Audit, Risk & Assurance Committee

Date	12 April 2022
Report title	Single Assurance Framework (SAF) Assurance Performance Report – October to March 2022
Accountable Chief Executive/WMCA Director	**Linda Horne – Director of Finance**
Accountable Employee	Joti Sharma – Head of Programme Assurance & Appraisal
Report has been considered by	WMCA Strategic Leadership Team

Recommendation(s) for action or decision:

Read this report and note the content of this report for information.

Audit, Risk & Assurance Committee (ARAC) is recommended to:

This report follows on from the Single Assurance Framework (SAF) updates shared with Audit, Risk & Assurance Committee (ARAC) previously (November 2021). ARAC had requested that Programme Assurance & Appraisal Team present assurance thematic performance information to the Committee on a quarterly basis.

1. Purpose

The report details assurance thematic performance information from WMCA projects where they have been assured to Single Assurance Framework (SAF) standards. ARAC wanted to use this quantitative information to ensure progress is being made for projects transitioning to new SAF assurance and governance arrangements. This report covers programme assurance and appraisal activity from October 2021 to March 2022. The previous assurance thematic performance report covered the reporting period April to September 2021.

Background

1 Single Assurance Framework (SAF) Implementation Progress

1.2 As reported to ARAC in November 2021, the WMCA Strategic Leadership Team approved WMCA Single Assurance Framework to be implemented across all WMCA Project portfolios. This was to mitigate the risk of non-compliance to mandatory devolution commitments. The SAF Implementation Group was established to support with the implementation and recommended that the project would be split into two phases:

   i.   Phase 1 – Transition all WMCA Directorates to operate within Single Assurance Framework standards and governance. Key Output – SAF Transition Proposals to be developed for each Directorate (Oct - March 2022)

   ii. Phase 2 – Undertake annual refresh of Single Assurance Framework in accordance with Department for Levelling Up, Housing & Communities (DLUHC) (April – September 2022)

1.3 The table next summarises a comparison of SAF activity between the last reporting period and this quarterly update to ARAC. Several Task & Finish Groups were set up and engagement with each Directorates has been positive to support meeting the objectives of Phase 1. This is demonstrated in the table below which is supporting evidence that there has been increased SAF activity to support transition arrangements, almost the same number of reviews in last 3 months in comparison to 6 months prior.

REPORTING PERIOD	DIRECTORATE/ EXTERNAL DELIVERY ORG.	Business Case Maturity Assessment (BCAT)	Health Check	Risk & Investment Appraisal	Change Requests
Apr-Sept 2021 (H1)	TfWM	5	1	5	3
	Productivity & Skills	1	0	0	0
	Finance & Business Hub	1	0	1	0
	WM Growth Company	0	1	0	0
	Solihull MBC	0	2	1	2
	Strategy and Economy	0	0	2	1
(Q1& Q2) TOTAL		**7**	**2**	**9**	**6**
Oct-Dec 2021 (Q3)	TfWM	3	1	1	1
	Finance & Business Hub	1	0	1	1
	Solihull MBC	2	0	2	1
	WM Growth Company	0	1	0	0
	Strategy & Economy	0	0	1	1
	Housing & Regeneration	0	0	1	0
Q3 TOTAL		**6**	**2**	**6**	**4**
Jan-Mar 2022 (Q4)	TfWM	9	2	15	10
	Finance & Business Hub	1	0	1	0
	Solihull MBC	0	0	0	0
	WM Growth Company	0	1	0	0
	Strategy and Economy	0	8	0	2
	Housing & Regeneration	0	0	0	0
	Public Service Reform	2	0	1	1
Q4 TOTAL		**12**	**11**	**17**	**13**

1.4 A SAF transition approach has been agreed with some Directorates and detailed proposals have been shared with the other Directorates. It is expected that these Directorate transition plans are agreed in April 2022.

1.5 The greatest value of application of SAF is to apply the framework in the earliest stages of project/ programme (business case) development as can be seen from the table below. This then provides opportunity to add lessons learned/ insight from previous and comparable projects into the development of new project proposals.

1.6 Recent increased engagement by most Directorates will provide a greater opportunity for projects to be developed in accordance with SAF and the devolution assurance mandatory expectations.

Directorate Portfolio	No. of Projects Total	% Pipeline in Bid – Development Stage
Public Service Reform	18	72%
Strategy & Economy	15	100%
Productivity & Skills	5	0%
Transport	99	42%*
Housing & Regeneration	131	54%

Information from Project Pipelines as of 28 Feb 2022. The Transport Portfolio numbers do not yet included CRSTS programme.
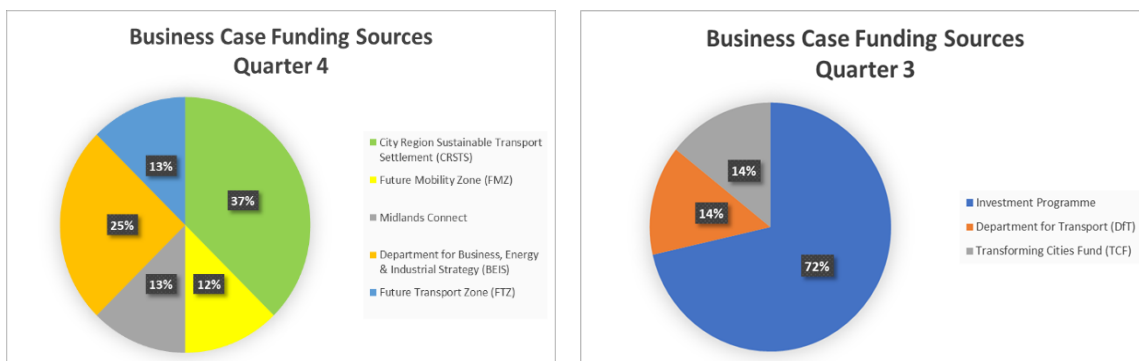
2 Assurance Performance Analytical Insights (Oct 2021 to Mar 2022)

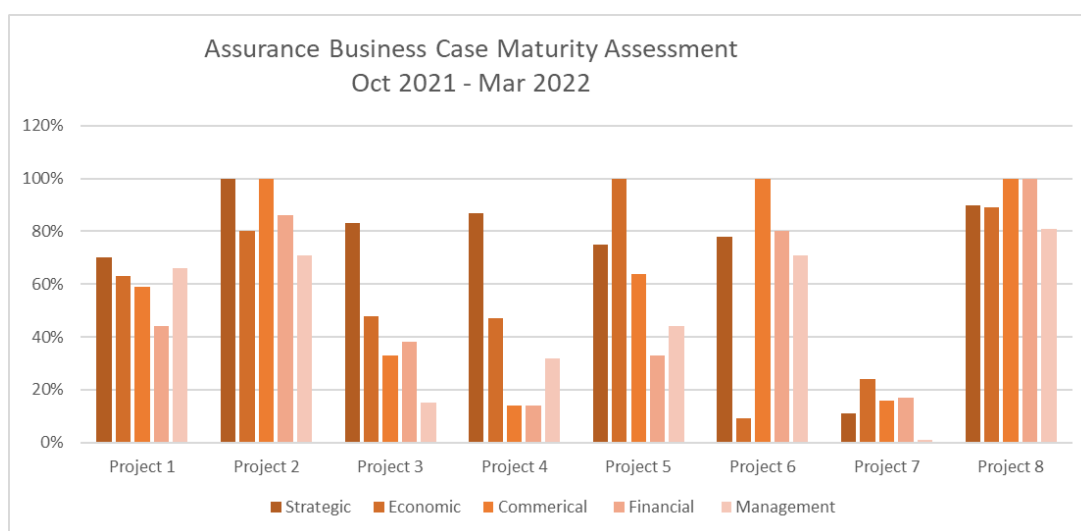- **Business Case Maturity Assurance Reviews (BCAT)**

2.1 A total of 12 Business Case assurance reviews were undertaken in this period. 8 of these business cases were reviewed as expected and assessed formally as expected using the BCAT maturity assessments by the independent Programme Assurance Team. Funding Sources for each of the Business Cases assessed cut across several different devolved funding sources. Further details are in the chart below on the left-hand side.

2.2 In this period, due to urgent timescales, 4 programme assurance business case reviews were undertaken not utilising the formal BCAT assessment tool. The assurance reviews were still carried out independently by the Programme Assurance Team and observations against the HMT Treasury Green Books Five Case Model were captured in an Observations Report. These business cases then were then reviewed again independently by the Risk & Investment Appraisal Team. The risk and investment output report accompanied the business case through the governance approvals process and highlighted any gaps to the decision-making authority. However, this approach does not allow sufficient time for projects to take corrective action to further strengthen the business case prior to the approval request.

2.3 The charts below compare the business case reviews for Q3 and Q4 by funding source. SAF standards being rolled out widely across Portfolios, not only the Investment Programme.

2.4 The detail of the assessed maturity of each Business Case, and their maturity across each of the five Business Case Dimensions, is provided in the table below (Maturity has been assessed against expected HM Treasury maturity levels for each Business Case type):
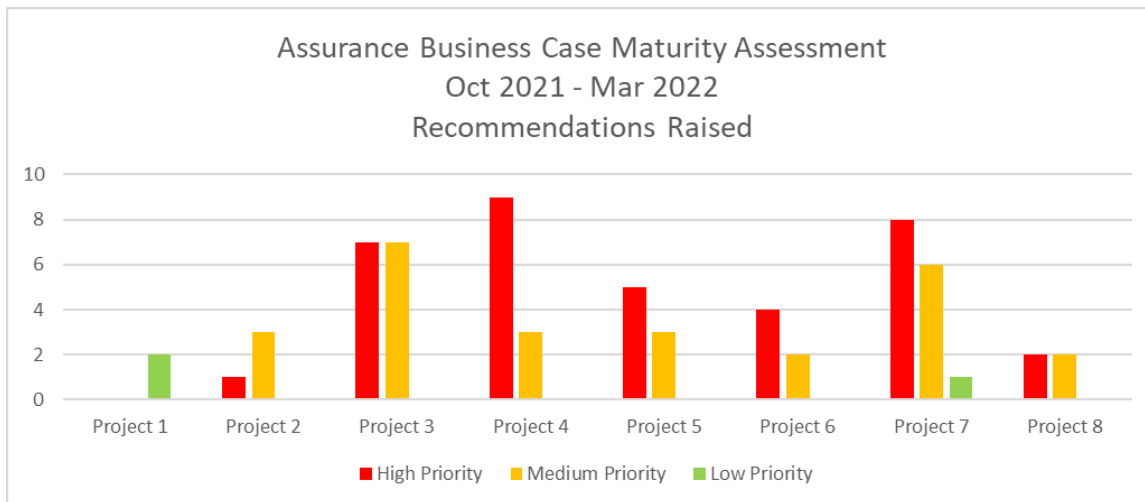

2.5 The average assessed maturity levels of each Business Case Dimension is summarised next. The Strategic Case Dimension is generally scoring higher (74%). This again demonstrates progress from the projects assessed in the last reporting period where the Strategic Case maturity level was 67%. This helps to support the WMCA Strategic Leadership Team requirement for projects to clearly articulate the strategic aims of projects before they are progressed for further development.

2.6 The performance data demonstrates that there should be more evidence of project planning to help strengthen the management case maturity levels. This would enable greater confidence in the likelihood of achieving the strategic aims.

2.7 Once a Business Case assessment is completed by the Programme Assurance Team, an Observations Report is produced and shared with the project lead. This report contains details of the Business Case maturity assessment, together with any findings and recommendations raised. All recommendations are rated as either High, Medium or Low priority, with high priority recommendations expected to be actioned by the project lead prior to the Business Case moving forward for Approval.

2.8 A summary of the recommendations raised across each of the eight Business Cases assessed is provided in the table next:

Assurance Business Case Maturity Assessment
Oct 2021 - Mar 2022
Recommendations Raised

2.9 The intention of this process is to drive improvements to the maturity of Business Cases prior to approval and to highlight to decision-making bodies any ongoing risks identified with the Business Case being presented.
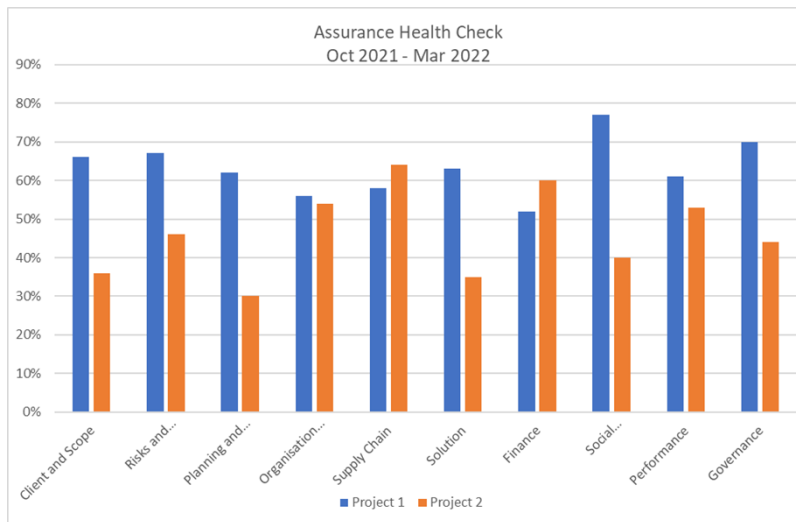
2.10 The 'High rated' recommendation numbers are probably reflective of the pace at which project business cases need to be developed to meet external deadlines. Reassuringly though, of the 35 high priority recommendations raised during the period all the high priority recommendations were addressed prior to going through the approval process.
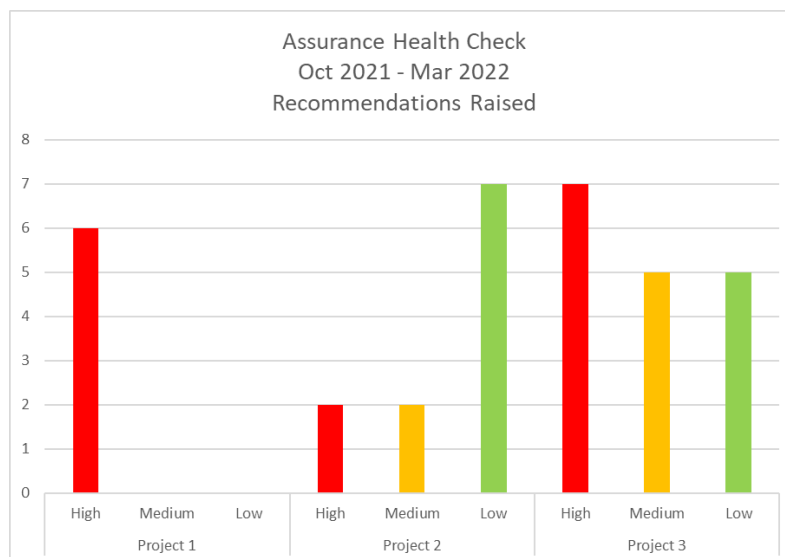
- **Project & Programme Health Check Reviews**

2.11 As with the BCAT process, once a Health Check has been completed by the Programme Assurance Team, an Observations Report is produced and shared with the project lead. This report provides a summary of the Health Check score and RAG rating, together with any findings and recommendations raised. All recommendations are rated as either High, Medium or Low priority.

2.12 A total of 11 Health Checks were completed during the period by the Programme Assurance Team, this compares to 2 in the last reporting period. 2 of the Project Health Checks followed the standard Health Check approach. The remainder of the Health Checks related to Programmes. Due to the nature of those Programmes and the stage of those programmes, bespoke project health checks were developed to meet the programmes' requirements. Again, this is a positive indicator that an increased number of Health Checks has been undertaken in this reporting period across a more project portfolio funding sources.

2.13 The table below details the recommendation's themes raised for 2 of the projects that followed a standard approach:

Assurance Health Check
Oct 2021 - Mar 2022

2.14   The table next summarises the recommendations made for those projects that followed a standard approach:

Assurance Health Check
Oct 2021 - Mar 2022
Recommendations Raised

2.15   There were no high or significant issues raised with the 8 Project Health Checks undertaken for Programme x (which was in a very early initiation stage). The most common recommendation for this programme was the End User Engagement and Communication due to the delays in the projects commencing.

2.16   There were several higher rated recommendations raised for the Project 1 in the bar chart above (this Programme is due to complete in a few months). However, it is quite common and expected due the project stage (close to delivery) of this programme to have a number of high recommendations. It is opportunistic that the Health Check was undertaken by an independent team as it allows the Programme Board and Senior Responsible Owner of this Programme to have sight of a clear action plan that will need to be monitored to ensure objectives are met.

- **Risk & Investment Appraisals Reviews**

2.17   A total of 17 Risk & Investment Appraisals were completed by the Appraisal team during the period, in comparison to the 9 undertaken in the last reporting period. Reassuringly this demonstrates a positive performance trend in that they were from a wider range of portfolios this time around (not exclusively Investment Programme). All the Risk & Investment Appraisals followed earlier independent Programme Assurance Review so a further confirmation on an improving trend. A summary of these is detailed in the table below:

Funding Source	No. Business Case Appraised
Investment Programme	5
Department for Transport	2
City Region Sustainable Transport Settlement	3
BEIS	2
Future Transport Zone	1
Future Mobility Zone	1
Midlands Connect	1
Active Travel Fund	2
Approval Route	**No. Business Case Approved**
Executive Director	4
Statutory Officer Panel	6 (+1 TBC)
Investment Board	0
WMCA Board	6

- **Change Request Reviews**

2.18   A total of 13 Change Requests were processed by the Programme Risk & Investment Appraisal team during the period (compared to 6 in the last reporting period). This is also supportive as it demonstrates that the corporate independent standard for Change Control is increasingly being followed. Overtime, as the 'Hub & Spoke' model for Programme Assurance & Appraisal is further rolled out, this data will drive improvements in project management maturity and capability by allowing the Centre Enabling Services teams to understand causes for deviation which in turn can be fed into new project proposals. A summary of these is detailed in the table below:

Funding Source	No. Business Case Appraised
Investment Programme	9
Transforming Cities Fund	1
Multiple Funding Sourced Projects	3
Change Request Type	**No. Business Case Appraised**
Scope (Objective Changes)	2
Value (Cost)	8
Schedule (Time)	3

3 Assurance Performance Trends & Themes Identified October – March 2022

Key emerging assurance themes emerging from this reporting period are:

a. The Statutory Officers' aim to roll out Single Assurance Framework across all WMCA Directorates has almost been met, with transition approaches shared with two of the outstanding Directorates (one Directorate has a relatively lower level of project/ programme-led activity, for the other Directorate funding is awarded to external project delivery partners to deliver projects). It is the aim to fully complete Phase 1 SAF Implementation objective in April 2022.

b. Directorate Project Pipelines have now been established which enable the Directorates to work with Programme Assurance & Appraisal and Governance team to better plan assurance approach needed as well as the Approvals route.

c. Table 1.3 on page 2 demonstrates the achievement in the last 6 months to roll out SAF across all funding portfolios as well as significantly increasing the number of Programme Assurance Reviews (BCATS), Project Health Checks, Risk & Investment Appraisals and Change Requests in Q3 and Q4 of this year.

d. The quality of the business cases against the Strategic Case has also shown an increased in maturity level. However, there is opportunity to further strengthen other business case dimensions. Although SAF engagement with Programme Assurance & Appraisal has increased, the team will need to work closer with delivery teams further to plan reviews and improve business case quality prior to approval submission.

e. There are also opportunities to better align the External Funding Application process to the Single Assurance Framework. To support this objective, SLT are going to own the External Funding Application 'BID List' and review on a weekly basis. SLT have supported the recommendation to produce draft business cases as part of the bid submission as good practice that will enable the projects to mobilise quickly if funding applications are successful.

f. The Programme Assurance & Appraisal team have supported several project delivery teams develop business cases for major funding applications and business case development such as City Region Sustainable Transport Settlement (CRSTS). This is to support and provide confidence to Government that the West Midlands Combined Authority are a reliable project delivery organisation. By embedding SAF further across WMCA Directorates should provide further opportunities when in discussions with Government around Devolution 3 opportunities. The assurance performance information captured in the last year should help drive project management capability improvements across the Combined Authority.

4 Strategic Leadership Team (SLT) Support

4.1 The SAF Implementation project's SRO is the Director of Finance. SLT will receive monthly progress reports of the SAF Implementation project via the Director of Finance.

6. Financial Implications (*)

No implications.

7.   Legal Implications

No implications.

8.   Equalities Implications

No implications.

9.   Inclusive Growth Implications

No implications.

8.   Geographical Area of Report's Implications

All areas.

9.   Other Implications

N/A

10.   Schedule of Background Papers

N/A