

## Audit, Risk & Assurance Committee

<b>Date</b>	18 April 2023
<b>Report title</b>	Single Assurance Framework (SAF) Assurance Performance Report – Oct to December 2022
<b>Portfolio Lead</b>	
<b>Accountable Chief Executive/WMCA Director</b>	<b>Linda Horne – Executive Director of Finance &amp; Business Hub</b>
<b>Accountable Employee</b>	Joti Sharma – Head of Programme Assurance & Appraisal
<b>Report has been considered by</b>	WMCA Strategic Leadership Team

### Recommendation(s) for action or decision:

Read this report and note its contents for information. The report provides reassurance that the WMCA continues to support embedding the Single Assurance Framework (SAF) arrangements at WMCA (this is to support increase in project management capability within the organisation).

### 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 September 2022. ARAC had requested that Programme Assurance & Appraisal Team present assurance thematic performance information 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 October to December 2022.

#### 2. 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 which have now been completed:

- i. **Phase 1** – Transition all WMCA Directorates to operate within SAF standards and governance requirements (Oct - March 2022)
- ii. **Phase 2** – Undertake annual refresh of WMCA Single Assurance Framework document in accordance with Government standard (April – September 2022)

2.2 The table below summarises Programme Assurance and Appraisal Team activity between April 2021 and December 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
<b>(Q1&amp; Q2) TOTAL</b>		<b>7</b>	<b>2</b>	<b>9</b>	<b>6</b>
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
<b>Q3 TOTAL</b>		<b>6</b>	<b>2</b>	<b>6</b>	<b>4</b>
Jan – Mar 2022 (Q4)	TfWM	6	2	13	4
	Strategy, Innovation & Net Zero (SINZ)	2	1	2	0
	Investment Programme	0	0	6	9
<b>Q4 TOTAL</b>		<b>8</b>	<b>3</b>	<b>21</b>	<b>13</b>
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
<b>Q1 22 TOTAL</b>		<b>8</b>	<b>2</b>	<b>15</b>	<b>1</b>
July – Aug 2022 <sup>1</sup> (Q2 – 2 months)	TfWM	1	0	2	1
	Strategy, Innovation & Net Zero (SINZ)	1	1	1	0
	Economy, Skills & Communities	1	1	0	0
	Investment Programme	1	0	0	1
<b>Q2 22 TOTAL</b>		<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>
Oct – Dec 2022 (Q3)	TfWM	15	0	10	4
	Strategy, Innovation & Net Zero (SINZ)	0	0	1	1
	Economy, Skills & Communities	1	37	1	1
	Investment Programme	4	0	3	7
<b>Q3 22 TOTAL</b>		<b>20</b>	<b>37</b>	<b>10</b>	<b>13</b>

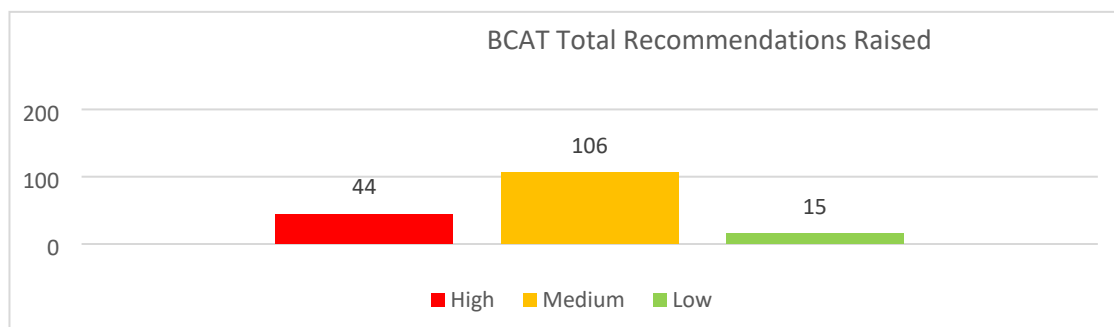
## High Level SAF Trend Observations

- 2.3 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.
- 2.4 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.
- 2.5 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.

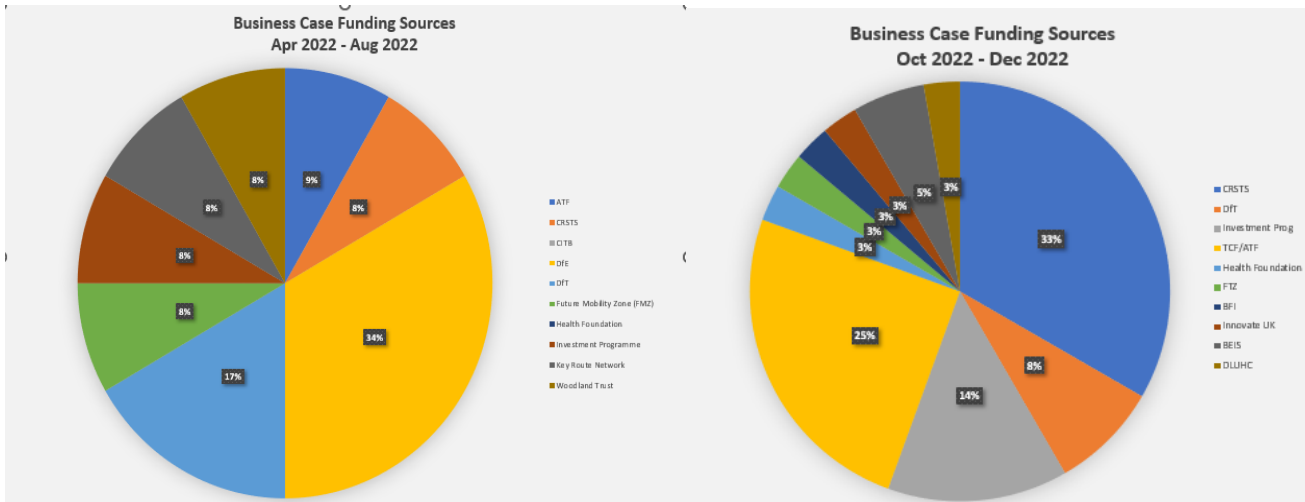
## 3 Assurance Performance Analytical Insights (October – December 2022)

### Business Case Maturity Assurance Reviews (BCAT)

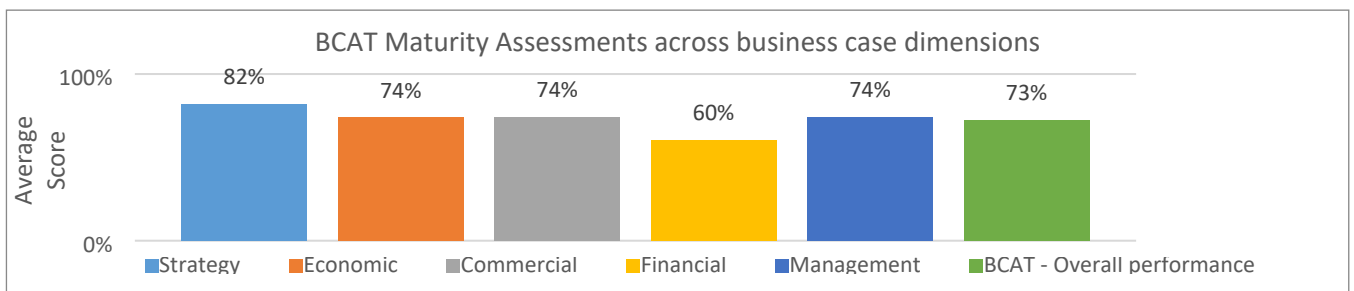
- 3.1 A total of 20 Business Case maturity assessments were undertaken in this period, with 44 high priority recommendations raised. The Programme Assurance and Appraisal Team have worked with project leads to improve the quality of business cases prior to their approval and this information will continue to be analysed to help drive organisational development and continuous improvement.



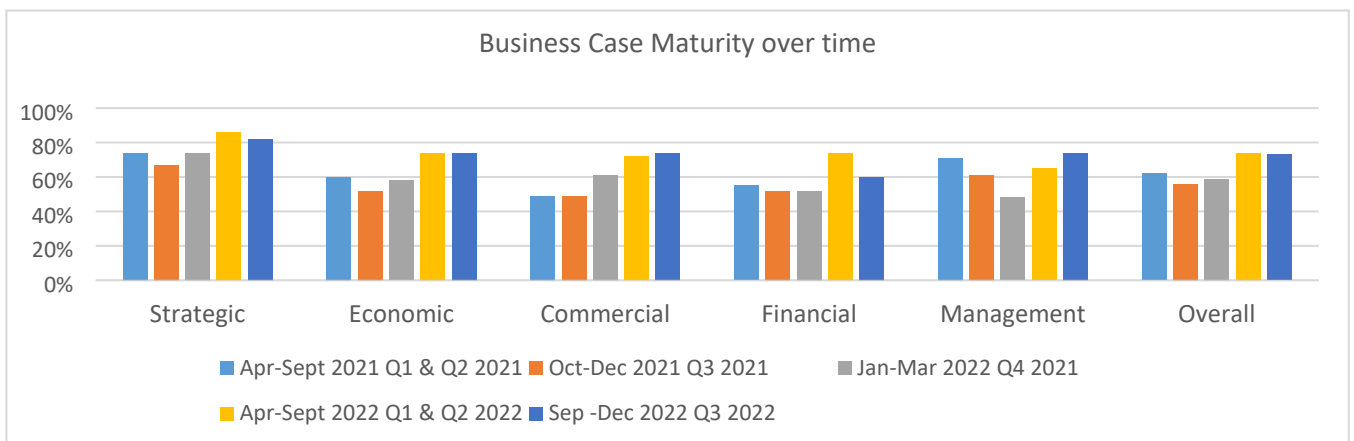
- 3.2 The charts below compare the business case reviews for Q3 (last reporting period) and the new reporting period by funding source. The chart demonstrates that SAF standards being rolled out widely across Portfolios, not only the Investment Programme funded projects. The pie charts demonstrate that there has been an increase in funding sources supporting the implementation of increased projects. Reassuringly, all these projects have been initiated in accordance with SAF.



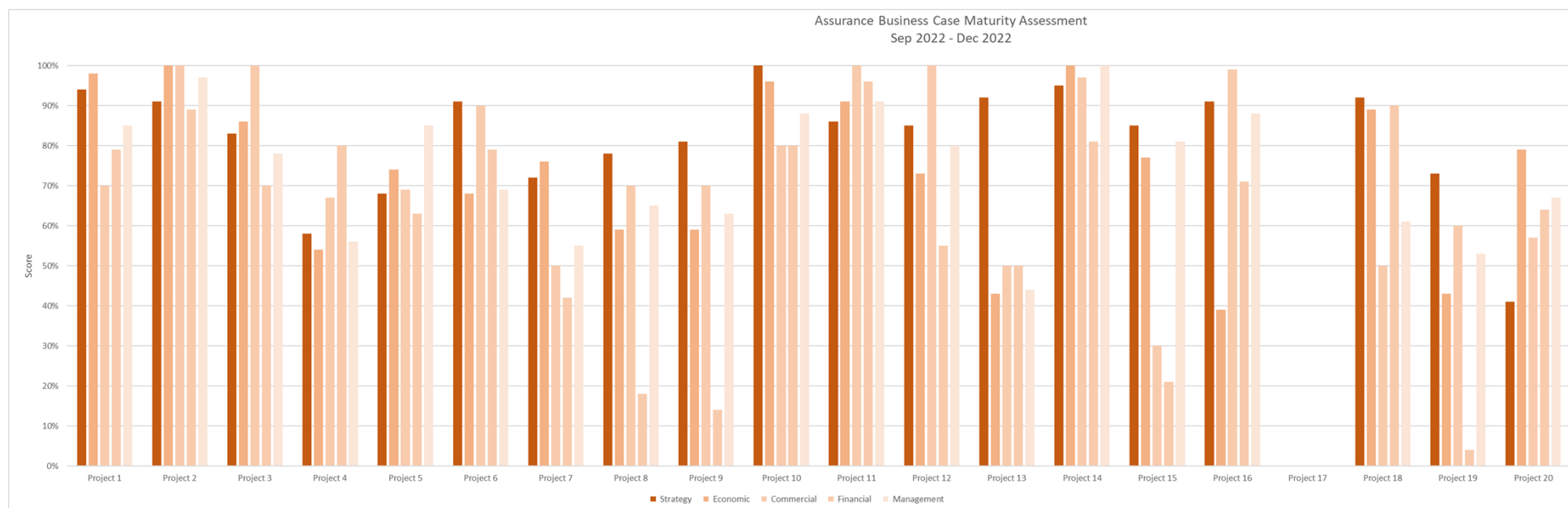
3.3 The following chart provide an overview of the assessed maturity of each Business Case dimension for the period.



3.4 The following chart demonstrates how business case maturity is generally improving over time.



3.5 The following chart provides a detailed overview of business case maturity by project. Project 17 business case was expedited through the assurance and appraisal processes and received a joint assessment, resulting in formal BCAT data not being available/produced. There were external factors impacted the timeframes that were available for the project team to produce a business case.

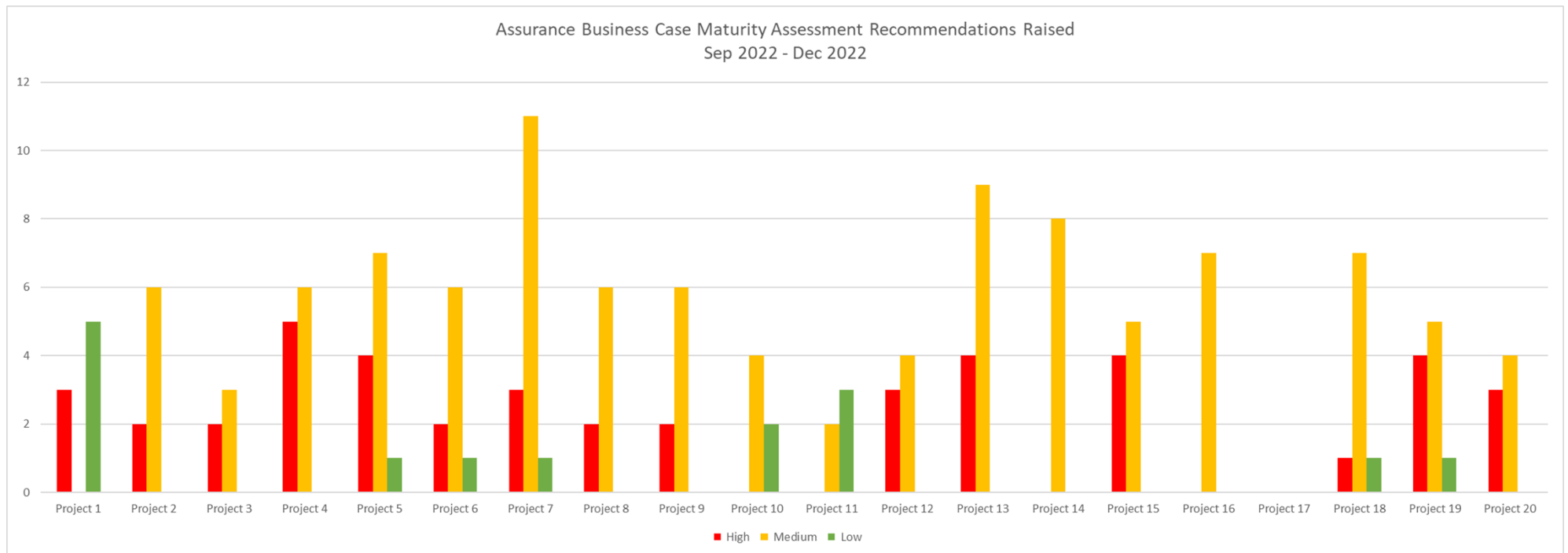


### 3.6 Key Observations between Q2 & Q3 (Business Case Maturity against HMT Green Book – Central Government Guidance on Appraisal & Evaluation)

- Between Q2 and Q3 there has been an increase in number of business case submission and generally demonstrating some increase in maturity
- Commercial Case between Q2 and Q3 has seen the greatest increase in maturity levels in this period.
- Several projects have noticeably less developed Financial Cases, in these instances there was inconsistent costs, conflicting information etc. To support greater consistency in this area, the Programme Assurance & Appraisal team have held training sessions with the Finance Accountants and the Finance Business Partners. This statement does not mean that the Financial Case was poor but that their business case quality and financial cases had differing levels of detailed included. Sitting behind each business case will be detail financial planning statements.
- Generally, there has been a programme with several underlying projects underneath that indicated less developed business cases. However again, several joined up sessions were held with the delivery team to support greater understanding of expectations.

### 3.7 Key Observations between Q2 & Q3 – Assurance & Appraisal Recommendations

- Between Q2 and Q3 positive trend shows that generally fewer recommendations were made by the Assurance team and a reduction in the number of high priority (red) recommendations as well. This is a positive indicator that as more projects are coming through SAF then learning from previous business case development has been taken into consideration. This is an indicator that organisation maturity is increasing in this space.
- There is a parallel with the less mature business cases tend to have had a greater number of red recommendations made during the assurance review stage.



## Project & Programme Health Check Reviews

- 3.8 No formal Health Checks were conducted during the period; however, a total of 37 assessments were undertaken across the EDSC Directorate to support the Multiply Phase 1 and Innovation Accelerator Programmes. The Programme Assurance Specialists provided subject matter expertise to the Directorate to ensure HM Treasury Green Book principles were applied to the application and assessment process and a consistent and objective assessment process was undertaken to determine successful applicants for funding.
- 3.9 To further drive this assurance best practice with more projects moving into the delivery phase. A Programme of risk-based Health Check programme was approved by WMCA Senior Leadership Team in March 2023. This will be implemented throughout 2023-24 to help drive organisational improvements in Project and Programme Management activity. It is anticipated that approximately 10 programme level health checks will be undertaken throughout the year.

## Risk & Investment Appraisals Reviews

- 3.10 A total of 13 Risk & Investment Appraisals were completed by the Appraisal team during the period, in comparison to the 17 undertaken in the last reporting period. However, it should be noted that the Christmas Period would have impacted the number of approvals coming forward during this time. A summary of these is detailed in the table below:

Funding Source	Business Cases Appraised
Active Travel England	2
The Health Foundation (THF)	1
City Region Sustainable Transport Settlement (CRSTS)	5
Department for Education (DfE)	1
Department for Business, Energy & Industrial Strategy (BEIS)	1
Department for Transport (DfT)	1
Investment Programme	1
WMCA (Growth Company)	1

- 3.11 Most business cases received during this period were <£5m with approval delegated to Executive Director or Statutory Officers/Executive Board. The Appraisal team continue to recommend most business cases for approval, though with some conditions to address weaknesses where this is felt appropriate. The appraisal team felt that adequate planning and risk mitigations were in place to provide confidence to commence project delivery. The most common causes of risks being identified are:
- Misalignment between government timescales/documentation requirements and SAF
  - Lack of input/engagement from internal stakeholders when developing the business case, leading to potential weaknesses in project delivery
  - Weak linkage between business cases and delivery, with a need to strengthen monitoring and evaluation planning in business case development.
- 3.12 To mitigate the above risks, the SAF Business Case templates and guidance material has been updated. These now provide clearer understanding of standard requirements and more explicitly ask for input from supporting services. There is also closer working relationship with the Appraisal

team and the WMCA Risk Manager. Any significant risks or risk themes are shared with the risk team. The WMCA Risk categories are used to assess risks in the appraisal summaries.

### Change Request Reviews

- 3.13 A total of 12 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 time hence an updated baseline with new outputs and outcomes were required. There are also 4 change requests identified as 'opportunities' due to the availability of increased Central Government funding to enhance the scope and value of existing projects and programmes.
- 3.14 Most Change Requests have been received from Investment Programme, this is because it is the most mature programme with SAF controls and closely monitored by the Investment team. A deep dive review of the Investment Programme was undertaken during this reporting period with project teams which resulted in several CRs being received. All CRs were reviewed by the Appraisal team prior to approval being sought.
- 3.15 A summary of these changes is detailed in the table below:

Funding Source	No. Change Requests Appraised
Investment Programme	8
Department for Transport (DfT)	2
Department for Education (DfE)	1
Department for Business, Energy & Industrial Strategy (BEIS)	1
Change Request Type	No. Change Requests by type (note, some changes fall into multiple change types)
Scope (Objective Changes)	6
Value (Cost)	5
Schedule (Time)	10

Change Requests Appraised		Time	Cost	Scope
Q2 – April – Sept 2022	3	2	2	1
Q3 – Oct – Dec 2022	12	10	4	6

## 4 Assurance Performance Trends & Themes Identified October – December 2022

Key emerging assurance themes emerging from this reporting period are:

- Up to 2021, the WMCA SAF arrangements had been applied to Investment Programme only. Since the establishment of SAF Transition Project in Oct 2021, all WMCA Delivery Directorates have now transitioned to SAF (for 'in flight' projects) and all new major projects funded through devolved funds have been developed in accordance with SAF protocols.
- The assurance quarterly insight data outlined in section 3 provides an evidence base that the SAF is supporting an increase in driving improvements in project management planning maturity which will contribute in turn to further increasing project management capability.



- c. Change Requests numbers are increasing, most common reason is time extensions.
- d. In October 2021, the WMCA Strategic Risk Register included a SAF risk with an amber rating since SAF had not been fully rolled out as this posed a compliance risk for WMCA. It is now deemed Green overall- the risk can be reduced due to the progress made in the past year.

## **5 Strategic Leadership Team (SLT) Support**

5.1 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