

Assurance Framework

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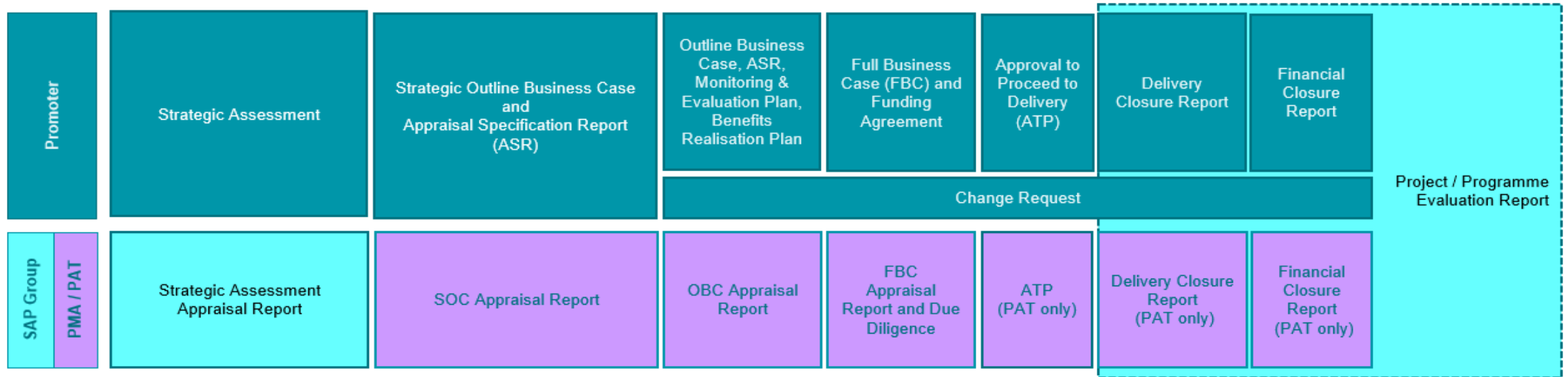
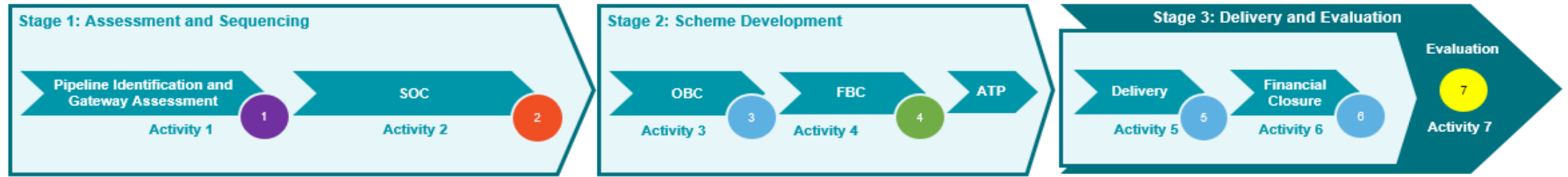
Assurance Framework – Why and What For?

- Was developed in 2015 as a requirement of the Growth Deal funding from Government and also required to release the Gainshare funding
- We apply it to all projects where funding flows through the Combined Authority
- It provides the Government, Combined Authority and local partners with assurance that:
 - The necessary systems and processes are in place to manage funding effectively
 - Decisions over how funding is spent are proper, transparent, deliver value for money and deliver our Strategic Economic Framework (SEF) and the West Yorkshire Investment Strategy (WYIS) ambitions
- For 2021 it had an in-depth review – 6 years old
- For 2022 it had a minor review to bring in line with government guidance
- Was approved and implemented on 28 February 2022
- Our AF is recognised by government as being an exemplar

Assurance Framework Contents

- Introduction
- About West Yorkshire
- Governance
- Decision-making
- Transparency and Accountability
- Local Engagement and Partnership Working
- **Assurance Around Programme and Project Delivery (Assurance Process)**
- Monitoring and Evaluation
- Appendices (Mayoral Functions, Accountable Body Arrangements, Section 73 Chief Finance Officer – responsibility arrangements, Governance arrangements, Economic Services - approval arrangements, Assurance process principles for ESIF Sustainable Urban Development (SUD) purposes, Adult Education Budget)
- Glossary

The Assurance Process



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (Committee Approval may be required) ● Decision Point (Committee Approval may be required) ● Decision Point ● Reporting Point

The Assurance Process – Key Points

- The process is flexible
 - Bespoke approval pathway, i.e. not all projects have to go through all of the activities / decision points
 - Bespoke approval route, i.e. not all decisions are made by the Combined Authority committee they can be delegated to a thematic committee or the Managing Director
- Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.

The Assurance Process - Appraisal

- All projects are appraised by the PMA team using the HM Treasury's Five Case Model and follows the HM Treasury's Better Business Cases Guidance. The Five Case Model is:
 - Strategic Dimension: Case for change
 - Economic Dimension: Value for Money
 - Commercial Dimension: Procurement
 - Financial Dimension: Affordability
 - Management Dimension: Deliverability
- PMA produce an appraisal report for the Programme Appraisal Team (PAT):
 - Promoter and appraiser attend PAT meeting
 - PAT ask questions / clarify any matters
 - PAT recommend to the decision maker – Request for Decision (MD) or Committee Report
 - PAT can set conditions

The Assurance Process - Decisions

- The HM Treasury's Five Case Model is set out in the Green Book. Previously this had a big focus on value for money, which was measured using a Benefit to Cost Ratio (BCR)
- The Green Book has recently been revised and has clarified that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these – in particular a stronger emphasis can now be placed on the strategic case
- This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on inclusive growth

The Assurance Process – Stage 1 and 2

- Activity 1 - Programmes / schemes will be developed through an ongoing dialogue with the region's public organisations, businesses and third sector, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will be assessed through a Strategic Assessment (SA), that will concentrate on strategic fit, affordability and delivery
- Activity 2 - If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC
- Activity 3 - If approved the scheme will progress to outline business case (OBC) unless the approval pathway set does not require this. The OBC revisits the options identified within the SOC to identify the option which optimises public value, confirms the affordability of the scheme puts in place the arrangements to ensure successful delivery. The OBC must include a draft Monitoring and Evaluation Plan

The Assurance Process – Stage 1 and 2

- Activity 4 – If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme
- The FBC approval will usually be granted with conditions set that must be met before delivery can commence and funding released. When the conditions have been met Approval to Proceed into Delivery will be granted. If the conditions are not met, the project will be required to re-submit the FBC
- A Single Stage Business Case, called Business Justification, has been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval (replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC)), the remainder of the assurance process must still be followed

The Assurance Process – Stage 3

- Activity 5 – Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs
- Activity 6 - Following the period when defects are made good and final accounts are agreed the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed
- The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- Activity 7 - This is a reporting point not a decision point and takes place after approval of Activity 6. It includes an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Insights and learning from the evaluation will also be fed back in order to inform the design and development of future programmes and schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan

The Assurance Process – All Stages

- Change - during any activity, if a scheme requires:

- additional funding
- an increase in timescale
- changes in scope

A change request is required to be submitted for the scheme to be re-appraised to ensure value for money is still being achieved

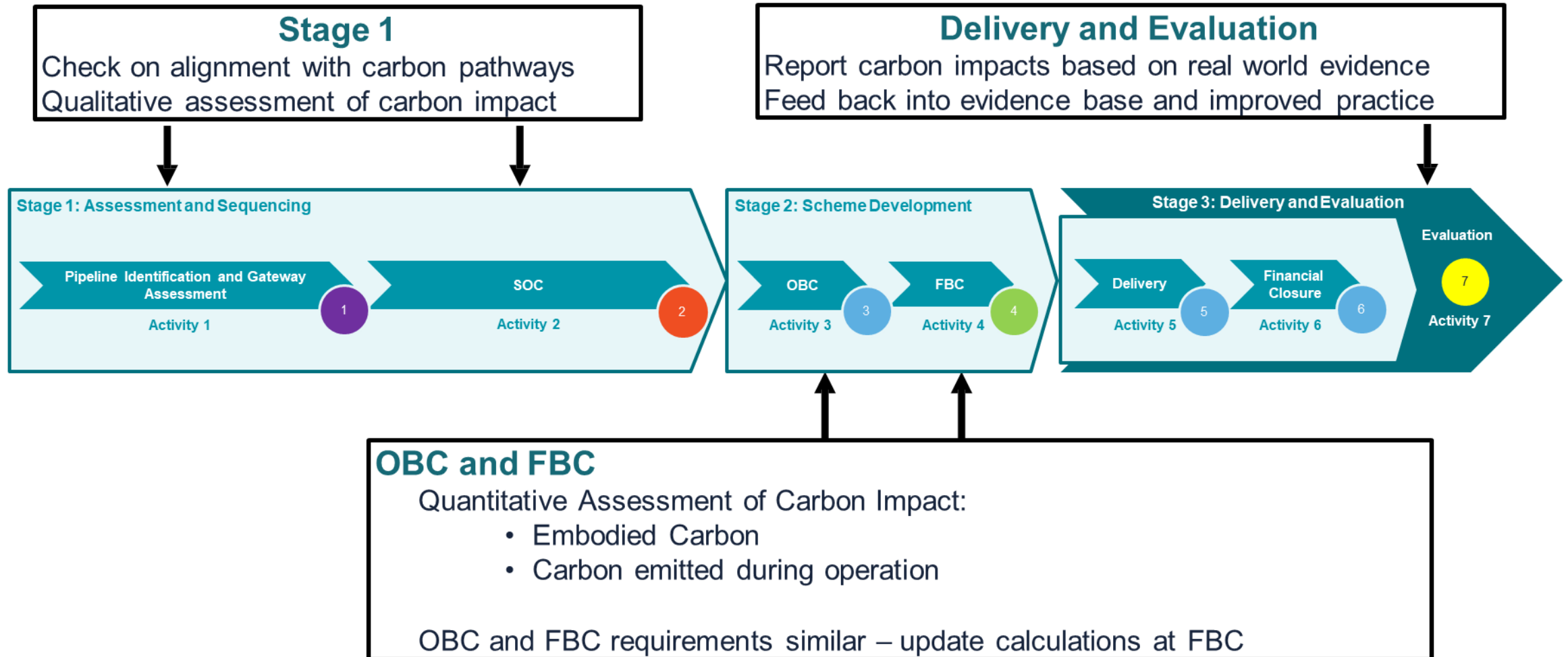
- PAT will appraise and recommend to the decision-maker (which will be dependent upon the tolerances set)

- Tolerances

- Are not contingencies
- Are set for costs, timescales and benefits
- If any of the above change, further approvals are required. If within the tolerances set out, MD approval is required, if above committee approval is required

Assurance tolerances
Combined Authority costs remain within +5% of those outlined in this report
Delivery (DP5) timescales remain within 3 months of those outlined in this report
Outputs remain within -10% of those outlined in this report

Carbon Impact Assessment



Committee Reports – Content

- Purpose of the report, Impact of COVID-19, Tackling the Climate Emergency Implications (general), Explanation of the Assurance Framework, Value for Money - Benefit Cost Ratios
 - Scheme Summaries – scheme description, impact, decision sought
 - Decisions made through the delegation to the Managing Director or DoD
 - **Project Details**
 - Implications - Tackling the Climate Emergency, Inclusive Growth, Equality and Diversity, Financial, Legal, Staffing
 - External consultees
 - Recommendations (Summary)
 - Background Documents
 - Appendices
- Background
 - Tackling the Climate Emergency Implications
 - Outputs, Benefits and Inclusive Growth Implications
 - Equality and Diversity Implications
 - Risks
 - Costs
 - Assurance Pathway and Approval Route
 - Other Key Timescales
 - Assurance Tolerances
 - Appraisal Summary
 - Recommendations

Further Information

The Assurance Framework
[Assurance Framework.pdf](#)
[\(moderngov.co.uk\)](#)

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Any Questions

