



Combined Authority Board	Agenda Item
20 September 2023	11

Title:	Single Assurance Framework
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 of voting members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.

Recommendations:

A	Board approves the Single Assurance Framework, attached at Appendix A, for submission to Government.
B	Board notes the developing terms of reference for the Investment Committee and Investment Panel, attached at Appendix B and C, and provides feedback on their content.

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 the DRAFT Single Assurance Framework (SAF) for consideration and approval for submission to Government.
1.2	In approving the SAF, Board is agreeing 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.

1.3	Once submitted to Government the SAF will be reviewed 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).
1.4	Following review by Government Departments a report will be presented to Board on 29 November to confirm clearance of the SAF by Government and highlight any amendments that were required to achieve clearance.
1.5	That report will also set out any constitutional amendments required as a result of adoption of the SAF, this will include a recommendation for the terms of reference for the Investment Committee. The Draft developing terms of reference for the Investment Committee and the supporting Officer Investment Panel are attached as appendices B and C to this report in order to provide context to the SAF proposal and provide opportunity for Board comment and feedback.
1.6	An Implementation Plan for the SAF will also be presented to Board on 29 November for consideration that will include a recommendation date for implementation of the SAF.
What is the Single Assurance Framework?	
1.7	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.
1.8	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.
1.9	The SAF will apply to the lifecycle of all Programmes and Projects that place a financial liability on the Combined Authority.

2. Proposal	
2.1	The proposal is for Board to approve submission of the Single Assurance Framework to DLUHC for Government consideration and clearance.
2.2	<p>The Single Assurance Framework (SAF) sets out the following:</p> <ul style="list-style-type: none"> • How the Combined Authority has responded to and complied with the English Devolution Accountability Framework (EDAF) (2023) • Compliance with National Local Growth Assurance Framework requirements (2021) • The respective roles and responsibilities of the Combined Authority Mayor, the Mayoral Combined Authority (MCA) and other elements of the decision-making structure • The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money • How potential investments will be assured, appraised, prioritised, approved and delivered • How the progress and impacts of these investments will be monitored and evaluated
2.3	<p>The SAF contains the following sections:</p> <ol style="list-style-type: none"> 1. Introduction – Purpose of the SAF and initial acknowledgement of EDAF 2. Cambridgeshire & Peterborough – Details of the Mayoral Combined Authority 3. Governance, Accountability and Transparent Decision-Making – Details the governance arrangements of the CPCA and how CPCA adheres to the overall Local Government Accountability Framework 4. English Devolution Accountability Framework – How the SAF adheres to EDAF requirements 5. Single Assurance Framework Project Lifecycle Process – The framework to be applied to the lifecycle of programmes and projects

	<p>6. Delivery, Monitoring and Evaluation – Overview of performance and monitoring requirements</p> <p>7. Annex Section – sets out additional and specific information regarding requirements for Transport Projects, the Adult Education Programme and in reference to the Greater South EAST Net Zero Hub</p> <p>8. SAF Appendices – Overview of SAF Templates</p>
2.4	<p>The SAF consists of 3 key phases, they are:</p> <ul style="list-style-type: none"> • SAF Phase 1 – Concept to Pipeline Approval (Initiation Phase) • SAF Phase 2 – Business Case requirements (Development Phase) • SAF Phase 3 - Approvals
2.5	<p>Prior to the these phases, 5.3 of the SAF sets out the entry points to the framework, these are via:</p> <ul style="list-style-type: none"> • The Corporate Plan; or • In-Year proposals
SAF Phase 1	
2.6	<p>SAF Phase 1 is the first step towards developing a business case. This is where ideas, proposals or ambitions are developed into concepts for consideration. All proposals are required to complete a Concept Paper which must go through Concept consideration before they can progress to the project development phase.</p>
2.7	<p>A Concept Paper is the Combined Authority’s specially designed entrance document, it acts as a Project Initiation Document (PID) with continuous developing information as it goes through phase 1 to eventually include specific key information to better enable consideration of that concept and importantly to provide consistency within the process.</p>
2.8	<p>SAF Phase 1 for in-year proposals includes CPCA Corporate Management Team engagement and technical officer engagement and consideration through a new body named the Investment Panel. The Investment Panel consists of key officers including CMT representation who consider Concept papers for in-year proposals in order to determine prioritisation, provide test and challenge, recommend required business case development route and consider concepts for recommendation to Board.</p>
2.9	<p>The intention for in-year proposals is that a quarterly report be presented to the Combined Authority Board from the Investment Panel that details all Concepts received each quarter (with links to each Concept Paper), the paper will include recommendations from the Investment Panel for each Concept that will be either:</p> <ul style="list-style-type: none"> • Recommend Concept is added to MTFP (can therefore be developed at appropriate time) • Recommend be added to Pipeline (can then be considered for addition to MTFP when funding becomes available and/or becomes a priority and then is developed) • Recommend business case is developed and added to Pipeline (can then be ready for delivery when funding becomes available and/or becomes a priority) • Recommend Concept is rejected
2.10	<p>The SAF Phase 1 operates for both entry points under the Principle of Approval. The Principle of Approval requires all projects that progress into the business case development stage to have been approved as a Concept or as a Corporate Plan deliverable before a business case is developed, this ensures that all items on the CPCA pipeline for development have political support from the Board to progress.</p>
2.11	<p>Ensuring delivery of the Principle of Approval was an absolute requirement for the SAF set by the Board.</p>

SAF Phase 2	
2.12	SAF Phase 2 is the development phase. This is the phase where the relevant business case(s) is/are developed, and where out of Business Area assurance activity takes place prior to the business case progressing onto the approvals stage.
2.13	The business case is developed/ managed by the sponsoring Business Area, ensuring that its content, meets the required standard defined within the Combined Authority guidance in addition to meeting the requirements of the SAF, Her Majesty's Treasury (HMTs) five case model Green Book compliance and meeting Combined Authority specific requirements on Gross Value Added (GVA). It also should seek alignment to Policy Aims and Objectives, whilst meeting any funding requirements and/or other milestone dates/requirements.
2.14	For clarity HMTs Green Book sets out requirements regarding content for each business case and how that should be developed in alignment with Combined Authority strategic objectives. The specific criteria detail is not included within the SAF document in order to allow it to apply to revisions by HMT to the Green Book without having to amend the SAF document itself.
2.15	The lead Business Area is responsible for ensuring that they, any partners, or the sponsor meet deadlines, engage the appropriate subject matter experts and technical appraisers and adhere to required formats when developing a business case.
2.16	CPCA templates must be used for business case development to allow the application of standards and proportionality. The business case templates and criteria are designed to ensure necessary compliance, drive standards of project development and better enable delivery. They are important as projects will only deliver intended benefits if they have been developed appropriately, proportionately and to a high standard with appropriate scoping, planning and costs justified from the outset. . These Business Cases will require detailed evidence on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making
2.17	At the end of the development process the PMO will undertake an Assurance Observations Report that will inform the business case author and relevant CPCA Executive Director on whether the business case is ready for submission to approval. The Assurance Observations Report provides a maturity assessment of a business case against HMTs Green Book and CPCA standards, it will also highlight red flags were it believes information is not mature enough or where it believes standards have not been met. It is to be produced by SAF experts from within the PMO.
2.18	The relevant CPCA Executive Director (identified in SAF Phase 1) is required to approve whether a business case can progress to SAF Phase 3 (approvals) or whether it needs further work, they will consider the Assurance Observations Report as guidance to see if the author ignored red flags or the business case was advanced without being sufficiently mature, which would could increase the risk of approving the business case.
2.19	This approach ensures that there is a directly responsible and accountable CPCA member of the Corporate Management Team for each business case that is progressed to SAF Phase 3.
SAF Phase 3	
2.20	SAF Phase 3 is the business case approvals phase, this focuses on approval of the business case that has been developed following the principle of approval provided at the beginning of the process by the Combined Authority Board.
2.21	The required approval route is dependent upon the level of financial approval that is required. The Combined Authority has the following business case approval delegations: <ul style="list-style-type: none"> • £1 million and under: Chief Executive approval • Over £1million and up to £5 million: Investment Committee approval • Over £5million: Combined Authority Board approval
2.22	These approval routes are supported by the Investment Panel which is a Technical Officer group who provide technical test and challenge of business case proposals over £1million in value and make recommendations to the Investment Committee and Combined Authority Board.

2.23	<p>The Investment Panel review all business case proposals for approval over £1 million. They do this by:</p> <ul style="list-style-type: none"> • reviewing a proposal from a basis of HMTs five case model in order to ensure that it has been developed to an appropriate standard, holding the relevant CPCA Executive Director to account • highlight key lines of enquiry to identify the key issues, key questions and key areas of concern within a business case proposal. This will determine what the key lines of enquiry should be for the Investment Committee to consider from a technical perspective • provide observations and recommendations to the Investment Committee on business case approvals. The Investment Panel will draw conclusions on the level of risk that it believes applies to approving a proposal and make observations and recommendations on that level of risk and how it can be improved
2.24	<p>The Investment Committee will take on board the advice provided by the Investment Panel in coming to a decision on approval for business cases between £1 million and £5 million. Business cases over £5 million must be approved by the Combined Authority Board, to support the Board the Investment Committee will consider such approvals first and make a recommendation on approval to the Board.</p>
2.25	<p>The Investment Committee will be a new Committee within the Combined Authority governance framework, however there will not be an increase in overall Committees. In line with previous Board direction the Investment Committee will be created through an expanded role for the Shareholder Committee.</p>
2.26	<p>The Investment Committee will deliver the key roles and responsibilities of the existing Shareholder Committee plus key functions in support of the SAF such as:</p> <ul style="list-style-type: none"> • To consider investment proposals and to make appropriate challenges to these proposals • To oversee and monitor investments • To add conditions to any Funding Decision that falls within its Delegated Authority and to make recommendations for conditions to CPCA Board • To consider change requests within the delegation of the Investment Committee • To approve the monitoring and evaluation criteria related to any Funding Decision and to have the ability to delegate oversight of this function where appropriate • Where oversight of monitoring and evaluation applies to the Investment Committee, to consider whether a formal review of a project or program is required and to consider this review itself (in consultation with the Overview & Scrutiny Committee) or highlight the matter to Overview & Scrutiny Committee for potential project review
2.27	<p>The Investment Panel will work in support of the Investment Committee and in support of key elements of the SAF from a technical officer perspective. The developing terms of reference for the Investment Committee and the Investment Panel are attached at Appendix B and C to provide context to Board in considering the SAF.</p>
2.28	<p>Having an Investment Committee within approval arrangements and with a key SAF overview role can add to the levels of assurance by providing the following benefits:</p> <ul style="list-style-type: none"> • Development of a focused skillset within membership to apply to the consideration of business cases • Creation of a skilled committee that can undertake a wider Member role in considering change requests, providing SAF oversight, providing detailed project delivery oversight and driving Member led monitoring and evaluation • Creation of more direct ways of working with the Technical Officer Group (TOG) who undertake technical assurance of business cases. Where the Thematic Committees approve business cases the TOG will have to report advice to 3 Committees which is a less efficient and effective use of time

Delivering Assurance

2.29	<p>The SAF seeks to deliver ever increasing levels of assurance as approval values increase, it does this through the proportionate application and assessment of criteria to set standards in each phase of the SAF process that drive the documentation needed to inform decision-making.</p>
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2.30	<p>Driving these levels of documentation, which have criteria and process behind each of them, in support of delivering assurance are:</p> <ul style="list-style-type: none"> • appropriate front end initiation process through concept development that drives strategic fit • proportionate business case development process that meets national and Combined Authority standards of best practice development (including alignment with HMTs Green Book) • appropriate use of expertise within Business Areas to help develop required business cases • an upskilled PMO offer to provide support and guidance throughout the SAF (this will be set out in more detail to Board in the SAF Implementation Plan that will be considered on 29 November) • use of out of Business Area/second line of defence assurance principles and processes to assess the maturity of business cases and undertake proportionate appraisal • Technical Officer support through an Investment Panel to focus Investment Committee and Board considerations and inform the decision-making process.
2.31	<p>The approvals process in particular, where decision-makers need to be appropriately informed, is supported through delivery of the following elements of assurance prior to entering the approvals phase:</p> <ul style="list-style-type: none"> • Front end Concept development process that seeks Corporate Management Team support, ensures Combined Authority core area involvement from an early stage, and delivers technical officer assessment via Investment Panel consideration and recommendation on Concept progression. • Delivers a Principle of Approval by ensuring the Combined Authority Board provides an approval for a concept to enter the business case development phase either through inclusion within the Corporate Plan or via approval of in-year concept proposals • Delivers business cases that must be developed in alignment with HMTs Green Book and Combined Authority standards regarding strategic fit that drive value for money considerations and quality of content within business cases • Delivers second line of defence appraisal of business cases in line with HMTs Green Book • Delivers an objective Assurance Observation report from the PMO on all business cases to inform Executive Directors in progressing them to the approvals phase and assuming responsibility for their content
2.32	<p>This approach is designed to enable:</p> <ul style="list-style-type: none"> • decision-makers at all levels to base their decisions upon objective, evidence-based out of Business Area findings and recommendations which in turn should drive better informed decision-making • increased Executive Director ownership and accountability (to support Constituent Authorities and proposers) • increased Statutory Officer involvement and accountability • increased levels of assurance and appraisal support and guidance • approvals based on proportionate financial delegation i.e. a request of £100,000 will not be scrutinised to the same level of a request for £5 million. • the time taken to reach an approval decision being reflective of the level of financial ask.
Value for Money considerations	
2.33	<p>Value for Money (VfM) is balanced judgement about finding the best way to use public resources to deliver policy objectives. Comparing the social VfM of alternative options requires use of the Green Book methodology, in particular the five case model, as well as its associated analytical tools.</p>
2.34	<p>The SAF drives the application of HMTs Green Book and appropriate requirements and considerations in relation to Value for Money which includes the application of a Benefit Cost Ratio (BCR). BCR is a metric used by the Treasury to determine whether a scheme provides good value for money, the higher the BCR figure the better the value for money. Treasury advice is to seek a minimum BCR of 2 for a project.</p>

2.35	In order to provide additional assurance regarding value for money the SAF applies a tolerance to all business cases that impacts the approvals route. 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.
2.36	There may be cases when the best value way of delivering a project to achieve strategic objectives leads to a BCR lower than the Treasury advice of 2 or higher, or which is not as strong as the BCR of alternatives which do not align as well with the Authority's strategic objectives set out in key policies. Treasury Green Book allows projects with a BCR below 2 to be delivered as long as SMART objectives are linked to strategic objectives of the Combined Authority.
2.37	In such cases it must be the Combined Authority Board who make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority. This also allows the Board to consider projects where there are questions regarding best value assessment which leads to a less than favourable value for money judgement.
2.38	For appraisal to be effective, objectives must be SMART. The SMART objectives in the strategic dimension of the business case directly drive the rest of the process in the application of the Green Book. Only options that deliver these SMART objectives can be considered VfM, therefore VfM is not just about a Benefit Cost Ratio (BCR).
2.39	The application of HMTs Green Book ensures that objectives are set based around guidance and evidence in relation to Specific – Measurable – Achievable – Realistic – Time based principles that will identify those options that perform well against these measures.
2.40	The Draft Single Assurance Framework is set out in more detail in Appendix A of this report.

3. Background

3.1	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.
3.2	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.
3.3	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.

Why have we developed a new Assurance Framework?

3.4	The Independent Governance Review undertaken in 2022 identified the Assurance Framework and associated process, standards and ways of working as a key area that required improvement. The perspective provided by Constituent Authorities and partners to the Governance Review was that the current approach lacked consistency, HMT Green Book alignment and did not sufficiently drive and ensure that projects developed had a clear golden thread between their outcomes and the CPCA strategic objectives.
3.5	The Assessment of the Combined Authority by the Interim Chief Executive in October 2022 supported the Governance Review views and led to the initial improvement plan, Board agreed that once initial improvements had been made to the Governance Framework that a new Assurance Framework should then be developed.
3.6	Phase 2 of the Improvement Plan sets out a clear objective to develop a new Single Assurance Framework that reflects agreed organisational values, drives standards and future proofs the organisation.

3.7	The development of the SAF is seen as a way of demonstrating to Government that the Combined Authority has responded to concerns raised through the Best Value Notice and wider improvement requirements and by ensuring it demonstrates early compliance with EDAF.
3.8	Furthermore the SAF will seek to demonstrate to Government that the Combined Authority has, through partnership working, developed robust processes and procedures to deliver improved consideration of programmes and projects with robust assurance, project appraisal and value for money processes applied consistently and proportionally.
Supporting Board Decision-Making	
<u>Audit & Governance Committee</u>	
3.9	The Draft SAF was considered by the Audit & Governance Committee on 8 September 2023. The Audit & Governance Committee were asked to consider the SAF with particular reference to the intended level of assurance and value for money safeguards that it intends to provide. They were asked to provide comment to help guide the Board when it considered the SAF.
3.10	The Audit & Governance Committee considered the SAF and provided test and challenge around the 3 SAF processes, proportionality, implementation and ongoing review.
3.11	The Audit & Governance Committee unanimously supported the Draft SAF document and the developing terms of reference for the Investment Committee and the Investment Panel.
<u>Leaders Strategy Meeting & Public Service Board</u>	
3.12	The Draft SAF was shared with the informal meeting of Board (Leaders Strategy Meeting) and the Public Service Board (which includes within its membership the Chief Executives of each of the Constituent Authorities) in late August/ early September.
3.13	As a result of this engagement the following additions were requested for inclusion in the SAF document: <ul style="list-style-type: none"> • Annual review of the SAF be a constitutional requirement and key function of the Audit & Governance Committee. The implementation of the SAF and its impact should be reviewed every 6 months for the first 18 months of its implementation. • Where a concept is proposed that is specific to a single Constituent Council area, that Constituent Council is formally consulted with their view being provided to the Board when considering that concept. This principle shall also exist when final business cases are put forward for approval, with the relevant approver being provided with the Constituent Council view (after being formally consulted) when making a decision. • Where the Combined Authority is a part funder the Combined Authority will utilise the primary performance reporting process for the project, i.e. the performance reporting produced by a Constituent Authority where they are lead funder. Such arrangements will be developed and agreed as part of the business case.
3.14	Indications of support for the SAF document were provided at both Leaders Strategy Meeting and Public Service Board.
<u>Partner Working Group</u>	
3.15	The Partner Working Group consists of officers appointed by their respective Chief Executives to input into the development of the SAF, this group has been a consistent part of the SAF development process.
3.16	A key role for Constituent Council Officers on the Partner Working Group is to brief Officers and Members within their own authorities on the development of the SAF and highlight any concerns they have regarding its content.
3.17	No objections to the content of the SAF have been raised by the Partner Working Group. In early September the Partner Working Group were provided with a briefing paper on the SAF document attached at Appendix A and offered a 1-2-1 briefing on the document as well as an opportunity to highlight any concerns regarding its content. No concerns were subsequently raised.

SAF Development Process

3.18	The development of the Single Assurance Framework has been undertaken through an approach of significant engagement as requested by the Combined Authority Board. The key decision points in getting to this stage are set out in Appendix D .																
3.19	The governance arrangements that were put in place for development of the SAF were done so to ensure opportunities for significant engagement, input and comparison, in order to maximise opportunities for coproduction on phase elements and supporting templates.																
3.20	<p>The governance arrangements that were put in place were as follows:</p> <table border="1" data-bbox="188 472 1514 1395"> <tr> <td data-bbox="193 479 533 562">Project Manager</td> <td data-bbox="537 479 1509 562">Responsible for undertaking development activity to develop approach and authoring the SAF document</td> </tr> <tr> <td data-bbox="193 568 533 651">Development Group</td> <td data-bbox="537 568 1509 651">Officer support group to Project Manager to assist with SAF development process as directed</td> </tr> <tr> <td data-bbox="193 658 533 741">Workstream Sponsor</td> <td data-bbox="537 658 1509 741">Provided oversight of development to ensure Corporate Management Team link and hold Project Manager to account on progress</td> </tr> <tr> <td data-bbox="193 748 533 866">Internal Working Group</td> <td data-bbox="537 748 1509 866">Representatives from each CPCA Business Area to be engaged by Project Manager on key SAF content and to test and challenge developing approaches</td> </tr> <tr> <td data-bbox="193 873 533 1059">Partner Working Group</td> <td data-bbox="537 873 1509 1059">Representatives from each Constituent Council appointed by their Chief Executives to be engaged by Project Manager on key SAF content and to test and challenge developing approaches. Additional role of working group membership to report back to key officers and Leaders within their own Councils</td> </tr> <tr> <td data-bbox="193 1066 533 1184">Public Service Board Lead</td> <td data-bbox="537 1066 1509 1184">Chief Executive of Fenland Council provided key support, steer, advice and guidance on developing SAF content and challenge to ensure partnership engagement process was sufficient</td> </tr> <tr> <td data-bbox="193 1191 533 1274">M10 Assurance Group</td> <td data-bbox="537 1191 1509 1274">Specialist officers from across the 10 Mayoral Combined Authorities to share issues, best practice and discuss responding to EDAF.</td> </tr> <tr> <td data-bbox="193 1281 533 1400">Improvement Group</td> <td data-bbox="537 1281 1509 1400">Chaired by Executive Director for Resources & Performance, oversight group to ensure all improvement workstreams on track and to provide forum to air issues and seek solutions</td> </tr> </table>	Project Manager	Responsible for undertaking development activity to develop approach and authoring the SAF document	Development Group	Officer support group to Project Manager to assist with SAF development process as directed	Workstream Sponsor	Provided oversight of development to ensure Corporate Management Team link and hold Project Manager to account on progress	Internal Working Group	Representatives from each CPCA Business Area to be engaged by Project Manager on key SAF content and to test and challenge developing approaches	Partner Working Group	Representatives from each Constituent Council appointed by their Chief Executives to be engaged by Project Manager on key SAF content and to test and challenge developing approaches. Additional role of working group membership to report back to key officers and Leaders within their own Councils	Public Service Board Lead	Chief Executive of Fenland Council provided key support, steer, advice and guidance on developing SAF content and challenge to ensure partnership engagement process was sufficient	M10 Assurance Group	Specialist officers from across the 10 Mayoral Combined Authorities to share issues, best practice and discuss responding to EDAF.	Improvement Group	Chaired by Executive Director for Resources & Performance, oversight group to ensure all improvement workstreams on track and to provide forum to air issues and seek solutions
Project Manager	Responsible for undertaking development activity to develop approach and authoring the SAF document																
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Partner Working Group	Representatives from each Constituent Council appointed by their Chief Executives to be engaged by Project Manager on key SAF content and to test and challenge developing approaches. Additional role of working group membership to report back to key officers and Leaders within their own Councils																
Public Service Board Lead	Chief Executive of Fenland Council provided key support, steer, advice and guidance on developing SAF content and challenge to ensure partnership engagement process was sufficient																
M10 Assurance Group	Specialist officers from across the 10 Mayoral Combined Authorities to share issues, best practice and discuss responding to EDAF.																
Improvement Group	Chaired by Executive Director for Resources & Performance, oversight group to ensure all improvement workstreams on track and to provide forum to air issues and seek solutions																
3.21	There have been numerous meetings of the Partner Working Group, Internal Working Group and significant engagement between the Project Manager and Constituent Council Officers outside of the meetings. There have also been 5 direct meetings between the Project Manager and individual Constituent Authorities as part of the engagement process as well as meetings with several Council Monitoring Officers																
3.22	<p>Regular reporting on progress in developing the SAF was also provided through the monthly Improvement Framework update and Highlight Report to:</p> <ul style="list-style-type: none"> • The Audit & Governance Committee • The Overview & Scrutiny Committee • Combined Authority Board • Independent Improvement Board 																
3.23	Engagement has also taken place with the Public Service Board to engage Constituent Council Chief Executives, the CPCA Corporate Management Team and Leaders Strategy Meeting as and when appropriate to support the development process.																

Combined Authority Board key asks and design principles

3.24	<p>The Combined Authority Board set out a key ask in designing the SAF, that the principle of approval referred to in 2.11 was adhered to. It also set out 7 design principles for the SAF to take on board, those being:</p> <ul style="list-style-type: none"> • Ensure appropriate protections for stewardship of public funds • Deliver improvements in project development standards • Create consistency, control & clarity across processes • Provide appropriate and proportionate levels of assurance • Deliver management of political and reputational risk • Ensure alignment to HMT Green Book (and others) • Provide appropriate approval delegations
3.25	<p>The SAF Project Team believe they have delivered on the key ask and the design principles whilst also ensuring that SAF process is not over engineered.</p>
3.26	<p>The Board also asked that the SAF development sought to future proof the Combined Authority, this relates to ensuring that it is able to effectively support devolution aims. The Combined Authority is committed to achieving future devolution for the region that will benefit its residents and regional business. The Combined Authority recognises that in providing areas with more power and funding flexibility it becomes even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities.</p>
3.27	<p>The SAF aims to demonstrate to Government that it is committed to the delivery of good governance and accountability through the stewardship of public funds, striving to ensure that decision-making is effective, proportionate, open to test and challenge and taken to deliver benefits to the region in alignment with its agreed strategic objectives.</p>
3.28	<p>The SAF, alongside the new approach to governance approved by Board in January, seek to deliver the strengthened governance and accountability arrangements that have become a necessary requirement in devolution discussions as set out in the English Devolution Accountability Framework.</p>

English Devolution Accountability Framework & Government Clearance

3.29	<p>The English Devolution Accountability Framework (EDAF) was published by Government in March 2023. The first edition of EDAF sets out how mayoral combined authorities (MCAs) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.</p>
3.30	<p>EDAF sets out an overall framework for assuring funds from Government to the Combined Authority, this includes assurance for individual funding streams as well as devolution deal funding. Annex A of EDAF sets out the requirements for Assurance Frameworks based around a requirement to outline decision-making processes and demonstrate commitment to transparent and accountable decision making. This includes:</p> <ul style="list-style-type: none"> • confirming accountable body arrangements • confirming the use of resources are subject to required checks and balances • confirming key roles and responsibilities in decision-making • ensuring appropriate arrangements to deliver transparent decision-making
3.31	<p>Assurance Frameworks are required to be cleared by Government before they can be applied, EDAF is the framework that Assurance Frameworks must now be cleared against when be assessed by Government.</p>
3.32	<p>The SAF is significantly different in content to the existing Local Growth Assurance Framework of the Combined Authority and therefore must be submitted to Government for clearance once Board has approved it to be so. This process requires the submission of the SAF to Department for Levelling Up, Housing & Communities (DLUHC) to be assess against EDAF requirements by their Local Growth Assurance Unit.</p>

3.33	Following approval by Board for submission to Government the SAF will formally enter the EDAF clearance process which is estimated to take between 4 to 6 weeks.
3.34	The result of the clearance process and any required amendments to achieve clearance will be reported to Board on 29 November.
Alternative Options	
3.35	Comparison work was undertaken with all Mayoral Combined Authorities to understand their Assurance Framework and ways of working and how they planned to respond to EDAF requirements. This involved consideration of end of process approval approaches that would have replaced the Principle of Approval, providing an approval at the end of business case development
3.36	This type of approach was deemed not to fit with the asks of the Combined Authority Board who wanted to ensure certain safeguards would be provided by ensuring resources were applied to development of projects that had both senior management and Board political approval.

4. Appendices

4.1	Appendix A – Draft Single Assurance Framework
4.2	Appendix B – Developing Draft terms of reference for Investment Committee
4.3	Appendix C – Developing Draft terms of reference for Investment Panel
4.4	Appendix D – Key Decision Points

5. Implications

Financial Implications

5.1	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.
5.2	Any financial implications regarding the implementation of the Single Assurance Framework and the future resourcing of the Programme Management Office will be presented to Board on 29 November 2023.

Legal Implications

6.1	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.
6.2	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.

Public Health Implications

7.1	There are no specific public health implications arising out of this report.
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Environmental & Climate Change Implications

8.1	There are no specific environmental and climate change implications arising out of this report.
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Other Significant Implications	
9.1	Replacement of the National Local Growth Assurance Framework that is currently in operation with the Single Assurance Framework will require constitutional amendments, these will be presented to Board on 29 November 2023.
Background Papers	
10.1	Audit & Governance Committee Report - 8 September 2023: <u>Document.ashx (cmis.uk.com)</u>
10.2	English Devolution Accountability Framework: <u>English Devolution Accountability Framework - GOV.UK (www.gov.uk)</u>
10.3	CPCA Review of Governance 2022: <u>Document.ashx (cmis.uk.com)</u>
10.4	CPCA Interim CEX Assessment 2022: <u>Document.ashx (cmis.uk.com)</u>
10.5	CPCA Improvement Plan Phase 2: <u>Document.ashx (cmis.uk.com)</u>
10.6	CPCA Local Assurance Framework: <u>Local-Assurance-Framework (cambridgeshirepeterborough-ca.gov.uk)</u>