



<b>Audit &amp; Governance Committee</b>	Agenda Item <b>6</b>
<b>09 June 2023</b>	

Title:	Single Assurance Framework Project
Report of:	Jodie Townsend, Governance Improvement Lead
Lead Member:	Councillor Edna Murphy, Lead Member for Governance
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	The report requests that the Committee note its content. Any vote that may be required in noting the report contents would be by majority of Committee members present.

**Recommendations:**

A	Note and provide comment on the update on the development of a Single Assurance Framework
B	Note and provide comment on the timeline for development of the Single Assurance Framework

**Strategic Objective(s):**

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

✓	Achieving ambitious skills and employment opportunities
✓	Achieving good growth
✓	Increased connectivity
✓	Enabling resilient communities

A Single Assurance Framework will provide the systems, processes and protocols designed to provide an evidence base and independent assessment of the governance, risk management, and funding processes of a funding or grant application.

Applying to all projects/ programmes that place a financial liability upon the Combined Authority, the intended improvements in project prioritisation, development and approval will have a positive impact upon ability to successfully deliver project outcomes and contribute towards delivery of the Corporate Plan.

**1. Purpose**

1.1	The purpose of this report is to: <ul style="list-style-type: none"> <li><input type="checkbox"/> bring the Audit &amp; Governance Committee up to speed on the project to develop a Single Assurance Framework</li> <li><input type="checkbox"/> note and provide comment on the timeline for development</li> </ul>
1.2	The Combined Authority currently has an assurance framework under the name Local Assurance Framework (LAF) which was last updated in September 2021. It sets out roles and responsibilities between the CPCA and the Business Board as well as the key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money in regard to project funding, appraisal, prioritisation and approval.

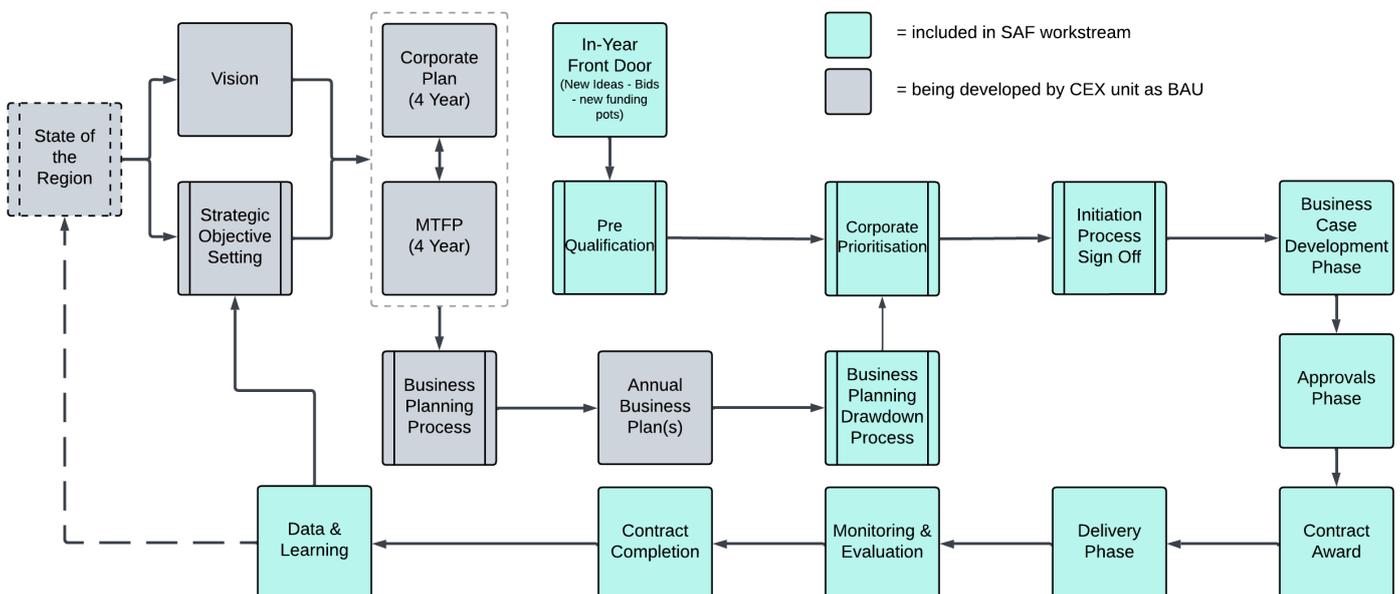
1.3	The existing framework was highlighted as having potential deficiencies in driving project standards, consistency of development and consideration which all could have a negative impact on delivery. These deficiencies were raised during the 2022 review of governance.
1.4	DLUHC have subsequently raised concerns with CPCA regarding project delivery and the initial Improvement Plan adopted by CPCA Board in October 2022 recognised the need to develop a SAF in line with approaches taken at other MCAs.
1.5	The SAF needs to exist to provide additional assurance to Government on how funding granted or devolved to the CA is allocated, that there are robust local systems in place which will ensure resources are spent with regularity, propriety and value for money.

## 2. Single Assurance Framework

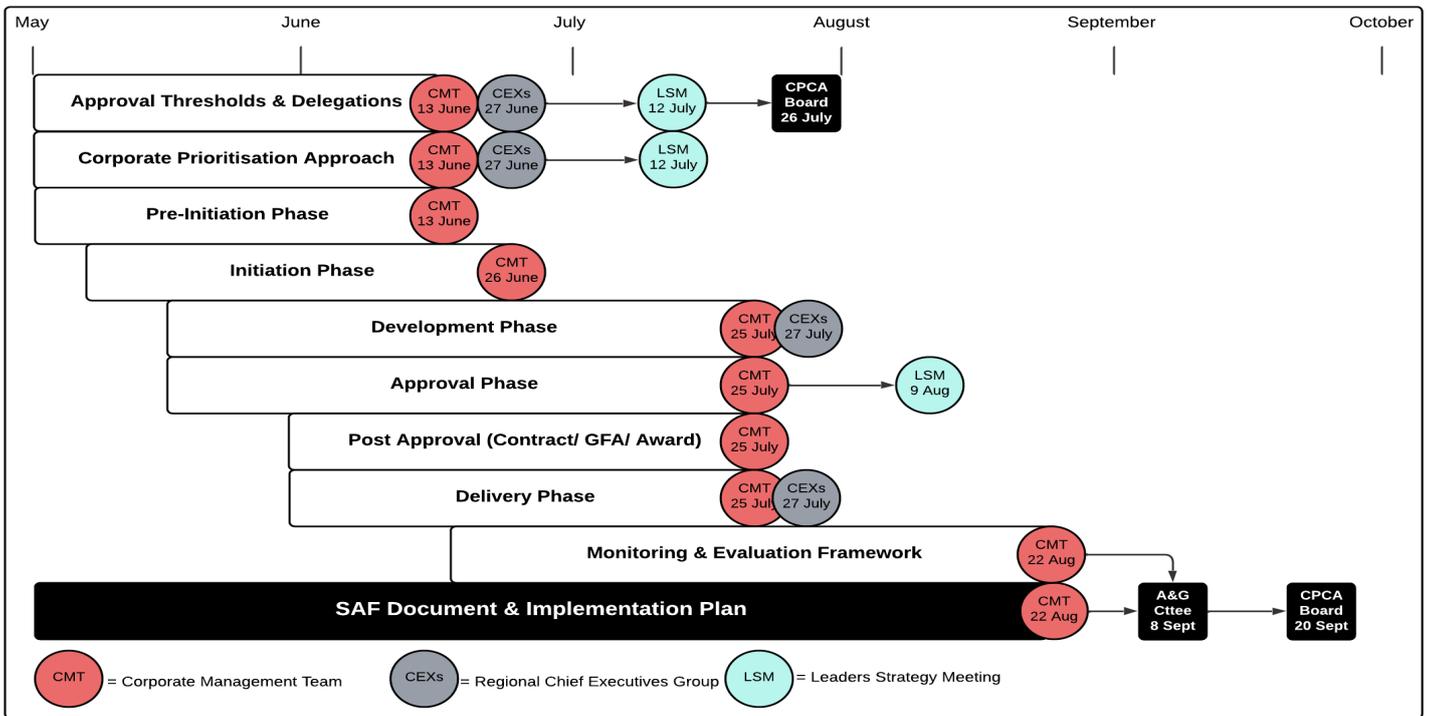
2.1	A SAF approach is recognised best practice within MCAs, ensuring consistent application of proportionality, standards and compliance with agreed strategic objectives. A SAF is intended to drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.
2.2	A Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide a consistent approach to lifecycle stages (initiation/ development/ approval), appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes.
2.3	Having a consistent approach allows for the development of proportionate governance and approval considerations based around a core set of standards as well as aiding clarity for those involved in projects and allowing for specific layers to account for complexity. The SAF will drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.

### What will the SAF cover?

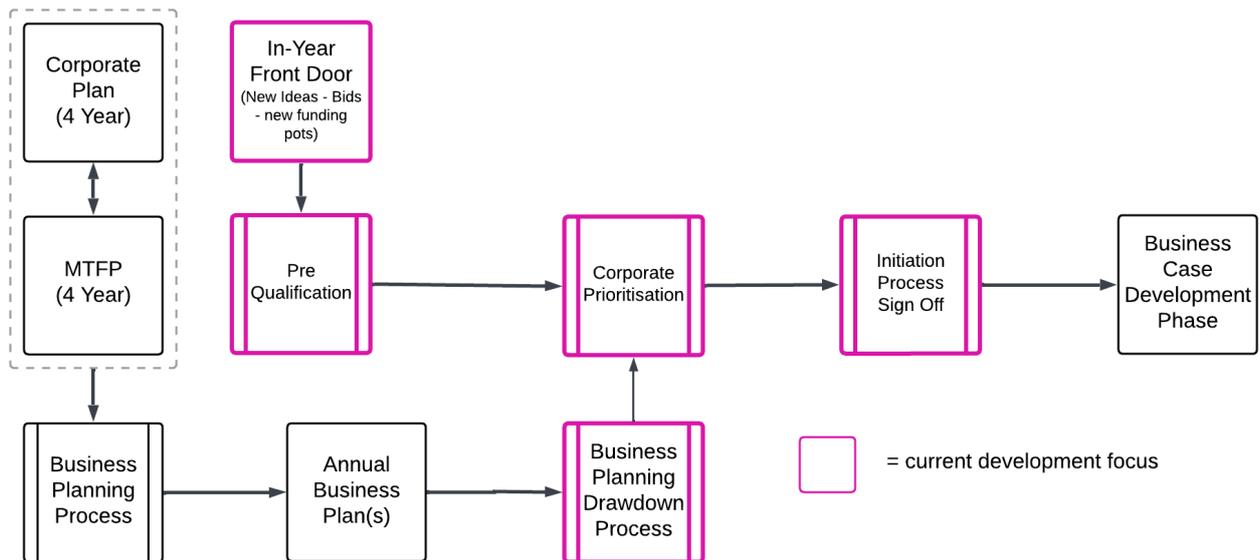
2.4	The SAF will cover the respective roles and responsibilities of the components and elements within CPCA decision-making; the key processes for ensuring accountability, probity, transparency, legal compliance, and value for money; how potential investments will be assured, appraised, prioritised, approved and delivered; and how the progress and impacts of these investments will be monitored and evaluated.
2.5	The SAF will ensure a full circle lifecycle approach to developing and delivery key strategic objectives, the exact extent of what it will cover is set out in the illustration below (for each element process, criteria, templates and guidance will be produced):



<b>Design Principles</b>			
2.6	The SAF project is developing the new assurance framework in line with agreed design principles following engagement with the Mayor and Council Leaders through Leaders Strategy Meeting, regional council Chief Executives and the Combined Authority Corporate Management Team.		
2.7	<table border="1"> <tr> <td> <p>All agree that the SAF must seek to provide:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Protections for stewardship of public funds</li> <li><input type="checkbox"/> Improvements in project development standards</li> <li><input type="checkbox"/> Consistency, control &amp; clarity across processes</li> <li><input type="checkbox"/> Appropriate and proportionate levels of assurance</li> <li><input type="checkbox"/> Management of political and reputational risk</li> <li><input type="checkbox"/> Alignment to HMT Green Book (and others)</li> <li><input type="checkbox"/> Appropriate approval delegations</li> </ul> </td> <td> <p>The design principles that have been agreed to be applied to the SAF project are:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Deliver better informed decision-making</li> <li><input type="checkbox"/> Deliver streamlined and simple processes</li> <li><input type="checkbox"/> Drive golden thread and proportionality throughout</li> <li><input type="checkbox"/> Deliver improved approach to business cases</li> <li><input type="checkbox"/> Deliver ability to be agile and responsive to opportunities</li> <li><input type="checkbox"/> Seek to develop regional specific criteria alongside Green Book</li> <li><input type="checkbox"/> Provide clear guidance and support throughout</li> <li><input type="checkbox"/> Deliver increased delegation thresholds</li> </ul> </td> </tr> </table>	<p>All agree that the SAF must seek to provide:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Protections for stewardship of public funds</li> <li><input type="checkbox"/> Improvements in project development standards</li> <li><input type="checkbox"/> Consistency, control &amp; clarity across processes</li> <li><input type="checkbox"/> Appropriate and proportionate levels of assurance</li> <li><input type="checkbox"/> Management of political and reputational risk</li> <li><input type="checkbox"/> Alignment to HMT Green Book (and others)</li> <li><input type="checkbox"/> Appropriate approval delegations</li> </ul>	<p>The design principles that have been agreed to be applied to the SAF project are:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Deliver better informed decision-making</li> <li><input type="checkbox"/> Deliver streamlined and simple processes</li> <li><input type="checkbox"/> Drive golden thread and proportionality throughout</li> <li><input type="checkbox"/> Deliver improved approach to business cases</li> <li><input type="checkbox"/> Deliver ability to be agile and responsive to opportunities</li> <li><input type="checkbox"/> Seek to develop regional specific criteria alongside Green Book</li> <li><input type="checkbox"/> Provide clear guidance and support throughout</li> <li><input type="checkbox"/> Deliver increased delegation thresholds</li> </ul>
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<b>Timeframe</b>			
2.8	<p>The 2 key Board decision points are intended to be:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 26 July: Corporate Prioritisation Approach and Officer Delegations for Approvals</li> <li><input type="checkbox"/> 20 September: Single Assurance Framework document with Implementation Plan</li> </ul>		
2.9	Sign off is required from DLUHC on the final SAF before Board consideration on 20 September. As the SAF will need to be recommended for approval to Board by the Audit & Governance Committee, informal clearance from DLUHC (and DfE and DfT) on content will be sought by early August. Engagement is taking place at present with DLUHC to seek details on the required clearance process and an update on progress can be given at the Committee meeting.		
2.10	<p>The PMO, with support from external consultants, will lead development of the SAF. They will be supported by 2 working groups, these are as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> internal working group consisting of key delivery officers</li> <li><input type="checkbox"/> external working group consisting of key constituent council officers put forward by regional CEXs</li> </ul> <p>These groups will be utilised to highlight key support and content requirements and also consulted on some of the specific element draft proposals.</p>		
2.11	There is also an M10 Assurance Group, this consists of the responsible officers for the Assurance Frameworks at each of the 10 Mayoral Combined Authorities. This group is also being utilised as required by the project team to help develop the SAF.		
2.12	The Independent Improvement Board have been provided with a briefing on the SAF project and the timeline for completion, a basic timeline for the project is set out below:		



2.13	Key to the timeline is engagement with Central Government who have a sign-off role in the production of any Combined Authority Assurance Framework. This sign-off process will be led through engagement with Department for Levelling Up, Housing & Communities (DLUHC) and will likely also require input from Department for Transport (DfT) and Department for Education (DfE).
2.14	The sign-off process is now required to adhere to requirements set out in the English Devolution Accountability Framework and should seek to future proof the Combined Authority for single local growth settlements. DLUHC have been engaged and a point of contact has been established, the next step is to provide DLUHC with an overview of key changes that will occur as a result of the SAF for review.
<b>Current Focus</b>	
2.15	The current focus of the project team is on developing the following aspects of the SAF: <ul style="list-style-type: none"> <li><input type="checkbox"/> Pre-Initiation Phase, including Corporate Prioritisation</li> <li><input type="checkbox"/> Approval thresholds and required supporting delegations</li> </ul>
2.16	The pre-initiation phase covers business plan drawdown and in-year activity which are set out as 2 different entry points that flow into the corporate prioritisation and initiation assessment and sign-off. The current phase of work requires assessment of possible governance pathways, supporting criteria and functionality along with process, templates, roles and responsibilities. These areas of focus are set out in illustration below:



2.17	Developing options for application of a Corporate Prioritisation process are a key part of the current focus of the workstream. This will enable strategic fit is to be assessed against the priorities set out in the CPCA Corporate Plan, alongside a view of the level of Gross Value Added (GVA) that each project is estimated to produce so the Combined Authority can make a judgement on both the breadth of projects that the CPCA is committed to as well as their fit with the core of the devolution deal with government. This is in support of setting the medium-term financial strategy (MTFP), where not all project proposals can be taken forward due to budget constraints.
2.18	Options for the application of a Corporate Prioritisation process will be taken to the CPCA Corporate Management Team on 13 June.
<b>Approval Thresholds</b>	
2.19	Work to determine the required approval thresholds within the SAF for project approvals is also underway, this is being developed now rather than during the approvals phase development to help inform and align with work being undertaken by the Executive Director for Resources & Performance on the Scheme of Delegations. Undertaking this work now will also help inform the required business case development and approval routes.
2.20	Thresholds for approval will be a key element of the SAF that CPCA Board Members will need to consider, this refers to the level of potential Officer approval, Committee approval and then the threshold to step up for Board approval for projects and programmes. The levels for approval thresholds to be set at will need to take into account the wider scheme of delegations, the design principle to deliver greater approval threshold delegations, best practice and the accompanying level of assurance required to go alongside each approval level.
2.21	<p>Delivering the necessary level of assurance required to allow Politicians to delegate greater approvals based on agreed thresholds outside of CPCA Board will be a key component of the pathways within the SAF. This assurance will be provided through:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Informed initiation process that involves deliverability assessment</li> <li><input type="checkbox"/> Improved business case development delivered with enhanced business case appraisal and assurance assessment external to the lead business area or Constituent Authority</li> <li><input type="checkbox"/> New Technical Officer Group that will provide technical appraisal of business cases and subsequent technical assurance/ advice to political decision-makers</li> </ul>

### 3. Background Information

3.1	The CPCA Board agreed to support the development of a Single Assurance Framework in October 2022 when they approved the Improvement Plan for the Combined Authority. In doing so they rejected the alternative option of continuing with the existing Assurance Framework.
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3.2	Work to develop the Single Assurance Framework began during the Improvement Plan phase 1 in terms of scoping out requirements and engaging other Mayoral Combined Authorities to learn from their approaches. The rephrased improvement plan sets out development of a SAF as a key outcome.
3.3	There has already been a significant amount of engagement on the SAF workstream to socialise the work and its intended benefits, and to develop the design principles that are detailed in the information pack. This has involved engagement with 2 CEX meetings, a LSM meeting and the creation of a Constituent Authority engagement group that consists of relevant key officers in each Constituent Authority identified by each Chief Executive.
3.4	A more detailed report will be brought to the July meeting of the Audit & Governance Committee which will include specific detail on the development of: <ul style="list-style-type: none"> <li><input type="checkbox"/> Corporate Prioritisation Process</li> <li><input type="checkbox"/> SAF Entry Points</li> <li><input type="checkbox"/> Initiation Phase</li> <li><input type="checkbox"/> Approval Thresholds</li> </ul>

## 4. Appendices

4.1	There are no appendices to this report
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## 5. Implications

### Financial Implications

5.1	Costs to develop and implement the SAF are contained within the Improvement Budget approved by the Board. Once the final SAF proposals are approved it may require a further review of the Combined Authority's Financial Regulations. This will be reported to Audit & Governance Committee at its September meeting (if required).
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### Legal Implications

6.1	Given that this is an update report there are no legal implications set out in its content.
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### Public Health Implications

7.1	Given that this is an update report there are no public health implications set out within its content.
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### Environmental & Climate Change Implications

8.1	Given that this is an update report there are no environmental and climate change implications set out within its content
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### Other Significant Implications

9.1	There are no other significant implications set out in the content of this report.
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### Background Papers

10.1	CPCA Improve Plan papers approved by CPCA Board – 19 October 2022 <ul style="list-style-type: none"> <li><input type="checkbox"/> Interim Chief Executive Assessment: <a href="#">Document.ashx (cmis.uk.com)</a></li> <li><input type="checkbox"/> Outline Improvement Plan: <a href="#">Document.ashx (cmis.uk.com)</a></li> </ul>
10.2	Review of Governance approved by CPCA Board – 27 July 2022: <a href="#">Document.ashx (cmis.uk.com)</a>
10.3	CPCA Governance Arrangements Report to CPCA Board – 25 January 2023: <a href="#">Document.ashx (cmis.uk.com)</a>
10.4	Reframed Improvement Plan CPCA Board 31 May 2023: <a href="#">Document.ashx (cmis.uk.com)</a>
10.5	English Devolution Accountability Framework: <a href="#">English Devolution Accountability Framework - GOV.UK (www.gov.uk)</a>