

**AGENDA ITEM 7****REPORT TO THE TEES VALLEY  
COMBINED AUTHORITY CABINET****27<sup>th</sup> JANUARY 2023****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:
    - The inclusion of the Community Renewal Fund, City Regional Sustainable Transport Settlement and UK Shared Prosperity Fund (including Multiply);
    - Updated wording to reflect recent changes to the Local Enterprise Partnership;
    - Wording confirming how specific grants from government are processed in line with the Assurance Framework;
    - Updated wording for the Adult Education Budget to reflect latest progress;
    - The addition of the requirement for an internal memorandum to be issued for Investment Plan projects being delivered by TVCA;
    - Risk process diagram updated with latest version from TVCA Risk Management Framework.

## **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, Local Authority Chief Executives and Local Enterprise Partnership members have been consulted on the draft Assurance Framework.
8. If approved, the updated Tees Valley Assurance Framework will be published on the Tees Valley Combined Authority website.

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