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**Report to:** Corporate Scrutiny Committee

**Date:** 21 January 2022

**Subject:** **Assurance Framework review**

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## **1 Purpose of this report**

- 1.1 To provide the Corporate Scrutiny Committee with an update on the progress relating to changes proposed to the Leeds City Region Local Assurance Framework arising from the 2022 annual review. The review was undertaken to strengthen the compliance of the Local Assurance Framework to the National Local Growth Assurance Framework guidance (September 2021).
- 1.2 To ask the Corporate Scrutiny Committee to provide feedback on the proposed revisions to the Leeds City Region Assurance Framework.

## **2 Information**

- 2.1 The Local Assurance Framework was developed in 2015 as part of the Growth Deal with Government and in February 2021 was updated to comply with changes arising from the West Yorkshire Devolution Deal for a Mayoral Combined Authority. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) and West Yorkshire Investment Strategy (WYIS) ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and / or Combined Authority.
- 2.2 In the period after February 2021 and prior to the National Local Growth Assurance Framework guidance (September 2021), minor changes have been made on two occasions by Written record of an officer decision (WROD):
  - in July 2021 to reflect the new Mayoral arrangements; and

- in October 2021 to reflect the changes to the Committee Structure approved by the Combined Authority on 22 April 2021.
- 2.3 The Local Assurance Framework must be reviewed annually and uploaded onto the Combined Authority's and LEP's website. The deadline for this to be completed is 28 February 2022.
- 2.4 The Assurance Framework has been prepared in accordance with HM Government Local Growth National Assurance Framework guidance (September 2021) and builds on a body of existing good practice. The LEP has to comply with this guidance for the relevant funding streams, but the principles are also applied to the Combined Authority, as the accountable body for the LEP for all funding streams.
- 2.5 The Corporate Scrutiny Committee is requested to note that no further update has been published by MHCLG with regards the Local Growth National Assurance Framework guidance since September 2021 and none is expected prior to 28 February 2022. Therefore, this year's review of the Local Assurance Framework has been focused on aligning the Local Assurance Framework with current working practices, decision-making arrangements post mayoral elections, Strategic Economic Framework (SEF) and West Yorkshire Investment Strategy (WYIS).
- 2.6 A copy of the draft Local Assurance Framework 2022 (with track changes) can be found at Appendix 1. The key changes to the Local Assurance Framework are outlined below.
- Updates due to the Mayor now being in post (The Assurance Framework 2021 was approved prior to the Mayoral elections).
  - Updates due to the West Yorkshire Investment Strategy (WYIS) now being in place.
  - Updates to reflect further changes to the Committee Structure.
  - Section 4.2. References to the changes in the committee arrangement for Economic Services grants.
  - The Combined Authority has developed an approach to carbon appraisal which forms an integral part of the Assurance Framework and features in all stages of business case development from SA through to FBC.
  - The Value for Money assessment has been broadened to include specific strategic goals.
  - Section 8. The Combined Authority's approach to evaluation has developed.
- 2.7 The Local Assurance Framework continues to adopt a flexible and proportionate approach based on an assessment of risk, cost and deliverability. For example, a low cost, low risk scheme may proceed from Activity 2 to Activity 4 with a simplified business case template requirement for evidencing value for money. The Combined Authority uses a variety of templates with 'How to Guidance' provided to the promoter in order for the

Combined Authority to gather the evidence required to assure value for money and realistic business case proposals. Officers will work with promoters to give additional guidance in order for a proportionate approach to be achieved.

- 2.8 The Section 151/Section 73 Officer is required to write to HM Government by 28 February each year, to certify that the LEP/Combined Authority's Local Assurance Framework is compliant with the national framework.
- 2.9 The Local Assurance Framework has been reviewed by the:
  - Assurance Framework Project Board – 17 December 2021.
  - MCA Board – 07 January 2022.
  - Governance and Audit Committee – 13 January 2022.

#### Next Steps

- 2.10 The Local Assurance Framework will be taken to the LEP Board on 26 January 2022 for review.
- 2.11 The Local Assurance Framework will be taken to the Combined Authority for review and approval on 03 February 2022 with the request to delegate authority to the LEP's Chief Executive (the Managing Director) in consultation with the LEP Chair and the Combined Authority Chair to approve the final Local Assurance Framework, in case that any further changes are needed to be made to the Local Assurance Framework prior to its publication.

### **3 Tackling the Climate Emergency Implications**

- 3.1 Clean growth considerations and references to related activities have been embedded throughout the Local Assurance Framework and related internal governance documents and decision-making procedures. This will strengthen how clean growth and climate change impacts are considered as part of all schemes that come through the Local Assurance Framework.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Local Assurance Framework a robust, quantifiable methodology for assessing all new schemes predicted carbon emissions/wider clean growth impacts has been developed.
- 3.3 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will contribute to a reduction in carbon emissions (both directly and indirectly).

### **4 Inclusive Growth Implications**

- 4.1 Inclusive Growth considerations have been embedded throughout the Local Assurance framework, internal governance documents and decision-making procedures to strengthen how inclusive growth is considered as part of all schemes that come through Local Assurance Framework.

## **5 Equality and Diversity Implications**

- 5.1 Equality and diversity considerations and implications have been embedded throughout the Local Assurance framework and related internal governance documents and decision-making procedures and are considered as part of all schemes that come through Local Assurance Framework.
- 5.2 The equality and diversity toolkit is being revised and strengthened and once finalised, will be included in the business case templates supporting scheme submissions.
- 5.3 Equality and diversity impacts are required to be included in all project approvals reports which ensures that the business cases evidence their equality and diversity impact (both directly and indirectly).

## **6 Financial Implications**

- 6.1 There are no financial implications directly arising from this report.

## **7 Legal Implications**

- 7.1 There are no legal implications directly arising from this report.

## **8 Staffing Implications**

- 8.1 There are no staffing implications directly arising from this report.

## **9 External Consultees**

- 9.1 The Department for Business, Energy & Industrial Strategy (BEIS) have been sent the draft Local Assurance Framework 2022 and we are waiting for their feedback.

## **10 Recommendations**

- 10.1 The Corporate Scrutiny Committee is requested to note the report and provide feedback on the draft updated Local Assurance Framework document.

## **11 Background Documents**

- 11.1 [The National Local Growth Assurance Framework](#) (2021)

## **12 Appendices**

Appendix 1 – Assurance Framework 2022