



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Single Assurance Framework

Cambridgeshire & Peterborough Combined Authority

2023

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1 Introduction

Cambridgeshire & Peterborough Combined Authority is committed to the delivery of good governance and accountability in everything that it does, 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.

Having an effective, clear and implemented Assurance Framework is key to successful delivery of the Combined Authority's overall Accountability Framework.

HM Treasury define Assurance Frameworks as 'An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.'

This document is the Assurance Framework for Cambridgeshire & Peterborough Combined Authority.

The aim of this document is to set out how the Combined Authority (CPCA) will spend or invest public money responsibly, both openly and transparently, and achieve Value for Money (VFM). It provides a proportionate and consistent approach to the application and approval of all funding opportunities and the initiation, development and delivery of projects, programmes and activity that places a financial liability onto the WMCA that is not classed as Business as Usual (BAU).

The document sets out the robust assurance, project appraisal and value for money processes that the Combined Authority has put in place for programme and project development and delivery in alignment with the requirements set out in the English Devolution Accountability Framework (EDAF) and has been approved by the Department of Levelling Up, Communities and Housing (DLUHC).

1.1 The purpose of the Single Assurance Framework - The Single Assurance Framework (SAF) is a set of 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. It enables the Combined Authority to monitor, measure and scrutinise how well Policy Aims are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance go into exception.

1.1.2 The SAF has been developed in compliance with the English Devolution Accountability Framework. It applies to all existing and new funding, and projects that place a financial liability onto the Combined Authority. It provides consistency of approach, standards, assurance, appraisal and decision making. It allows for proportionality within the development of business cases.

1.1.3 The SAF operates alongside the following Combined Authority governance and key policy documents:

- The CPCA Constitution [[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- The CPCA Corporate Plan [[Document.ashx \(cmis.uk.com\)](#)]
- The Performance Management Framework [[Document.ashx \(cmis.uk.com\)](#)]
- The Risk Management Framework [[Document.ashx \(cmis.uk.com\)](#)]
- Cambridgeshire & Peterborough Devolution Deal [[Cambridgeshire-and-Peterborough-CA-Devolution-Deal \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- CPCA Order 2017 [[The Combined Authorities \(Borrowing\) Regulations 2018 \(legislation.gov.uk\)](#)]
- CPCA Industrial Strategy [[Local Industrial Strategy \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- Mayor's Ambitions [[Document.ashx \(cmis.uk.com\)](#)]
- CPCA Medium Term Financial Plan [[Key Documents Library | CPCA | The Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](#)]

1.1.4 The CPCA operates in line with the Local Government Accountability Framework and the English Devolution Accountability Framework. It also operates according to:

- Local Government Financial Framework, as set out in the DLUHC Local Government System Statement. [[Annual local government finance settlements | Local Government Association](#)]

- HM Treasury Guide to developing the project business case [[Guide to developing the Project Business Case \(publishing.service.gov.uk\)](#)]
- HM Treasury Guide to Assuring and Appraising Projects: Green Book [[The Green Book \(2022\) - GOV.UK \(www.gov.uk\)](#)]
- Orange Book (Strategic Risk) [[Orange Book - GOV.UK \(www.gov.uk\)](#)]
- Magenta Book (Evaluation) [[The Magenta Book - GOV.UK \(www.gov.uk\)](#)]

1.1.5 The Assurance Framework provides assurance to the Departmental Accounting Officer by explaining how funding is granted or devolved to the Combined Authority is allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety and value for money.

1.1.6 Within the Combined Authority, the SAF is a valuable tool that enables the CPCA to develop and deliver successful programmes and projects, and explain the clear rationale through concept papers and business cases on how its strategic objectives will be delivered.

1.1.7 The Assurance Framework will be reviewed at least annually by the CPCA Audit & Governance Committee to ensure that it is kept up to date, reflecting changes in the Combined Authority's operating environment and changes to Government policy. Where are potential changes and updates result in a potential divergence from the approved Assurance Framework, adjustments will be discussed and agreed with DLUHC.

1.2 English Devolution Accountability Framework - The Single Assurance Framework (SAF) has been developed in alignment with the first edition of the English Devolution Accountability Framework (EDAF) (2023). EDAF sets out how Mayoral Combined Authorities (MCAs) will be scrutinised and held to account by government, local politicians and business leaders, and by residents and voters within the Cambridgeshire & Peterborough region.

1.2.1 The Combined Authority meets all requirements set out in EDAF and seeks to align itself with emerging EDAF content such as the Scrutiny Protocol.

1.2.2 The Combined Authority recognises that in providing areas with more power and funding flexibility through devolution it becomes even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities. Further details on its compliance with EDAF are set out in section 4.

2 Cambridgeshire & Peterborough

2.1 The Mayoral Combined Authority - The Cambridgeshire & Peterborough Combined Authority (CPCA) is a Mayoral Combined Authority and is an accountable public body established under Section 103 of the Local Democracy, Economic Development and Construction Act 2009.

2.1.1 CPCA was created in 2017 through the Cambridgeshire and Peterborough Combined Authority Order 2017 [[The Cambridgeshire and Peterborough Combined Authority Order 2017 \(legislation.gov.uk\)](#)] in order to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough.

2.1.2 The functions of the Combined Authority are set out in the Order referred to above.

2.1.3 As and when the Government officially devolves further powers to the Combined Authority, in order to deliver against its policy agenda, this will be reflected in revisions to the SAF at the appropriate review period.

2.1.4 The Combined Authority is its own accountable body for funding received from government through the 2017 Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

2.2 Regional and Local Leadership - The Combined Authority Board is the principal decision-maker and provides leadership of the Combined Authority.

2.2.1 The regionally elected Mayor of the Combined Authority is the Chair of the Combined Authority Board. The leadership of the Combined Authority comes from the Mayor and Combined Authority Board which is comprised of seven constituent authorities who have the voting rights set out in the 2017 Order and Constitution [[Constitution - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](#)]

2.2.2 The seven constituent authorities are represented on the Combined Authority Board through their elected Council Leader and are as follows:



2.2.3 The Business Board is represented on the Combined Authority Board and also has full voting rights. The Business Board determines who to nominate as its Combined Authority Board representative for consideration, this role is normally filled by the Chair of the Business Board.

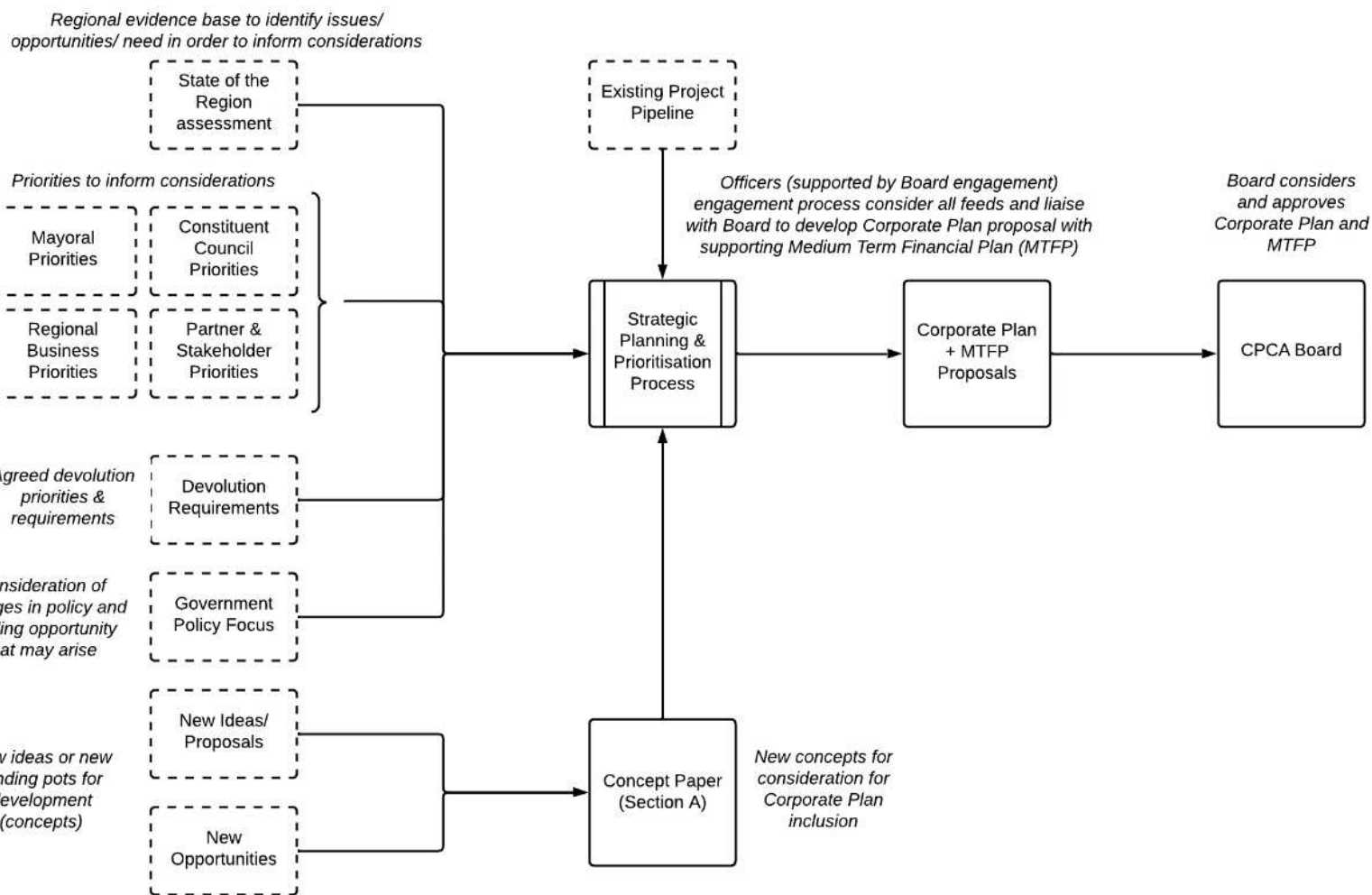
2.2.4 The Combined Authority Board works closely with other key public sector partners who are represented on the Board in a non-voting capacity as non-constituent members, representation is provided by the Police & Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire & Peterborough Integrated Care System.

2.3 The Strategic Framework - The Combined Authority has a robust process in place to develop its strategic objectives that aligns with its long term vision. The devolution deal 2017 set out powers and funding afforded by devolution, and our performance target of doubling the size of the economy and creating more good jobs. The Corporate Strategy builds upon this and identifies the four core strategic priority areas and sets out performance management baselines for each, these priority areas are the golden thread that is to be driven through programmes and projects. The fifth strategic priority area of Achieving Best Value and High Performance is reflected in the frameworks that govern the way in which the Combined Authority operates.

2.3.1 The SAF phases set out in section 5 ensure that investment decisions align with the Combined Authority strategic objectives set out in the Corporate Plan.

2.3.2 The strategic framework ensures that the strategic objectives reflect priorities identified by Government policy agenda through devolution requirements, Constituent Council agendas, Mayoral agenda and a regional evidence base. It also ensures that the strategic planning process is evidence based through a regularly updated state of the region assessment and considers the existing and future project pipeline to ensure focus is on the appropriate priorities for the region.

Illustration A - Overview of Strategic Planning Process



3 Governance, Accountability & Decision-Making

- 3.1 Introduction** - As a local authority the Combined Authority is subject to the requirements of the Local Government Accountability Framework. It adheres to this framework and is supported by its governance framework, internal and external audit arrangements, existing assurance framework and annual reporting of its accounts and the Annual Governance Statement.
- 3.1.1 The Combined Authority recognises and supports the English Devolution Accountability Framework and commits to building a culture of effective scrutiny and accountability through adherence to the framework.
- 3.1.2 In compliance with the English Devolution Accountability Framework the Combined Authority has put in place this Assurance Framework to ensure appropriate safeguards and standards are in place in the development and delivery of projects and ensure appropriate stewardship of devolved funds.
- 3.1.3 The Combined Authority meets all the requirements set out in Chapter 7 of the Localism Act 2011 and has a robust Member-Officer Protocol in support of its Code of Conduct arrangements. All Members are expected to demonstrate the Nolan Principles of behaviour.
- 3.1.4 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias.
- 3.1.5 The Combined Authority is the accountable body for the Business Board and the Greater South East Local Energy Hub.
- 3.2 The Mayor** - The CPCA Mayor has a manifesto of commitments on which they were directly elected by the electorate across Cambridgeshire and Peterborough constituent areas. The Mayor executes certain powers and functions that are devolved to CPCA by the UK Government, to deliver their manifesto commitments and to enact functions reserved for the Mayor as detailed in the Combined Authority Constitution.
- 3.2.1 The Mayor is the Chair of the Combined Authority and the Combined Authority Board. The Mayor provides leadership in terms of proposing a Mayoral budget as part of the Board in agreeing revenue and capital budgets for the Combined Authority and ensuring the appropriate use of these budgets.
- 3.2.2 As Chair of the Board the Mayor has a lead role in the allocation of Gainshare funding through the Board approval of the Corporate Plan and the publication of Mayoral pledges. The Mayoral budget ensures that they have appropriate support and advice to take their priorities forward as well as to support delivery of the Corporate Plan and Devolution commitments.
- 3.2.3 The Mayor has general powers as set out in Chapter 3 of the Constitution, this includes the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
- 3.2.4 Elections for the position of Mayor of the Combined Authority are held every 4 years.
- 3.2.5 The Mayor can nominate Board Members for Portfolio Lead positions, nominations must be considered and approved by the Combined Authority Board.
- 3.3 The Combined Authority Board** - The Combined Authority Board is the legal and accountable body for funding devolved to the CPCA. It is responsible for a range of functions including transport, skills and economic development.

- 3.3.1 The Combined Authority Board exercises all its powers and functions in accordance with the law and the Combined Authority Constitution, it agrees all strategy and frameworks and agrees all delegated responsibilities to conduct its business.
- 3.3.2 The Constituent Authority Leaders represent the views of their Constituent Authority at the Combined Authority Board, ensuring that they take a regional strategic perspective to decision-making and put the needs and opportunities to the region at the forefront of all decisions taken.
- 3.3.3 The Combined Authority, through its Board, has set very clear roles and responsibilities within its governance framework when it comes to decision-making in regard to strategy and budgets. This power sits with the Combined Authority Board and is supported through the following roles and responsibilities across its governance framework:

| Strategic Role | Body |
|---|-------------------------------|
| Set the strategic objectives, vision and Corporate Plan | CPCA Board |
| Approve strategy, key policy and frameworks | CPCA Board |
| Set the budgetary framework and the Medium Term Financial Plan | CPCA Board |
| Develop strategy, framework and policy proposals | Thematic Committees |
| Implement Board approved strategy | Thematic Committees |
| Deliver operational and delivery oversight and provide operational decision-making | Thematic Committees |
| Undertakes strategic level scrutiny | Overview & Scrutiny Committee |
| Undertakes Mayor and Board accountability | Overview & Scrutiny Committee |
| Provides oversight and assurance of standards and the Constitution | Audit & Governance Committee |
| Provides oversight and assurance of governance, assurance and supporting frameworks | Audit & Governance Committee |

- 3.3.4 Chapter 7 of the Combined Authority Constitution details the Committees that sit within its Governance Framework which have either decision-making powers or are advisory. Those that have decision-making powers or have been delegated decision-making powers have terms of reference which can be found in the Constitution or via the relevant Committee page on the website [\[CMIS > Committees\]](#)
- 3.3.5 The Combined Authority operates under the principle of approval in Investment decision-making. This ensures that concepts are approved by the Board for inclusion in the Corporate Plan and Medium Term Financial Plan before the relevant business case is developed.
- 3.3.6 The principle of approval ensures Board drives delivery of the golden thread of its agreed strategic objectives and the requirements set out in devolution agreements into the development of programmes and projects.
- 3.3.7 **Recruitment of Members of the Board** – The majority of Members of the Combined Authority Board are appointed by the Constituent Authority, whilst some members are representatives of co-opted partners/authorities. The Chair of the Business Board is designated as a member of the Board within the CPCA 2017

Order which established the Combined Authority and is therefore able to vote. Constituent Authority appointed Members must be elected members of their appointing authority and must be replaced by elected members of the same Constituent Authority if they are no longer elected members.

- 3.3.8 Co-opted Member status confers no legal status and no entitlement to vote, it is an informal arrangement to promote a strategic approach to joint working on significant regional policy issues.
- 3.3.9 Members of other Committees of CPCA are nominated by their Constituent Authority and appointed to Committees by the Combined Authority Board.
- 3.3.10 **Induction** - New members of the Combined Authority Board will be supported through induction training that will cover the senior management structure and their roles, the governance structures including the SAF, how the Combined Authority is funded, its risks, the role of the Mayor and its annual aims and objectives.
- 3.3.11 **Code of Conduct** - The Code of Conduct for members is set out in Annex 1 of the Combined Authority Constitution and reminds Members that they act on behalf of the whole region's interest not just their particular are of the region. The Nolan Principles of Public Life provide a framework for the members and the officers of the CPCA.
- 3.3.12 **Diversity** - The Combined Authority Board is comprised of elected representatives appointed to the Board by the Constituent Authorities, Chair of the Business Board and members representing co-opted Partners/ Authorities and so the composition of the Board is outside of the control of the Combined Authority.
- 3.3.13 **Remuneration** - CPCA does not pay any allowances to the Combined Authority Board Membership other than to the Mayor whose allowance is agreed by the Board following the recommendation and a report from the Independent Remuneration Panel.
- 3.3.14 Remuneration considerations for the Business Board and Committees of the Combined Authority are considered in line with the English Devolution Accountability Framework and are agreed by Board following the recommendation and a report from the Independent Remuneration Panel.

3.4 Audit Committee Arrangements - The Combined Authority has established an Audit & Governance Committee (A&G) in accordance with the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework.

- 3.4.1 The Combined Authority has delegated to the Audit & Governance Committee the following powers:
- review and scrutinise the combined authority's financial affairs;
 - review and assess the combined authority's risk management, internal control and corporate governance arrangements;
 - review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the combined authority's functions; and
 - make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - Implement the obligation to ensure high standards of conduct amongst Members.
- 3.4.2 The Terms of Reference for the Audit & Governance Committee are available in Chapter 13 of the Constitution and set out its role in regards to:
- Approval of the annual statement of accounts
 - Corporate Governance Arrangements
 - Assurance Framework
 - Risk and Performance Management Arrangements
 - Anti-fraud, whistleblowing and complaints
 - Internal Audit
 - External Audit
 - Financial Reporting

- 3.4.3 The Chair of the Audit & Governance Committee is an independent person who is not an elected member, appointed through a recruitment process and confirmed by the Combined Authority Board. Rule 13.5.2 of the Constitution set out in Chapter 13 sets out the independent designation requirement of the Committee Chair.
- 3.4.4 The membership of the Committee are nominated by the Constituent Authorities that form the Combined Authority and appointed by the Combined Authority Board.

3.5 Overview and Scrutiny Arrangements - The Combined Authority has established an Overview and Scrutiny Committee (OSC) in accordance with the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework.

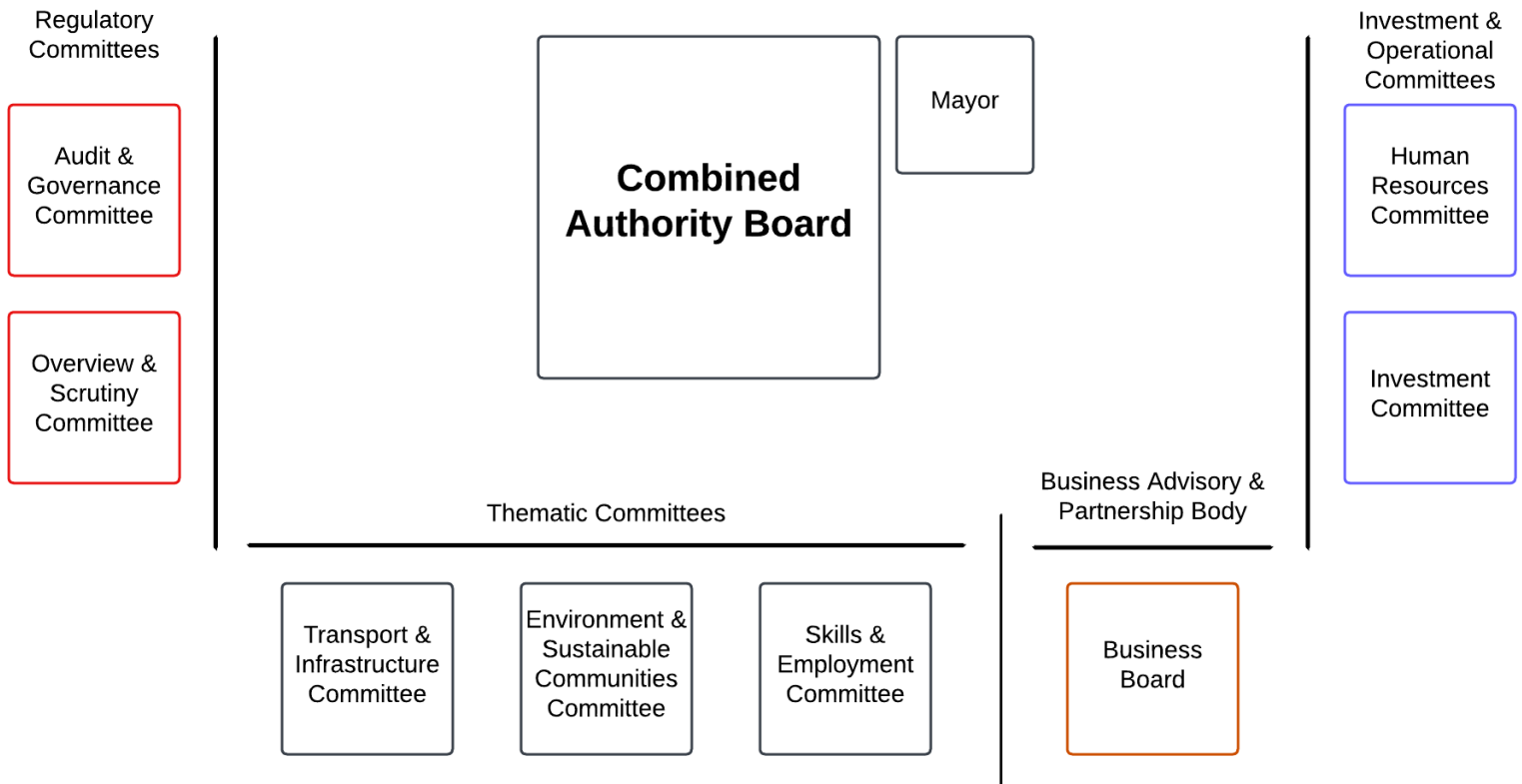
- 3.5.1 The Overview and Scrutiny Committee has the power to:
- review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor and/or the Combined Authority
 - make reports or recommendations to the Mayor and/or the Combined Authority on matters that affect the Combined Authority area or the inhabitants of the area
 - make reports or recommendations to the Mayor and/or the Combined Authority with respect to the discharge of any functions which are the responsibility of the Mayor and/or the Combined Authority.
 - Where a decision has been made by the Mayor, the Combined Authority, or an Officer and was not treated as being a key decision and a relevant overview and scrutiny committee is of the opinion that the decision should have been treated as a key decision, that overview and scrutiny committee may require the decision maker to submit a report to the Combined Authority within such reasonable period as the committee may specify
- 3.5.2 The Terms of Reference for the Overview and Scrutiny Committee are available in Chapter 14 of the Constitution and set out its core roles in regards to:
- Strategic Performance Review of Corporate Plan KPIs
 - Holding Mayor and Portfolio Holders to account for the delivery of priority area objectives set out in the Corporate Plan and Directorate Plans
 - Holding Mayor to account for delivery of Mayoral Priorities
 - Pre-Scrutiny of Board decision-making (*utilising extended Forward Plan to identify upcoming decisions to examine in advance of decision being developed and taken*)
 - Utilising Call-In power if decisions have not been taken in accordance with the new principles of decision-making set out in the Constitution
 - Policy review when approached to undertake or if gap/ issue identified through performance review and decision-making accountability
 - Focused meetings on cross-cutting matters and/or issues of significant concern
 - Focused budget scrutiny on MTFP alignment/ delivery and consultation (*although this could be undertaken by commissioned deep dive review*)
- 3.5.3 The membership of the Committee are nominated by the Constituent Authorities that form the Combined Authority and appointed by the Combined Authority Board.
- 3.5.4 The Audit & Governance Committee and the Overview & Scrutiny Committee are key parts of the overall accountability framework of the Combined Authority, ensuring key elements of the English Devolution Accountability Framework are complied with.
- 3.6 The Investment Committee** - The Combined Authority has established an Investment Committee that is Chaired by the Portfolio Lead Member for Economic Growth, the Committee has 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 below the level of £5million above which requires all decisions to be made by the Combined Authority Board.

- 3.6.1 The Committee has delegated authority to take decisions in relation to funding proposals and change requests as set out in its Terms of Reference. The Terms of Reference can be found on the Combined Authority website in the Committee section [\[CMIS > Committees\]](#)
(Note: These terms of reference will be uploaded to the website once they are approved by Board on 29 November 2023)
- 3.6.2 The Terms of Reference for the Investment Committee which include the full details of its functions are set out in Chapter [to be inserted] *[to be added once Investment Committee ToR confirmed by Combined Authority Board on 29 November 2023]* of the Constitution, the Committees core roles are:
- in accordance with the Single Assurance Framework and the Constitution of the Combined Authority, make investment decisions and/or make recommendations to the Board on investment decisions
 - play a key part in the overall assurance arrangements of the Combined Authority through the delivery of its functions.
 - advise and make decisions in line with delegated authority on behalf of the Mayor and the Combined Authority Board in the exercise of responsibilities for the Combined Authority's functions as corporate shareholder of a company or group of companies and in their role in representing the Combined Authority as a Shareholder Representative at meetings of a company
 - provide the necessary oversight, from a shareholder's perspective, that the parameters, policies, and boundaries that the Combined Authority has established are being adhered to; Including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes the Combined Authority requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities
- 3.7 The Business Board** - The Business Board acted as the Local Enterprise Partnership for the region. It was fully integrated into the Combined Authority Governance Arrangements (from March 2023) as a strategic business advisory and partnership body that represents the business voice for the region, providing:
- strategic business advice to the Combined Authority Board, Mayor, Committees and officers across all policy areas
 - advice on the development and shaping of economic strategy and day to day oversight of progress on implementation, on behalf of the Combined Authority Board who decide on and own the strategy
 - represents business across the region
- 3.7.1 The membership requirements and appointment process along with the terms of reference for the business Board are set out in Chapter 15 of the Combined Authority Constitution.
- 3.7.2 The Mayor and the Portfolio Leads for Skills & Employment, and for Investment & Economic Growth are Business Board members as set out in the Constitution. They are non-voting members of the Business Board.
- 3.7.3 The Business Board itself appoints up to 2 co-opted members to sit on each Thematic Committee as co-opted members of those Committees where they represent the Business Board and seek to ensure alignment between discussions and the Economic Strategy.
- 3.7.4 The membership of the Business Board and the Chair, Vice-Chair and membership roles and responsibilities are reviewed as appropriate to ensure they reflect the requirements of the Combined Authority and represent the business voice of the region.
- 3.7.5 The Chair of the Business Board is a voting member of the Combined Authority Board.
- 3.8 Other Committees** - The Combined Authority also has three Thematic Committees, these are:
- Transport & Infrastructure Committee
 - Skills & Employment Committee
 - Environment & Sustainable Communities Committee
- 3.8.1 These Thematic Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board. The Terms of Reference for these Committees can be viewed by clicking on the relevant Committee in the Committee section of the Combined Authority website [\[CMIS > Committees\]](#)

3.8.2 There is embedded membership within the Thematic Committees from the Business Board as well Combined Authority Board chairing of Thematic Committees through Portfolio Lead Positions in order to ensure a cross thematic approach to Combined Authority strategy and activity and tackle silo considerations.

3.8.3 These Committees alongside those identified above create the following governance arrangements for the Combined Authority:

Illustration B – Combined Authority Governance Arrangements



3.9 Statutory Officers

3.9.1 **Head of Paid Service** - It is the role of the Head of Paid Service, also referred to as the Chief Executive, to ensure that all of the Combined Authority functions are properly co-ordinated as well as organising staff and appointing appropriate management.

3.9.2 At the Combined Authority the Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and acts as the principal advisor to the Business Board.

3.9.3 The duties and responsibilities of the post include but are no limited to:

- the statutory responsibilities of the Head of Paid Service to manage the budgets and funding allocations available to the Combined Authority, in partnership with the s73 officer
- leading the Corporate Management Team to deliver the strategic direction for the Combined Authority as outlined by the Combined Authority Board
- co-ordinate strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the Combined Authority
- ensure to champion the delivery of the strategic priorities of the Combined Authority and its Corporate Plan and put in place the resources necessary to achieve the efficient and effective implementation of CPCA's programmes and policies across all services and the effective deployment of the authority's resources to those ends
- advise the Combined Authority, its Board meetings on all matters of general policy and all other matters upon which his or her advice is necessary, with the right of attendance at all Board meetings and other meetings as appropriate

- advising the elected Mayor on the delivery of strategic priorities
- represent the Combined Authority at local, regional and national level in partnership with the Mayor
- act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration
- Exercise the power of general competence
- Exercise urgency powers to make decisions in emergency situations.
- to exercise any function of the Authority which is not expressly:-
 1. reserved to the Authority
 2. within the terms of reference of any committee of the Authority; or
 3. otherwise delegated to another Director under this Scheme, provided always that in relation to economic development loans, this delegated authority is subject to the conditions set out below
 4. To make final decisions in redundancy matters in accordance with all government guidance and statute.

3.9.4 **Section 73 Officer** - At the Combined Authority the Executive Director of Resources and Performance fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985, to administer the financial affairs of the Combined Authority and Business Board.

3.9.5 The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds for which the Cambridgeshire and Peterborough Combined Authority are responsible.

3.9.6 In order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73.

3.9.7 The responsibilities of the Executive Director of Resources and Performance reflect those documented in the CIPFA published document 'the roles of the Chief Finance Officer in Local Government' which details 5 key principles:

1. The Chief Financial Officer in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's Policy Aims sustainably and in the public interest.
2. The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
3. The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
4. The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
5. The CFO in a local authority must be professionally qualified and suitably experienced.

3.9.8 The Executive Director of Resources and Performance is a member of the Combined Authority Corporate Management Team and has oversight of and an ability to influence all major decisions of the Combined Authority.

3.9.9 The Executive Director of Resources and Performance has ensured that the Combined Authority has robust systems of internal controls and appropriate separation of duties to ensure the legality and probity of financial transactions.

3.9.10 These processes are set out in the Combined Authority Constitution in the Financial Regulations (Chapter 8) and the Contract Standing Orders (Chapter 9), other policies such as the Money Laundering Policy and the Anti-Fraud and Corruption Policy are also included in the Constitution on detailed on the Transparency pages of

the Combined Authority website [[Document Library - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](#)]

- 3.9.11 **Monitoring Officer** - At the Combined Authority the Chief Legal & Governance Officer has been appointed as the Combined Authority Monitoring Officer and discharges the functions in relation to CPCA as set out in section 5 of the Local Government and Housing Act 1989.
- 3.9.12 The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- 3.9.13 The responsibilities of the Monitoring Officer regarding the Assurance Framework are:
- Providing advice on, and maintaining an up-to-date version of the Constitution and ensuring that it is widely available for consultation by members, employees, and the public
 - After consulting with the Head of Paid Service and Chief Finance Officer, report to the Combined Authority if they consider that any proposal, decision, or omission would give rise to unlawfulness or maladministration or if any decision or omission has given rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposed decisions being implemented until the report has been formally considered by the Combined Authority Board
 - Ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible
 - Advising whether decisions are within budget and policy framework and whether any decisions or proposed decision constitutes a key decision
 - Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, members and officers, and generally support and advise members and officers in their roles
- 3.9.14 Contributing to the promotion and maintenance of high standards of conduct, the Combined Authority has delegated to the Monitoring Officer powers to deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011:
- Discharging the functions under any enactment (whenever passed) of a Monitoring Officer, proper officer, or responsible officer, concerning the Authority's legal affairs and arrangements, including compliance with the law.
- 3.9.15 The Monitoring Officer and their legal team review all reports to ensure that legal implications are correctly identified before they are presented to the Combined Authority Board and its Committees.

3.10 Processes and Procedures

- 3.10.1 **Whistleblowing** - The Combined Authority has a Whistleblowing Policy to enable and encourage employees to raise concerns about wrongdoing by the Combined Authority, the Mayor's Office and/or contractors without fear of reprisal or detriment. The Whistleblowing Policy can be found on the Combined Authority website at [[Whistleblowing-Policy-2021.pdf \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- 3.10.2 **Complaints Process** - A procedure is in place to ensure that any complaints relating to the arrangements, processes or decision making associated with a project is dealt with fairly and effectively. The process can be found in the Combined Authority Constitution [[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- 3.10.3 **Equality, Diversity and Inclusion Policy** - The Combined Authority has an Equality, Diversity and Inclusion Policy that applies to all employees and anyone who works with the Combined Authority. The policy outlines the Combined Authority commitment through the employment lifecycle to equality, diversity and inclusion and sets out this is put into practice. The policy can be accessed via the website [[Document Library - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- 3.10.4 **Gifts and Hospitality** - A Gifts and Hospitality policy and a procedure is in place to ensure that no CPCA Member or officer receives remuneration or expenses in relation to its activities, other than their salary and in accordance with policy. It specifies that no gifts or hospitality shall be accepted by Members or Officers other than insignificant

and appropriate gifts and hospitality during their day-to-day business. The Gifts and Hospitality Protocol is in the Combined Authority Constitution at Chapter 19 [\[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

- 3.10.5 **Registration and Declaration of Interests** - Combined Authority Board and Committee Members are required to make a declaration of any interest they have in an item of business at Meetings of the Board. Officers are required to declare any interests they have in contracts. The completed registration of Members' interest forms are accessible via the Combined Authority website at [The Publication Scheme - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](#)
- 3.10.6 In addition, elected Local Authority members will have completed their Local Authority's Register of Interest. Where Members have a prejudicial interest in an item of business the Combined Authority Code of Conduct requires that they should leave the meeting while the item is considered. The Code of Conduct can be found in Annex 1 of the Combined Authority Constitution.
- 3.10.7 **Freedom of Information** - The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. As Accountable Body for the Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board.
- 3.10.8 The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website at [\[Freedom Of Information Requests | The Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)
- 3.10.9 **Transparency Code** - The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 3.10.10 The combined Authority is subject to and complies with the Transparency Code applied to all Local Authorities. The Transparency webpages of the Combined Authority can be accessed at [\[Governance and Transparency Library | CPCA | The Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)
- 3.10.11 A Mayoral update is distributed to stakeholders throughout Cambridgeshire and Peterborough informing them of current and planned Combined Authority activity and how they can get involved. CPCA has a continuous communications strategy, including using social media to provide the public and stakeholders with updates on activity. Stakeholders and the public can contact the CPCA via the website [\[Contact us - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#) and by responding to social media posts.
- 3.10.12 The meeting schedule is available on the Combined Authority website detailing the dates of all key meetings. Where there is a requirement as a condition of funding, the Combined Authority will ensure that Government (and other funders) branding is used in any publicity material.
- 3.10.13 **Treatment of Risk** - A key role of the SAF is to ensure that risk is identified, monitored and managed appropriately, in accordance with HM Treasury Orange Book, both at a strategic level (the risks facing the Combined Authority as an organisation) and at a programme and project level.
- 3.10.14 A revised Risk Management Framework has been developed to provide visibility of risk at strategic, operational, and Programme levels and to ensure consistency across Combined Authority Business Areas in how risks are identified, managed, monitored, and escalated.
- 3.10.15 **English Devolution Accountability Arrangements** - The English Devolution Accountability Framework has been taken into account in the development of the SAF and more widely in the Combined Authority through the Governance Framework and the Accountability Framework. Section 4 of this document refers specifically to EDAF.

- 3.10.16 The Combined Authority has developed an Accountability Framework to support devolution that seeks to ensure that CPCA complies with all EDAF requirements and creates a sustained culture of scrutiny and accountability. This includes application of the Scrutiny Protocol within EDAF once it has been agreed and published by the Department for Levelling Up, Housing and Communities.
- 3.10.17 **Decision-Making Principles** - The Combined Authority has adopted decision-making principles to ensure that all decision-making is taken in alignment with key considerations. These principles can be found in Chapter 6 of the Constitution.
- 3.10.18 **Publishing Meeting Minutes** - The schedule of meetings for the calendar year is published on the Combined Authority website. The notice of meetings, the agenda and the accompanying papers for formal Board and Committee Meetings are published five clear working days in the advance of the meeting.
- 3.10.19 The Combined Authority includes its Forward Plan in the Agenda of the Board and Overview and Scrutiny Committee Meetings.
- 3.10.20 Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government act 1972 Schedule 12A or the Freedom of Information Act 2000, they are categorised as a private item and are not published. The Monitoring Officer will give advice regarding whether the item should be classified as private, but Members have to make a decision to go into private session unless a confidential item has been declared confidential by the Government in which case it must be taken in private.
- 3.10.21 Decisions of meetings are published within five working days, in practice this is normally three working days of the meeting, and draft minutes of meetings are published as soon as is possible after the meetings on the Combined Authority website. All Combined Authority Board minutes are signed at the next suitable meeting.
- 3.10.22 **Publishing Decisions** - In the interests of increasing transparency and accountability the Combined Authority has committed to publish a Forward Plan of key decisions that will be taken by the Combined Authority at least 28 days before the decision is made, and up to 6 months in advance, to enable members of the public the opportunity to view and comment upon them.
- 3.10.23 All decisions will be published in accordance with the transparency arrangements set out in the constitution.

4 English Devolution Accountability Framework

- 4.1 Introduction** - The Single Assurance Frameworks must demonstrate robust assurance, project appraisal and value for money processes that satisfy the requirements set out in the English Devolution Accountability Framework.
- 4.1.2 As set out in 2.1.4 and 3.3 the Combined Authority is the accountable body for funding received from Government through devolution.
- 4.1.3 The Combined Authority is a local authority for the purposes of the Local Government Act 1972 (and the Local Democracy, Economic Development and Construction Act 2009) and is the Accountable Body for public expenditure that supports the CPCA Vision and Corporate Plan, facilitating collective decision making between constituent council partners.
- 4.1.4 As set out in 3.8 the Combined Authority has appointed statutory officers and the Section 73 Officer will ensure that resources are used legally and appropriately and that they will be subject to the usual checks and balances by making sure there is a sound system in place for financial management. The Monitoring Officer will ensure that all legal responsibilities are adhered to by the Combined Authority.
- 4.1.5 The Audit Committee arrangements for the Combined Authority are set out in 3.3 and the Overview & Scrutiny arrangements are set out in 3.4.
- 4.1.6 Section 3 sets out the detail of the governance framework arrangements along with details of accountability and decision-making arrangements that enable and support the effective engagement of constituent authorities, local partners and the public to help inform key decisions, budget proposals and strategy development.
- 4.1.7 Section 3 also sets out the roles and responsibilities within decision-making at the Combined Authority.
- 4.1.8 The arrangements for the accountability for devolved skills funding are set out in Annex B in 7.2
- 4.1.9 The arrangements for the accountability for the Greater South East Net Zero Hub are set out in Annex C in 7.3
- 4.1.10 The Single Assurance Framework is a significant part of the overall Accountability Framework for the Combined Authority.
- 4.2 Ensuring Value for Money** - The Combined Authority has appropriate arrangements to independently verify its accounts through external audit to ensure it is compliant with the Local Audit & Accountability Act 2014. These arrangements are supported through the Audit & Governance Committee that will review and scrutinise the Combined Authority financial affairs (including consideration of any devolved funds), ensure appropriate corporate governance and risk management and assess whether it is delivering value for money.
- 4.2.1 These arrangements are further supported through this Single Assurance Framework which sets out the framework for the Combined Authority in making value for money judgements of potential investments and projects. All business cases seeking approval are assessed through the Single Assurance Framework process and are evaluated against HMTs 5-case business model set out in HMTs Green Book [[The Green Book \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk)]
- 4.2.2 Arrangements regarding Value for Money for Department for Transport projects and TAG compliance are set out in Annex A in 7.1

- 4.3 Enabling the Business Voice** - The Combined Authority already has a Business Board that is integrated into its governance arrangements. The recent changes to the governance framework involved recasting the role of the Business Board to transition from being an executive programme board to one that provides:
- strategic business advice to CPCA's Board, Mayor, Committees and officers across all policy areas, representing the business voice of the region on a wide range of thematic areas
 - advice on the development and shaping of economic strategy and day to day oversight of progress on implementation, on behalf of the CPCA Board who decide on and own the strategy
 - a business voice for Cambridgeshire and Peterborough
- 4.3.1 Arrangements for the Business Board are set out in 3.7 and in more detail in the Combined Authority Constitution.
- 4.4 Local Scrutiny and Checks & Balances** - The Combined Authority has significant arrangements in place to maintain standards in public life. In addition to meeting all requirements set out in Chapter 7 of the Localism Act 2011 the Combined Authority has recently strengthened its Code of Conduct arrangements through the introduction of a Member/ Officer Protocol and introduced new organisational values and behaviours that the Mayor and Councillors have agreed to demonstrate and promote in their behaviours.
- 4.4.1 The Combined Authority meets the requirements set out in the Local Audit and Accountability Act 2014 and has recently taken steps to improve the content of its Annual Governance Statement having consulted other MCAs to identify best practice and opportunities for improvement.
- 4.4.2 Training and development is provided to the Audit & Governance Committee and the Overview & Scrutiny Committee to support them in the application of their core roles.
- 4.4.3 The arrangements for the Audit & Governance Committee and the Overview & Scrutiny Committee are set out in sections 3.3 and 3.4.
- 4.4.4 The Combined Authority approach to Overview & Scrutiny builds upon the statutory guidance for Overview and Scrutiny, guidance from the Centre for Governance & Scrutiny, best practice from other MCAs and includes adaptations specifically tailored for the Cambridgeshire & Peterborough scrutiny approach.
- 4.5 Accountability to Government** - This Single Assurance Framework sets out the Combined Authority approach to ensuring appropriate safeguards and standards are in place in the development and delivery of programmes and projects and to ensure the appropriate stewardship of devolved funding.
- 4.6 Accountability to the Public** - The governance framework of the Combined Authority has been designed with clear roles and responsibilities to enable transparency and understanding of Board and Committee activity. Multiple levels of accountability exist to enable and support strategic objective setting accountability, performance accountability, decision-making accountability and operational delivery and oversight
- 4.6.1 Section 3 sets out details on governance, accountability and decision-making, with further detail set out in the Combined Authority Constitution.
- 4.6.2 The Combined Authority has an active social media presence and engagement with the local press in order to promote its activity, the meeting of its Board and Committees and opportunities for public involvement in those process.
- 4.6.3 The Combined Authority invites the public to put questions to the Mayor, its Board and Committees via public question time arrangements, additionally it invites questions to the Mayor via Mayoral question Time arrangements as part of its Overview & Scrutiny approach.
- 4.6.4 In order to ensure positive engagement and communication between the Combined Authority and Constituent Authorities, and to strengthen public accountability through Constituent Council elected members, the Combined Authority will inform Constituent Authorities when a project that will be delivered in their constituency area is

progressed into SAF Phase 2 (development phase) and when it enters SAF phase 3 (approvals phase). This will ensure Constituent Council awareness of project development and approval decisions.

4.6.5 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.

4.7 Commitment to continual enhancement of Accountability Arrangements - The Combined Authority will set out how it will further strengthen its accountability arrangements for future devolved funding and powers in direct engagement with the Department for Levelling Up, Housing and Communities.

5 Single Assurance Framework (Lifecycle Process)

- 5.1 Introduction** - The Single Assurance Framework sets out the framework to be applied throughout the lifecycle of programmes and projects, it sets out a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance.
- 5.1.2 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.
- 5.1.3 The SAF will be applied across the lifecycle of all projects and programmes that will incur a financial liability on the Combined Authority.
- 5.1.4 The SAF is designed to be used as guidance to project developers and sponsors to understand the processes associated with the application and the route to approval of all external funding opportunities.
- 5.1.5 Where financial liability is placed onto the Combined Authority, the SAF is applicable throughout all stages of the project or programme lifecycle: initiation, development, approvals and delivery.
- 5.1.6 The SAF provides consistency of approach for Assurance, independent appraisal, and informed decision-making across all funding pots. Furthermore, it allows proportionality to be applied for the development of business cases via defined development routes. The SAF does not apply to projects or programmes that are defined as corporate, continuous improvement or Business as Usual (BAU) activity.
- 5.1.7 The SAF works to the following definition of programmes and projects:

A SAF Programme/ Project - Projects and Programmes which follow the SAF are focused on achieving positive outcomes for the local community. They are typically funded by external sources such as devolution deals and bid applications/grant awards from Central Government, for example the Investment Programme, where the CPCA is the accountable body. The SAF is applied flexibly and proportionately, dependent upon the level of risk associated with a Project or Programme. The SAF enables an independent assessment and appraisal of an investment opportunity. Programmes and Projects following the SAF route should aim to ensure a strong strategic fit to the CPCA Corporate Plan has been made.

SAF does not apply to Corporate Projects.

A Corporate Project - A corporate project is created to address an internal business need, benefitting the organisation, for example, a change to the operating systems of the organisation. Risk Management should be considered with risks reviewed as part of activity. Once a corporate project is completed, it may become 'Business as Usual' (BAU). A Corporate project can go through the PMO (if required) where support can also be sourced from specialists in Finance, Projects, Digital & Data and Human Resources where applicable who will review and support the strengthening of the business case and the identified benefits including whether the resources, both financial and people, are in place to deliver.

- 5.1.8 The SAF has been developed to a key set of design principles agreed by the Combined Authority Board, these are:
- ensure that significant financial and governance protections exist for the stewardship of public funds
 - deliver improvement that will lead to high standards of project development, approval, delivery and oversight
 - deliver consistency, controls and clarity that are embedded to deliver confidence in the Combined Authority, its decision-making and its ability to deliver
 - enable the management of political and reputational risk
 - Provide appropriate and proportionate levels assurance
 - Ensure alignment to HMTs Green Book

- Deliver appropriate approval delegations
- Create clear and consistent golden thread from the Corporate Plan to project development

- 5.1.9 The SAF sets out the rising scale of assurance that is required against a increasing scale of value in business case approvals, alongside appropriate processes for risk profiling of a project, guidance on business case development and the documentation required for approval consideration.
- 5.1.10 Out of Business Area second line of defence assurance and appraisal is incorporated into the SAF alongside guidance, templates and criteria to ensure a consistency of approach, development and consideration through the lifecycle. This guidance is available via the Combined Authority website.
- 5.1.11 The Combined Authority ensures that all funding decisions are based on impartial expert advice.
- 5.1.12 This section details the SAF processes and procedures that are in place to ensure robust decision-making on investments with funds devolved to the Combined Authority.

5.2 Value for Money - As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the taxpayer, and therefore all investment opportunities and Business Cases must include an assessment of Value for Money.

- 5.2.1 The Assurance Framework has been developed in line with HMTs Green Book guidelines, which require project managers to build in Value for Money processes throughout the development and approval stages. In addition, the Combined Authority requires all Business Cases be developed in line with HMTs Five Case Model.
- 5.2.2 The range of toolkits (HMT Green Book, DfT TAG, DLUHC, Appraisal Guidance etc) are used to demonstrate the economic, social and environmental benefits and cost over an appropriate appraisal period in order to assess the VFM of a scheme.
- 5.2.3 The delivery, and costs, of outputs must be quantified within all applications for funding. Assessing Value for Money will be done in accordance with Government guidance.
- 5.2.4 The use of options consideration for value for money is key, to assist a do minimum option will always be included in business cases to provide an essential benchmark that can help reveal the real value of additional changes.
- 5.2.5 The Executive Director responsible for project development must document that they are satisfied with the Value for Money assessments within a business case, similarly the Section 73 Officer is required to sign off each Value for Money statement.
- 5.2.6 A key objective of the Single Assurance Framework is to support the Combined Authority in making judgements about the Value for Money (VFM) of potential investment and projects etc. All business cases seeking approval are assessed through the SAF process are evaluated against the HM Treasury's 5-case business model highlighted within The Green Book (2022).
- 5.2.7 For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

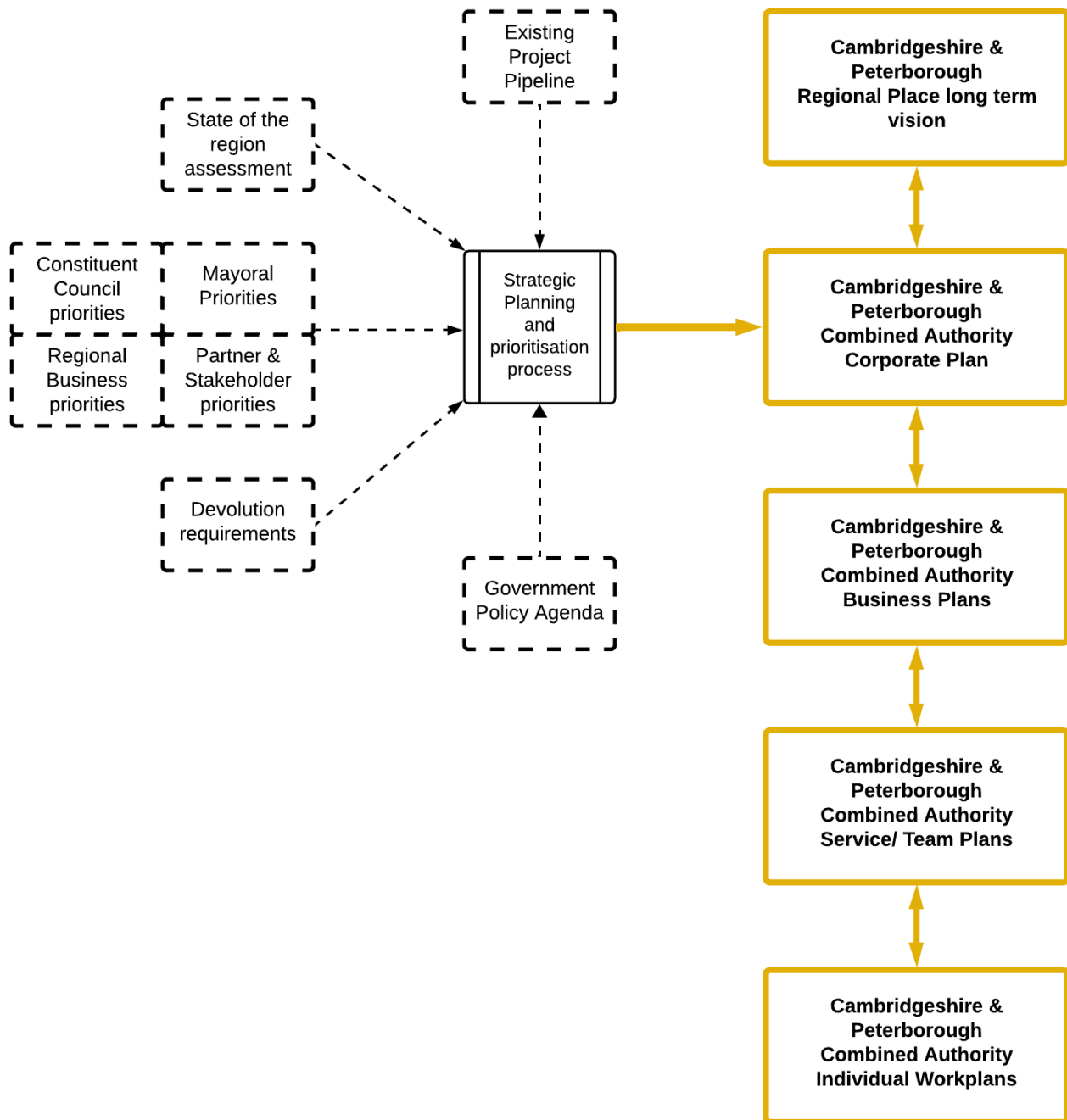
5.3 Single Assurance Framework Entry Points - There are 2 entry points into the SAF, they are through:

- The Corporate Plan (and supporting Medium Term Financial Plan)
- In Year proposals

- 5.3.1 The development of concepts, and external funding opportunities are Business Area led and coordinated and managed with support from the Combined Authority Programme Management Office (PMO). Constituent Authority and other partners can submit proposals (referred to as concepts) via the Combined Authority website and through the relevant Combined Authority Business Area.

- 5.3.2 **The Corporate Plan** - The Combined Authority Corporate Plan is developed through an extensive strategic planning process, these robust processes that are in place to develop the strategic objectives (that aligns with the long term vision) are referenced in section 2.3.
- 5.3.3 The Corporate Plan sets out the 'golden thread' from the strategic objectives and Mayoral priorities, through its overarching strategies, organisational objectives and Business Area Plans to programme and project activity directed through annual business plan activity.

Illustration C: Cambridgeshire & Peterborough Combined Authority Golden Thread



- 5.3.4 The purpose of the Corporate Plan is to:
- articulate the Combined Authority priorities so that partners and stakeholders understand the key areas of focus
 - provide a strategic context for the Combined Authority as an organisation so its plans and operational activity are aligned to the overall vision and priorities agreed by its Board
 - enable oversight and review of performance against priorities. To support this the Corporate Plan seeks to demonstrate how deliverables contribute towards delivering the overarching Combined Authority policy aims

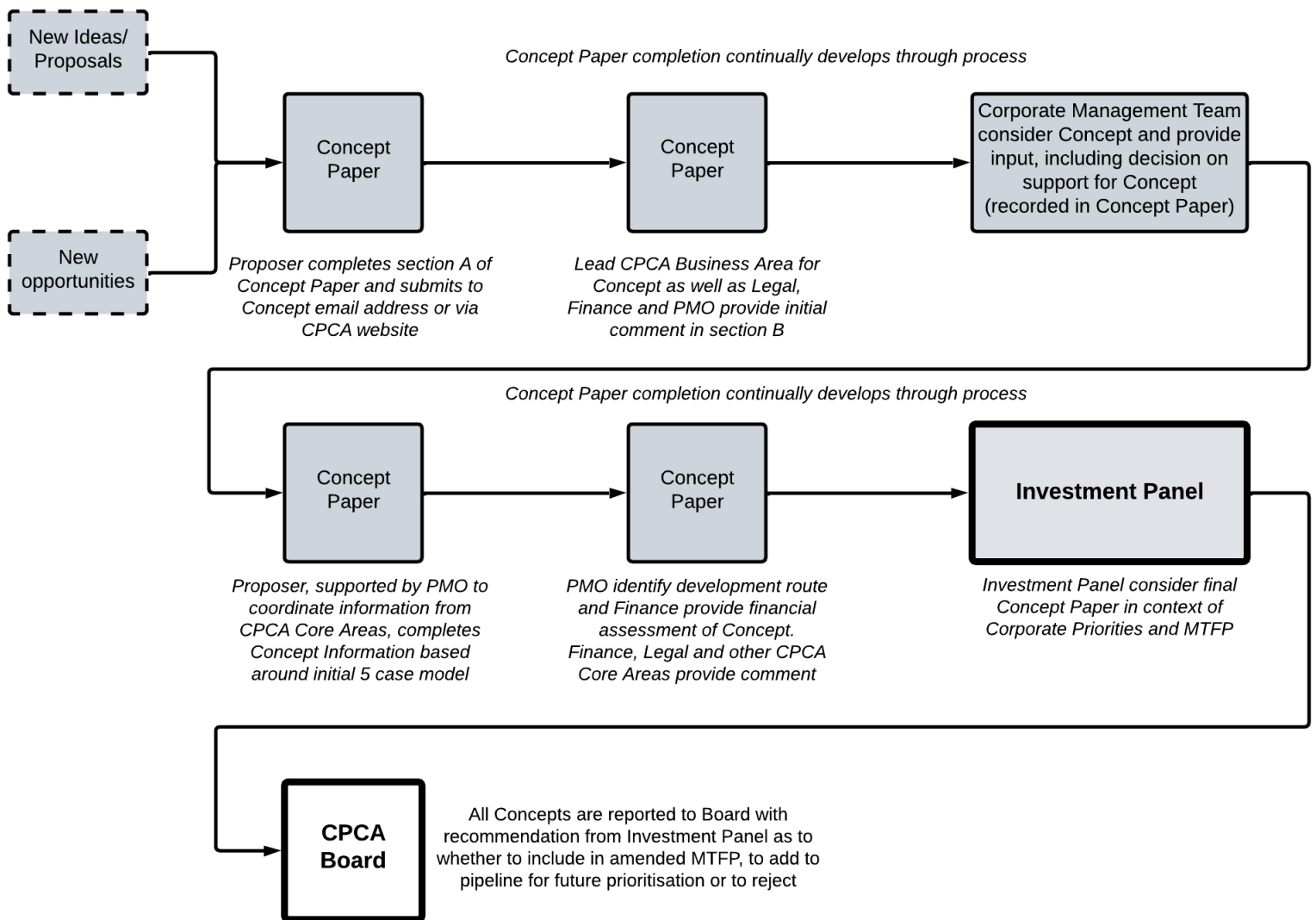
- 5.3.5 It is possible for items to be drawn down from the Corporate Plan for business case development that may require the approach of issuing a call/ expression of interest prior to business case development.
- 5.3.6 **In Year Proposals** - Constituent Authorities, Partners and the Combined Authority can submit in-year Concept proposals that are not included within the existing Corporate Plan. These in-year proposals require the completion of a Concept Paper in alignment with the requirements set out in Phase 1 of the SAF.
- 5.3.7 **New Funding Opportunities** - It is possible that in-year there may be further unexpected funding opportunities that need to be pursued because of new or changes to existing Government initiatives and priorities or where there is a need to address emerging priorities. Initially, these opportunities will be discussed at the Corporate Management Team and may involve engagement with the Regional Public Service Board which contains all of the Constituent Council Chief Executives, or the various informal officer governance groups that exist containing key Constituent Council Officers.
- 5.3.8 Where such opportunities arise the proposer will complete a Concept paper in line with phase 1 of the SAF. Where necessary and appropriate, processes will be expedited to ensure that funding can be accessed quickly.
- 5.3.9 **Open Calls/ Expressions of Interest** - In certain circumstances, the Combined Authority may ask applicants to complete an Expression of Interest or make an Open Call for proposals as to how to deliver a particular objective, prior to completion of an Outline Business case.
- 5.3.10 The purpose of the Open Call proposal/ Expression of Interest would be to confirm that the proposal is consistent with the strategic context set out in the Combined Authority Vision and the strategic objectives set out in the Corporate Plan, outline the rationale for intervention, set out the primary benefits associated with the intervention and identify a proposed preferred option with costs based on an appraisal of the available options.
- 5.3.11 **Business Case Development Fund** - The Combined Authority propose to have a Business Case Development Fund for the development of early stage projects which have the potential to contribute to the Combined Authority stated objectives. Proposals for the Business Case Development Fund will be invited to complete a bespoke application form, with the Investment Committee making decisions on the allocation of funding.

5.4 SAF Phase 1: Concept to Pipeline Approval (the Initiation Phase)

Phase 1 of the SAF 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.

- 5.4.1 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.
- 5.4.2 The Concept Paper provides a consistent entry point into the Single Assurance Framework that intends to provide the required information to enable early assessment, prioritisation and consideration by the Corporate Management Team, the Investment Panel and by the Combined Authority Board.
- 5.4.3 The Concept Paper has 3 sections, they are:
- A. Concept submission information and initial assessment
 - B. Strategic Fit assessment
 - C. Concept initiation information and assessment
- 5.4.4 Items that have gone through the strategic planning process and have been identified for inclusion within the Corporate Plan are added to the pipeline, they can be drawn down for business case development in line with the annual business plans and funding availability.
- 5.4.5 For in-year proposals the Concept Paper process operates as follows:

Illustration D: In-Year Concept Proposal Process



- 5.4.6 The information required for Concept Paper section A is deliberately not onerous in order to support submission of Concepts from partners, it requires key information to be provided that includes a stand-alone summary of the concept which includes a brief description, the need for intervention/ case for change, the outputs (including when, how and who will deliver them), and the associated benefits.
- 5.4.7 Part A also includes proposer strategic fit submission and initial equalities, finance and risk detail.
- 5.4.8 The process for the Concept ensures that section A of the Concept Paper engages core areas of the Combined Authority to enable subject matter expert engagement from an early stage from the relevant CPCA Business Area, Legal and Finance.
- 5.4.9 Once completed Section B of the Concept Paper is considered within the Combined Authority by the Corporate Management Team.
- 5.4.10 Section C of the Concept Paper is completed for concepts that proceed past CMT consideration, this section is completed by Proposer with support of PMO who engage core areas of the Combined Authority to assist completion.
- 5.4.11 Section C involves a more detailed financial assessment to assess affordability of whether the project can be developed to delivery, whether it should be added to the pipeline for now until funding comes forward, or whether the business case is funded for development and sits on the pipeline ready for delivery when funding becomes available. This recommendation along with addition governance & assurance and SMART information is considered by the Investment Panel along with PMO advice on the required business case development route.
- 5.4.12 The Investment Panel will consider Concepts within context of Corporate Priorities and the Medium Term Financial Plan (MTFP) in order to make recommendations to the Combined Authority Board. It should be noted

that all Concepts received will be reported to Board including those that were not supported past section B stage by the Corporate Management Team.

- 5.4.13 The Combined Authority Board will then consider the Investment Panel recommendations and make a decision on what should be approved to be included in the MTFP for development, be added to the pipeline for future development or should be rejected. This process provides an opportunity for Board to challenge the decision not to progress certain Concepts past section B and recommend that they are developed into full Concepts if they disagree with the decision taken by the Corporate Management Team.
- 5.4.14 **The Principle of Approval** - Key to the end of SAF Phase 1 is the principle of approval which applies to both SAF entry points. The principle of approval refers to the Combined Authority provided approval of concepts and the Corporate Plan in order for item to enter the business case development phase.
- 5.4.15 This ensures that all items on the Combined Authority pipeline or in the Corporate Plan have both political support through the Board principle of approval, and Investment Panel support when they enter the business case development phase.
- 5.4.16 The Combined Authority Pipeline records all project activity where projects are in a stage of development and delivery. The pipeline will set out details of the project along with the stage it is at, whether external funding is being bid for or being offered by the sponsoring Government department.
- 5.4.17 The Corporate Management Team will receive a monthly Pipeline review report from the PMO for review and to hold the relevant Executive Director to account for progress during SAF Phase 1. This also provides opportunity for the Corporate Management Team to advise on who the lead CPCA Business Area is where business case development crosses several Business Areas.

5.5 SAF Phase 2: Business Case Development

The development phase comes after phase 1. 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.

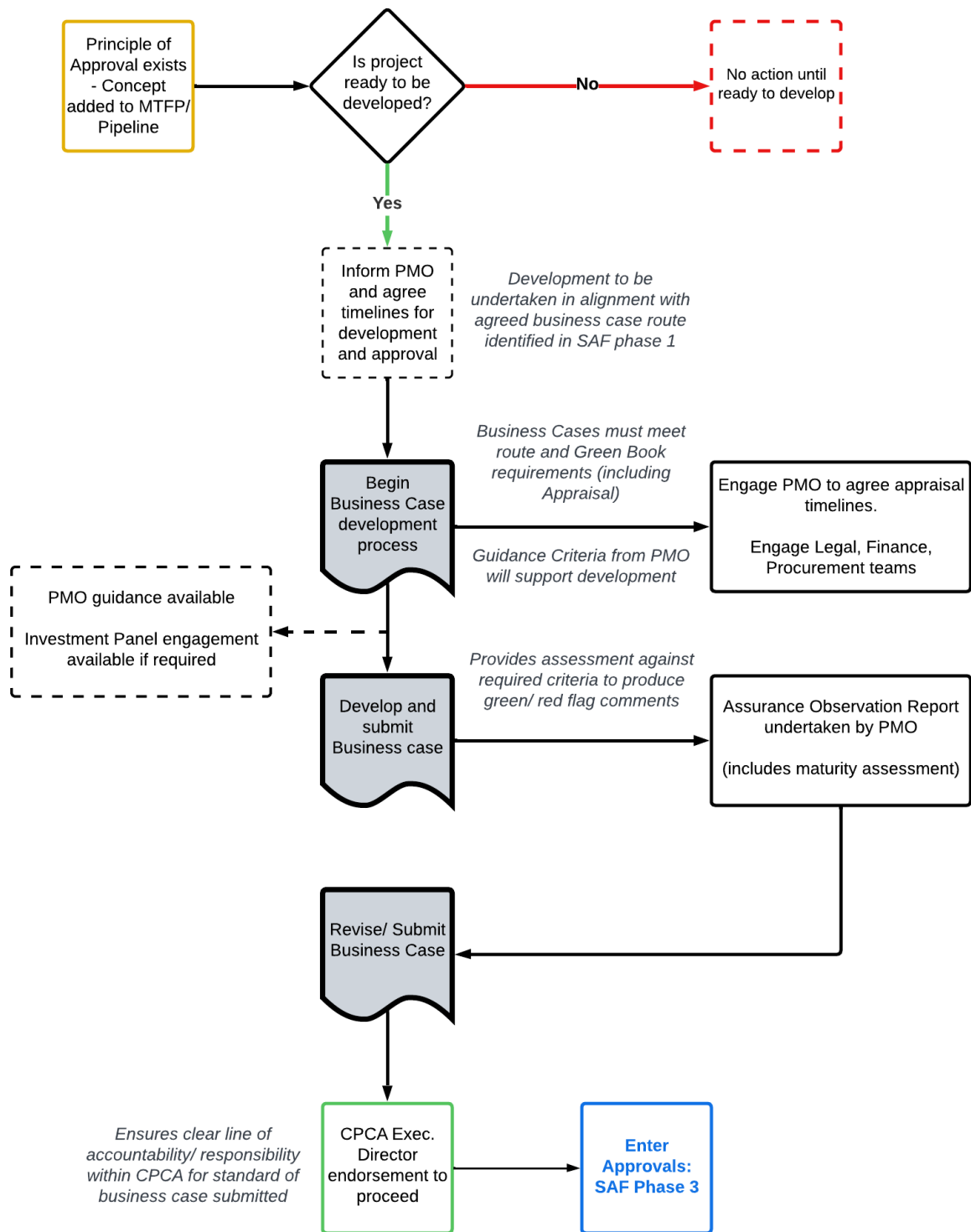
- 5.5.1 This stage needs to be repeated whenever a business case is developed and requires approval. Support and guidance through this stage is provided by the PMO who include assurance and appraisal expertise.
- 5.5.2 The business case is developed (or managed where development is led outside the Combined Authority) 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, HMTs five case model Green Book compliance and meeting Combined Authority specific requirements on GVA. It also should seek alignment to Policy Aims and Objectives, whilst meeting any funding requirements and/or other milestone dates/requirements.
- 5.5.3 Where the delivery partners are external to the Combined Authority, they will be supported through the process by the lead Business Area within the Combined Authority. The delivery partner will use the appropriate business case guidance and templates provided, Subject Matter Experts (SMEs) and technical appraisers, using the appropriate templates. The SMEs to be engaged in the development stage include the PMO for Assurance and Appraisal, Finance, Legal and Procurement who should all input into the business case, and it's review prior to approval.
- 5.5.4 The lead Business Area is responsible for ensuring 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.
- 5.5.5 The PMO team can provide advice on the requirements of the SAF if needed, at the start of and during the Business Case development stage. Sponsors must ensure their business case is developed and is aligned with any external development and assurance requirements (driven by Government Departments), with the aim to eliminate duplication of effort. Where projects are funded through multiple funding streams, the proportionate SAF approach will be agreed by the appropriate delegated authority and implemented.

- 5.5.6 Early engagement with the PMO will ensure required assurance and appraisal is undertaken and ensure that any recommendations can be addressed and business cases updated within the timescales agreed.
- 5.5.7 **Business Cases** - 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.
- 5.5.8 As stated above, business cases will set out the options available. This will be done in line with Green Book and will include appraisal of shortlisted options including a do minimum option.
- 5.5.9 An option that only meets the core “Business Needs” previously identified as the internal changes needed to meet the core requirement of achieving the SMART objectives, is known as the “Do Minimum” option. The do minimum does not take advantage of any opportunities for additional changes that may occur. It may or may not, be the option eventually chosen, but it is essential because it provides a second important benchmark that can reveal the real value of additional changes.
- 5.5.9 Business case development expertise can be provided by the PMO or procured externally to ensure HMTs five case model is adhered to, all business cases must be prepared using CPCA templates and according to the following elements:

| Five Case Model | Description |
|-----------------|--|
| Strategic Case | The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved. |
| Economic Case | The economic case is the essential core of the business case and should be prepared according to Treasury’s Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal. |
| Commercial Case | The commercial case is concerned with issues of commercial feasibility and sets out to answer the question “can the proposed solution be effectively delivered through a workable commercial deal or deals?” The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy? |
| Financial Case | The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits. |
| Management Case | The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified. |

- 5.5.10 The business case development process operates as follows:

Illustration E: Business Case Development Process



- 5.5.11 The increasing levels of assurance required to assist approval of a business case are set out in the Approvals: SAF phase 3 section.
- 5.5.12 Business cases will be appraised in line with external requirements and in line with HMT Green Book guidelines covering the assessment of costs, benefits, risks and alternative ways to deliver objectives, and the Combined Authority strategic objectives. It will also cover appraisal of social value.
- 5.5.13 The key appraisal steps are as follows:
 - Preparing the strategic case which includes the strategic assessment and making the case for change, quantifies the present situation and Business as Usual (the BAU) and identifies the SMART objectives. This rationale is the vital first step in defining what is to be appraised. Delivery of the SMART objectives

must drive the rest of the process across all dimensions of the Five Case Model as explained throughout the Green Book guidance

- Longlist analysis using the options framework filter considers how best to achieve the SMART objectives. Alternative options are viewed through the lens of public service provision to avoid bias towards preconceived solutions that have not been rigorously tested. A wide range of possibilities are considered, and a viable shortlist is selected including a preferred way forward. These are carried forward for further detailed appraisal. This process is where all complex issues are taken into account and is the key to development of optimum Value for Money proposals likely to deliver reasonably close to expectations
- Shortlist appraisal follows and is at the heart of detailed appraisal, where expected costs and benefits are estimated, and trade-offs are considered. This analysis is intimately interconnected to the, Strategic, Commercial, Financial, and Management dimensions of the five case model, none of which can be developed or appraised in isolation. The use of Social Cost Benefit Analysis (CBA) or Social Cost Effectiveness Analysis (CEA) are the means by which cost, and benefit trade-offs, are considered
- Identification of the preferred option is based on the detailed analysis at the shortlist appraisal stage. It involves determining which option provides the best balance of costs, benefits, risks and unmonetisable factors thus optimising value for money
- Monitoring is the collection of data, both during and after implementation to improve current and future decision making
- Evaluation is the systematic assessment of an intervention's design, implementation and outcomes. Both monitoring and evaluation should be considered before, during and after implementation

5.5.14 A proportionate approach is taken to the overall level of appraisal to reflect the financial ask.

5.6 SAF Phase 3: Approvals

Phase 3 of the SAF 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.

5.6.1 The approvals phase has been designed to ensure an ever increasing level of assurance can be provided to the Combined Authority relevant to the level of financial commitment. To support this and achieve better informed decision-making the SAF has been developed to enable:

- 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
- 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
- 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.

5.6.2 The approvals process is therefore supported through delivery of the following elements of assurance prior to entering the approvals phase:

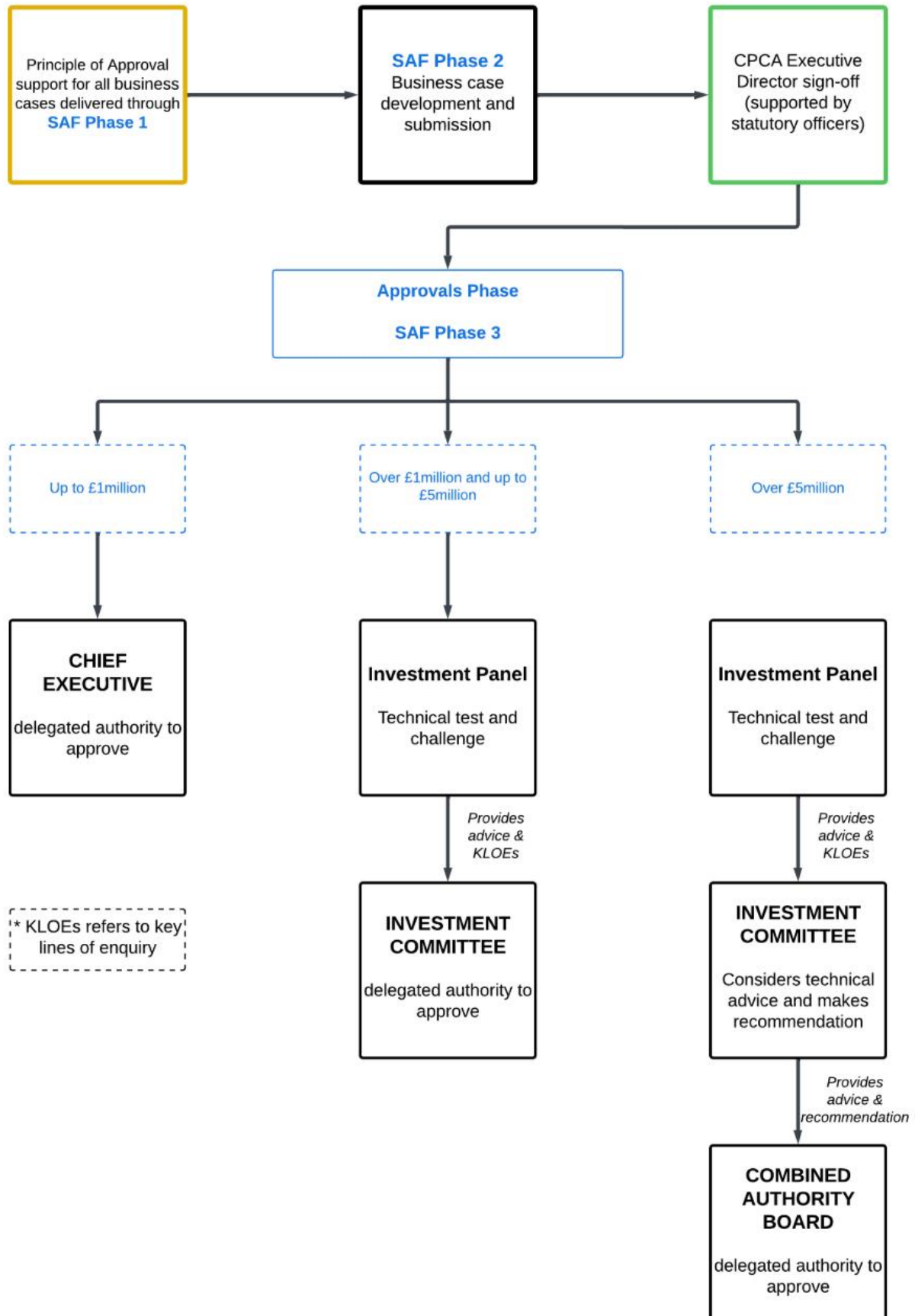
1. Front end Concept development process that seeks Corporate Management Team support, ensures Combined Authority core area involvement from an early stage, and delivers technical officer assessment via Investment Panel consideration and recommendation on Concept progression.
2. Delivers a Principle 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
3. 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
4. Delivers second line of defence appraisal of business cases in line with HMTs Green Book
5. 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

- 5.6.3 This approach is designed to enable:
- decision-makers at all levels to base their decisions upon objective, evidence-based out of Business Area findings and recommendations- in turn driving better decision-making
 - increased Executive Director ownership and accountability
 - 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.
- 5.6.4 The business case approvals phase begins following successful progression through the SAF phase 2 development phase, which requires an Executive Director decision to progress the business case into approvals.
- 5.6.5 **Approval Routes** - 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:
- £1 million and under: Chief Executive approval
 - Over £1million and up to £5 million: Investment Committee approval
 - Over £5million: Combined Authority Board approval
- 5.6.6 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.
- 5.6.7 The Investment Panel review all business case proposals for approval over £1 million. They do this by:
- reviewing a proposal from a basis of HMTs five case model in order to ensure that it has been developed to an appropriate standard
 - 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
- 5.6.8 Investment Panel members will be expected to not only push the key lines of enquiry relevant to producing a quality business case but also in ensuring that agreed priorities of the CPCA have been adequately addressed.
- 5.6.9 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.
- 5.6.10 In order to provide additional assurance regarding value for money a tolerance applies 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.
- 5.6.11 The purpose of this tolerance is to ensure that the Combined Authority Board has the final say on approvals for projects where there is not a high value for money score, allowing them to consider if non-monetised benefits that impact the strategic objective deliverables outweigh the value for money score and therefore should be approved.
- 5.6.12 In such circumstances the Combined Authority Board would receive a recommendation to assist them in their deliberations in line with the approval delegations, therefore a recommendation would come from:
- Chief Executive for all approvals up to £1 million
 - Investment Committee with Investment Panel technical advice for all approvals over £1 million

5.6.13 These approval processes also involve an option of escalated progression to support decision-makers if they have any concerns regarding a business case approval that has a significant reputational and/or political risk. In such circumstances approvals can be escalated to the Combined Authority Board for final approval in line with the approval requirements set out in 5.6.

Illustration F: Approval Process

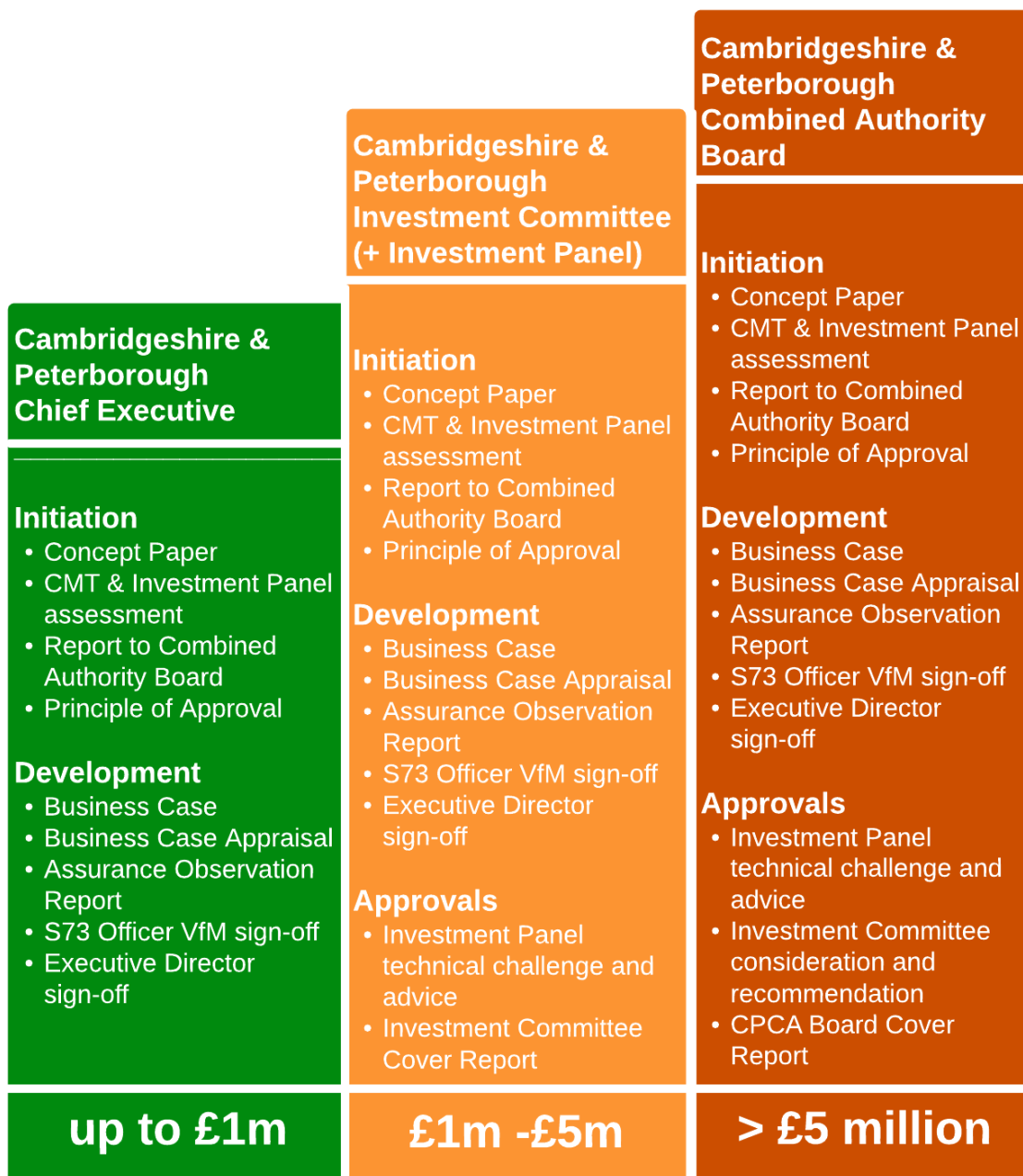
SAF Operation



5.6.14 **The required SAF documentation**

The process illustrates that the level of approval required is determined by the level of financial commitment, the following diagram provides an overview of the documentation that is needed depending on the approval route that needs to be taken:

Illustration G: Increasing scale of Assurance



5.6.15 **Approvals up to £1million** - As set out above approvals up to £1million are approved by the Chief Executives delegated authority. Business cases are progressed to the Chief Executive for approval via a sign-off by the relevant CPCA Executive Director, who approves the business case as complete and takes on responsibility for its progression through the approvals phase.

5.6.16 **Approvals over £1million and up to £5million** - As set out above approvals over £1million and up to £5million in value are initially reviewed by the Investment Panel in order to deliver a technical assessment, test and challenge of the proposal. The

Investment Panel will provide the Investment Committee with a summary on each business case proposal, noting observations to consider, including the strengths and weaknesses of a proposal, observations on the level of investment risk, key lines of enquiry to follow up on and providing any recommendations for

improvement or to mitigate risks. This may lead to additional conditions to be added to funding agreements, conditions for withdrawal of support, additions to M&E plans.

The Investment Committee will then consider and make a decision as they have the delegated authority to approve.

5.6.17 **Approvals over £5million** - For approval over £5million the process is as above in 5.6.16 with the Investment Committee making a recommendation to the Combined Authority Board on approval rather than taking the decision. The Combined Authority Board who have the delegated authority to approve will then take the approval decision.

5.7 Subsidy Control - The Combined Authority will ensure that all projects meet Subsidy Control law. Formerly termed as State Aid is at present primarily governed by the United Kingdom's commitments as set out Chapter 3 of Title XI of Part 2 of the Trade and Co-operation Agreement between the European Union and the European Atomic Energy Community and the United Kingdom as given effect by the European Union (Future Relationship) Act 2020, including commitments on subsidies arising from the UK's membership of the World Trade Organisation (including but not limited to the Agreement on Subsidies and Countervailing Measures, the Agreement on Trade-Related Investment Measures, the General Agreement on Trade in Services and the Agreement on Agriculture).

5.8 Management of Contracts

Following Approval, the Legal Team will send out a Funding Offer Letter, which includes the following: Project Name, Applicant, Maximum Funding Contribution (£), with details regarding when payment was to be issued. (Usually connected to milestones), what is Eligible Expenditure, Commencement and Completion dates.

Contracts are managed within the individual Combined Authority Business Areas to provide a link to the outputs and outcomes of the projects/programmes.

6 Delivery, Monitoring & Evaluation

- 6.1 Release of Funding** - The Combined Authority S73 Officer must sign off Funding Offer letters and must certify that funding can be released under the appropriate conditions.
- 6.1.1 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.2 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is spent only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.
- 6.2 Performance Reporting** - The Combined Authority Performance Management Framework (2023) works in close alignment with the Single Assurance Framework (SAF), to ensure that there is a consistent, streamlined and joined-up approach to performance. The Framework sets out our performance management approach, governance and processes.
- 6.2.1 The Department for Levelling Up Housing & Communities' English Devolution Accountability Framework (EDAF), published in March 2023, provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. Our Performance Management Framework supports us to comply with the standards in the EDAF, and how the Combined Authority is seeking to go beyond the spirit of EDAF in delivering good governance and strong measures of accountability.
- 6.2.2 The document includes how we are accountable to:
- Local Scrutiny – through corporate performance reporting, thematic committee reporting, directorate business plan reporting and project reporting
 - The Public – through Committee Meetings, Mayoral Question Time, Social and Digital Media, Performance Dashboard, Engagement with Partners and State of the Region Review
 - UK Government – through reporting to various UK Government Departments including Department for Levelling Up, Housing and Communities, Department for Education and Department for transport.
- 6.2.3 The Combined Authority is committed to implementing an organisation-wide performance management culture and driving and embedding a culture of continuous improvement.
- 6.2.4 The SAF has been developed to simplify and support process including performance reporting, this is reflected in reporting requirements. Where the Combined Authority is the lead funder, reporting on development and delivery must be done through the Combined Authority reporting mechanisms and requirements.
- 6.2.5 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.
- 6.3 Risk Management** - The Combined Authority Performance Management Framework (2023) forms a part of the Single Assurance Framework (SAF), to ensure that there is a consistent, streamlined and joined-up approach to risk. The Framework sets out our Risk Management approach, governance and processes.
- 6.3.1 The Risk Management Framework has been based upon the principles of the [HMT Orange Book](#) (2020), these are governance, integration, collaboration, processes, and continual improvement. The objective of the framework has been to adapt these principles to the Combined Authority's ways of working, ensuring compliance with our Single Assurance Framework.

- 6.3.2 The Orange Book states that, in successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Therefore, if we are serious about meeting our objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.
- 6.3.3 The document includes:
- Our Corporate Risk Appetite
 - Escalation procedure
 - Roles & responsibilities
 - The various levels of risk management at a Corporate, Service/Programme and Project level
 - Our processes and tools within our risk procedure document
- 6.3.4 The CPCA is committed to implementing an organisation-wide risk management culture that exemplifies high levels of risk maturity and best practice in the identification, evaluation and effective management of risk in respect of current activities and new opportunities.
- 6.3.5 The Chief Executive, working closely with the Executive Director of Resources & Performance, is accountable for ensuring that Corporate Risk Management is being completed to the appropriate standard in line with the Risk Management Framework. This includes ensuring risks are captured and updated and that mitigating actions have been completed. The Corporate Management Team review the risks on the register monthly. Similarly, the Executive Directors and Heads of Service are accountable for the service level risk registers within their remit, and Project Managers for the project level risk registers.
- 6.3.6 The Combined Authority's Programme Management Office (PMO) manage and coordinate these reviews, as well as collating information to support effective decision making and developing the associated risk reports. The PMO support the Audit & Governance Committee and other governance forums to consider the management of risks, and how the risks are integrated with discussion on other matters.
- 6.3.7 The Audit & Governance Committee is responsible for overseeing the Authority's Risk Management Framework and Procedures and the Corporate Risk Register, to ensure that risk management is being done to the appropriate standard and in line with the Risk Management Framework.
- 6.4 Change Requests and Funding Clawback** - Change Control is the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated, and then approved, rejected or deferred. A Change Request Form is required when the tolerances that were set out in the approved Business Case are or will be breached. These include changes to Time, Cost and Scope.
- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded.
- 6.4.2 Approval routes should always be led by the delegation amount; therefore, Change Requests do not need to be approved by the 'original approver'. The reason for this is that for example, there is a Change Request for a minor time extension and no additional funds have been requested. Although the original OBC was approved by Combined Authority Board, there is no need for Board to be sighted on a 'minor' change as this could delay project progress and cause further time delays whilst awaiting the bi-monthly Board meeting.
- 6.4.3 Where approved business cases include change tolerances, the process for reporting on changes within these tolerances and above them is set out in the Combined Authority Change Management Procedure.
- 6.4.4 Where business cases do not include change tolerances, changes below the Combined Authority defined operational tolerances (as defined in the Change Management Procedure) will be dealt with as if they were included within the approved business case change tolerance. Where they are above the Combined Authority defined operational tolerances (as defined in the Change Management Procedure) they will be considered for approval by the Investment Committee (i.e. in the same way as above business case accepted change tolerances).

- 6.4.4 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.5 Early Warning Notifications should be reported to the Investment Panel at the earliest opportunity.
- 6.4.6 Change tolerances detailed within the approved business case can be taken through the appropriate project governance arrangements as set out in the approved business case and must be reported to the Investment Panel at the earliest opportunity.
- 6.4.7 Change tolerances above those detailed within the approved business case and/or above the tolerance levels set out in the Change Management Procedure must be considered for approval by the Investment Committee.
- 6.4.8 Funding clawback and recovery processes for under-performing projects is clearly addressed in the funding agreement/contract.

6.5 Monitoring and Evaluation - The Combined Authority Monitoring and Evaluation Framework has been developed in accordance with HMTs Magenta (Guidance for Evaluation) and Green (Guidance on Appraisal and Evaluation) Books. The overall approach to monitoring and evaluation is underpinned by the following key principles:

- Reporting requirements are locally defined and reported to the Corporate Management Team in a consistent fashion
- Evaluation is meaningful and proportionate
- Data is collected once and used many times to inform other critical documents, such as the Annual Business Planning process
- Baseline information is consistent across key initiatives
- Monitoring and evaluation is a core part of all activities
- Lessons learned are used to inform future projects and programmes, especially in the strategic planning process to determine the Corporate Plan.

- 6.5.1 All projects that go through the SAF, will have an effective monitoring and evaluation plan in place which will form a key part of the business case. This will help assess the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery.
- 6.5.2 The monitoring plan will guide the collection of data from individual projects and will be designed to ensure that it meets the requirements of both the Combined Authority and the Government. This framework aims to ensure that these commitments are delivered by setting out the approach, principles, role and responsibilities for the monitoring and evaluation of projects and programmes both in the Devolution Deal and within any wider Combined Authority activity.
- 6.5.3 The Monitoring plans will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes. The draft plans are created by the project manager and then consulted upon with the Project Management Office (who own the M&E Framework and ensure consistency and quality of plans). Plans are then signed off as per the governing arrangements for that specific project.
- 6.5.4 The Combined Authority has a varied level of evaluation depending on the nature of each project as per the Monitoring & Evaluation Framework, this will depend on the following questions:
- A1) Is the project funded through Investment (Gainshare) funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework processes.
 - A2) Is the project funded through other streams and identified as being 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA locally.
 - B) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. If so evaluation work in this case would either be commissioned independently or carried out locally within the public sector.

- C) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.

6.6 Importance of Monitoring and Evaluation - The Combined Authority is committed to effective monitoring and evaluation so that it is able to:

- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
- **Provide accountability to Government** and comply with external scrutiny requirements i.e. to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
- **Understand the effectiveness of policies or investments and** to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body.
- **Develop an evidence base for input into future business cases and for developing future funding submissions.** The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating 'benchmarks'.

6.6.1 Lessons learnt from evaluation will be report to the Combined Authority Board and across the governance framework as required.

6.6.2 The Assurance Framework itself will undergo annual review by the Audit & Governance Committee.

7 Annex Section

7.1 Transport Projects

Transport business cases will be produced in a format and structure which is appropriate to the individual scheme, but should then be used as the basis from which to complete the appropriate Board templates or additional documentation checklists.

- 7.1.1 The SAF ensures a flexible and proportionate approach, enabling transport business cases to retain the benefits of local assurance in terms of speed of decision making.
- 7.1.2 For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.
- 7.1.3 Furthermore, the Combined Authority will ensure value for money and transparency of transport scheme through the following:
- Transport Project Business Case assessments will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, which are in line with our devolution ambition, as sensitivity tests in coming to a decision about whether to approve a scheme
 - The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis
 - Options development will utilise previous studies and reports as well as stakeholder engagement. This approach will enable a broad range of possible measures to be established for consideration when establishing the long list and will include a Do Minimum option.
 - An option that only meets the core "Business Needs" previously identified as the internal changes needed to meet the core requirement of achieving the SMART objectives, is known as the "Do Minimum" option. The do minimum does not take advantage of any opportunities for additional changes that may occur. It may or may not, be the option eventually chosen, but it is essential because it provides a second important benchmark that can reveal the real value of additional changes.
 - The sifting from long list to short will be based on the criteria used in the Department for Transport Early Assessment Sifting Tool (EAST). At the sifting stage discarding of options will be based on whether those options meet the
 - i) resolution of the issue;
 - ii) achieve the strategic and local objectives
 - iii) and is deliverable and technically sound.
 A scoring mechanism will be used, usually during a workshop environment, where options are appraised and assigned a negative or positive score. This facilitates an initial ranking of options and unfeasible options will be removed. Further engagement with stakeholders will then be undertaken to facilitate further sifting from the initial long list to a shorter list
 - The short-listed options will then be considered at a technical level and a recommendation provided within the Business Case and supporting papers presented to the Combined Authority Board who are empowered to make funding decisions

- The Combined Authority will endeavour to always maximise value for money with public funds. This will not always be the same as selecting the shortlisted option with the highest BCR, as there may be unmonetisable benefits and risks that outweigh the lower ratio of monetisable benefits and costs, for example higher contract or delivery risks.
- The appraisal of unmonetisable benefits should be carried out in accordance with the Green Book, DfT's TAG guidance and DfT's value for money framework. The rationale on which a decision is made will be recorded through a combination of the papers presenting the options to the decision maker, and any minutes recording the discussion of the meeting at which the decision was made.
- The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority
- The Combined Authority's S73 Officer will sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the process, with greater scrutiny of FBC VfM
- Business case publication is notified up to 3 months in advance within the Forward Plan as a minimum, published on the Combined Authority website and then published as part of submission for decision approval at the relevant decision-maker in line with approvals set out in section 5.6, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board.
- Business Case publication throughout the lifecycle shall be done in accordance with the transparency arrangements set out in the constitution and this framework.

7.2 Adult Education Budget Programme

All investment decisions made in relation to this funding are undertaken having given full consideration to

- a) statutory duties relating to adult education and training which have been transferred to the mayoral combined authorities under Statutory Instruments
- b) statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant
- c) statutory and non-statutory guidance.

- 7.2.1 The Employment and Skills Strategy (2021) sets out the strategic vision and priorities for all skills funding and programmes. There is an implementation plan that provides clear direction of how devolved funds should be commissioned. The Local Skills Improvement Plan has adopted the CA's Employment and Skills Strategy and builds on this vision. Both the LSIP and Employment and Skills Strategy take into account national skills priorities.
- 7.2.2 The Combined Authority produces an Annual Assurance Report on the delivery of its Adult Education Budget functions in line with wider monitoring and evaluation requirements and the English Devolution Accountability Framework. This is reported to Department for Education in January each year.
- 7.2.3 The Combined Authority will also submit its annual assurance letter following consideration by the Skills & Employment Committee.
- 7.2.4 The CA publishes its Funding Performance Rules (also known as the Rules) specific for each academic year, these set out the statutory entitlements to education and training for adults (aged 19+) living in the devolved area

of Cambridgeshire and Peterborough, including additional policy entitlements – such as fully funded ESOL courses and uplifts to funding for Essential Skills qualifications. The Rules for academic year 2023/24 can be found [here](#). The CA regularly consults with its key stakeholders, including providers and learners, in order to best inform policy direction and decision making.

- 7.2.5 The Skills Team continues to work closely with the Cambridgeshire Chamber of Commerce to help drive the work of the LSIP in our region, which has included extensive stakeholder engagement and research to identify the skills needs and growth priorities in Cambridgeshire and Peterborough. The report has been published and can be found at [Cambridgeshire-and-Peterborough-Local-Skills-Improvement-Plan-and-Annexes.pdf \(cambridgeshirechamber.co.uk\)](#)
- 7.2.6 Naturally, the work of the LSIPs will feed into the CAs strategic skills focus. The Skills Team published its Employment and Skills Strategy in October 2022, a brief overview of the strategy can be found [here](#), with the full version identifying skills priorities can be found [here](#).
- 7.2.7 Further, the DfE is inviting applications from local FE providers for the LSIF (local skills improvement fund) [Applying for stage 2 of the local skills improvement fund - GOV.UK \(www.gov.uk\)](#), the LSIF is funding that will enable FE providers in our area to respond collectively to the priorities in the LSIP.
- 7.2.8 In addition, there is a direct link between LSIPs and Accountability Agreements (and annual accountability statements), information can be found here [Accountability agreements for 2023 to 2024 \(publishing.service.gov.uk\)](#). Currently, these are agreements held between the ESFA and their funded providers. It would be useful for the CA to set out intentions to review plans produced by shared providers in our area as they set out how each provider intends to contribute to priorities outlined in regional LSIPs.
- 7.2.9 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process.
- 7.2.10 The Combined Authority's Monitoring and Evaluation Framework will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation was undertaken and completed in January 2021. It meets the national requirements as set out in the National Local Growth Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards. This formal evaluation is undertaken on an annual basis.
- 7.2.11 The Combined Authority is responsible for gaining assurance over use of funds over all training providers and colleges on the Adult Education Budget and Free Courses for Jobs funding streams, it does so predominantly through a program of funding audits carried out on a risk-based approach by independent audit firms. Wider assurance also includes internal controls such as performance management and monitoring and quality assurance reviews.

7.3 Greater South East Net Zero Hub

The Greater South East Net Zero Hub (GSENZH) Operating Strategy has been approved by the GSENZH Board, the Department of Energy Security & Net Zero (DESNZ) and the Cambridgeshire and Peterborough Combined Authority (CPCA), which is the Accountable Body for the Hub.

- 7.3.1 The GSENZH approach to prioritisation and the detailing of its strategic fit requirements are set out in the GSENZH Operating Strategy.
- 7.3.2 The Accountable Body Agreement for the GSENZH Board is agreed and amended at the Combined Authority Board.
- 7.3.3 Accountable Body reporting arrangements are set out in the GSENZH Operating Strategy and include:
- Monthly CPCA Highlight Report - PMO Reporting (escalating risks)
 - Monthly PMO/finance meeting
 - Attendance at Place & Connectivity Management Board

- Line management reporting up to SRO (Director of Place & Connectivity)
- Papers and update reports CPCA Board (as required)
- Monthly meeting with lead member for Environment & Sustainable Communities
- Reports to CPCA Committees (as required) – Performance and Risk Committee, Overview & Scrutiny Committee, Audit & Governance Committee, Executive Team
- Evaluation & audit (as required)

7.3.4 As part of the BEIS evaluation process, BEIS facilitated a steering committee/group which allowed for discussions and agreement around some standardisation across the evaluations being undertaken across Net Zero Hubs and the respective consulting firms. Several important guiding agreements/standardisations emerged from the group, including a focus on;

- A Benefit Cost Ratio (BCR) that will reflect at least carbon savings values and a social multiplier on the benefits side, and Hub costs (core Hub expenditure) on the costs side.

7.3.5 In an attempt to reflect the Hubs' activities related to raising awareness and knowledge sharing; a 20% "social (benefits) multiplier" was suggested as part of the BEIS facilitated steering group as a way to reflect the estimated rate of return from public spending on knowledge investments. The 20% is a conservative value and is based on a 2022 discussion paper by the Centre for Economic Performance; "Knowledge spillovers from clean and emerging technologies in the UK" which provides upper and lower bounds of spillovers from "clean" innovations.

As a result, a social benefits multiplier is applied to all investment in projects that are deemed "replicable, scalable, and innovative", as recorded in the Hub project tracker.

7.3.6 A cost benefit analysis (CBA) is used to evaluate the discounted costs and benefits associated in the Hub's project pipeline in order to help determine whether the Hub has delivered value for money. This is reflected as a Carbon Benefit to Hub Costs Ratio (CHCR).

8 Appendices

8.1 SAF Templates

8.1.1 Concept Paper

The Concept Paper is a high-level planning document that will be completed and approved during SAF Phase 1 to gather outline information which validates the strategic fit of the intended intervention such as alignment to the Combined Authority Corporate Plan, Objectives and Aims, potential risks and target benefits. The document will also be used to agree the Business Case development route and provide assurance that key stakeholders at the Combined Authority have been sighted on the proposal from the outset (Finance, Legal, Procurement, Executive Director, Corporate Management Team and Investment Panel).

8.1.2 Business Justification Case (BJC)

The BJC is a single stage business case that is available for schemes that require less development. To use a BJC, projects must not be novel or contentious so options analysis is reduced, where firm fixed prices are available, they should be evidenced from historical delivery. A specific procurement phase is not required as pre-competed procurement arrangement can be utilised.

8.1.3 Programme Business Case (PBC)

The PBC is produced when a strategically linked series of projects requires authorisation to progress. A programme is a series of planned measures, related events and co-ordinated activity in pursuit of an organisations long term goals. The PBC will outline the programme projects dossier including the indicative timeline, costs and the overarching management strategies.

8.1.4 Project Case (PC)

The PC is produced for projects seeking lower level of spend and follow on from a previously approved Programme Business Case. There should be clear alignment to the PBC within the Project Case in terms of how the outputs contribute to the Programme benefits and outcomes.

8.1.5 Strategic Outline Case (SOC)

The SOC or the Strategic Outline Business Case provides the strategic rationale for the intervention and identifies the critical success factors. The preferred option is derived via an options analysis to demonstrate how optimum VfM and social value will be achieved. Stakeholders will understand the robustness of the proposal and the future direction of travel including an updated whole life cost estimation.

8.1.6 Outline Business Case (OBC)

The OBC determines VfM and prepares for the potential procurement by ascertaining affordability, the procurement proposal and funding requirement. At the conclusion of the OBC stage consent should be able to be established for the procurement phase of the project to go ahead or not.

8.1.7 Full Business Case (FBC)

The FBC enables the procurement of the VfM solution, contracting the appropriate deal and planning for successful delivery. At the conclusion of the FBC all dimensions of the five-case model will have been completed and be fully matured including a finalisation of all management arrangements. Key to this is firm fixed and accurate costs, Monitoring & Evaluation arrangements and delivery capability.