

AGENDA ITEM 10**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET**2nd JULY 2021**REPORT OF THE GROUP DIRECTOR
OF FINANCE AND RESOURCES****TEES VALLEY ASSURANCE FRAMEWORK REVIEW****SUMMARY**

The Tees Valley Assurance Framework agreed at Cabinet on 15th March 2019, established that the Framework would be subject to review on an annual basis. This report appends the updated (draft) Tees Valley Assurance Framework following review.

The Assurance Framework details the approach adopted for the administration and decision making of the Tees Valley Investment Plan, including all funding under the Combined Authority's control. The Assurance Framework is required for all Mayoral Combined Authorities and Local Enterprise Partnerships. The Tees Valley Assurance Framework is an appendix to the Constitution.

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet approves the proposed changes to the Assurance Framework.

DETAIL

1. The Tees Valley Assurance Framework (**Appendix 1**) sets out:
 - How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Tees Valley Investment Fund, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures;
 - The respective roles and responsibilities of the Combined Authority, the Local Enterprise Partnership and the Section 73 Officer, in decision-making and ways of working and forms the published joint statement of the Combined Authority and the Local Enterprise Partnership;
 - The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money;

- How potential investments to be funded through the Tees Valley Investment Fund, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered; and
 - The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.
2. The Assurance Framework covers all funds within the Tees Valley Investment Fund, incorporating the Single Pot under the Tees Valley Devolution Deal agreed with Government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments. The Assurance Framework will continue to be reviewed on an annual basis with any revisions to be approved by Cabinet.
 3. Amendments have been made to the Assurance Framework to better reflect existing processes in practice or where certain elements have naturally moved on since it was updated a year ago. None of the amendments change any existing decision-making processes. In summary the main changes are:
 - An addition to the strategy section to incorporate the development and agreement locally of the Local Industrial Strategy;
 - Reference to the recently approved South Tees Development Corporation Assurance Framework;
 - The addition of Get Building Fund and Brownfield Housing Fund to the list of devolved funds;
 - Updated wording to reflect changes to the mayoral term in relation to the Coronavirus Act 2020;
 - Updated wording to reflect the extension to the terms of the LEP Chair and Deputy Chair terms due to the Coronavirus pandemic;
 - Updated wording throughout sections on robust decision making, delivery phase and measuring success to better describe and reflect the existing processes;
 - Updated wording for the Adult Education Budget to reflect latest progress.

FINANCIAL IMPLICATIONS

4. The Assurance Framework is a requirement of Government to receive devolved funding.

LEGAL IMPLICATIONS

5. The proposed amendments to the Assurance Framework do not have any legal ramifications, it will not be necessary to update the Combined Authority Constitution because of these changes following approval.

RISK ASSESSMENT

6. This report is categorised as low risk, minor changes to the Assurance Framework have been suggested which do not present a material alteration to the existing Assurance Framework which has previously been approved by Government.

CONSULTATION & COMMUNICATION

7. Prior to Cabinet, the Tees Valley Management Group and Local Authority Chief Executives have been consulted on the draft Assurance Framework. If approved, the updated Tees Valley Assurance Framework will be published on the Tees Valley Combined Authority website.

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