



# Combined Authority Board

Agenda Item

**29 November 2023**

# 10

Title:	Single Assurance Framework: Confirmation and Implementation
Report of:	Jodie Townsend, Governance Improvement Lead
Lead Member:	Councillor Edna Murphy, Lead Member for Governance
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	By majority

## Recommendations:

A	To note the clearance of the Single Assurance Framework by Government
B	To approve the amendments made to the Single Assurance Framework as set out in 3.5
C	To approve the terms of reference for the Investment Committee at Appendix B
D	To approve that the Investment Committee replace the Shareholder Board in the governance arrangements of the Combined Authority from the 2024 AGM onwards
E	To note the constitutional amendments set out in 4.11 to 4.19 as a result of SAF
F	To support the implementation of SAF as detailed in 5.14 as follows: <input type="checkbox"/> Between January - May 2024: Roll out of SAF Phase 1 <input type="checkbox"/> From 2024 AGM: Appointments to Investment Committee & roll out of SAF Phase 2 and Phase 3
G	To note that the implementation of the SAF will have implications in the PMO service and team design including additional resourcing needs.

## Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

The Combined Authority has a responsibility to ensure that it provides appropriate stewardship of public funds, that it drives improvements and standards within its initiation, development and approval of programmes and projects, and that it ensures the golden thread is central within the development of high quality business cases to increase the ability of those programmes and projects to realise the benefits that they seek to deliver.

The Single Assurance Framework is designed to support all of the above and drive delivery of each of the Corporate Plan priority areas in doing so.

## 1. Purpose

1.1	The purpose of this report is to present to Board details of the Government clearance process for the Single Assurance Framework (SAF) as approved by Board on 20 September 2023 and to seek approval for amendments made to the SAF as a result of this Government clearance process.
1.2	The report seeks approval of the terms of reference for the Investment Committee, an agreed key component of the SAF, and agreement that it shall replace the Shareholder Committee from the 2024 Annual General Meeting.
1.3	The report seeks approval of the business case delegations set out in the SAF for incorporation into the scheme of delegations and asks Board to note interim measures regarding approvals prior to Investment Committee going live and constitutional amendments to be made by the Monitoring Officer.
1.4	The report also seeks Board approval for the planned implementation of the SAF and provides high level details of the implementation plan.
1.5	Board has already agreed to replace the existing Local Growth Assurance Framework with the SAF as the Assurance Framework of the Cambridgeshire & Peterborough Combined Authority from an agreed implementation date.

## 2. Single Assurance Framework (SAF)

2.1	The SAF is a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes. The SAF sets out key processes for ensuring accountability, probity, transparency and legal compliance and for ensuring value for money is achieved across its investments.
2.2	The SAF seeks to set out the framework and processes the Combined Authority will utilise to provide confidence to itself, to Government, to stakeholders and to partners that it has robust systems in place to best enable its projects and programmes to realise the benefits they seek to deliver.
2.3	At Board on 20 September 2023 the SAF was approved for submission to Government to be reviewed for clearance to become the Assurance Framework for the Combined Authority, it was subsequently submitted to the relevant team for review in the Department for Levelling Up, Housing and Communities.
2.4	Board also received draft terms of reference for the proposed Investment Committee on 20 September 2023 and provided no comments on the draft content.

## 3. Government Clearance Process

3.1	It is a requirement that Combined Authority Assurance Frameworks are cleared by Government before they can be implemented, this clearance process involves review by the Department for Levelling Up, Housing & Communities (DLUHC), the Department for Transport (DfT) and the Department for Education (DfE) to ensure it is compliant with requirements for Combined Authority Assurance Frameworks set out in the English Devolution Accountability Framework (EDAF).
3.2	This review process has involved continual engagement between CPCA Officers and the review Departments in Government in order to provide clarity, responses to questions and discuss content queries that have arisen as part of the review process.
3.3	The SAF was subsequently cleared by the DLUHC, DfE and DfT review teams and received final clearance from the relevant DLUHC Director on 20 November 2023. <b>Board is asked to note that the SAF has been cleared by Government and can now be implemented and published in agreement with the Board.</b>

3.4	During the clearance process advice was provided by Government Departments on elements within the SAF that could be improved in order to ensure the document provided more clarity on current SAF content and on HMTs Green Book content.
3.5	This advice has been followed and has resulted in the following amendments being made to the SAF document: <ul style="list-style-type: none"> <li>a) 2.2 – Clarification on local leadership</li> <li>b) 3.2.2 – Additional paragraph to provide clarity on Mayoral role</li> <li>c) 3.10.23 – Additional paragraph for clarity</li> <li>d) 5.2.4 – Additional paragraph to provide clarity on Green Book guidance</li> <li>e) 5.5.8 to 5.5.9 - Additional paragraphs to provide clarity on Green Book guidance</li> <li>f) 6.3.5 to 6.3.7 – Add paragraphs to provide clarity on alignment with the new Risk Management Framework</li> <li>g) 2<sup>nd</sup> Bullet, Page 39 – DfT value for money framework added at suggestion of DfT</li> <li>h) 6<sup>th</sup> Bullet, Page 39 - Additional paragraph for clarity</li> </ul>
3.6	<b>Board is asked to approve the amendments to the SAF set out above</b> as it is felt that they do provide additional clarity within the document as well as demonstrating a positive working relationship between the CPCA and DLUHC.

4. Investment Committee and Constitutional Amendments	
4.1	The first stage in support of implementation is Board consideration and agreement of required constitutional changes in support of the SAF, most notably the agreement of the terms of reference for the Investment Committee and confirmation of the changes to the scheme of delegations for approvals in line with the SAF approved by Board on 20 September 2023 for submission to Government.
<u>Investment Committee</u>	
4.2	The Combined Authority agreed to establish an Investment Committee as a key component of the SAF during the development phase with a clear stipulation from Board that it replaces the existing Shareholder Committee rather than being an additional committee within the governance structure.
4.3	As a result the Investment Committee has been developed to serve the role and responsibilities of both an Investment Committee and the Shareholder Committee.
4.4	The terms of reference for the Investment Committee are attached at <b>Appendix B</b> . They propose that the Investment Committee is Chaired by the Portfolio Lead Member for Economic Growth with wider membership made up of: <ul style="list-style-type: none"> <li><input type="checkbox"/> Representative from each Constituent Council (in line with political balance requirements)</li> <li><input type="checkbox"/> Business Board Chair plus 2 additional Business Board representatives</li> <li><input type="checkbox"/> Ability to co-opt membership of up to 3 Subject Matter Experts to assist in the undertaking of its key functions</li> </ul>
4.5	Constituent Councils are encouraged to appoint their relevant Lead Member for Investment and Economic Growth as their representative on the Investment Panel in order to deliver immediate links with relevant Council growth agendas, make use of their topic expertise and help develop this expertise further to improve Green Book understanding and other key skillsets.
4.6	This membership was proposed to the informal Board meeting (LSM), Audit & Governance Committee, Overview & Scrutiny Committee and the Business Board in the SAF development phase through the submission of the draft terms of reference which were also submitted to the Board meeting on 20 <sup>th</sup> September 2023. The additional Business Board membership is in alignment with the expanded Business Board representation across the governance framework in order to demonstrate English Devolution Accountability Framework compliance of Business voice representation, as well as making use of the knowledge within the Business Board that has included business case considerations for a number of years.
4.7	The Committee will have an approval delegation in line with that proposed at Board on 20 September 2023, that being the delegated authority to make investment decisions in relation to proposals which are above the level of financial delegation to officers which is set at £1million and up to the level of

	£5million, decisions above £5million require decisions to be made by the Combined Authority Board. For investment decisions above £5million the Investment Committee will consider prior to Board and make a recommendation to Board having considered all the technical assessment outlined within SAF.
4.8	<p>The key roles of the Investment Committee are set out in the terms of reference at Appendix B, they reflect the Shareholder Board responsibilities and the requirements set out in SAF. They also include responsibilities that having an Investment Committee creates for the Combined Authority that can have a positive impact on oversight of projects and programmes such as:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> continual monitoring and evaluation on delivery against desired benefits</li> <li><input type="checkbox"/> focus role in change management</li> <li><input type="checkbox"/> develop relationship with the Investment Panel which will deliver technical assessment and advice on business cases</li> <li><input type="checkbox"/> provide enhanced pipeline oversight, and</li> <li><input type="checkbox"/> undertake reviews of projects or programmes</li> </ul> <p>The latter point will help with wider efforts to create a culture of sustained scrutiny within the Combined Authority in alignment with English Devolution Accountability Framework requirements.</p>
4.9	<b>Board is asked to approve the Investment Committee terms of reference attached at Appendix B</b>
4.10	<b>Board is asked to approve that the Investment Committee replace the Shareholder Board in the governance arrangements of the Combined Authority from the 2024 AGM onwards</b>
<u>Constitutional Amendments</u>	
4.11	<p>The SAF approved for submission to Government on 20 September included changes to approval delegations, these were as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Chief Executive able to approve business cases up to £1million</li> <li><input type="checkbox"/> Investment Committee able to approve business cases above £1million and up to £5million</li> <li><input type="checkbox"/> Investment Committee to consider and provide a recommendation to Board for business cases above £5million with Board able to approve</li> </ul>
4.12	<p>The SAF also included a tolerance to be reflected in the scheme of delegations, these were as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> any business case that does not present a proposal with a high value for money score via Benefit Cost Ratio (BCR) or Net Present Public Value (NPPV) will be required to seek business case approval via the Combined Authority Board</li> </ul>
4.13	Board should note that these delegations will be reflected in the revised scheme of delegations.
4.14	Board should note that as an interim measure the approval role of the Investment Committee will continue to be undertaken by the appropriate Thematic Committee until the 2024 AGM (until the Investment Committee goes live)
4.15	Board should note that the Monitoring Officer will ensure references within the Constitution to the Local Assurance Framework are updated to Single Assurance Framework to reflect agreed implementation dates.
4.16	Board should also note that amendments to the terms of reference to each thematic Committee will be presented to the 2024 AGM in order to reflect the implementation of SAF and changes to the scheme of delegation.
4.17	Board should note that once the Investment Committee becomes live that all references to the Shareholder Board shall be deleted.
4.18	Board should note that once they have considered and agreed a set of terms of reference for the Investment Committee that will be included within the Constitution the SAF will be updated to ensure it refers to the appropriate chapter within the Constitution.

5. SAF Implementation			
5.1	<p>There is still a significant amount of work that needs to be undertaken before the SAF can be implemented, this includes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Development of SAF webpages</li> <li><input type="checkbox"/> Development of SAF templates and guidance documents</li> <li><input type="checkbox"/> SAF communications and training internally with staff to prepare them for SAF roll out</li> <li><input type="checkbox"/> SAF communications and training with constituent councils and partners to prepare them for SAF roll out</li> <li><input type="checkbox"/> PMO review of existing projects and engagement exercise with Project managers to take them through implications of SAF roll out</li> </ul>		
5.2	<p>It is therefore proposed that there be a phased approach to implementation that will support the undertaking of the key tasks identified above.</p>		
5.3	<p>It is propose that the approach to implementation be broken down into the following stages:</p> <ol style="list-style-type: none"> <li>1. Implementation Stage A: Implement SAF Phase 1</li> <li>2. Implementation Stage B: Implement SAF Phase 2 and 3</li> </ol> <p>These stages include the following:</p>		
<b>Implementation Stage A</b>			
5.4	<p>The first stage of implementation proposed is to roll out phase 1 of the SAF between January and May <b>2024</b>. The roll out of phase 1 of the SAF includes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Investment Panel becoming operational</li> <li><input type="checkbox"/> Concept paper roll out for new ideas, including guidance</li> <li><input type="checkbox"/> Establish new CMT operational role for new concepts and provide guidance and training to CMT as required</li> <li><input type="checkbox"/> Quarterly reporting to Board from Investment Panel on concepts received with recommendations to become operational</li> <li><input type="checkbox"/> Go live with SAF webpages, including online ability to submit concepts</li> </ul>		
5.5	<p>The roll out of SAF Phase 1 will create an entirely new approach for the CPCA, Constituent Councils, Partners and stakeholders to enter the assurance framework in-year through the submission of a new idea, project or programme (referred to in the SAF as concepts). This approach is clearly set out in the SAF as approved for submission to Government by Board on 20 September 2023.</p>		
5.6	<p>SAF Phase 1 involves the new Investment Panel becoming operational, this is a key technical officer group in supporting the delivery of SAF. The draft terms of reference for the Investment Panel were presented to Board for comment on 20 September 2023.</p>		
5.7	<p>To support the roll out of implementation stage A the following will need to be developed for implementation:</p> <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> <li><input type="checkbox"/> Concept Paper and guidance</li> <li><input type="checkbox"/> SAF webpage detail and Concept submission capability</li> <li><input type="checkbox"/> SAF phase 1 core engagement (legal – finance – procurement – comms) criteria and process</li> <li><input type="checkbox"/> Stand up of CPCA Pipeline</li> </ul> </td> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> <li><input type="checkbox"/> CMT SAF phase 1 role process and training</li> <li><input type="checkbox"/> Investment Panel ToR, criteria, guidance, reporting, appointments &amp; training</li> <li><input type="checkbox"/> Business Case routes &amp; criteria</li> <li><input type="checkbox"/> PMO upskilling &amp; knowledge transfer</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Concept Paper and guidance</li> <li><input type="checkbox"/> SAF webpage detail and Concept submission capability</li> <li><input type="checkbox"/> SAF phase 1 core engagement (legal – finance – procurement – comms) criteria and process</li> <li><input type="checkbox"/> Stand up of CPCA Pipeline</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> CMT SAF phase 1 role process and training</li> <li><input type="checkbox"/> Investment Panel ToR, criteria, guidance, reporting, appointments &amp; training</li> <li><input type="checkbox"/> Business Case routes &amp; criteria</li> <li><input type="checkbox"/> PMO upskilling &amp; knowledge transfer</li> </ul>
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<b>Implementation Stage B</b>			
5.8	<p>The second stage of implementation proposes that the remainder of the SAF (phases 2 and 3) become operational following the 2024 AGM, allowing for appointments to be made to the new Investment Committee.</p>		

5.9	This will involve the application of the new approval delegations within SAF phases, operation of Investment Committee with Investment Panel support, and application of new business case templates with assurance requirements as set out in the SAF.
5.10	<p>To support the roll out of implementation stage B the following will need to be developed for implementation:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Business Case templates &amp; key review criteria</li> <li><input type="checkbox"/> Exec. Director sign off process &amp; template</li> <li><input type="checkbox"/> S73 sign off process</li> <li><input type="checkbox"/> CEX delegated approval process &amp; reporting</li> <li><input type="checkbox"/> Political test and challenge criteria for Investment Committee</li> <li><input type="checkbox"/> Post decision checklist</li> <li><input type="checkbox"/> Assurance Observation Report template, process &amp; PMO training</li> <li><input type="checkbox"/> SAF phase 2 core engagement criteria and process</li> <li><input type="checkbox"/> Appraisal functionality</li> <li><input type="checkbox"/> Technical test and challenge criteria for Investment Panel</li> <li><input type="checkbox"/> Investment Committee appointments &amp; training package</li> </ul>
5.11	The development of elements detailed above in 5.7 and 5.10 will be led by the SAF development team who will engage Constituent Council Officers from the Partner Working Group in collaboration and coproduction. Partner Working Group officers will be asked to indicate if they have the capacity and wish to continue in providing support to the SAF development team, where it is not possible for a Constituent Council to provide input regular updates will be provided to the relevant officer.
5.12	There will also be a programme of communication with CPCA Officers, Constituent Councils and partners to support Implementation Stage A and B to ensure awareness of the SAF and assist preparedness for its introduction. This will include specific training on business cases, procurement, contract management and more.
5.13	In preparing for the roll out of SAF Phase B Board should note that the intention is to test key elements such as new business case templates on certain projects to support preparedness for full roll out post the June 2024 AGM.
5.14	<p><b>Board is asked to support the implementation of SAF as detailed above and the implementation stages as follows:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Between January - May 2024: Roll out of SAF Phase 1</b></li> <li><input type="checkbox"/> <b>From 2024 AGM: Appointments to Investment Committee &amp; roll out of SAF Phase 2 and Phase 3</b></li> </ul>
5.15	Board should note that SAF will be published on the CPCA website with a note explaining the transition from the Local Assurance Framework to the Single Assurance Framework between January and June 2024.
5.16	The SAF Development Team, PMO and the Economy & Growth Team will work with anyone submitting a new concept or who are developing a business case between January and May, to support them in the transition to the SAF and its requirements such as new business case templates.
<b>PMO Resourcing</b>	
5.17	The PMO is ready to support the implementation and embedding of the SAF. Work is underway to review the PMO's service responsibilities and resourcing to support the roll out of the SAF.
5.18	The PMO will look to ensure that they are doing the right things, in the right way and continue to keep the work portfolio governance and visibility including supporting the SAF and acting as a custodian of the process, in addition to the initial embedding and transition to the new ways of working.
5.19	To improve current ways of working and create more capacity to drive delivery, support was needed to build the Authority's in-house capability. Proteus consultancy have been employed by the Authority to provide time limited support in the following areas:

	<ul style="list-style-type: none"> <li><input type="checkbox"/> Ensuring that the best practice roles, governance, approaches and tooling required to deliver the portfolio successfully are put into place. This will include the 'operationalisation' of the new assurance approach.</li> <li><input type="checkbox"/> Ensuring that the portfolio is achievable given resource constraints, and that it comprises the best value mix of projects to achieve the target outcomes.</li> <li><input type="checkbox"/> Establishing high value oversight and support for all initiatives, and intensive focus on the most critical projects and programmes.</li> <li><input type="checkbox"/> Providing support to recruit, train and develop a team of delivery specialists and project /programme managers.</li> </ul>
5.20	Full detailing of PMO resourcing requirements will be worked up once the current review of the PMO's service responsibilities and future resourcing requirements to support the roll out of the SAF and would be set out in future Medium Term Financial Plans.

<b>6. Background</b>	
6.1	It is a requirement for the Combined Authority to have an Assurance Framework. The existing Assurance Framework meets the requirements set out by the National Local Growth guidelines, these guidelines set out Government's requirement for Mayoral Combined Authorities to develop their own Local Assurance Framework and to ensure they are reviewed and updated annually.
6.2	The National Local Growth guidelines have now been replaced by the English Devolution Accountability Framework, often referred to as EDAF. EDAF is part of the broader Local Government Accountability Framework and now sets the standard for approval of Assurance Frameworks by Government.
6.3	The Combined Authority needs an Assurance Framework to set out how it meets best value requirements by ensuring that it spends public money in the most effective and efficient way, meeting its Aims and Objectives.

<b>7. Appendices</b>	
7.1	Appendix A – Single Assurance Framework
7.2	Appendix B – Investment Committee Terms of Reference

<b>8. Implications</b>	
<b>Financial Implications</b>	
8.1	There are no direct spend or budgetary implications as a result of the recommendations within this report. The assurance frameworks and delegated approval structures detailed within this report are considered to be appropriately designed to ensure the Combined Authority deliver value for money against all its investments and that the financial controls and checks required to deliver those investments are robust.
8.2	There is a recognition that there will need to be an expansion of PMO responsibilities to support the SAF implementation and that this will have financial implications. Further work to confirm the detail of any resourcing needs will continue and relevant approvals sought once that work is completed.
8.3	There will be some IT costs related to the SAF webpage development, but the costs are not expected to be significant.
<b>Legal Implications</b>	
8.4	It is a statutory requirement that the Combined Authority has an assurance framework in place. There are also statutory duties on the Authority in relation to best value and securing the best use of public money in terms of projects and spending. Failure to have a robust assurance framework in place would

	result in action by the Authority's internal and external auditors and would affect the value for money judgement provided on an annual basis.
8.5	It is a requirement that any significant change to the assurance framework must be submitted to and cleared by Government, this must be done against requirements set out in the English Devolution Accountability Framework.
<b>Public Health Implications</b>	
8.6	There are no specific public health implications arising out of this report.
<b>Environmental &amp; Climate Change Implications</b>	
8.7	There are no specific environmental and climate change implications arising out of this report.
<b>Other Significant Implications</b>	
8.8	Replacement of the National Local Growth Assurance Framework that is currently in operation with the Single Assurance Framework will require constitutional amendments, these are set out in the content of this report.
8.9	If implementation as set out in this report is supported the SAF will become fully operational following the 2024 AGM

<b>9. Background Papers</b>	
9.1	Combined Authority Board Report – 20 September: <b><u><a href="#">Document.ashx (cmis.uk.com)</a></u></b>
9.2	Audit & Governance Committee Report - 8 September 2023: <b><u><a href="#">Document.ashx (cmis.uk.com)</a></u></b>
9.3	English Devolution Accountability Framework: <b><u><a href="#">English Devolution Accountability Framework - GOV.UK (www.gov.uk)</a></u></b>
9.4	CPCA Review of Governance 2022: <b><u><a href="#">Document.ashx (cmis.uk.com)</a></u></b>
9.5	CPCA Interim CEX Assessment 2022: <b><u><a href="#">Document.ashx (cmis.uk.com)</a></u></b>
9.6	CPCA Improvement Plan Phase 2: <b><u><a href="#">Document.ashx (cmis.uk.com)</a></u></b>
9.7	CPCA Local Assurance Framework: <b><u><a href="#">Local-Assurance-Framework (cambridgeshirepeterborough-ca.gov.uk)</a></u></b>