

Mayoral Combined Authority Board

21 March 2022

Assurance and Monitoring and Evaluation Frameworks

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| Is the paper exempt from the press and public? | No |
| <i>Reason why exempt:</i> | Not applicable |
| Purpose of this report: | Governance |
| Is this a Key Decision? | No |
| Has it been included on the Forward Plan? | Not a Key Decision |

Director Approving Submission of the Report:

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Executive Summary

Each year the MCA and LEP are required to update and publish the Assurance Framework to outline the robust, transparent and effective governance arrangements that are in place. Following devolution, the Assurance Framework also needs to be approved by four Government departments. The MCA is also required to produce and publish a Monitoring and Evaluation Framework alongside the Assurance Framework to outline how projects and programmes funded with devolved and awarded monies will be robustly monitored and evaluated. This also requires Government approval.

This report summarises the amendments that have been incorporated into the two frameworks following an initial review by the Government and presents them for endorsement and adoption by members ahead of their publication in draft form on 31 March 2022, pending Government approval.

What does this mean for businesses, people and places in South Yorkshire?

The Assurance Framework outlines in detail how the MCA makes decisions and invests public money to develop and grow South Yorkshire's economy and support its people, businesses and places.

Recommendations

1. MCA Members note, at section 2.2, the key amendments that have been made to the Assurance and Monitoring and Evaluation Frameworks following the initial review by Government.
2. MCA Members consider and endorse and adopt the updated Assurance and Monitoring and Evaluation Frameworks set out at Appendices 1 and 2, pending any amendments the Board may specify.
3. Gives delegation to the Head of Paid Service, to agree any final changes required by Government for them to approve and sign-off both Frameworks.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Audit, Standards and Risk Committee

24 March 2022

1. Background

- 1.1 Each year the MCA and LEP is required by Government to update and publish its Assurance Framework by the 31st March. The Assurance Framework sets out how the MCA and LEP will use public money responsibly, make robust decisions, achieve best value for money and act in an open and transparent manner. It explains the governance structures in place for making decisions, outlines the policies and procedures that support decision-making and summarises how investments and interventions are appraised and managed, and how the MCA and LEP will publish information.
- 1.2 The Government requires MCAs with devolution deals to specify, in their Assurance Framework, how all devolved and awarded monies and powers, including Gainshare, the Adult Education Budget (AEB), the City Region Sustainable Transport Settlement (CRSTS) and Transforming Cities Fund (TCF) will be administered. Four Government departments - the Department for Business, Energy and Industrial Strategy (BEIS), the Department for Levelling Up, Housing and Communities (DLUHC), the Department for Transport (DfT) and the Department for Education (DfE) - must also approve the Assurance Frameworks of all MCAs with devolution deals.
- 1.3 The Government also requires MCAs with devolution deals to produce and publish an accompanying Monitoring and Evaluation Framework to detail how projects and programmes funded through devolved and awarded funding will be monitored and evaluated.
- 1.4 The draft 2022 Assurance Framework was written in accordance with the National Local Growth Assurance Framework guidance (issued in September 2021), HM Treasury Green Book (November 2020) and the 2018 LEP Review (Strengthened Local Enterprise Partnerships). It was presented to the MCA for endorsement on 24 January so that it could be submitted to Government for an initial review. The Assurance and Monitoring and Evaluation Frameworks have been updated following feedback from the departments. The draft Assurance Framework 2022 is attached at Appendix 1 and the Monitoring and Evaluation Framework is attached at Appendix 2.

2. Key Issues

- 2.1 Both draft Frameworks incorporate the re-branding of the MCA, the name changes for the MCA and LEP, and the integration of SYPTE with the MCA, including transport operations.
- 2.2 The key amendments made to the Frameworks to date following the Government's initial review are listed below:
 - **Structure Diagram** - section 3 includes an updated structure chart for the MCA Executive Team following the integration of the MCA and SYPTE.
 - **Updated Assurance Process** - section 5 includes two diagrams at Figures 7 and 8 to illustrate the full assurance process and the different assurance routes that funding applications will follow depending on an assessment of risk, complexity and value.
 - **Logic Models** – the Monitoring and Evaluation Framework now contains a set of 12 logic models to identify potential outputs, outcomes and impacts that are expected from the MCA's investments. The Logic Models are split according to thematic area and then by sub-area. For example, the set of Logic Models for Transport and the Environment contains a logic models for each mode of transport and one for Net Zero.
- 2.3 Further minor amendments may be requested by Government prior to their approval and sign-off. Until final approval is granted by the Government, both frameworks will be published on the SYMCA website in draft form on 31 March 2022.

3. Options Considered and Recommended Proposal

Without an agreed Assurance Framework and Monitoring and Evaluation Framework, the MCA will be in breach of its statutory responsibilities. Therefore, there is only a single option to update and submit the frameworks.

4. Consultation on Proposal

- 4.1 A series of workshops on the MCA's current assurance process were held in Autumn 2021 with over 250 attendees from local authorities and MCA staff. Commissioning Teams within the MCA were also consulted on the logic models for their thematic area. The feedback obtained was incorporated into the draft frameworks.
- 4.2 The lead LEP Board member for assurance and Chair of the MCA's Assurance Panel, reviewed the draft Assurance Framework 2022 in December 2021, on the LEP's behalf.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Subject to endorsement, the updated draft frameworks will be submitted again to the four Government departments for Ministerial approval and sign-off and will be adopted by the MCA from 1 April 2022.

5.2 The Assurance Framework, and updated Monitoring and Evaluation Framework will be published on the SYMCA website on 31 March 2022.

6. Financial and Procurement Implications and Advice

6.1 The MCA and LEP are required to demonstrate compliance with national guidance in order to receive devolved and awarded funding. The release of Gainshare funding is dependent on the Government's approval of the Assurance Framework.

6.2 The draft Assurance Framework 2022 includes a number of amendments advised by the Finance Team, including reference to new borrowing powers, the creation of the Programme Management Board and the delegation granted by the MCA to allow the Section 73 Officer to accept grants and award tenders of the MCA's behalf.

7. Legal Implications and Advice

7.1 The Assurance Framework outlines the legal duties of the MCA and the policies and procedures that ensure the MCA and LEP make decisions through a legally compliant, robust and transparent process. This includes referencing the responsibilities of the Section 73 Officer, the purpose of internal and external audit, the role of the Overview and Scrutiny Committee and the project appraisal process (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

7.2 The draft Assurance Framework 2022 includes amendments submitted by the Monitoring Officer on the integration of SYPTE into the MCA and the subsequent legal dissolution of the PTE that will follow in 2022. The draft Framework also references the Grant Letters that will be signed with project applicants on the conditions for the early release of project development funds.

8. Human Resources Implications and Advice

8.1 Not Applicable.

9. Equality and Diversity Implications and Advice

9.1 The LEP is required to demonstrate its approach to equality and diversity in terms of the composition of the LEP Board and its Equality and Diversity policy. The Assurance Framework outlines the LEP's commitment to equality and diversity. The draft Assurance Framework 2022 also outlines the current gender composition of the LEP Board (*Appendix 1 – Section 3: Structures and Roles*). The LEP Diversity Policy is also referenced.

10. Climate Change Implications and Advice

10.1 Not Applicable.

11. Information and Communication Technology Implications and Advice

11.1 Not Applicable.

12. Communications and Marketing Implications and Advice

- 12.1 The MCA and LEP is obliged to publish information on the decisions that are being made, particularly on investments, in an open and transparent way. The MCA and LEP has always taken the approach of publishing as much information as possible on the website so that it is accessible. The MCA is also required to publish its updated Assurance Framework and Monitoring and Evaluation Framework by 1 April 2022.
- 12.2 *Appendix 1 – Section 8: Publishing Information* outlines how the general public can access information that the MCA and LEP holds, the range of information that can be accessed through the website, the Forward Plan of Key Decisions, meeting papers and financial and project performance information.

List of Appendices Included

- A Appendix 1 - Draft Assurance Framework 2022
Appendix 2 – Draft Monitoring and Evaluation Framework

Background Papers

None