

Audit, Standards and Risk Committee

Wednesday, 25 January 2023

Assurance Framework

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

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Executive Summary

Each year the MCA is required to review, update and publish its Assurance Framework to outline the robust, transparent and effective governance arrangements that are in place ahead of the next financial year. Four Government spending departments need to consider and approve the Assurance Framework. In addition, the MCA is 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 outlines the process currently underway to review the 2022 Assurance Framework.

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

ASRC Members are invited to input any views or suggestions on improvements that can be made to the assurance process or current Assurance Framework which is attached at Appendix 1.

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

Mayoral Combined Authority Board

06 March 2023

1. Background

- 1.1 Each year the MCA is required by Government to review, update and publish its Assurance Framework by the 31 March. The Assurance Framework sets out how the MCA 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, approved, published and managed.
- 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) 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 2023 Assurance Framework will be written in accordance with the National Local Growth Assurance Framework guidance (issued in September 2021) and the HM Treasury Green Book (November 2022). It will be presented to the MCA for endorsement on 6 March 2023.

2. Key Issues

- 2.1 As is always the case, this year's review of the Assurance Framework has been driven by general feedback from MCA officers and local authority partners on how the MCA's assurance process can be streamlined to make it more efficient, and to implement the findings of the Business Process Re-engineering (BPR) exercise commissioned by the MCA in 2021/22. This undertaken by PWC and it assessed the process for developing projects from an initial idea, through to Business Case submission and into delivery. The BPR report made several recommendations for the MCA and the four local authorities which are now being applied to the assurance process for 2023/24.

2.2 The review of assurance began in October 2022, with the gathering of best practice on the assurance processes in other Combined Authorities and a workshop and follow-up meetings with MCA staff to gather feedback on how well the current assurance process is working and what improvements could be made. Further workshops with local authority officers are due to be held in February and March to obtain further feedback and to consult with them on the improvements that are being made to the assurance process as a result of their earlier input.

2.3 Improvements made so far are listed below:

- **New Programme Management Office (PMO) established** – a new team has been formed with experienced project managers and thematic area experts who are now working collegiately with all partners including local authorities to develop projects and to guide them through the assurance process. The PMO maintains a much closer relationship with funding applicants; providing the required support at every stage of project and Business Case development, managing expectations, and ensuring that information is shared and that there are no surprises.
- **Programme Board set-up** – the new Programme Board is chaired by the Group Finance Director and consists of senior MCA officers. Its role is to provide officer level support and authorisation for project development, challenge assumptions and ensure that interventions are evidence-based to maximise taxpayers money whilst maintaining an overview of programme performance.

2.4 The remainder of the assurance review will explore how the journey from project idea to delivery can be optimised such that emphasis is placed at the right points along the way. For example, who is best placed to confirm strategic fit, can conditional approval be provided at Outline Business Case (OBC) stage for all projects, and how can the MCA and local authority partners work together at all levels across the process to deliver better outcomes?

2.5 The next steps for the assurance review are:

1. Consult the local authority Chief Executives Group on 17th January on improvements to the assurance process.
2. Obtain feedback from ASRC members on improvements on improvements that can be made to the assurance process or current Assurance Framework following this meeting on 25 January.
3. Draft the 2023 Assurance Framework for presentation and endorsement at the 6 March MCA Board meeting based on all feedback and input received, including the revised assurance process.
4. Submit the draft 2023 Assurance Framework for comment and Ministerial sign-off to BEIS, DLUHC, DfT and DfE.
5. Publish the 2023 Assurance Framework and Monitoring and Evaluation Framework on the SYMCA website in draft form on 31 March 2023.

3. Options Considered and Recommended Proposal

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

4. Consultation on Proposal

- 4.1 Workshops and meetings are being held with MCA staff and local authority officers to discuss the current assurance process and to identify areas of improvement to make the process more efficient. Further workshops will take place in February and March to gather additional feedback to inform the draft 2023 Assurance Framework and to explain the emerging revised assurance process from 1 April 2023.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Subject to endorsement by the MCA Board on 6 March, the updated draft frameworks will be submitted to the four Government departments for Ministerial approval and sign-off and will be adopted by the MCA from 1 April 2023.
- 5.2 The draft Assurance Framework, and updated Monitoring and Evaluation Framework will be published on the SYMCA website on 31 March 2023.

6. Financial and Procurement Implications and Advice

- 6.1 The MCA is 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.

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.

8. Human Resources Implications and Advice

- 8.1 Not applicable

9. Equality and Diversity Implications and Advice

- 9.1 The Assurance Framework outlines the MCA's commitment to equality and diversity.

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 is obliged to publish information on the decisions that are being made, particularly on investments, in an open and transparent way. The MCA has always taken the approach of publishing as much information as possible on the website so that it is accessible. This includes the publication of the Forward Plan of Key Decisions, meeting papers and financial and project performance information.

List of Appendices Included:

- A 2022 Assurance Framework

Background Papers

None