

22nd March 2021

ASSURANCE AND MONITORING AND EVALUATION FRAMEWORKS

Purpose of Report

Each year the MCA and LEP are required to update and publish its 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 and presents them for consideration by Members so that they can be submitted to Government for approval before 31 March 2021.

Thematic Priority

Cross cutting - Governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and its appendices will be made available under the SCR Publication Scheme.

Recommendations

That the MCA:

1. Notes, at section 2.3, the key amendments that have been made to the Assurance Framework to ensure compliance with the Government's requirements on Gainshare and the Gateway Review Process.
2. Considers and endorses the updated Assurance Framework set out at Appendix 1, pending any amendments required by the MCA, and gives consent for it to be submitted to Government by 31 March for approval.
3. Considers and endorses the updated Monitoring and Evaluation Framework set out at Appendix 2, pending any amendments required by the MCA, and gives consent for it to be submitted to Government by 31 March for approval.
4. Gives delegation to the Head of Paid Service in consultation with the Mayor, to agree any final changes required by Government for them to approve and sign-off both Frameworks.

1. Introduction

- 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, and the Adult Education Budget (AEB) and Transforming Cities Fund (TCF) will be administered. Four Government departments (BEIS, MHCLG, DfT and 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.

2. Proposal and justification

- 2.1 The MCA and LEP is required by Government to publish an updated Assurance Framework by 31st March 2021 in accordance with the National Local Growth Assurance Framework guidance (issued in January 2019) and the 2018 LEP Review (Strengthened Local Enterprise Partnerships).
- 2.2 As advised at the MCA meeting on 25th January 2021 the Assurance Framework has been revised to outline the governance arrangements that will be used to manage and account for Gainshare and the Adult Education Budget (AEB), to incorporate changes made to the HM Treasury Green Book in November 2020, and to streamline and improve the assurance processes and procedures based on lessons learnt. The draft Assurance Framework 2021 is attached at Appendix 1.

2.3 Key amendments made to the Assurance Framework

Management of Gainshare – A summary of the processes in place for allocating, managing, monitoring and evaluating the use and impact of Gainshare including the five-year Gateway Review process with Government.

Funding Flexibilities – Clarity on the appraisal and assurance process to reflect the flexibilities available to the MCA.

Adult Education Budget (AEB) – Further detail on the procurement and approval process for contracting with AEB delivery partners and investing AEB.

SYPTE integration with MCA Executive – Detail on the integration of SYPTE within the MCA which will conclude in 2021.

Project Development – Reference to working with scheme promoters and partners to identify and develop project ideas to deliver the Strategic Economic Plan (SEP) and Renewal Action Plan (RAP) objectives.

Other minor changes include:

- Changing the name of the SCR Executive Team to the MCA Executive Team
- Changing the name of the Appraisal Panel to Assurance Panel
- Removal of references to SCR and Sheffield City Region as far as possible with more emphasis on South Yorkshire
- Removal of references to LGF as far as possible to reflect the new funding programmes and responsibilities from 1st April 2021
- Updated charts and tables for the timeline of the organisation, LEP and Thematic Board membership, staff structure and project appraisal and assurance process.

- 2.4 Further to the presentation of an early draft of the Monitoring and Evaluation Framework to the MCA Board on 25th January 2021, the Monitoring and Evaluation Framework has been

further refined. The Monitoring and Evaluation Framework attached at Appendix 2 now includes the logic models that will be used to evaluate the impact of programmes and projects by thematic area, against the SEP and RAP targets, and to include the Monitoring and Evaluation Plans required for individual programmes, specifically Transforming Cities Fund (TCF).

3. Consideration of alternative approaches

- 3.1** Failure to update, endorse and submit the Assurance Framework and Monitoring and Evaluation Framework for Government approval would risk the MCA and LEP being non-compliant with national standards on governance and transparency, and not fulfilling the conditions for devolution.

4. Implications

4.1 Financial

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

4.2 Legal

The Assurance Framework outlines the legal duties of the MCA and the policies and procedures that are in place to ensure that the MCA and LEP make decisions in a legally compliant, robust and transparent manner. 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*).

4.3 Risk Management

The Assurance Framework specifies the processes and procedures that the MCA and LEP has in place to manage risk. These processes are in accordance with HM Treasury's Orange Book principles and include the Strategic Risk Management Framework, the Risk Register and quarterly monitoring of projects and programmes (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

4.4 Equality, Diversity and Social Inclusion

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 and current gender composition of the LEP Board (*Appendix 1 – Section 3: Structures and Roles*). The LEP Diversity Policy is also referenced.

5. Communications

- 5.1** 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.

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.

- 5.2** The Assurance Framework 2021 and Monitoring and Evaluation Framework will be published on the website following Government approval.

6. Appendices/Annexes

- 6.1 Appendix 1 - Draft Assurance Framework 2021
Appendix 2 – Draft Monitoring and Evaluation Framework

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: