

Audit, Risk & Assurance Committee

Date	4 October 2022
Report title	Single Assurance Framework (SAF) Assurance Performance Report – April to August 2022
Portfolio Lead	
Accountable Chief Executive/WMCA Director	Linda Horne – Executive Director of Finance & Business Hub
Accountable Employee	Joti Sharma – Head of Programme Assurance & Appraisal
Report has been considered by	WMCA Strategic Leadership Team

Recommendation(s) for action or decision:

1. Read this report and note its contents for information.
2. Also note that the attached refreshed Single Assurance Framework which has been updated in accordance with annual review requirements mandated by Government. The updated SAF now meets the National Local Growth Assurance Framework requirements, published by the Cabinet Office in September 2021. This will go to WMCA Board for their approval in November 2022. ARAC are requested to note the changes made to the new guidance and seek confidence that WMCA is meeting mandatory assurance guidance refresh requirements.

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

This report follows on from the Single Assurance Framework (SAF) update shared with Audit, Risk & Assurance Committee (ARAC) previously in March 2022. ARAC had requested that Programme Assurance & Appraisal Team present assurance thematic performance information to the Committee on a quarterly basis.

1. Purpose

This report details thematic performance information from WMCA projects that have been assured through the Single Assurance Framework (SAF). This report will help demonstrate progress being made by projects and WMCA directorates transitioning to new SAF assurance and governance arrangements and includes Programme Assurance and Appraisal Team activity from April 2022 to August 2022¹.

¹ Due to the timing of ARAC meetings, it has been agreed to present information from April-August 2022 (and not strictly quarterly data)

Background - Single Assurance Framework (SAF) Implementation Progress

2.1 As reported to ARAC previously, the WMCA Strategic Leadership Team approved WMCA SAF to be implemented across all WMCA directorates in October 2021. This was to mitigate the risk of non-compliance to mandatory devolution commitments. The SAF Implementation project, led by a dedicated Project Manager, was established to support the implementation, and was split into two distinct phases:

- i. **Phase 1** – Transition all WMCA Directorates to operate within SAF standards and governance requirements. Key Output – SAF Transition Proposals to be developed for each Directorate (Oct - March 2022)
- ii. **Phase 2** – Undertake annual refresh of WMCA Single Assurance Framework document in accordance with Department for Levelling Up, Housing & Communities (DLUHC) (April – September 2022)

2.2 The table below summarises Programme Assurance and Appraisal Team activity between April 2021 and August 2022. It demonstrates engagement across all WMCA Directorates and an overall increase in activity over time.

REPORTING PERIOD	DIRECTORATE/ EXTERNAL ORG.	Business Case 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	6	2	13	4
	Strategy, Innovation & Net Zero (SINZ)	2	1	2	0
	Investment Programme	0	0	6	9
Q4 TOTAL		8	3	21	13
April – June 2022 (Q1)	TfWM	5	0	9	0
	SINZ	0	1	2	0
	Greater Birmingham & Solihull LEP	0	1	1	0
	Economy, Skills & Communities	3	0	1	0
	Investment Programme	2	0	2	1
Q1 22 TOTAL		8	2	15	1
July – Aug 2022 ² (Q2 – 2 months)	TfWM	1	0	2	1
	Strategy, Innovation & Net Zero (SINZ)	1	1	1	0

² Q1 2022 only represents 2 months' data and spans the Commonwealth Games and holiday period; therefore, activity has been unusually low. Activity in September 2022 will be captured in Q3 report.

	Economy, Skills & Communities	1	1	0	0
	Investment Programme	1	0	0	1
Q2 22 TOTAL		4	2	3	2

- The number of Business Case Assurance Reviews completed has quadrupled since the start of the SAF Transition project in October 2021. This has helped drive improvements to business cases prior to them being submitted for Risk & Investment Appraisal and approval.
- The number of Risk & Investment Appraisal reports have increased 5 times since the start of the SAF Transition project; ensuring that project proposals have been accompanied by an independent risk appraisal review prior to the funding request being considered for approval.
- The number of Change Requests undergoing the Risk & Investment Appraisal process has doubled since the start of the SAF Transition project. This shows that an effective Change Control process is in place and being utilised which allows WMCA to understand the root causes of change requests across all directorates and funding streams. It does not necessarily raise a concern about the level of change being undertaken as the control process has been rolled out across WMCA Project portfolios whereas previously the Programme Assurance & Appraisal team mostly only undertook independent risk and appraisal reviews on Investment Programme Projects.

2.3 A SAF transition approach has been agreed by all WMCA Delivery Directorates. Progress has been made with the Housing, Property and Regeneration (HPR) directorate for them to transition into SAF including the following stages:

- a. A proposed integrated SAF approach has been agreed by the Directorate
- b. The Directorate has embodied best practice advice and are currently developing a Housing Programme Business Case. This will summarise how all the various devolved funding sources received from government will be utilised to drive improvement in housing provision in the region
- c. The Programme Business Case will be submitted to be independently assured by the Programme Assurance team in October 2022
- d. Project Case templates have been developed for the HRP Directorate. When requests for housing project funding are received by WMCA. Project promoters will be asked to complete a WMCA Project Case template. The proposals will be assessed by the HPR team and then independently by the Programme Assurance team before going forward to be considered by WMCA governance process for approval.
- e. Project Cases will be trialled for 3 months starting from November 2022 any amendments to this approach or template can be made after that period
- f. It is envisaged that assurance performance data for HPR will be incorporated into the next assurance update to ARAC in early 2022.
- g. Once implemented, this will demonstrate that WMCA is fully compliant with the new National Local Growth Assurance Framework, which was updated by Government in September 2021.

2.4 Directorate Pipeline meetings have been established for each Delivery Directorate, led by the Programme Assurance & Appraisal Team and Finance Business Partners. The purpose of these meetings is to review planned and anticipated project/programme activity at least monthly to:

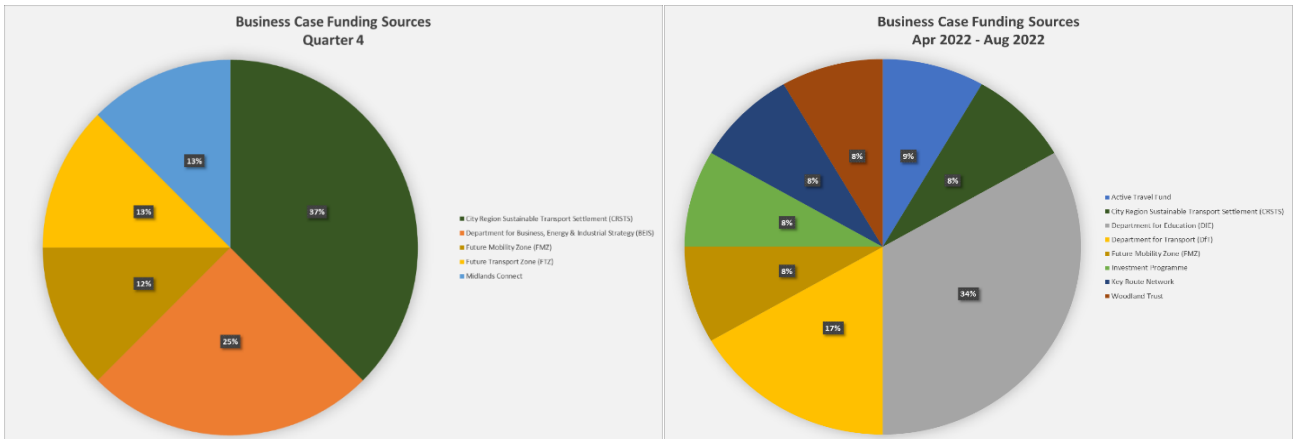
- help inform effective resource planning activity
- agree proportionate and appropriate development routes for projects/programmes
- help drive overall SAF compliance.

- 2.5 The External Funding Application Register is maintained by the Programme Assurance and Appraisal Team and reviewed by WMCA's Strategic Leadership Team on a weekly basis to again support organisational project planning and ensure mandatory SAF requirements are considered and applied from the outset.
- 2.6 Within this reporting period, the Programme Assurance and Appraisal team have worked closely with the TfWM Directorate to ensure appropriate assurance processes and controls are implemented across City Region Sustainable Transport Settlement (CRSTS) funded projects. WMCA has been awarded £1.1bn CRSTS funding for Transport projects over a 5-year period. The team has supported ongoing conversations with DfT and HM Treasury regarding this settlement and have the least number of projects 'retained' for review and approval by HM Government in comparison any other Mayoral Combined Authorities. The SAF provided confidence to HM Government that effective assurance arrangements are embedded across WMCA which, in turn, helped influence the relatively low level of external scrutiny related to this funding.
- 2.7 To support with the increased assurance activity, there has been further investment of resources to the Programme Assurance & Appraisal team. In turn, the team have undertaken intensive support of SAF familiarisation standard sessions across both internal and external stakeholder groups. Key messaging in these sessions has been to outline the mandatory WMCA role has as an Accountable Body for funding and the assurance requirements WMCA needs to ensure are met. The Programme Assurance & Appraisal team are a useful resource to outline business case standard requirements. This critical friend role adds value in providing this support. WMCA will be able to unlock funding more efficiently than if Central Government were reviewing and assuring all business cases directly. However, WMCA as an Accountable Body in turn needs to demonstrate that the terms and conditions of the funding have been met. With the further role out of SAF across WMCA project portfolios, WMCA is now in a better position to provide the documentary evidence that these requirements are being fulfilled.

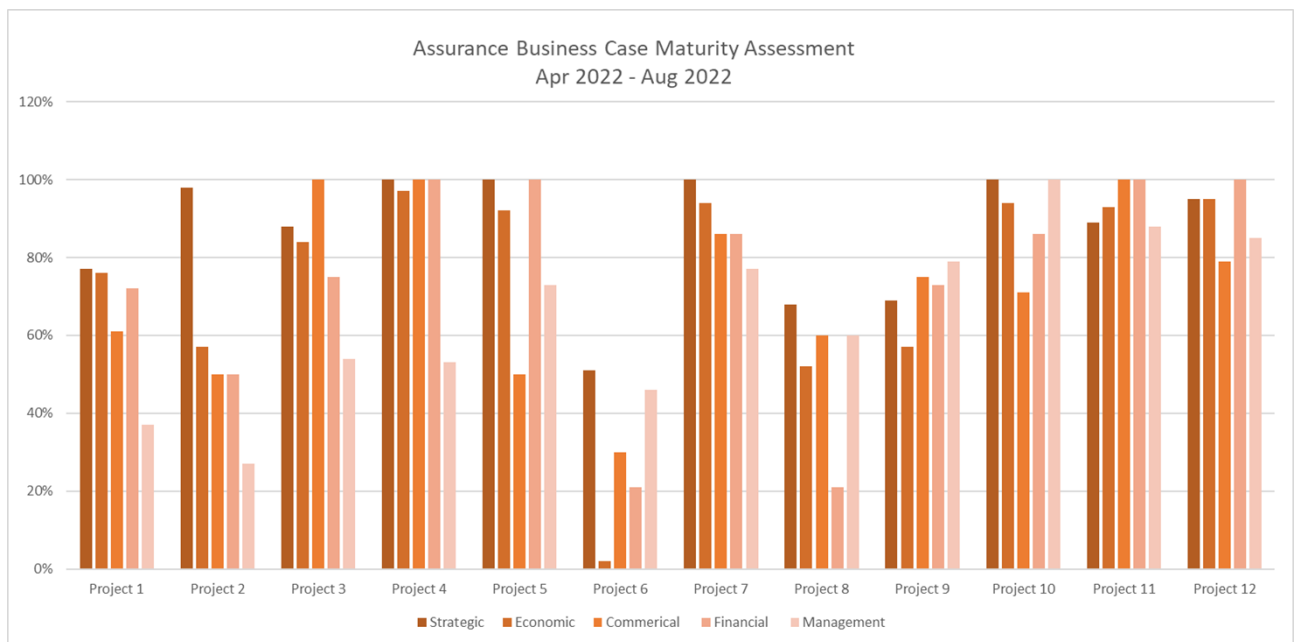
3 Assurance Performance Analytical Insights (April – August 2022)

Business Case Maturity Assurance Reviews (BCAT)

- 3.1 A total of 12 Business Case maturity assessments were undertaken in this period, with 44 high priority recommendations raised. The Programme Assurance and Appraisal Team have worked with project leads to improve the quality of business cases prior to their approval and this information will continue to be analysed to help drive organisational development and continuous improvement.
- 3.2 The charts below compare the business case reviews for Q4 (last reporting period) and the new reporting period by funding source. The chart demonstrates that SAF standards being rolled out widely across Portfolios, not only the Investment Programme funded projects.

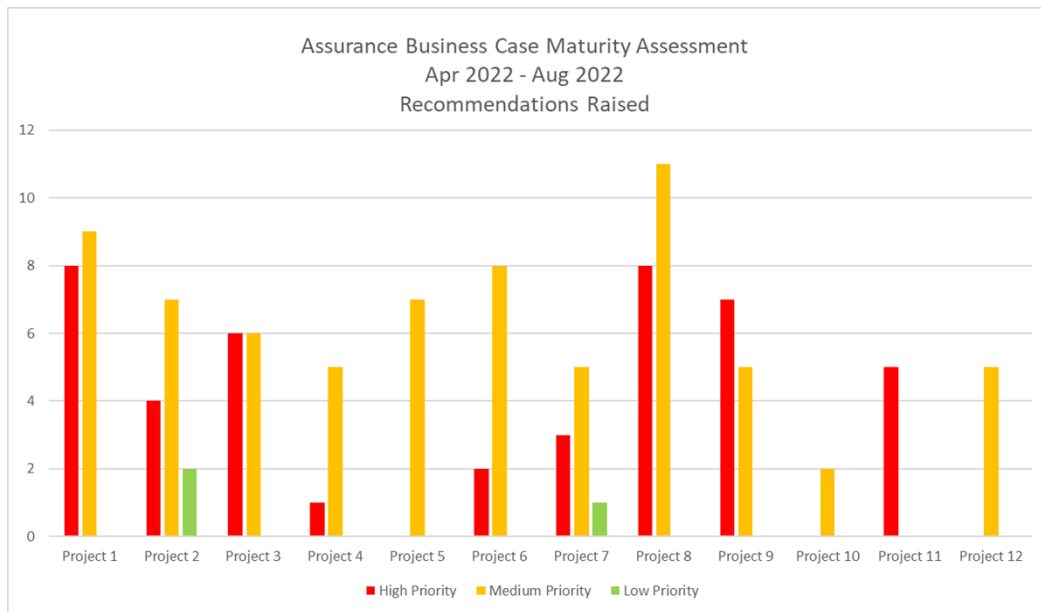


3.3 The detail of the assessed maturity of each Business Case, and their maturity across each of the five Business Case Dimensions, is provided in the next chart (maturity has been assessed against expected HM Treasury maturity levels for each Business Case type).



3.4 The Strategic Case dimension is generally scoring higher than others (currently averaged at 74%). This again demonstrates progress from the projects assessed in the last reporting period where the average 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.

3.5 Generally, the Commercial and Management Case dimensions continue to be the least mature and the Programme Assurance and Appraisal Team will continue to work with project leads and enabling services to drive continuous improvement in these areas. A summary of the recommendations raised across each of the 12 Business Cases assessed in the period is provided in the table below:



3.6 The table next provides a summary of high priority recommendations raised in the period with a common theme summarised. 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.

STRATEGIC CASE	ECONOMIC CASE	COMMERCIAL CASE	FINANCIAL CASE	MANAGEMENT CASE
High Priority Recommendations 11	High Priority Recommendations 9	High Priority Recommendations 9	High Priority Recommendations 4	High Priority Recommendations 11
Alignment with strategic objectives not clearly articulated	Lack of detail in optioneering process (long list/short list/preferred option)	Procurement Strategy either missing or not developed with Procurement Business Partner/Legal team/SME engagement	Incomplete financial information provided	M&E/Benefits Realisation Plan missing/poor
Objectives/outcomes/benefits/CSFs not clearly articulated or SMART	Benefits/Costs ratio including Net Present Social Value (NPSV) missing/not aligned to HM Treasury Green Book guidance			Risk Register/Risk Management Plan missing/ poor
How key stakeholders/customers have been engaged to inform project outputs/outcomes				Project Plan missing/poor
				Stakeholder engagement Plan/strategy missing/poor

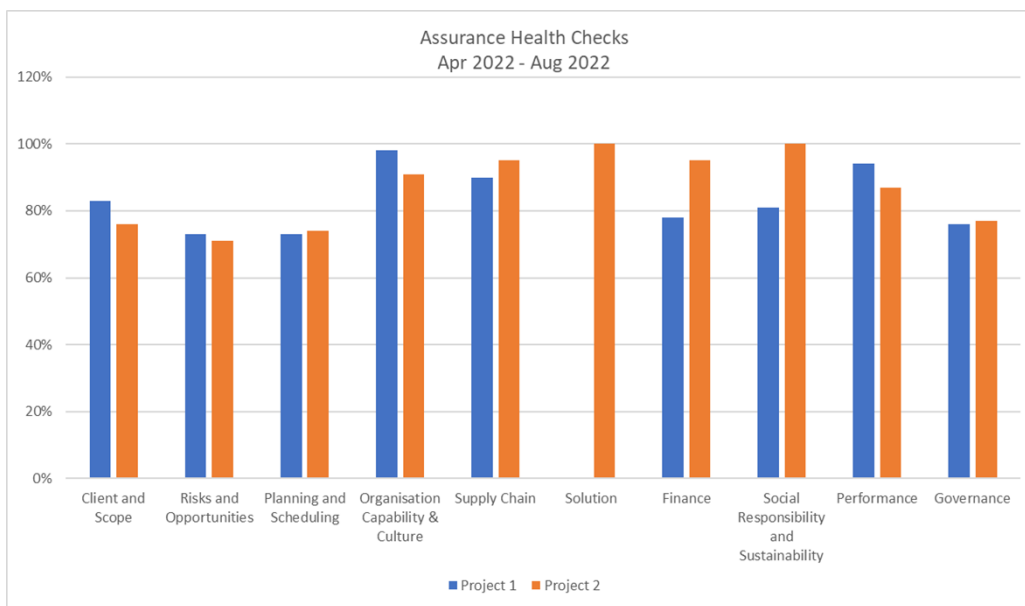
				Governance/ decision-making arrangements not defined
				Contingency arrangements missing/not defined

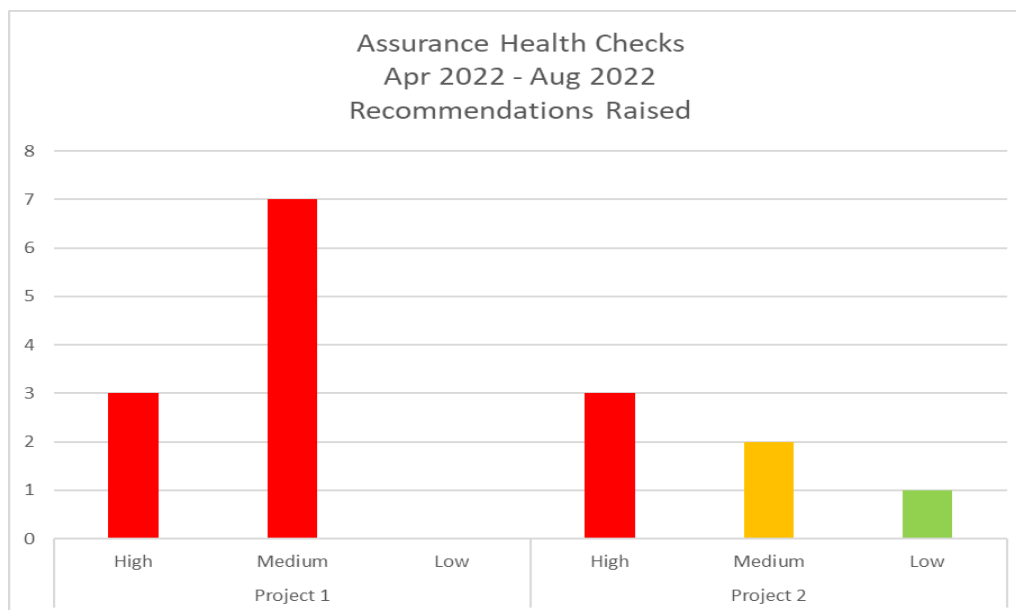
3.7 Most high priority recommendations were addressed prior to progressing a business case through to Risk and Investment Appraisal and approval. Where recommendations are not addressed, this is captured as an ongoing risk and highlighted to decision-makers. This trend analysis will help drive continuous improvement across WMCA and inform enabling services where additional support, guidance and training could be delivered moving forward.

Project & Programme Health Check Reviews

3.8 A total of 2 Health Checks were completed during the period by the Programme Assurance and Appraisal Team, this compares to 4 in the last reporting period.

3.9 The table below details the Health Check ratings across each of the 10 reporting themes and the number of recommendations raised. Generally, Risk Management, Planning & Scheduling and Governance are the areas where most improvement is recommended. The team works with Project leads to agree recommendations and drive continuous improvement in those areas.





Risk & Investment Appraisals Reviews

3.10 A total of 17 Risk & Investment Appraisals were completed by the Appraisal team during the period, in comparison to the 21 undertaken in the last reporting period. However, it should be noted that purdah in Q1 and Commonwealth Games in Q2 would have impacted the number of approval requests coming forward in this period. A summary of these is detailed in the table below:

Funding Source	Business Cases Appraised
Arts Council England	1
CRF (Community Renewal Fund)	1
City Region Sustainable Transport Settlement (CRSTS)	1
Department for Education (DfE)	2
Department for Business, Energy & Industrial Strategy (BEIS)	1
Department for Transport (DfT)	4
Farebox	1
Future Transport Zone (FTZ)	1
GBSLEP	1
Investment Programme	2
Key Route Network	1
Woodland Trust	1

Approval Route	Business Cases Approved
Executive Director	9
Statutory Officer Panel	1
WMCA Board	4
Investment Board	3

Change Request Reviews

3.11 A total of 3 Change Requests were processed by the Programme Risk & Investment Appraisal team during the period. The change trends include time extensions due to delays as a result of Covid-19 and re-scoping programmes that were originally scoped in 2016, however the case for change has weakened over type hence an updated baseline with new outputs and outcomes were required. A summary of these changed is detailed in the table below:

Funding Source	No. Change Requests Appraised
Investment Programme	2
Transforming Cities Fund	1
Change Request Type	No. Change Requests by type (note, some changes fall into multiple change types)
Scope (Objective Changes)	1
Value (Cost)	2
Schedule (Time)	2

4 Assurance Performance Trends & Themes Identified April – August 2022

Key emerging assurance themes emerging from this reporting period are:

- a. The Statutory Officers' objective to roll out Single Assurance Framework across all WMCA Directorates has almost been met, with transition approaches shared with the outstanding Directorate. This directorate has a high volume of projects, but most of the projects are deemed low risk due to repeatability and tend to request funding under £5m. WMCA is in a safer position that one year ago before the SAF transition project was initiated. WMCA is able to demonstrate with evidence that Accountable Body terms and conditions are being met.
- b. Directorate Project Pipelines have now been established to better plan the assurance approach needed as well as the Approvals route. WMCA Strategic Leadership Team proactively review the External Funding Application register.
- c. Again, the performance information supports that SAF has continued to become further embedded in WMCA with further increased number of Programme Assurance Reviews (BCATS), Project Health Checks, Risk & Investment Appraisals and Change Requests in this period.
- d. The quality of the business cases against the Strategic Case has also shown an increase in maturity level. However, there is an 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. The Programme Assurance & Appraisal team have supported WMCA is ensuring compliant assurance requirements are being met. There is an opportunity to now move to support WMCA into the 'value add' phase and support the increase in project management capability in the organisation, in turn placing the WMCA in a better position to secure confidence and funding for additional projects for the Region.

5 Single Assurance Framework Annual Refresh

- 5.1 The National Local Growth Assurance Framework published by the Cabinet Office in September 2021 sets out Government's guidance for institutions that are required to develop their own Local Assurance Framework. This applies to Mayoral Combined Authorities (MCAs) with a Single Pot and Local Enterprise Partnerships (LEPs). It states that there should be an Annual Review of the SAF and has introduced the requirement to outline the CA's approach to Housing, Transport, and the Adult Education Budget.
- 5.2 WMCA SAF was last updated in November 2021, a refresh has been undertaken as stated above and ensure that WMCA continues to remain compliant with this updated guidance. The SAF Implementation Project Manager has worked with all Delivery Directorates to ensure that the SAF Implementation approach being developed for each directorate reflects the mandated guidance. Enabling Services teams have been consulted and their requirements have been incorporated.
- 5.3 The table next summarises the changes made, most changes have been made from a Governance perspective and can be viewed as a 'Spring Clean', the revised SAF reflects more accurately the changes to governance policy.

Index	Description of Change
General	Restructured to follow the requirements of the National Local Growth Assurance Framework (NGLAF) updated Sept. 2021
General	Removal of duplication throughout, e.g., the reasons why there is an Assurance process appears in several places.
General	Removal of historical information, e.g., when/why WMCA was formed
Governance Section	Content reviewed and updated by Governance, e.g. new NGLAF requirements: how Board members are recruited, trained etc.
Inviting applications for funding	Inclusion of new NGLAF requirement
Whistleblowing, Complaints, FOI etc.	Moved from the Assurance Section into Governance - better fit
Single Assurance Framework	Structured to reflect stages of SAF, including introduction of pre-initiation, Annual Business Plan, Activity Register. Inclusion of all funding streams, not just Investment Programme
Single Assurance Framework	Simplification of flowcharts - to include who is responsible for each stage
Head of Paid Service, S151 Officer, Monitoring Officer	New requirements: Headline Job Description
Transport, Housing and Adult Education Budget	New requirement of NGLAF to document how they are included in the SAF
Change Control Process	New inclusion
State Aid	Now known as Subsidy Control: information provided by Legal

6 Strategic Leadership Team (SLT) Support

- 6.1 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.

7. Financial Implications

No implications.

8. Legal Implications

No implications.

9. Equalities Implications

No implications.

10. Inclusive Growth Implications

No implications.

11. Geographical Area of Report's Implications

All areas.

12. Other Implications

N/A

14. Schedule of Background Papers

- Revised WMCA SAF Draft version September 2022