

*making our region more prosperous, sustainable and fairer,  
helping our people and businesses to create and seize opportunities*

<b>Investment Committee</b>		<b>Agenda Item</b> <b>8</b>
Date	<b>30 September 2024</b>	
Report Title	<b>Developing the Assurance Framework</b>	
Accountable EMCCA Board Member	Mayor Claire Ward Mayor of the East Midlands Combined County Authority	
Accountable Chief Officer	Mark Rogers Interim Chief Executive	
Accountable Employee	Jodie Townsend Interim Director of Law & Governance and Monitoring Officer	
Key decision	No	
Public Report	Yes	
Voting Arrangements	The committee will work to progress decisions via consensus, if a vote is required then it will be majority decision in alignment with the terms of reference.	

<b>Recommendation(s) for action or decision:</b>	
<b>The Committee is recommended to:</b>	
<b>A</b>	<b>Note the Assurance Framework and the interim lifecycle as set out in 2.7 and Appendix A</b>
<b>B</b>	<b>Agree that a report be brought to the November meeting of this Committee setting out a revised lifecycle that takes account of the Regional Strategy Programme</b>
<b>C</b>	<b>Note and comment on the design principles for the development of a Single Assurance Framework</b>

## 1. Purpose

- 1.1 The purpose of this report is to brief the Investment Committee on the purpose and application of EMCCA's existing Assurance Framework and set out how and why EMCCA will now work to develop a Single Assurance Framework.

## 2. The Assurance Framework

- 2.1 The Assurance Framework sets out how the EMCCA will use public money responsibly, openly and transparently, and accountably to achieve best value for money for the East Midlands region. This is crucial to get right, from the outset. There is some evidence of other MCAs failing to do so, leading to issues around review and intervention. It is also vital for our future development as a regional body: the current government has made rolling out integrated settlements to further Mayoral Combined Authorities contingent on demonstrating they can show exemplary management of public money.
- 2.2 The Assurance Framework sets out in one place:
- a. The respective roles and responsibilities of the Combined County Authority Board, the East Midlands Mayor and other elements of the decision-making and delivery structure.
  - b. The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money.
  - c. How potential investments will be prioritised, appraised, approved, and delivered; and
  - d. How the progress and impacts of these investments will be monitored and evaluated.
- 2.3 EMCCA's existing Assurance Framework was approved by Government in January 2024. It was based on the arrangements for governance set out in the devolution proposal to Government so does not take account of developments in the governance framework agreed by the EMCCA Board since then. Linked, as the Assurance Framework should set out how public money will be managed in the pursuit of the organisation's strategic objectives, it is also material to note that the EMCCA has in this time agreed an interim Strategic & Investment Framework to guide decision making including on investment decisions.
- 2.4 For these reasons, the Assurance Framework should be reviewed and brought up to date to reflect current strategic priorities and governance arrangements.

## Review and development of the Assurance Framework

- 2.5 Officers have started the review process whilst also developing the project lifecycle requirements needed to deliver the Assurance Framework. The interim Strategic & Investment Framework makes it clear that there are immediate concepts, projects and programmes that can be developed to help deliver EMCCAs objectives.
- 2.6 Officers have therefore put in place an interim lifecycle process to align the Assurance Framework with the interim Framework, as well as introduce practices, processes, templates, and activity that are needed to appropriately consider, advance, develop, approve, and monitor business cases.
- 2.7 The interim lifecycle is based around the following:
- a. Concept consideration – ensuring concepts (proposals/ ideas) align with interim strategic framework whilst providing initial core services perspectives and senior officer support
  - b. Concept engagement – ensuring Mayor and constituents are aware of concepts coming forward
  - c. Development of proposal paper for Board consideration (ensuring only EMCCA Board agrees what concepts are added to pipeline)
  - d. Simple business case format requirements that adheres to His Majesty's Treasury Green Book requirements and drives EMCCA interim strategic framework requirements
  - e. Ensures EMCCA Board is approver for all business cases

The interim lifecycle is set out as a flow chart in **Appendix A**.

- 2.8 This interim lifecycle already requires development to ensure that it takes account of the Regional Strategy Programme principles agreed by Board on 16 September, that being that inclusive growth considerations must be demonstrated in concept and business case approval considerations.
- 2.9 Additionally, templates in support of the Assurance Framework are required to be developed, such as concept papers and the various business case templates required.

### **Developing a Single Assurance Framework (SAF)**

- 2.10 A Single Assurance Framework (SAF) approach is recognised best practice amongst Mayoral Combined Authorities by ensuring consistent application of proportionality, standards, and compliance with agreed strategic objectives. A SAF is intended to drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.
- 2.11 A SAF ensures that all funding streams are treated through a single approach, providing a consistent approach to lifecycle stages (initiation/ development/ approval), appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes.
- 2.12 Having a consistent approach allows for the development of proportionate governance and approval considerations based around a core set of standards as well as aiding clarity for those involved in projects and allowing for specific layers to account for complexity. The SAF will drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.
- 2.13 Subject to the Committee's input, it is the intention to evolve the existing Assurance Framework into a Single Assurance Framework at the earliest opportunity. This will involve ensuring that key governance bodies such as this Investment Committee are playing a central role in the consideration of business cases, in alignment with the terms of reference for the Committee. This could involve providing this committee with an approval delegation.
- 2.14 It is recommended that a report be brought to the Investment Committee meeting scheduled for 2 December that sets out proposals for a Single Assurance Framework, key matters identified through review of the existing Assurance Framework and interim lifecycle and proposes enhancements to the interim approach to ensure inclusive growth considerations have been taken account of.
- 2.15 The Assurance Framework sits alongside several key governance and policy documents – most notably the Devolution Deal, the CCA Constitution, the Financial Regulations, and the Monitoring and Evaluation Framework. Not all of these documents are yet in place, it is therefore proposed that the report proposed above (in 2.14) also sets out how a SAF would be implemented alongside the development of other key documents, policies, and frameworks.

### **Single Assurance Framework Design Principles**

- 2.16 To aid the design of the SAF to follow this meeting, the Committee is asked to note and comment on the design principles that will drive development of the SAF. These design principles have been developed through informal engagement with Constituent Council Leaders and officers.
- 2.17 The core principles that must be delivered through a SAF are as follows:
- a. Appropriate protection for the stewardship of public funds
  - b. Consistency, control, and clarity across all processes
  - c. Appropriate and proportionate levels of assurance
  - d. Management of political and reputational risk
  - e. Appropriate levels of delegation.
- 2.18 The identified EMCCA specific design principles for a Single Assurance Framework are as follows:
- a. **The Principle of Approval must apply** – Board must decide what is included on the pipeline, with no resources spent on business case development until it is on a Board approved pipeline,

supported by the MTFP (with access to a concept development fund/ business case feasibility funding to support feasibility considerations pre-Board)

- b. **EMCCA Directorate led** - Directorates are responsible for business case development (this could be via oversight) and engaging SMEs and delivery organisations. They control the pace of project initiation and the development of proposals
- c. **Proportionality is key** - A proportionate approach is applied to development and approval of proposals, dependent upon their nature and complexity.
- d. **Delivers a consistent and streamlined approach** - All projects will go through the SAF, regardless of their funding stream(s) as it is a 'single' approach. It should not be onerous but should ensure requirements are delivered
- e. **Aligned to HM Treasury 'Green Book'** - Aligned to HM Treasury Green Book requirements; ensuring a consistent standard is applied to the development, appraisal and approval of Business Cases and ongoing monitoring of deliverables
- f. **Drive standards in development, delivery and outcomes** - well considered concepts that lead to well-developed business cases that lead to well informed decision-making to drive outcomes and the realisation of benefits

2.19 The Investment Committee is asked to note and comment on these design principles.

### **3. Background**

3.1 The English Devolution Accountability Framework (EDAF) sets out how Mayoral Combined Authorities (and CCAs) will be scrutinised and held to account by government, local politicians, and business leaders, and by residents and voters within the region.

3.2 EDAF sets out how assurance frameworks are a key component in delivering accountability to government as well as to local people, with all assurance frameworks required to demonstrate robust assurance, project appraisal and value for money processes.

### **4. Appendices**

4.1 Appendix A – Interim Lifecycle Process

### **5. Implications**

#### **Financial Implications**

5.1 Once the final SAF proposals are approved it may require a further review of the Combined County Authority's Financial Regulations.

5.2 The report outlines that the board pipeline proposals will be supported by the MTFP. Once proposals have been approved these will follow EMCCA's Financial Regulations.

#### **Legal Implications**

5.3 Any legal implications are set out in the content of the report.

#### **Other Significant Implications**

5.4 There are no other significant implications set out in the content of this report.

#### **Background Papers**

5.5 EMCCA Assurance Framework: [Item 5 - Appendix B.pdf \(derbyshire.gov.uk\)](#)

## Appendix A – Interim Lifecycle Process

