

Good Growth Project Change and Remediation Policy

1. Purpose

The Good Growth Programme Management Office's (PMO) purpose is to administer the implementation of the Good Growth [Investment Plan](#). Therefore, the PMO manages the performance of projects, ensuring that the Good Growth programme is kept on track in achieving its objectives. There are some circumstances where project remediation may be required, which could be as a consequence of poor performance, a material change and/or breach of the Grant Funding Agreement (GFA). The Good Growth Team will always support projects to deliver as much as possible either through remedial action to bring projects back on track or through a project change process as set out in this document, but there may be situations where performance improvements do not happen despite best efforts, or issues make a project untenable. Where options have been exhausted and it is unlikely that the project can deliver to the terms of a contracted Grant Funding Agreement, decommitment or clawback may need to happen. This is chiefly to safeguard the wider Good Growth programme against under-delivery, but also to enforce accountability and ensure fairness, in that the projects with the greatest likelihood of producing beneficial impacts for Cornwall and Isles of Scilly (CIOS) should receive funding. This document explains the process of remediation to avoid the risk of decommitment and clawback.

2. Guiding approach

The Good Growth PMO adheres to the principles of [managing public resources](#). Managing public money demands the highest standards of professional conduct, pursuant to the 10 principles of public service; *honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity and reliability*. All PMO functions, including the revision of Good Growth investment decisions, should be carried out in the spirit of, as well as to the letter of the law, in the public interest, to high ethical standards and achieving value for money.

3. Definitions

Project change request: The process by which projects holding a Grant Funding Agreement request formal changes to projects.

Decommitment: The decommitment of public funds refers to the process of rescinding the investment approval decision and retracting the agreement to award a, or further instalments of a, Shared Prosperity Fund grant.

Clawback: If the recipient were to default on the terms of the grant funding agreement (GFA), clawback of the funds may be initiated at the discretion of the Council. The Council has the discretion under the agreement to clawback the funding in whole or in part, the value will be dependent upon a number of factors i.e. how much of the project has been delivered and whether certain outputs have been achieved. The Council will at all times act reasonably in relation to the clawback of any funds.

Material Breach: This means a breach of a Grant Funding Agreement which is not minimal or trivial in its consequences as further set out in Clause 12 of the Shared Prosperity Fund GFA.

4. The Process of Project Change

All projects funded by the Good Growth programme have already undergone a rigorous application, appraisal and contracting process, which certifies that every project has what it needs to deliver. The Good Growth Team's first priority will always be to support projects to deliver to their GFA and generate the greatest impacts possible. In all situations of project change or underperformance, the approach will be to work closely with projects to agree remedial action. It is in the interests of all

parties for projects to be successful, however the incredibly tight timescales of the programme mean that where project slippage occurs, only a limited time can be afforded to the project to prove that delivery can indeed get back on track. Decommittment of funds will only occur when all avenues of remediation have been exhausted.

5. Project Change Request

Any significant deviation from the terms of the Funding Agreement, with the thresholds outlined below, will require submission of a Project Change Request Form. The [form](#) identifies the changes, the expected impacts and explains the rationale, it can be found on the [Good Growth website](#). The Project Lead should be alerted to any change or slippage as soon as possible, and a discussion had, issues should not be left to be noticed by the Project Lead, as this may delay or complicate remediation.

When the Form has been submitted it will be reviewed by Cornwall Council, the resulting decision will depend on such factors as the nature of the change, the scale and complexity of the project, leniency in the project timelines, previous performance, other non-compliance, the strength of the rationale given, the degree of slippage and the impact on the programme. Agreement of project change is discretionary and may be declined. It may be determined that a Deed of Variation to the funding agreement is required, or if not required then a letter of confirmation will be sent to the Recipient to confirm approval.

A Project Change Request Form will be automatically triggered if any of the occurrences in the table below are met:

Occurrence	GFA variations to be agreed by SPF PMO	PCR decided by Service Director (in consultation with the Economy Portfolio Holder where appropriate)	PCR decided by EPB
Individual Outputs/Outcomes	Reduction of under 25% (unless disproportionate impact on programme level targets)	Reduction of over 25% of contracted outcomes and outcomes or where disproportionate impact on programme level targets	
CloS SPF funding increase (contracted and approved projects)	None	Increase up to 30% of original allocation	Increase of over 30% of original allocation
CloS SPF funding reduction	Any reduction with no change or proportional or justifiable change in outputs and outcomes	Any reduction with disproportionate reduction in outputs and outcomes	

Programme / Milestone	Delay of under three months and within CloS SPF programme completion timescales	Delay of three months to six months and within CloS SPF programme completion timescales	
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The above table is provided as broad guidance. Given the diverse nature of projects funded by Good Growth it is not possible to provide an exhaustive range of parameters in which a PCR may be required and which governance route will consider it for decision. The PMO reserves the right to request a PCR and / or refer the project to the Service Director (who in turn may determine to escalate the ask back to EPB) for any change requested by projects.

6. Project Recovery Plan

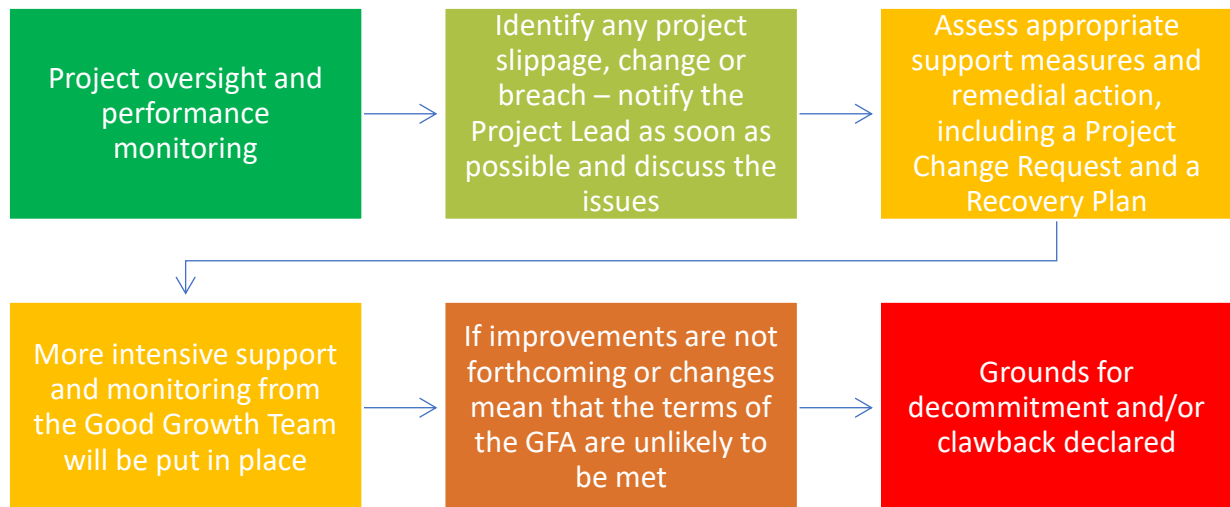
As part of the Project Change Request process, projects will be required to develop a Recovery Plan with their Project Lead where appropriate. This Plan will outline the issues identified and the remedial course of action to be taken to get the project back on track within an agreed timescale. Performance against the Plan will be closely monitored by the Project Lead. It will be made explicit to both parties what the next steps are for where performance does not recover or where a change or Material Breach may mean that it is unlikely that the terms of the GFA can be fulfilled. Approval of the Recovery Plan is discretionary, the Good Growth Team will seek to enable the project to remedy the issues but if it is deemed that the problems are insurmountable, or the Recipient has made insufficient progress to meaningfully address the problems, decommitment and/or clawback may be considered.

7. Event of Default and a Material Breach of the terms of the Grant Funding Agreement

A reconsideration of the GFA also may be triggered when there has been an Event of Default, the full details of which can be found in paragraph 12 of the GFA. An Event of Default may involve: materially incorrect or incomplete information; misuse of funding; negligence; dishonesty; bringing the name of Cornwall Council into disrepute; Recipient insolvency, receivership, administration or liquidation; unethical or illegal activity.

A Material Breach will trigger a process of written notification of the breach to the Recipient, opportunity will be given to remedy the situation, if a remedy appears untenable or is not forthcoming, grounds for decommitment and/or clawback may be met.

Project Remediation Process



8. Consistent and severe underperformance or a Material Change or Breach to a project

In circumstances where

- A project is significantly underperforming
- A material change and/or Breach has happened
- An Event of Default has taken place
- The GFA has been otherwise contravened

And

- Where all usual contract and performance management actions such as a Project Change Request and Recovery Plan have been undertaken but have not led to the improvements required; issues make continued funding of the project untenable; and/or it is considered unlikely that the project can get back on target in order to meet the terms of its funding agreement

Cornwall Council will consider decommitment of SPF funding and or/clawback in consultation with the Service Director for Economy and Skills and the Portfolio Holder for Economy. This is in line with the GFA paragraphs 12. Decommitment and/or clawback is a last resort pathway.