when such instructions / approvals are required from the Board.

Change Management

Principles for use: The change management procedure will be applied through to project completion. The procedure is critical to the successful and controlled delivery of the project within budget, and must therefore be applied diligently by all parties to the project irrespective or role or status.

The process must be followed when considering potential or actual change to the design and / or scope of work.

The Change Management Procedure applies to all change irrespective of scope and anticipated cost (subject to delegated authority levels). The Implementation Agreement forms the base from which any change will be assessed.
When assessing changes, the project team may find the following classification helpful in determining which instructions are given priority:
- Corrective action: Errors or omissions in work already completed which will result in project objectives not being met
- Request for change: A change which results in an alteration to the design, specification or project acceptance criteria.
- Changes required for corrective action will be prioritised to ensure that agreed project objectives are not compromised.

The process: No change can be issued without Project Board approval (unless delegated to Project Director) obtained through the change control procedure. Use of the process will ensure:
• The capture of all change on the project
• Defined roles for key members of the Project Team
• Fixed timescales for decision making
• Capture of all implications of a change prior to instruction
• Effective decision making based on full scope of information.

The system's main control mechanism is the Change Request Form (CRF). A CRF register will be maintained by the Project Manager to provide a summary of the status of all CRFs.

Changes will generally fall into one of the following designations:
• Client Project Scope Change (CSC)
• Design Team Project Scope Change (DSC)
• Design Development (DD)
• Unforeseen Project Change (U)
• Value Engineering Change (VE)
• Statutory Authority Requirement (SR)

Client project scope change: Raised by Client to record changes to the project brief.

Design development / scope change: Proposed changes that result from the ongoing design process, including unforeseen items, will be raised by the Design Team for the attention of the Project Manager. Potential Design Development changes shall be raised and discussed at the regular Design review meetings.

Value engineering: Raised by the Design Team or Principal Contractor (once appointed and following Full and Final Approval from DfT) as having potential to result in cost and/or programme savings.

Statutory requirements: Raised usually by the Architect to record changes necessitated by Conditions of Consents, or alternatively to comply with Regulations and/or Bye Laws.

Construction Issues: Raised by the Principal Contractor if issues are experienced with any aspect of the design or it is considered to be outside the currently agreed scope.

Duties and Responsibilities

The key duties and responsibilities in managing the change control procedure are:

Originator: To obtain a unique CRF Reference Number from the Project Manager, and issue the form. For changes raised by the project team, the Originator will complete and circulate the CRF and will track and chase responses from the Team to meet the agreed assessment timescale.

Team Members: Contribute to the assessment process. All members of the Team have the opportunity to comment on all changes.

Project Director: Responsible for submitting CRF's to Project Board. Will also be responsible for approving certain CRF's which comply with all of the following parameters:
• CRF's which do not have a significant increase in cost
• CRF's which have no impact on the Project Brief
• CRF's which have a Health and Safety implication if not implemented immediately
• CRF's required to comply with any legislation or statutory requirement Project Manager: Lead the assessment of completed CRFs and manage the sign-off process.

Project Manager: Lead the assessment of completed CRFs and manage the sign-off process.
The scope of the change instructed must be limited to the work described on the CRF. Whilst design development will be permitted following sign off of the change, any material alteration to the scope of the change will require further approval via a further CRF.

PUBLIC RELATIONS / PRESS ISSUES

Any proposed Press Releases or publicity events need to be carefully coordinated and managed to ensure the requirements of the Client are fully achieved. Any proposed event or press release shall be advised to the Project Director who will engage with the appropriate Client Representative in order to co-ordinate with the relevant parties.

All approaches from the Press shall be referred to the appropriate Press Coordinator, as listed in the Project Directory, (BwDBC and or Network Rail) with the Project Manager (s) and Project Director advised.

MONITORING AND EVALUATION

As a condition of funding, a Monitoring and Evaluation Plan has been produced for the Blackburn to Manchester Rail scheme (*See Monitoring & Evaluation Plan*). This will assist in managing the delivery of the scheme with the objective of ensuring that the benefits of the scheme are achieved in full.

The Monitoring and Evaluation Plan aims to provide a useful means of demonstrating to BwDBC, the LEP, DfT, TOC, CRL, local businesses, the general public and interest groups that the Pennine Reach scheme:
- Was delivered effectively and efficiently
- Has delivered anticipated outcomes

The focus for the Monitoring and Evaluation Programme is on measuring performance and understanding scheme impacts.

The approach taken for Monitoring and Evaluation of the Blackburn – Manchester rail scheme has been driven by best practice guidance and the key object of the evaluation will be to monitor the progress of the scheme against standard measures outlined in previous DfT guidance at key stages.

The following measures (covering inputs, outputs, outcomes and impacts) will be monitored for the Blackburn to Bolton Rail Scheme.

- Scheme build (Stage 1)
- Delivered scheme (Stage 1, 2 and 3)
- Costs (Stage 1)
- Scheme objectives (Stage 2 and 3)
- Travel demand (Stage 2 and 3)
- Travel times and reliability of travel times (Stage 2 and 3)
- Impacts on the economy (Stage 2 and 3)
- Carbon impacts (Stage 2 and 3)

In order to track change in standard measures over time, monitoring data shall be collected in a consistent and comparable fashion at regular intervals before the scheme starts (to baseline), during construction, and for a period up to five years after scheme opening.

Stage 1: Baseline and Pre Scheme Data Collection

Baseline data shall be collected prior to the commencement of the work on the scheme and during scheme construction to ensure that data is available for comparison with the post opening scenario. This will involve supplementing data collected for the development of the Major Scheme business case.

The baseline data will mostly be collected in Summer/ Winter 2015 and collated, analysed and reported in the pre scheme opening report. This will be submitted to the LEP toward the middle of 2016.

Stage 2: Post Scheme Data Collection

Stage 2, post scheme data collection, will be carried out in Winter 2018 and will include a repeat of the baseline data collection exercise. However it is anticipated that additional data sources will be utilised, which are not currently monitored/available or which could not be collected prior to implementation. Winter 2018 has been selected to allow data collection in the same period of the year as the Baseline data.

Data collected during Stage 2 will be analysed and compared with the baseline data and with the forecasts at the appraisal stage to inform the evaluation and attribution of impacts. For further details of how the data will be used to analyse the scheme please refer to section 5.

A post completion Stage 2 report, evaluating the project outputs, will be produced focusing on the outturn cost, schedule and quality of delivery or key outputs. The report will include assimilated and analysed data assessing the impact the project has had so far on the key outcomes and on the Scheme Objectives. The report will include the conclusions of the Process, Impact and Economic Evaluations up to 12 months post service delivery.

The Stage 2 report will be submitted in 2018 (depending upon the delivery of the project)

Stage 3: Year 5: Post Scheme Data Collection

This will include a repeat of the Stage 1 and 2 data collection exercise to determine the effects of the scheme five years after opening. This information will be analysed and reported in the Year 5, post scheme opening report. At this stage it will be possible to identify the long term trends that have occurred since the implementation of the enhanced service frequency between Blackburn and Manchester and the improved station waiting environments and whether the scheme can be termed 'successful' against the scheme objectives

REPORTING AND SCRUTINY

It is anticipated that regular reporting will take place with the LEP through Quarterly Monitoring Report (QMR) process which encompasses project progress and financial performance. This ensures that the LEP and subsequently the DfT have:
- A summary of in year finance
- Progress against milestones
- Current total estimated outturn costs
- Breakdown of expenditure
- Summary of grant forecast and claims

The QMR process previously established by the DfT required the declaration of the Council's Chief Finance Officer (Section 151 Officer) and it is the intention to retain this practice. The QMRs will be approved by the Project Board before they are submitted to the LEP.

As part of the project there will be regular reporting to the Council's Executive Board detailing delivery of package elements and financial progress. This ensures that the project is held to account by Councillors and the General Public and provides the public with a detailed update on the Project's programme.

Under the Council's constitution there is a process of Overview and Scrutiny which has been introduced to ensure that members and officers are fully accountable for their decisions.

The Blackburn to Manchester Rail Scheme falls under the auspices of the "Regeneration and Neighbourhoods Overview and Scrutiny Committee" who may wish to recommend that aspects of the scheme are scrutinised in greater detail at any point within the project's delivery. The Committee is made up of members from all political parties, and importantly, Councillors on the Executive Board cannot serve on the Committee.
These reporting arrangements identify what assurance will be provided, when and by whom, which will ensure that Project Assurance remains integral to the roll out and successful delivery of the scheme.