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**Report to:** Corporate Scrutiny Committee

**Date:** 22 September 2023

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

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## **1 Purpose of this report**

- 1.1 To report on progress on the peer review of the West Yorkshire Combined Authority's Assurance Framework.
- 1.2 For the Corporate Scrutiny Committee to input to the peer review of the West Yorkshire Combined Authority's Assurance Framework.

## **2 Information**

- 2.1 The purpose of the West Yorkshire Combined Authority Assurance Framework is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the West Yorkshire Plan 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 (revenue and capital) from Government or local sources that flow through the LEP and / or the Combined Authority.
- 2.2 The Assurance Framework complies with national best practice, is peer reviewed and is updated on an annual basis, building on existing good practice and reflecting any changes in both government guidance and improvements to the Combined Authority's procedures.
- 2.3 It was developed in 2015 as part of the Growth Deal with Government and was comprehensively reviewed during 2020/21 for February 2021, as part of the required preparations for becoming a Mayoral Combined Authority, to comply with the revised National Local Growth Assurance Framework Guidance and to ensure that it is fit for purpose for the many different types

of schemes that are now funded through the Combined Authority: capital, revenue, infrastructure, business support, skills and culture etc. Minor changes were made for February 2022 and February 2023. In June 2023 it was revised to account for the changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan by the Combined Authority. All changes have been considered and approved through internal governance arrangements and submitted and approved by Central Government.

- 2.4 No further update has been published by DLUHC with regards the Local Growth National Assurance Framework guidance since September 2021.

#### Assurance Framework Peer Review

- 2.5 The Combined Authority at their meeting on 02 February and the Corporate Scrutiny Committee on 20 January 2023, supported a peer review of the Assurance Framework to be undertaken. The purpose of this peer review was to:

- Understand the issues that promoters of schemes (external partners and the Combined Authority) have with our Assurance Framework.
- Allow promoters of schemes to propose improvement to our Assurance Framework.
- Speak to other Mayoral Combined Authorities to compare their Assurance Frameworks with ours and learn lessons from them, and vice versa, leading to improvements to our Assurance Framework.
- To build in further flexibility and proportionality to our Assurance Framework.

- 2.6 The process we have followed is as follows:

- The Assurance Frameworks from the other eight MCAs have been reviewed and compared against the West Yorkshire Combined Authority's.
- Meetings have been held with Greater Manchester (transport and non-transport), West Midlands, South Yorkshire and Liverpool to discuss how well their Assurance Framework is working and to learn lessons from them for the review of the West Yorkshire Combined Authority's Assurance Framework.
- Engagement with users of the Assurance Framework to determine from their perspective what is working well, what issues they have and what changes they would like to see. This has included a survey sent to approximately 1,000 individuals (including all committee members) and a number of meetings / workshops within the Combined Authority and with partners.
- Proposed amendments to the Assurance Framework have been drafted and are being further reviewed in line with the June 2023 revised Combined Authority directorate structure and operating model, to

enable us to be more outcome focussed and deliver for the people of West Yorkshire. For example:

- Implementation of a Strategic Portfolio Office in the Combined Authority to strengthen the capabilities, methods, controls and assurance to ensure the portfolio delivers outputs and benefits in line with expectations.
- Continuation of business case training sessions and Q&A sessions, including training on decision making and the committee structure, evaluation and Appraisal Specification Reports. Also the development of easy to understand fact sheet / one-page guides.
- Revise governance arrangements and delegations, including the formation of an officer Investment Board and Investment Priority Boards and a move to Directors owning Project Approvals recommended to decision makers (and already it is the owning Director who presents recommendations to the CA and Committees).
- Strengthen proportionality, reflecting a risk-based approach, where the level of assurance is contingent upon the risks associated with the scheme, for example:
  - Allow the use of a business justification case for schemes of a higher value.
  - An additional simpler business case template for schemes <£500,000.
  - Review all templates (including Appraisal Specification Reports) and guidance in order to simplify them, particular with regards repetition of questions and language..
  - Develop business cases that are simpler for non-transport schemes with regards the economic and financial cases.
  - Separate Appraisal Specification Reports for transport and non-transport
  - A programme level business case that will simplify project business cases.
- We are continuing to work with our partners to ensure the Assurance Framework is as flexible and proportionate as possible and are implementing some of the proposals now, e.g. a consultant is undertaking a full review of all of our templates.
- Strengthen the use of the Combined Authority's Portfolio Management Information System (PIMS), which is our IT system that allows us to manage, monitor and report on the performance of all of our schemes and funding.

### Next Steps

2.7 The proposed next steps are:

- For the Corporate Scrutiny Committee to input to the peer review of the West Yorkshire Combined Authority's Assurance Framework before our new arrangements are finalised.
- Currently, a Strategic Portfolio Office is being implemented within the Combined Authority as part of the revised Combined Authority directorate structure and operating model, approved in June 2023. This will result in changes to Assurance Framework, in particular, to the initial stages with regards a pipeline of and prioritisation of schemes. Therefore, the draft proposed amendments to the Assurance Framework will be further reviewed.
- Continue to work with our partners to ensure the Assurance Framework is as flexible and proportionate as possible.
- Implement some of the peer review proposals, e.g. template review.
- Amend the Assurance Framework in line with any Local Assurance Frameworks guidance that may be published by government as part of the English Devolution Accountability Framework.

2.8 Approval to the revised Assurance Framework will then be required from the Combined Authority and then from government.

2.9 The aim is for the revised Assurance Framework to be fully approved for publication on 28 February 2024.

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

3.1 Climate emergency benefits and implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that the climate emergency is considered by all schemes that come through Assurance Framework.

3.2 To strengthen decision making, a robust, quantifiable methodology for assessing all new schemes predicted carbon emissions / wider clean growth impacts has been developed (carbon impact assessment tool – CIA). The CIA has been included in all business case templates and approvals will not be sought until a CIA has been completed.

3.3 Climate emergency benefits and implications are required to be included in all project approvals reports which ensures that the business cases evidence their climate emergency impact.

### **4 Inclusive Growth Implications**

4.1 Inclusive growth implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that inclusive growth is considered by all schemes that come through Assurance Framework.

- 4.2 Inclusive growth benefits and implications are required to be included in all project approvals reports which ensures that the business cases evidence their inclusive growth impact.

## **5 Equality and Diversity Implications**

- 5.1 Equality and diversity benefits and implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that equality and diversity are considered by all schemes that come through Assurance Framework.
- 5.2 The recently revised and strengthened equality and diversity toolkit has been included in all business case templates and approvals will not be sought until an EqIA has been completed.
- 5.3 Equality and diversity benefits and implications 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 External consultations have been undertaken as detailed in paragraph 2.6 above.

## **10 Recommendations**

- 10.1 That the Corporate Scrutiny Committee provides input to the peer review before new arrangements are finalised.

## **11 Background Documents**

- 11.1 [Assurance Framework 2023](#).

## **12 Appendices**

- 12.1 None.