

Audit, Standards and Risk Committee

Wednesday, 22 March 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?	Not a Key Decision

Director Approving Submission of the Report:

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Summary

Each year the MCA is 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.

This report summarises the key amendments that have been incorporated into the 2023 Assurance Framework with a supporting slide-deck setting out the revisions that were endorsed by the MCA Board on 6 March 2023.

In considering the changes, account was taken of the performance of the capital programme, the findings of the Business Process Re-engineering review undertaken by a third party, and the need for continuous efficiency improvements in our processes.

The amendments as presented, are intended to speed up business case processes without affecting the quality of submissions. The amendments make use of internal practices and controls within each authority to avoid unnecessary duplication.

The proposed amendments presented to the MCA Board were informed by a series of engagement sessions held with local authority partners.

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. Audit, Standards and Risk Committee Members note, at section 2.1, the amendments to the Assurance Framework to ensure compliance with the Government's requirements and most recent issued guidance.
2. Committee Members consider and agree the draft Assurance Framework in Appendix A for onward publication and submission to the relevant government departments.

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

Mayoral Combined Authority Board

6 March 2023

1. Background

- 1.1 Each year the MCA is required by Government to update and publish its Assurance Framework by 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, summarises how investments and interventions are appraised and managed, and how the MCA 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), and the City Region Sustainable Transport Settlement (CRSTS) will be administered. The Department for Levelling Up, Housing and Communities (DLUHC), the Department for Transport (DfT) and the Department for Education (DfE) - must consider and 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 which details how projects and programmes funded through devolved and awarded funding will be monitored and evaluated.
- 1.4 The revised Assurance Framework attached at Appendix A has been developed in accordance with the most recent National Local Growth Assurance Framework guidance (issued in September 2021) and HM Treasury Green Book (November 2022).
- 1.5 The changes proposed to this year's Assurance Framework, were informed by local authority and wider stakeholder feedback, and considered alongside the wider organisational review. The resulting changes seek to streamline and improve the

speed and efficiency of the assurance process, without compromising quality and rigour.

- 1.6 The changes proposed can be reviewed alongside several other non-process changes such as the introduction of the Project Feasibility Fund to improve the quality and breadth of investment propositions and the introduction of the MCA's new Programme Management Office (PMO) which works with scheme sponsors to develop projects and secure funding approval as efficiently and effectively as possible.
- 1.7 This report includes the draft Assurance Framework and a summary slide deck at appendices A and B. The latter summarises the revised changes to the project development and approvals process that were endorsed by the MCA Board on 6 March 2023. The draft Assurance Framework has been submitted to the relevant government departments for their review and approval.

2. Key Issues

- 2.1 The draft Assurance Framework 2023 includes the following key amendments:
 - **Funding Devolved and Awarded to the MCA** - section 2 references the South Yorkshire Renewal Fund (SYRF) and this lists the updated suite of funding sources, including Multiply and ZEBRA.
 - **Transition of the LEP to a new business advisory board** - section 3 outlines the emerging Terms of Reference for the new business advisory board (the exact name is yet to be agreed) that will replace the LEP and the transition arrangements thereof.
 - **Programme Board** – sections 3 and 4 includes details on the role and function of the MCA Programme Board which consists of the Statutory Officers and senior officers to oversee programme and project development and progression.
 - **Annual Reporting to Government** – section 4 references the requirement for the MCA to produce and submit reports on performance monitoring and management of the Shared Prosperity Fund, Multiply and Devolution Investment Funds (Gainshare).
 - **Updated Approval Process** - section 5 includes several revised diagrams depicting proposed changes to the approvals process as detailed in appendix A.
 - **Gateway Review** – section 7 provides further clarification on the Government's requirements that the MCA must comply with for the Gateway Review on the Devolution Deal, otherwise known as Gainshare. This includes the development and publication of a Local Evaluation Framework, details on Gainshare funded schemes, a Baseline Report outlining what the MCA expects to achieve in terms of outputs, outcomes and economic progress in the five year period to March 2025, and a Mid-Term Review in September 2023 on progress made against the profiled achievements.
- 2.2 A request was made by the Audit, Standards and Risk Committee in January to remove references to the non-executive Audit and Risk Advisory Panel and replace it with Transport Working Group. This amendment has been made.

- 2.3 The Monitoring and Evaluation Framework which complements the Assurance Framework is currently being updated for 2023, alongside the development of the Local Evaluation Framework which specifically relates to Gainshare funding. Both documents will be presented to the Audit, Standards and Risk Committee for consideration at the June 2023 meeting.

3. Options Considered and Recommended Proposal

- 3.1 Without an agreed Assurance Framework, the MCA will be in breach of its statutory responsibilities. Therefore, the only option is to update and submit the framework.

4. Consultation on Proposal

- 4.1 A series of workshops and engagements began in November 2022 to obtain feedback and input from MCA staff and local authority officers on changes needed to improve the efficiency of the current assurance process. This engagement is ongoing and further workshops will be held through Spring 2023 to communicate approved changes.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Following the MCA Board's endorsement on 6 March, the draft framework has been submitted to Government departments for their review and approval.
- 5.2 Following any required amendments from Government departments, a final draft will be re-submitted to the Government for Ministerial approval and sign-off. The Assurance Framework, and updated Monitoring and Evaluation Framework will be published in draft form on the MCA website on 1 April 2023 and will be replaced with the approved frameworks once approval has been granted by Government.

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 and other central government funds 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 (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).
- 7.2 The draft Assurance Framework 2023 includes reference to the legal dissolution of the PTE that concluded earlier this month.

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. The draft Assurance Framework 2023 also outlines the requirement to comply with the Public Sector Equality Duty and how equality impacts of MCA funded programmes and projects will be assessed from 1 April 2023.

10. Climate Change Implications and Advice

- 10.1 The Assurance Framework outlines the MCA's commitment to the environment and climate change. The draft Assurance Framework 2023 references the new statutory responsibility for developing the Nature Recovery Strategy and how environmental impacts of MCA funded programmes and projects will be assessed from 1 April 2023.

11. Information and Communication Technology Implications and Advice

- 11.1 The Assurance Framework 2023 includes reference to the new Verto electronic system that is used to manage business case submission for programmes and projects as they move through the assurance process and into contract and monitoring.

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. The MCA is also required to publish its updated Assurance Framework and Monitoring and Evaluation Framework by 1 April 2023.
- 12.2 *Appendix 1 – Section 8: Publishing Information* outlines how the general public can access information that the MCA 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 Draft Assurance Framework 2023
B Proposed Revised Scheme Development and Approvals Process as presented to the MCA Board on 6 March (slide deck).