WEST MIDLAND COMBINED AUTHORITY ASSURANCE FRAMEWORK

2020

Active Version
18 September 2020

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1. Introduction and Overview
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1.1 Purpose of the Assurance Framework

The aim of this document is to set out how the West Midlands Combined Authority (WMCA) will use public money responsibly, both openly and transparently, and achieve best value for money. This document outlines:

- The respective roles and responsibilities of the WMCA Mayor, the Mayoral Combined Authority (MCA), the 3 Local Enterprise Partnerships (LEPs), and other elements of the decision-making and delivery structure;
- The key processes for ensuring accountability, probity, transparency, legal compliance and value for money
- How potential investments will be appraised, prioritised, approved, and delivered; and
- How the progress and impacts of these investments will be monitored and evaluated.

The Assurance Framework sits alongside several key WMCA governance and policy documents – most notably the WMCA Constitution, the Financial Regulations, the Strategic Economic Plan (SEP), the Local Industrial Strategy, the Single Commissioning Framework and Annual WMCA Business Plan the Monitoring and Evaluation Framework and the 3 LEP Terms of Reference.

In January 2019, HM Government published a revised Assurance Framework, the 'National Local Growth Assurance Framework', which replaced the previous Local Enterprise Partnership National Assurance Framework and incorporates Single Pot Assurance Frameworks where operated by a Mayoral Combined Authority.

This Assurance Framework has been developed in response to the National Local Growth Assurance Framework and will take effect from *[insert date here once clearance has been provided]*. The 2020 Assurance Framework applies to all existing and new funding regimes, funding bids and projects from this date forward. For continuity purposes, some existing projects which are already part way through the previous Assurance Framework process, will conclude their approval through that route.

For clarity this is a Single Assurance Framework, it applies to all bids, projects and programmes that place a financial liability onto the WMCA that are not classed as business as usual (BAU) revenue expenditure. It covers all capital proposals. For clarity it covers the WMCA and all its subsidiaries. A Single Assurance Framework provides consistency of approach, standards, appraisal, assurance and decision-making across all funding pots. It also allows for additional proportionality within the development of business cases and in the development routes that are undertaken.

1.2 What is an Assurance Framework

An Assurance Framework is a set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. The independence inherent to the Assurance Framework is derived from the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Assurance Framework enables organisations to monitor, measure and scrutinise how well objectives are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance are perceived to be unacceptable.

HM Treasury define Assurance Frameworks as "an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.

WMCA continues to operate according to the Local Government Financial Framework, as set out in the Ministry of Housing, Communities and Local Government's (MHCLG) Local Government System Statement. This document does not replace any of the checks and balances prescribed by the existing accountability systems and local authority statutory responsibilities.

The Assurance Framework will help WMCA to allocate public resources in accordance with the law and correct standards, in an efficient and effective way that delivers both desired outcomes and value for money.

West Midlands
Combined Authority

1.3　Who is the Assurance Framework for?

The Assurance Framework provides assurance to the Departmental Accounting Officer by explaining how funding that is granted or devolved to the WMCA is allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety, and value for money.

The Assurance Framework is also designed to provide assurance about the Combined Authority's activities and spending to the Constituent and Non-Constituent Authorities and to the taxpayer. It sets out a set of clear and transparent arrangements for all stakeholders in the Combined Authority area including local authorities, citizens and businesses about how WMCA will conduct itself.

1.4　Updating the Assurance Framework

The WMCA Assurance Framework is approved by the WMCA Board, it will be reviewed as and when required by the Audit, Risk and Assurance Committee (ARAC).

The WMCA Assurance Framework is reviewed and updated on an annual basis, the next annual review of this document is scheduled for April 2021.

Any proposed changes that would result in a significant divergence from the approved Assurance Framework will be submitted to the relevant government departments.

This document was signed-off by the Cities and Local Growth Unit in MHCLG on [insert date] and by WMCA Board on 24 July 2020.

1.5　Overview

This document is split into several sections, they are as follows:
- **About the West Midlands Region**: Provides details on the geography of the region.
- **Governance and Decision-Making**: Outlines the governance and decision-making systems that underpin the WMCAs Assurance Framework.
- **Accountable and Transparent Decision-Making**: Outlines the apparatus and safeguards in place to ensure that the WMCAs decision-making is transparent and that decision-makers are held accountable for their decisions.
- **Project Lifecycle and Value for Money (VfM):** Outlines the processes that will be followed in order to ensure a rigorous and robust appraisal of projects and programmes.

This Assurance Framework should be read alongside the WMCA Constitution.

1.6　The Seven Principles of Public Life

The Seven Principles of Public Life, also known as the Nolan Principles, underpin this Assurance Framework. The WMCA seeks to uphold the highest standards of conduct and operation according to these principles and ensure robust stewardship of the resources that the WMCA has at its disposal.

The WMCA is committed to establish a culture in line with these principles which are as follows:

- **Selflessness:** Holders of public office should act solely in terms of the public interest;
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **Honesty:** Holders of public office should be truthful; and
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2. About the West Midlands Region
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2.1   Combined Authority

A combined authority is an accountable public body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries. It is far more robust than an informal partnership or even a joint committee. The creation of a combined authority means that member councils can be more ambitious in their joint working and can take advantage of powers and resources devolved to them from national government. The core purpose of a Combined Authority is to deliver better outcomes for local communities as a result of closer joint working and collaboration at a local level.

While established by Parliament, combined authorities are led by locally elected politicians and typically by a directly elected Mayor.

Devolution provides the West Midlands Combined Authority with greater freedom to direct resources to address key local needs and plan public spending as a whole to deliver more and better jobs and homes, improved transport services and infrastructure, better skills, training and public services

2.2   Geography

The Authority was established on 17 June 2016 as the Combined Authority for the West Midlands (WMCA), with the aim of improving the quality of life of everyone who lives and works in the West Midlands.

The WMCA is responsible for a range of transport, economic development and regeneration functions across the West Midlands Region. The functions of the WMCA provided or delegated to it by The West Midlands Combined Authority Order 2016 (the Order) and subsequent Orders are set out in the WMCA Constitution.

The WMCA exercises all its powers and duties in accordance with the law and the Constitution and agrees policies and delegates responsibilities to conduct its business. These latter delegations provide for the day to day management, supervision and control of services provided for by the WMCA, including the responsibilities of the statutory officers, Head of Paid Service, Section 151 Officer and Monitoring Officer.

The Leadership of the WMCA comes from the Mayor and the seven constituent local authorities, which have full voting rights and provide 2 members each on the Board. The Constituent Councils of the WMCA are the Metropolitan Councils for the local government areas of the West Midlands. Non-Constituent Authorities also support the Authority and participate as appropriate.

They are:

That makes the West Midlands Combined Authority (WMCA) as geographically defined as consisting of the following Constituent Authorities:
- o   Birmingham City Council
- o   Coventry City Council
- o   Dudley Metropolitan Borough Council
- o   Sandwell Metropolitan Borough Council
- o   Solihull Metropolitan Borough Council
- o   Walsall Metropolitan Borough Council
- o   City of Wolverhampton Council

The WMCA also covers the geography encompassing some parts or all of the areas of the regions 3 Local Enterprise Partnerships (LEPs), they are business-led organisations building relationships with local authorities and are non-constituent members of the WMCA. They are:

Black Country LEP

Coventry & Warwickshire LEP

Greater Birmingham & Solihull LEP

In addition, the WMCA has Non-Constituent representation from Local Authorities outside of the West Midland Constituent areas which can sign up for more than one Combined Authority but have less voting rights. They are:

- o Cannock Chase District Council
- o North Warwickshire Borough Council
- o Nuneaton & Bedworth Borough Council
- o Redditch Borough Council
- o Rugby Borough Council
- o Shropshire Council
- o Stratford-on-Avon District Council
- o Tamworth Borough Council
- o Telford & Wrekin Council
- o Warwickshire County Council

2.3   Annual Review of the Assurance Framework

This is a 'live' document and will be subject to a detailed annual review of its content in order to ensure that material is kept up to date and to provide quality assurance on the Assurance Framework itself.

The National Local Growth Assurance Framework and further guidance and policy set by Government may also evolve over time, in addition further funding and powers could be provided to the WMCA.

The annual review will also refer to any periodic updates of the documents referenced in the appendices to the Assurance framework, including the business case templates and evaluation criteria, monitoring and evaluation procedures and the risk log.

The Annual Review of the Assurance Framework will be led by the Audit, Risk & Assurance Committee and the WMCAs Statutory Officers.

It is anticipated that the Assurance Framework will continue to evolve and develop.

3. Governance and Decision-Making
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3.1 West Midlands Combined Authority Governance Structure

The diagram below depicts the WMCA's governance structure. This governance structure will be the framework under which all WMCA decisions are made and is designed to maximise transparency and democratic accountability. The terms of reference for each element of the WMCA's governance structure are detailed in the Governance Arrangements. This document provides specific reference to the role of the different elements of the governance structure within the investment and funding allocation process.
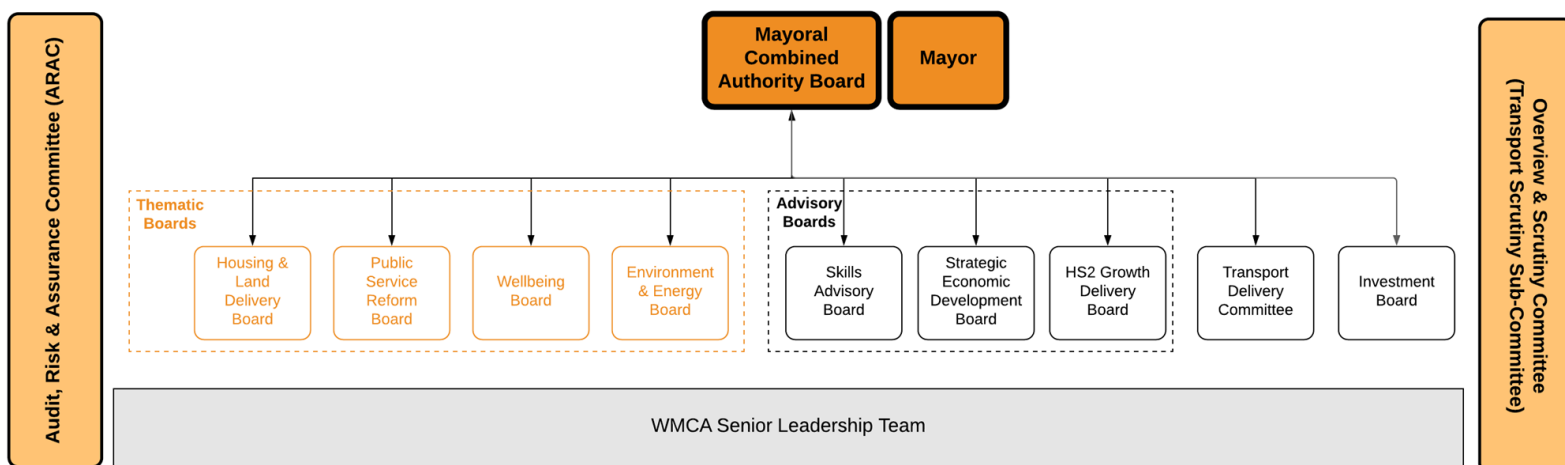
3.1.1 The Mayor

The WMCA Mayor is directly elected by the electorate across the West Midlands WMCA Constituent area, the Mayor has a manifesto of commitments on which they were elected. The Mayor is a member, and Chair, of the Mayoral Combined Authority.

The functions of the Mayor are detailed in the West Midlands Combined Authority (Functions and Amendment) Order 2017.

The Mayor's role is embedded into the WMCAs collective decision-making arrangements. The Mayor chairs the WMCA Board which is the Combined Authority's decision-making body, the Mayor votes as a member of the WMCA Board as specified in the WMCA Constitution. The Mayor will propose an annual budget which will be examined by the WMCA Board, it is the responsibility of the WMCA Board to agree a budget. The process for agreeing and rejecting a budget are detailed in legislation and the WMCA Constitution.

The £36.5 million Gain Share funding arising from the WMCA Devolution Deal 1 is part of the Investment Programme. The WMCA will monitor and evaluate the investment decisions it makes. This will be done through continual monitoring of the Investment Programme concluding in the agreement of the annual budget for the WMCA. The Mayor, as part of the WMCA and its Chair, will play a key role in influencing and confirming investment decisions together with the budget setting of the Combined Authority.

The Mayor may allocate a portfolio of responsibility to WMCA Board Members, the details of which should be provided to the Annual General Meeting of the WMCA. Any changes made to the allocation of responsibilities during the municipal year shall be notified to the next ordinary meeting of the Authority. A Member allocated a portfolio of responsibility shall be referred to as a 'Portfolio Lead Member'.

The above allocation of responsibility does not constitute a delegation of powers to a Portfolio Lead. Portfolio Leads have no delegated authority to take decisions on behalf of the WMCA or the Mayor save to the extent detailed in the WMCA Constitution.

3.1.2 The WMCA Board

The WMCA Board is the legal and accountable body for funding devolved to the WMCA, including all money allocated through the Investment Programme. The WMCA Board will monitor and evaluate non-investment programme decisions directly with the Investment Board fulfilling this function as it relates to the investment programme.

The WMCA Board is responsible for a range of transport, economic development and regeneration functions across the West Midlands Region. The functions of the WMCA provided or delegated to it by The West Midlands Combined Authority Order 2016 ("the Order") and subsequent Orders are set out in the WMCA Constitution.

The WMCA exercises all its powers and duties in accordance with the law and the Constitution and agrees policies and delegates responsibilities to conduct its business. These latter delegations provide for the day to day management, supervision and control of services provided for by the WMCA, including the responsibilities of the Head of Paid Service, Section 151 Officer and Monitoring Officer.

The remit of the WMCA Board is detailed in the WMCA Constitution along with details on voting arrangements and quoracy.

The WMCA Board meets on a bi-monthly cycle and the meetings are held in public.

The WMCA is also the Local Transport Authority for the West Midlands Region. This role is defined in the WMCA Constitution.

3.1.3   The WMCA Strategic Economic Development (SED) Board
The role of the SED Board is to advise the WMCA on overarching economic strategy and narrative, to prepare Strategic Plans as necessary and to oversee the performance and evaluation of progress in delivering against those Plans.

The LEPs are key members of the SED Board.

The Terms of Reference for the SED Board are detailed in the WMCA Constitution.

3.1.4   The WMCA Investment Board
The role of the Investment Board is to make investment decisions and make recommendations on investment decisions to the WMCA Board as appropriate, relating to applications made in accordance with the Investment Programme that underpin devolution agreements and any other investment proposals and other investment funds that the WMCA receive in line with its terms of reference.

The WMCA will monitor and evaluate the investment decisions it makes. This will be done through continual monitoring of the Investment Programme concluding in the agreement of the annual budget for the WMCA. The finalisation of this budget will involve prioritisation of the programme which could see elements of the Programme accelerated or otherwise.

The Terms of Reference for the Investment Board are detailed in the WMCA Constitution.

3.1.5   The WMCA Overview & Scrutiny Committee
The Overview & Scrutiny Committee comprises members appointed by the WMCA's constituent and non-constituent member authorities and has the power and responsibility to:

- Undertake pre-decision scrutiny of a matter yet to be determined when it has been invited to by the decision-maker, or where it considers that such pre-decision scrutiny would provide for a more considered and informed decision to be made than would otherwise be the case.
- Make a report and recommendations on any issue affecting the WMCA's area or inhabitants and which falls significantly within the powers of the Mayor, the WMCA Board or one of its committees.
- Contribute to the delivery of the WMCA's policies and strategies by undertaking work that is tailored to help support the WMCA Board in its own work programme. It might do this by undertaking research or scrutiny into a policy area, the outcomes of which will help in the delivery of a particular corporate workstream.
- Review and scrutinise any decision taken by the Mayor, the Portfolio Lead Members/WMCA Board or its committees and to make recommendations back to the decision-maker when it considers that there has been a significant flaw in the manner in which the decision was taken (Call-in)

Overview & Scrutiny Committee performs a key role within the governance arrangements of the WMCA and is publicly accountable for the effective exercise of these responsibilities. Members appointed to sit on the committee undertake this role principally to ensure that the decisions of the Mayor, Portfolio Lead Members/WMCA Board and its committees effectively and efficiently deliver the strategic objectives of the WMCA set out in its Annual Plan and other corporate strategy documents.

The WMCA Overview & Scrutiny Committee plan to initiate a new sub-group, the Transport Scrutiny Sub-Committee, with an intention to start this new sub-group in September 2020.

The Terms of Reference for the Overview and Scrutiny Committee are detailed in the WMCA Constitution.

3.1.6   The WMCA Audit, Risk & Assurance Committee (ARAC)

The WMCA has an Audit, Risk and Assurance Committee (ARAC) which is responsible for approving the statement of Accounts and reviewing the Authority's Risk Register and Annual Governance Statement. ARAC also debates and agrees Audit Actions that require implementation by the WMCA.

The WMCA Constitution details the membership of ARAC, the process for selection of a Chair and the Committees functions and procedures.

The Terms of Reference for the Audit, Risk & Assurance Committee are detailed in the WMCA Constitution.

3.1.7   Governance Protocols

The Governance Protocols for the WMCA are outlined in the WMCA Constitution, these include details relating to the proceedings of the Annual Meeting and Ordinary Meetings, and the circumstances in which extraordinary meetings are required or can be called. The Constitution also details procedure rules as well as details on public access.

Of particular relevance to the Assurance Framework, the Constitution outlines the protocols under which the governance of the WMCA can evolve and change through the creation of Committees, Sub-Committees and Working Groups of the WMCA.

3.1.8   Thematic Advisory Boards and WMCA Board Sub-Groups

The WMCA Board may establish a number of Thematic Advisory Boards and Sub-Groups to advise, make recommendations and co-ordinate activity and engagement on fulfilling its Strategic Objectives.

3.1.9   Statutory Officers

The Statutory Officer roles are defined in the WMCA Constitution and comprise of:
- **Head of Paid Service** – The WMCA Chief Executive fulfils the role of the Head of Paid Service, discharging the functions in relation to the WMCA as set out in section 5 of the Local Government and Housing Act 1989.
- **Section 151 Officer** – The WMCA Director of Finance fulfils the role of Section 151 Officer in accordance with section 151 of the Local Government Act 1972.
- **Monitoring Officer** – The WMCA Monitoring Officer discharges the functions in relation to the WMCA as set out in section 5 of the Local Government and Housing Act 1989.

3.1.10   Review of Governance

The WMCA will publish its Annual Governance Statement (AGS) on an annual basis alongside its annual accounts. This statement is prepared following an internal review of the WMCAs governance arrangements and provides details of key areas where improvements can be made. The AGS will be discussed and approved by ARAC and will also be examined by the WMCAs external auditors.

ARAC and the WMCA Overview and Scrutiny Committee will monitor and review governance arrangements within the WMCA and make recommendations on any issues raised through this process. These Committees will also play a role in considering how the Assurance Framework is operating in practice.

3.2   Cross-Combined Authority Working and Engagement

3.2.1 Cross-Combined Authority Working

Cross-Combined Authority working arrangements between members of the WMCA are detailed in the WMCA Constitution along with the Scheme of Delegations and additional delegations.

3.2.2 Engagement & Joint Working with LEPs

Engagement with and feedback from neighbouring authorities, key stakeholders and the public is key to shaping and defining the Combined Authority's activities on an ongoing basis. This has particularly been the case during the creation and development of the Combined Authority through engagement with neighbouring authorities and the three Local Enterprise Partnerships that cover the area (The Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire).

The WMCA and the 3 LEPs are committed to working collaboratively, sharing economic intelligence and to co-ordinate and monitor investment programmes to help ensure the effective use of public resources. The WMCA Strategic Economic Plan provides the basis for investment decisions and is developed in partnership with the 3 LEPs, in addition the SED Board which provides oversight, delivery support and policy development to the Strategic Economic Plan and the Local Industrial Strategy engages the 3 LEPs in key Board roles.

The 3 LEPs attend the WMCA Board as Non-Constituents, are represented on Investment Board, Thematic Boards and Overview and Scrutiny Committee. They also have officers represented on the Investment Panel and Advisory Panel

The WMCA will continue to take this approach to engaging with neighbouring authorities, key stakeholders and the public. Channels for engagement include the formal consultation process, as well as the communication and dissemination of information as set out in 4.1

3.2.3 Mechanisms for Dispute Resolution

In the event of dispute between Constituent and/or non-constituent members relating to a relevant Combined Authority matter, a dispute resolution process will be implemented. The focus of this process will be threefold:

- o to understand why dispute has occurred;
- o to determine/understand the potential implications of the dispute; and
- o to resolve where possible.

A key principle of the dispute resolution procedure is that disputes will be resolved at the most appropriate place level, i.e. for organisation with a singular district footprint the issue will be resolved at a locality level following consideration by the Chairs and Leaders of all of the stakeholders in the locality. Where disputes cannot be resolved at place level, a group comprised of an agreed number of Chairs and Leaders from each stakeholder group outside of the locality representing each of the stakeholder groups will be formed to arbitrate and make recommendations to the parties in dispute. It is intended that the recommendations made by the dispute resolution group are binding on those parties in dispute.

3.3   Interacting with 'existing; Assurance Frameworks

A number of bodies, such as the Seven Constituent Councils, that make up the WMCA may have their own Assurance Frameworks. This raises the question of how the WMCA Assurance Framework will interact with these other Assurance Framework.

There are two cases where overlap may occur:
1. Local Growth Funding (LGF): This is currently administered through the LEPs, therefore the respective LEP Assurance Frameworks will continue to apply to this funding under the National Local Growth Assurance Framework.
2. A project being funded by two or more organisations (cocktail funding): It may be the case that the WMCA provides funding to a project which requires funding from a number of organisations that have their own Assurance Frameworks. Where this is the case the WMCAs portion of the investment should be treated in the same way as a standalone project and tested through using the WMCAs Project Lifecycle and Assurance Framework. This is because the WMCAs objective is to provide assurance to itself that its portion of the investment in a project is appropriate and will deliver value for money. In such a circumstance every effort should be made to utilise the work undertaken by other bodies to avoid duplication wherever possible.

3.4   Dealing with Pre-Existing Projects

Pre-existing projects and programmes that require WMCA funding will be subject to the full Project Lifecycle process. This is to ensure that the funding contributed by the WMCA is appropriate and that it delivers Value for Money. The specific method of evaluation will be determined by the cost of the project, which is in line with the Combined Authority's approach to proportionality outlined in 5.1.4.

3.5   Treatment of Risk at the WMCA Level

A key role of the Assurance Framework is to ensure that risk is identified, monitored and managed appropriately, both at a strategic level (that is, the risks facing the WMCA as an organisation), and at a project and programme level (that is, the risks involved in any one specific investment, or group of investments). Treatment of project-specific risks are discussed in more detail in 5.1.5.

To identify, monitor, manage and mitigate risks at the strategic level, the WMCA has a Strategic Risk Register. The risk register is aligned to the strategic objectives of the Combined Authority. The key principle of the Strategic Risk Register is to account for risks that face the WMCA as a whole, to determine where and by whom such risks are borne, to establish controls to prevent the identified risk (such as funding shortfall) from materialising (such controls could also include ways to reduce the impact such as use of reserves or insuring against the shortfall). The Register is not limited to financial risks and will also consider issues such as a major divergence of interests between two or more Constituent Authorities.

In addition to the Strategic Risk Register the WMCA has developed risk management procedures that apply to activities at all levels within the organisation (generally classified as project/programme and Directorate levels to inform Strategic

Risk). These procedures are part of the WMCAs broader Risk Management Framework which is separate to this document. The Risk Management Framework also considers how risks in the constituent bodies could impact the WMCA and includes a clear set of escalation procedures.

4. Accountable and Transparent Decision-Making

4.1   Stakeholder Engagement and Transparency

A Mayoral update is distributed to stakeholders throughout the West Midlands informing them of current and planned WMCA activity and how they can get involved.

Regular social media updates concerning relevant activity are provided via the WMCA Twitter handle.

A calendar of events will be developed and made available on the WMCA website.

A continuous public relations campaign will also inform the public and stakeholders of WMCA activity.

Stakeholders and the public can contact the WMCA via the WMCAs website contact section (www.wmca.org.uk/contact-us/) or through social media.

Meeting papers and minutes, scheme business cases and evaluation reports, funding decision letters with funding levels and conditions and regular programme updates on delivery and spend against budget will be published on the WMCA website in accordance with the Access to Information Rules.

The public and stakeholders will be able to provide input via the WMCA website contact section. Stakeholders will be made aware of how to provide input to the WMCA through a newsletter which will be made available online.

The WMCA will adhere to the Local Government Transparency Code.

The principles of decision-making and statement on how investment decisions will be made can be found in the WMCA Constitution.

FOI and EIR requests will be dealt with in the first instance by the WMCAs Freedom of Information Officer.

4.2   Availability of Information Online

The WMCA is subject to the same Transparency Code that applies to Local Authorities. To deliver the responsibilities under the Code the WMCA has developed a robust, but proportionate, approach to sharing and publishing information so that it is accessible to the public.

The WMCA website contains a comprehensive set of information and there are links to the WMCA website on the Constituent Council and LEP websites. Core information regarding activity being undertaken by the WMCA and the Mayor is available on the WMCA website. The website has been designed for ease of navigation and to enable members of the public to locate and download information on meetings, decisions and activities.

Transport schemes will upload scheme designs and business cases to the WMCA website for 30 days ahead of any approval of such documents. Additional to this the WMCA will upload all of its evaluation of interventions documents and they will be visible to external stakeholders so that external comment is possible.

The WMCA Constitution includes a publication scheme which sets out how and when agendas, minutes, papers and other documents produced by the WMCA will be made available to the public. It also sets out any exceptions to publishing information, such as not disclosing information that is prohibited by law or which is exempt under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000.

The WMCA is subject to the Local Government Act 1972, the Freedom of Information Act 2000, Data Protection Acts of 1998 and 2018, the General Data Protection Regulations (GDPR) and the Environmental Impact Regulations 2004.

The public are made aware of their right to access information through the WMCA website. Requests for information are dealt with in accordance with the relevant legislation and information is not unreasonably withheld.

4.3   Meeting Papers

The schedule of Committee meetings for the calendar year ahead are published on the WMCA website.

The notice of meetings, the agenda and the accompanying papers are published five clear working days in advance of the meeting. Where papers contain commercially sensitive information or are subject to one of the exemptions under the

Local Government Act 1972 Schedule 12A or the Freedom of Information Act 2000, they are not published and are categorised as a private item. Decisions on whether individual agenda items are private items are made by the Monitoring Officer using existing local authority regulations.

Draft minutes of meetings are published no more than ten working days after the meetings on the WMCA website. All WMCA Board minutes are signed at the next suitable meeting and published within ten clear working days.

4.4   Notice of Decisions

The WMCA publishes a Forward Plan of Key Decisions that will be taken by the WMCA at least 28 days before the decision is made to enable members of the public the opportunity to view and comment on them.

Details of all project approvals made by the WMCA are recorded in the appropriate meetings minutes. In addition, the WMCA maintains an Activity Register to support the Senior Leadership Team and a Contracts Register which provides details of all contracts and agreements signed by the WMCA.

4.5   Information on WMCA Board Members

The WMCA website contains information relating to the Mayor and to WMCA Board Members, as well as Constituent, Non-Constituent and Observer Members of the WMCA.

4.6   Publication of Financial Information

A range of budgetary and financial information is published on the WMCA website so that it is transparent and accessible to the public, this includes the Annual Statement of Accounts. The WMCA will ensure that this information is complete and up to date.

4.7   Transparency of Pay for Senior Employees

As part of its Annual Statement of Accounts the WMCA will publish information on the pay and benefits of senior employees.

4.8   Status and Role of Accountable Body

The WMCA is a local authority for the purposes of the Local Government Act 1972 (and the Local Democracy, Economic Development and Construction Act 2009) and is the Accountable Body for public expenditure that supports the WMCA Vision, facilitating collective decision making between constituent partners in economic development, regeneration and transport.

The WMCA is the Accountable body for all the devolved funding streams set out in the Devolution Deals and which as a consequence are paid to the WMCA. The WMCA will therefore be responsible for:
- o   Prioritising projects against the available resources
- o   Ensuring value for money
- o   The evaluation of outcomes
- o   Risk management

The WMCA holds all funding, enters into contractual arrangements and processes payments. The WMCA also provides programme management to account for the funding and ensures that the impact of investment is assessed.

In performing this role, the WMCA will ensure that it acts in a manner that is lawful, transparent, evidence based, consistent and proportionate. The detailed process is set out in Section 5 of this Assurance framework.

The WMCA has appointed a statutory Chief Finance Officer under section 73 of the Local Government Act 1985 and a statutory Monitoring Officer under section 5 of the Local Government and Housing Act 1989. The Chief Finance Officer role will ensure that resources are used legally and appropriately and that they will be subject to the usual checks and balances by making sure there is a sound system in place for financial management. The Monitoring Officer role will ensure that all legal responsibilities are adhered to.

The WMCA will comply with the audit and scrutiny requirements set out in the 2009 Act and the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the NTCA will ensure that it acts in a manner that is lawful, transparent, evidence based, consistent and proportionate.

This Assurance Framework will be reviewed on an annual basis to ensure that it remains relevant to the operations of the WMCA.

4.9   Responsibilities of the Section 151 Officer

The responsibility for the financial affairs of the WMCA rests with the Section 151 Officer.

The Section 151 Officer is responsible for:
- Ensuring that funds are used legally, appropriately and are subject to the usual local authority checks and balances, including discharging financial duties under the Financial Regulations 2018;
- after consulting with the Head of Paid Service and the Monitoring Officer, report to the Authority and the Authority's external auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Authority is about to enter an item of account unlawfully;
- have responsibility for the administration of the financial affairs of the Authority and undertake the functions under any enactment (whenever passed) of a chief finance officer, proper officer or responsible officer (or other designation used in the enactment) concerning the Authority's accounting practices, audit arrangements or its financial affairs and arrangements;
- Ensure the publication of the Annual Accounts;
- Certifying that funding can be released under the appropriate conditions (in line with statutory duties);
- Ensuring that the established professional codes of practice are applied;
- Signing off value for money statements for all funding applications as true and accurate;
- contribute to the corporate management of the Authority, in particular through the provision of professional financial advice;
- provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, Members and Officers and support and advise Members and Officers in their respective roles;
- provide financial information to the media, members of the public and the community;
- act as the Proper Officer for the Authority in relation to:
  - section 115(2) of the Local Government Act 1972 – receipt of money due from Officers;
  - Section 73 of the Local Government Act 1985 – administration of the financial affairs of the Authority.
- VfM is achieved for all proposals and that this is in line with HMTs VfM principles

4.10   Responsibilities of the Monitoring Officer

The responsibility for legal and governance affairs of the WMCA rests with the Monitoring Officer.

The Monitoring Officer is responsible for:
- providing advice on, and maintaining an up-to-date version of, the Constitution and ensuring that it is widely available for consultation by members, employees and the public;
- after consulting with the Head of Paid Service and Chief Finance Officer, report to the Authority if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposed decision being implemented until the report has been considered;
- contributing to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee (formed as a Sub-Committee of the Audit and Risk Assurance Committee);
- oversee investigations into complaints made under the Members Code of Conduct and, where appropriate, make reports or recommendations in respect of them to the Standards Committee;
- ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible;
- advising whether decisions are within the budget and policy framework and whether any particular decision or proposed decision constitutes a key decision;
- providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, Members and Officer, and generally support and advise Members and officers in their respective roles;
- act as Secretary and Clerk to the Authority;
- act as the Proper Officer in relation to the relevant sections of the Local Government Act 1972
- discharging the functions under any enactment (whenever passed) of a Monitoring Officer, Proper Officer or responsible officer (or other designation used in the enactment) concerning the Authority's legal affairs and arrangements, including compliance with the law.

4.11   Audit and Scrutiny

The Cities and Local Government Devolution Act 2016 imposes the statutory requirement upon the WMCA to establish both a Scrutiny Committee and an Audit Committee. Full details of the requirements of the Act can be viewed at www.legislation.gov.uk/ukpga/2016/1/contents/enacted

The WMCA Overview and Scrutiny Committee has the power to:
o Review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor and/or the Authority;
o Make reports or recommendations to the Authority and/or the Mayor with respect to the discharge of any functions that are the responsibility of the Authority and/or the Mayor;
o Make reports or recommendations to the Authority and/or the Mayor that affect the Authority's area or the inhabitants of the area
o Direct that a decision is not implemented while it is under call-in; and
o Recommend that a decision be reconsidered.

The full details of the powers and responsibilities of the Overview and Scrutiny Committee can be viewed at www.legislation.gov.uk/ukpga/2016/1/schedule3/enacted and the terms of reference of WMCAs Overview and Scrutiny Committee are detailed in the WMCA Constitution.

The WMCA Overview and Scrutiny Committee has powers to call-in decisions not yet implemented for scrutiny, these powers are set out in the WMCA Constitution.

The WMCA Audit Committee is the Audit, Risk and Assurance Committee (ARAC). The functions of ARAC are:
o Approving the Annual Accounts
o Reviewing and scrutinising the WMCAs financial affairs
o Reviewing and assessing the WMCAs risk management, internal system of controls and corporate governance arrangements
o Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the WMCAs functions
o Making reports and recommendations to the WMCA in relation to the above points.

The Terms of Reference for both the WMCA Overview and Scrutiny Committee and ARAC are detailed in the WMCA Constitution.

4.12   Internal and External Audit

The WMCA has established processes for internal and external audit. The Strategic Hub produces an Integrated Assurance and Approval Plan that outlines the planned assurance activities for projects and programmes across a 3 lines of defence model and will therefore be inclusive of audit activity in the 3rd line of defence. In addition, the Statutory Officers produce an Annual Audit Plan that will include any audit activity for assessing wider WMCA systems of control as well as activity relating to projects and programmes that ARAC approves.

4.13   Checks and Balances

The use of resources by the WMCA are subject to standard local authority checks and balances. In particular, this includes the financial duties and rules which are required councils to act prudently in spending and to ensure transparency that annual accounts are published. The development of these checks and balances is overseen and managed by the WMCAs Section 151 Officer.

4.14   Strategic Objective and Purpose

The Strategic Objectives and purpose of the WMCA directed by the Strategic Economic Plan, Local Industrial Strategy and other strategic plans are set out on an annual basis in the WMCA Annual Plan. The purpose of this Annual Plan is to:

o Set out the WMCA priorities for the municipal year so that partners and stakeholders are clear on the key areas of focus
o Provide a strategic context for the WMCA as an organisation so that service plans and operational activity are aligned to the overall vision and priorities
o Enable the WMCA to articulate what is being delivered, and be able to oversee and review progress against priorities

The strategic economic plan (SEP) sets out the founding vision, objectives, strategy and actions to improve the quality of life for everyone who lives and works in the West Midlands. It has been developed and agreed by a wide partnership of people, organisations and businesses who share a pride in, and ambition for, an area with unique assets, challenges and opportunities. This has been further developed through the Local Industrial Strategy.

The SEP is based on an understanding of what makes the West Midlands different; its uniqueness is not simply based on its location in the heart of the country and a long and proud history of manufacturing excellence, but its cultural diversity, its track record in innovation and its potential to support a young, diverse population to flourish across its cities, towns, villages and countryside.

The SEP's ambition is based on the recognition that, through devolution, the West Midlands' assets can be enhanced to benefit not only its residents and businesses, but the entire nation. Economic growth across the West Midlands delivers a better, more successful and more vibrant UK economy, playing a key role in maintaining and improving the UK's global competitiveness.

Devolution and the creation of the West Midlands Combined Authority (WMCA) have provided the region with a once in a lifetime opportunity to transform the area through a robust and focused programme of change. The WMCA's vision-led approach to transformation enables ambitious, yet achievable outcomes focused on the issues that matter; the issues that make the biggest differences to the quality of life of the people who live in the area.

The SEP has been developed through a powerful collaboration of organisations who have played to their strengths and shared their expertise to ensure the WMCA's vision is robust, achievable and ambitious. In particular, the leading role universities play in economic development has been a key factor in the development of the SEP.

It sets the context for the WMCA's first devolution agreement with Government and explains how devolved powers and resources will be used. It also sets the scene for subsequent devolution agreements with this and future governments.

The WMCA provides the scale and capacity to respond to the opportunity of devolution and go further and faster in enabling economic growth. It also enables the area to contribute to, and benefit from, the ambitious Midlands Engine programme with its focus on skills, innovation, transport and inward investment.

The area's innovation infrastructure will play a crucial role in increasing productivity and reforming public services, with the recommendations of the Midlands Engine Science and Innovation Audit informing the WMCA's approach.

The strategy uses the economy plus model to deliver the vision and is based on the strengths, challenges and opportunities faced across the area and the development of a strategic approach that focuses on priority actions, channels and principles.

The eight priority actions are:

1. New manufacturing economy: harnessing the biggest concentrations of high value manufacturing businesses in Europe and their supply chains.

2. Creative and digital: further developing the area's vibrant and flourishing sector.

3. Environmental technologies: securing transformational environmental improvements.

4. Medical and life sciences: enabling the further growth of the medical and life sciences sector and supporting other businesses to diversify and become part of the sector's supply chain.

5. HS2 growth: maximising the benefits of the largest infrastructure project in Europe.

6. Skills for growth and employment for all: ensuring the skills needs of businesses are met and everybody can benefit from economic growth.

7. Housing: accelerating the delivery of current housing plans to increase the level of house building to support increased level of growth.

8. Exploiting the economic geography: making the most of the scale and diversity of the West Midlands' geography to enable economic growth and community wellbeing throughout the urban core and rural areas.

This approach has been complemented by the development of the Local Industrial Strategy, co-designed in partnership with the region and government. It sets out the actions the West Midlands is taking to support growth in productivity and earning power for all. It considered the economy from two perspectives, which led to the identification of new market driven opportunities for growth and specific barriers and opportunities that exist for each of the foundations of productivity, together with their spatial distribution, proposing actions that will support the whole of the West Midlands to take advantage of strategic opportunities ahead.

The WMCA is also the Transport Authority for the West Midlands, delivered through Transport for West Midlands (TfWM).

Transport for West Midlands (TfWM) co-ordinates investment to improve the region's transport infrastructure and create a fully integrated, safe and secure network. It is also responsible for assessing and planning for the region's future transport needs so the network can meet the demands of businesses and a growing population.

The expansion of the Midland Metro tram system is just one of the many projects that TfWM is delivering to help meet those future needs. Working in partnership with bus and train operators, TfWM develops integrated and smart ticketing while providing free fares for the elderly and disabled and half price travel for children. Funding is also used to support the Ring and Ride service and provide socially necessary bus services on those routes or at those times that are not commercially viable for the private bus companies.

By forging voluntary partnerships and agreements with bus and train operators, TfWM helps drive through improvements to services while providing other benefits for passengers. These include free Park and Ride facilities at stations and travel information through mobile apps and real time information as well as the traditional paper timetables at bus stops.

Alongside new ways of working, performance management and governance frameworks, this will ensure resources are focused in the right places at the right times to deliver fast, flexible and dynamic change for residents, businesses, their employees and cities, towns and villages across the West Midlands.

The WMCA is focused on taking swift action to deliver its vision and a first phase of activity is already underway; the creation of a growth company working with the private sector and across the area will support and help accelerate the delivery of the SEP.

This SEP outlines in more detail the strengths, challenges and opportunities facing the area and the strategic approach the WMCA will take to deliver its vision.

At the heart of the strategy is the drive to accelerate an improvement in productivity and enable the West Midlands to become a net contributor to the UK exchequer - while improving the quality of life for everyone who lives and works in the area.

4.15   Equality and Diversity

When exercising public functions, the Mayor and/or WMCA will take into consideration section 149 of the Equality Act 2010 and consider the impact upon people/ groups with protected characteristics and specifically will consider how the project had had regard to:
1. The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act
2. The need to advance equality of opportunity between people who share a protected characteristic and people who do not
3. The need to foster good relationships between people who share a protected characteristic and people who do not.

During the application process for WMCA funds, project sponsors will be required to provide evidence to this end, this will be assessed through an evaluation of the business cases submitted by applicants.

In addition, the WMCA has developed its own standards that it wishes to drive through its projects and programmes, one of which is consideration and development of Inclusive Growth. Continued regional inequalities and the impact of Covid-19 on some groups (e.g. BAME individuals and elderly people) reinforces the need for the WMCA to continue to develop processes and initiatives to drive inclusive growth, such as:

INCLUSIVE GROWTH

Inclusion Strategy	Publish an inclusion strategy which outlines the actions the WMCA will take to support better outcomes for marginalised and minority groups.
Inclusive Initiatives	The WMCA should lead by example and deliver initiatives that supports the development of those from deprived areas.
Broader Outcomes	The WMCA project appraisal process should go beyond traditional Green Book cost benefit analysis and demonstrate wider benefits such as those that positively impact marginalised and minority communities. The development of the 'West Midlands Way' approach to business cases will help drive WMCA specific considerations around inclusive growth.
BAME Business Engagement	The WMCA should utilise additional communications channels to ensure further engagement with BAME owned businesses.

4.16   Whistleblowing

The WMCA Constitution sets out how the WMCA Complaints and Whistleblowing Policy, including how concerns can be raised in confidence and how those concerns will be dealt with.

Th WMCA Whistleblowing Policy can be viewed at https://www.wmca.org.uk/media/2033/whistleblowing-policy.pdf

Further details on the WMCAs Complaints Procedure can be viewed at: https://www.wmca.org.uk/policies/

4.17   Registration and Declaration of Interests

Members of the WMCA must register their interests. Elected Members will have already undergone this procedure within their own local authority and each local authority register of interests will be applicable, supplemented by a request for the need to make any additional declarations to reflect the application of the code across the WMCA geography (i.e. interests that arise within the WMCA area but outside the elected member's own local authority area).

A collated register of interests of all members of the WMCA will be maintained and will by Governance Services, details of the Mayoral register of interests and the wider register can be accessed via the WMCA website. The register of interests procedure will follow the code of conduct for Members which is set out in the WMCA Constitution.

Members must act in the interest of the whole WMCA area and not solely in the interest of their geographical area.

Completed registration of interest forms are accessible via the WMCA website.

4.17.1 Conflict of Interests Policy
Members of the WMCA are expected to act in the interests of the West Midlands region as a whole when making decisions. The WMCA has a Code of Conduct which covers the declaration and registration of interests. Members are called upon to declare any interests that arise at meetings of the WMCA and to take appropriate action, further details can be found in the WMCA Constitution.

4.18   Gifts and Hospitality

The code of conduct for Members outlines the specific terms for the declaration of gifts and hospitality received as a Member including the notification process to the WMCA Monitoring Officer by which all Members must abide.

4.19   Complaints Procedure

Complaints from stakeholders and members of the public will be dealt with and resolved in accordance with the WMCAs Customer Care Charter and Complaints Procedure.

5. Project Lifecycle and Ensuring Value for Money

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5.1 Principles and Objectives

The purpose of the Project Lifecycle is to provide a framework for the WMCA to initiate, develop, appraise and make rigorous assessments regarding the quality and value for money of its projects, programmes and investments.

Specifically, the Project Lifecycle assesses projects against a range of strategic, economic, financial, commercial and management objectives and criteria. This assessment is primarily undertaken using HMTs Five Case Business Case Appraisal Process, it has been further enhanced to specifically tailor it to the needs and requirements of the WMCAs objectives and requirements to create the 'West Midlands Way'.

The intent of the project lifecycle is to deliver consistent processes and decision-making that are proportionate, flexible, comply with a Single Assurance Framework approach (and National Local Growth Assurance Framework guidelines) and deliver increased confidence in the WMCAs ability to make informed decisions.

The objectives of this Assurance Framework are to:
o   Provide WMCA with Financial and Governance Protections for stewardship of public funds
o   Improve standards of project initiation, development, delivery and oversight
o   Trust and empower WMCAs officer expertise
o   Provide the necessary consistency, controls and clarity that will deliver confidence in the WMCAs decision-making and ability to deliver
o   Embed appropriate Assurance and lines of defence within project development and decision-making process
o   Manage political and reputational risks

The project lifecycle model is supportive to Portfolio's and Directorates, delivering WMCA specific standards such as ensuring earlier input to project development for Legal and Finance and ensuring earlier opportunities for cross portfolio developments and inclusive growth considerations.

The project lifecycle has been developed to support external assurance requirements from Central Government and others to avoid the need for duplication of efforts.

The principles and objectives of the WMCAs Project Lifecycle are based around 'the golden thread'. The golden thread refers to the approach of aligning strategic organisational objectives with the outputs and actions of the organisation. The golden thread seeks to connect the organisational vision with analysis, processes, systems and people; leading to a common understanding as to how the vision, goals and values of the organisation are intrinsically linked to everyday tasks.

Ensuring that projects and programmes will clearly contribute to the delivery of the WMCAs agreed strategic objectives is a key principle of the Single Assurance Framework, embedding strategic fit considerations right from initiation through the Funding Initiation Document (FID), which requires clear consideration and justification of strategic fit and alignment in order to achieve initiation.

The need to demonstrate with evidence the strategic justification of a proposal from concept, through initiation, through development, through approval and through monitoring and evaluation is a key principle of the project lifecycle.

The Project Lifecycle can be illustrated as follows:

The Project Lifecycle
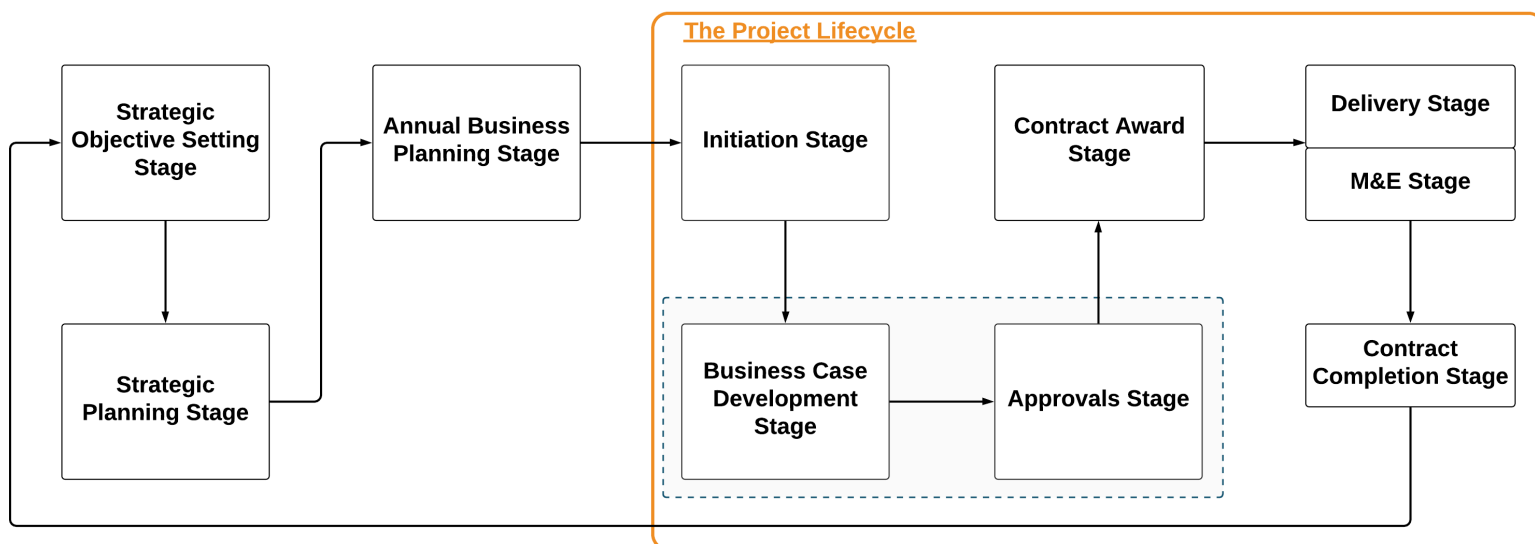
5.1.1 Appraisal and Evaluation

The project lifecycle is built around the role of appraisal and evaluation which is to provide objective analysis and support decision-making. The WMCA requires all schemes requiring a form of investment from the WMCA to develop proposals in line with this Assurance Framework, this requires schemes to undergo a proportionate appraisal to assess the merits of the application, its strategic fit (delivering the golden thread) and value for money and to ensure that it is deliverable.

The project lifecycle, the business case components and criteria for consideration, have been developed using HMTs Green Book guidance on how to appraise policies, projects and programmes. In addition, the project lifecycle has been developed to reflect guidance provided by further HMT guidance such as:

- o Managing Public Money – provides guidance on the responsible use of public resources
- o Aqua Book – sets out standards for analytical modelling and assurance
- o Magenta Book – provides detailed guidance on evaluation methods

In addition, the project lifecycle reflects guidance specific to transport projects and programmes provided by Department for Transport (DfT) such as the Transport Business Case, WebTAG and DfT Value for Money Framework.

It should also be noted that there are separate assurance arrangements in place for administrating the functions of the Adult Education Budget (AEB) provided by the Department of Education (DfE). Further detail on the separate arrangements for AEB are provided in Annex C of the National Local Growth Assurance Framework. These administration arrangements do not cover the project lifecycle for the development of AEB projects which would still be covered by the Single Assurance Framework.

There is a single process to be applied through the Assurance Framework to projects and programmes developed across the WMCA, whether they be Housing, Transport, AEB or other schemes.

5.1.2   Value for Money

A key objective of the Single Assurance Framework, and of the project lifecycle more specifically, is to support the WMCA in making judgements about the Value for Money (VfM) of potential investments and to accept or reject investments accordingly. This will be conducted via a single approach and methodology and is aligned to the guidance in HMT's green book.

An assessment of VfM is derived through a process under which the WMCA procurement, projects and processes are systemically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, judged for the Exchequer as a whole (HMT Guidance – Managing Public Money). This is conducted in a proportionate way so for example for schemes that have total costs in excess of £20 million; have a benefit cost ratio (BCR) below 2; or have notable local opposition to implementation, the scope of the scrutiny will be extended.

Value for Money will be assessed using three principles of criteria:

- o Economic (i.e. minimisation of resource usage or spending less so utilisation of the appropriate resource both capability and capacity);
- o Efficiency (i.e. the relative level of outputs and the resources used to produce them or spending well); and,
- o Effectiveness (i.e. the relationship between the intended and actual results of public spending or spending wisely).

WMCA will also consider whole life costs in relation to asset management and OPEX costs, additionally it will review road maps and future development of innovation and technology to ensure there are no threats around products becoming obsolete.

Questions and criteria have been embedded into the project lifecycle to test projects against VfM requirements. When assessing VfM the WMCA will follow HMT Green Book business case guidance, ensuing that there is a clear audit trail of decisions. WMCA will also follow any additional relevant departmental supplementary guidance such as MHCLG guidance relating to housing and commercial development interventions. VfM statements will be provided to decision-makers at each approval stage.

The project lifecycle will seek to apply proportionality to the level and detail of information required, in line with the appropriate guidance, dependent upon the value and complexity of the proposed intervention. This is accounted for through applying proportionate levels of criteria to the development of business cases.

For all projects and programmes, accountable decision-making authorities need to ensure that there is a named individual with overall responsibility for ensuring Value for Money, at WMCA the named individual is the Section 151 Officer. They are responsible for signing off the VfM requirements have been met for all schemes and for the scrutiny and recommendations for each business case

Transport Schemes
For Transport Scheme there will also be a requirement to conduct appraisals and value for money assessments based on WebTAG guidance.

Transport for West Midlands (TfWM) will ensure that scheme traffic/public transport modelling and appraisal is robust and meets this guidance at the time a business case is submitted for each stage of approval. The assessment of the scheme traffic/public transport modelling and appraisal will require expert resources which are independent of each scheme sponsor. Appropriate resource will be commissioned with suitable experience of major Transport scheme business case development and independent of the scheme sponsor in question, this may be an internal SME or alternatively where required a consultant (i.e. a transport SME could not sit on a panel assessing scheme traffic/public transport modelling if it has been commissioned (in whole or part) to develop the traffic model in question).

The scope of the scrutiny will be dependent on the type and scale of the scheme. All schemes will be assessed against a set of core requirements by an independent panel and as such will be subject to independent scrutiny. These are detailed in the table below.

TOPIC	REQUIREMENT
Modelling approach	Has the scheme promoter applied the proportionate modelling methodology that was discussed and agreed with TfWM /DfT at the start of business case development?
Model validation and calibration	Has the traffic or public transport model been validated and calibrated in line with WebTAG guidance?
Central case assessment	Is the central case assessment based on forecasts which are consistent with the definitive version of the National Trip End Model?
Modelling reports	▪ Have the following reports been provided and do the reports articulate a robust case for investment: - ▪ Data Collection Report; ▪ Local Model Validation Report; ▪ Demand Model Report; and ▪ Forecasting Report?
Business Case	Have all five components of the business case been completed in line with WMCA guidance to scheme promoters as detailed in 5.2: - ▪ Strategic case; ▪ Economic case; ▪ Commercial case; ▪ Financial case; and ▪ Management case
Appraisal Summary Table (AST)	Has a completed AST been provided
Delivery	Has an existing delivery framework been identified?

Risk	Has a QRA been undertaken using @Risk software to model the Monte Carlo simulation and obtain the P50 value?
Value for Money	Does the scheme have a value for money assessment of 'high' or 'very high' based on the information provided by the scheme promoter?
Evaluation	Has a monitoring and evaluation approach been agreed with the WMCA?
Planning Dataset	Compliance and utilisation of NTEM

The level and detail of required modelling for transport schemes will be applied proportionally in line with WebTAG guidance and the WMCAs approach to business case development as detailed in the project lifecycle.

For schemes that have total costs in excess of £20 million; have a benefit cost ratio (BCR) Below 2; or have notable local opposition to implementation, the scope of the scrutiny will be extended. This will require the external scrutiny to analyse the data presented by the scheme promoter in more detail by auditing all components of the business case and confirming (or otherwise) WebTAG compliance.

For these schemes, TfWM will develop a scrutiny brief that is specific to the scheme in question. An independent panel will be appointed to undertake this work in line with an agreed timetable.

The output of standard or extended scrutiny will be presented to TfWM, who will inform the scheme of the findings and make a recommendation regarding further action. The recommendations are likely to be focused on the following responses: -

- Acceptance of the scrutiny findings and agreement that no further work required;
- Further dialogue with the scheme promoter (this is likely to involve posing questions and then assessing the responses to these);
- Commissioning a 'second opinion' from a suitably qualified person or persons; or
- Additional work is specified for the scheme promoter to conduct and an appraisal of this work is undertaken on completion.

Any additional technical work generated by this process will be commissioned and monitored by TfWM. Scrutiny findings will be reported to the WMCA as part of the decision-making process. The WMCA will be asked to approve the scrutiny findings based on a recommendation from TfWM, once all the required work has been completed.

No full approval decision will be made until acceptance and approval of the scrutiny findings has been agreed by TfWM.

Central case assessments will be based on forecasts that are consistent with the definitive version of the Department for Transport's National Trip End Model (NTEM) and accessed using TEMPRO software. The forecasts include population, employment, households by car ownership, trip-ends and simple traffic growth factors based on data from the National Transport Model (NTM).

This approach will be supplemented with locally specific land use change figures set out in the WMCA Strategic Economic Plan, Individual Core Strategies and supporting Local Development Frameworks. These will include housing and employment growth forecasts.

All schemes will be subject to a formal review process at the end of each major stage of the project lifecycle. This is in addition to the regular reviews of progress which are undertaken throughout the life of the project.

The key stages at which reviews will take place include: -

- TfWM appraisal of business case (programme entry approval)
- Detailed design
- Statutory orders and acquiring land/property
- Procurement
- TfWM appraisal of business case (full approval)
- Construction

Reviews will include consideration of the project management process and quality plan (risk management) procedures. The work supporting the review process will be undertaken by the scheme sponsor and be submitted to the WMCA Managing Director of TfWM, who will appraise submissions on behalf of the Combined Authority. This may necessitate using external resource if reviews cannot be appraised from within the Authority.

The review findings will be reported to the scheme sponsor and TfWM.

Scheme sponsors will be required to seek early technical advice (i.e. at the start of business case development) from officers working on behalf of TfWM regarding modelling approach and assessing the social and distributional impacts (SDI) of schemes. These work streams can have significant lead times and the intention is that the overall approach is approved at an early stage in order to prevent any abortive work (with significant cost implications) being undertaken.

The Scheme Promoter will produce a Value for Money (VfM) statement for each scheme put forward for approval summarising the overall assessment of the economic case for the scheme. This statement will be in line with WebTAG guidance.

The VfM statement will include: -
- Value for money category of the scheme (and explanation for this);
- Present Value of Benefits (PVB), Present Value of Costs (PVC), and Benefit Cost Ratio (BCR);
- Summary of the benefits and costs that have been assessed, including any assumptions that influence results;
- Assessment of non-monetised impacts; and
- Identification of any key risks, sensitivities and uncertainties.

The initial value-for-money appraisal, which is based on an assessment of the scheme's monetised impacts in line with WebTAG (e.g. journey time savings and accident reductions), will result in each scheme being placed in one of five categories: -
- Very High – where benefits are greater than 4 times costs;
- High – where benefits are between 2 and 4 times costs.
- Medium – where benefits are between 1.5 and 2 times costs.
- Low – where benefits are between 1 and 1.5 times costs; and
- Poor – where benefits are less than costs.

Whilst the benefit/cost ratio (BCR) (or initial VfM assessment) is not the only consideration impacting on scheme approval (scheme affordability being another key determinant, for example), TfWM policy will be to consider funding: -
- Schemes with very high VfM; and
- Schemes with high VfM.

Schemes with a BCR of 2 or above, accounting for significant non-monetised impacts and key uncertainties will be given priority. However, schemes with medium, low or poor VfM will still be eligible for investment in line with webTAG guidance. There are reasons for investing in a scheme with level 1 benefits giving a BCR below 2, namely a strong strategic case where non monetised benefits would be summarised in the AST. The other is calculating the wider level 2 benefits (wider economics assuming fixed land use) and producing an adjusted BCR which would be above 2.

In order to articulate a comprehensive set of reasons for making an investment, the VfM assessment will ultimately need to take into account the non-monetised costs and impacts of each scheme. This will involve consideration of both quantitative and qualitative assessment of scheme impacts and a judgement as to how they affect the overall VfM appraisal of the scheme.

Consequently, TfWM will take account of other compelling reasons for investing in a scheme (e.g. significant numbers of jobs created or investment unlocked) within the context of a wider VfM appraisal. For example, the WMCA has created Inclusive Growth criteria to assist in the consideration of the Social Value of a scheme based around benefits for future generations, locking in wealth, community engagement and universal design. Additionally key strategic objectives such as West Midlands 2041 that sets out the Climate Action Plan will for example look to support infrastructure to support the transition to electric charging, or improved digital connectivity through 5G which can reduce the need to travel. This may mean, for example, that a scheme may have an initial 'medium' VfM assessment but the non-monetised impacts generated by the intervention elevate this scheme to a final 'high' VfM assessment; equally a scheme with an initial 'high' VfM assessment could have that assessment reduced when non-monetised costs are considered e.g. adverse environmental impacts.

All independent scrutiny and appraisal of VfM statements will be considered by decision-makers at each approval stage, this includes that undertake through the Assurance Team, Risk & Investment Appraisers, Statutory Officers, the appropriate Panel (Investment or Advisory) and the parent Board (Investment Board or WMCA Board). This information is detailed in section 5.4.

Business cases must be published (and publicised) before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders must be available to relevant members or boards when decisions are being taken.

As set out in section 4.2, Transport schemes will upload scheme designs and business cases to the WMCA website for 30 days ahead of any approval of such documents. Additional to this the WMCA will upload all of its evaluation of interventions documents and they will be visible to external stakeholders.

5.1.3 Projects vs Programmes

The Assurance Framework project lifecycle has been designed to assess and prioritise WMCA interventions at a programme and project level.

The Assurance Framework recognises that the objectives of the WMCA can only be met through the delivery of effective Programmes that account for and take advantage of the interdependencies between individual projects. However, the role of the Assurance Framework is to provide a 'framework' through which the WMCA can make a judgement about whether each individual project is robust and has been rigorously assessed against a specific set of criteria to ensure that it achieves Value for Money.

To assist with this process the project lifecycle has a Programme Business Case that requires completion to enable a programme to make its way through the project lifecycle.

5.1.4 Proportionality

The Assurance Framework is designed to reflect the purpose and intent of devolved funding which is delivery and to ensure that all stages of the project lifecycle are undertaken in a proportionate manner relative to the size of the investment required. This is crucial so that project sponsors are not put off by overly burdensome, bureaucratic and costly application processes when applying for small amounts of investment for a low value project. Similarly, it is crucial that large investments that place an additional financial liability on the WMCA are scrutinised and tested appropriately through a higher threshold of assurance and informed decision-making.

WMCA has built set proportionality into the business case templates and appraisal and approval criteria within its project lifecycle. In addition, route identification at the initiation phase will identify the level of proportionality that is required to be applied to the development of an application for funding.

5.1.5 Treatment of Risk at the Project Level

The approach to managing risk is comprehensive and in accordance with HMTs Orange Book principles and other project management guidance. Robust control measures and a Strategic Risk Strategy are in place to provide accountability and support due diligence.

As part of the project lifecycle and business case evaluation process applicants are required to develop a project risk and issues log in line HMT guidance. This will detail all of the project specific risks that have been identified during the development phase of the project.

The WMCA approach to business cases, built on Green Book guidance, requires project risk criteria to be considered and evidence throughout the project lifecycle.

5.2 WMCA Approach to Business Cases

The key principles that underpin the Single Assurance Framework include delivering enhanced evidenced based decision-making across everything that the WMCA does. All business cases must include the evidential basis on which the WMCA will ensure that it identifies the need and/or opportunity for intervention using rigorous analysis of quality data.

Ever increasing demand for public services creates ever more pressure on the public resources available, increasing the need to make better use of these limited resources. The challenge to those preparing and advising on spending decisions has never been greater. In this context, it is vital that spending and investment decisions are based on highly competent professionally developed proposals.

This best practice guidance from the Treasury has been refined and tested over many years, and it provides a clear framework for thinking about spending proposals and a structured process for appraising, developing and planning to deliver best social value for money: all of which is captured through a well prepared business case to support objective, evidence based decisions.

Delivering a well-prepared business case to support objective, evidence-based decisions is a key requirement of the Single Assurance Framework. To support this approach the Single Assurance Framework requires the development of business cases using the Five Case Model in a scalable and proportionate way, incorporating WMCA requirements to demonstrate cross-collaboration and inclusive growth considerations at every opportunity and ensuring the 'golden thread' of the WMCAs strategic objectives is driven throughout the case.

Experience has demonstrated that when this guidance is embedded in public sector organisations, better more effective and efficient spending decisions and implementation plans are produced. At the same time the approach when correctly understood and applied provides a more efficient planning and approval process saving between 30% and 40% in time taken and cost of production of business cases compared with unstructured approaches.

The Project Business Case is important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. The objective review, appraisal and assessment of business cases, assessed against appropriate predefined criteria and supported by SME input and validation, ensures that decisions are taken using quality data and information.

Preparing a Project Business Case using the five-case model provides decision makers and stakeholders with a proven framework for structured 'thinking' and assurance that the project:

o **Provides strategic fit and is supported by a compelling case for change.**
This dimension of the five cases focuses on business planning and is the 'strategic case' section within the Project Business Case.

o **Will maximise public value to society through the selection of the optimal combination of components, products and related activities.**
This dimension of the five cases focuses on options appraisal and the identification of the preferred option and is the 'economic case' section within the Project Business Case.

o **Is commercially viable and attractive to the supply side.**
This dimension of the five cases focuses on the development and procurement of the potential Deal and is the 'commercial case' section within the Project Business Case.

o **Is affordable and is fundable over time.**
This dimension of the five cases focuses on the whole life costs of the proposed Deal and is the 'financial case' section within the Project Business Case.

o **Can be delivered successfully by the organisation and its partners.**
This dimension of the five cases focuses on the implementation arrangements for the proposal and is the 'management case' section within the Project Business Case.

5.2.1 WMCA Approach to Business Cases

All projects and programmes will be required under the Single Assurance Framework to enable the golden thread principle providing a clear line of sight from project outputs to strategic objectives, whilst delivering Treasury guidance and requirements around the five case elements in their business case production.

In addition, all business cases will be required to demonstrate cross-portfolio collaboration enabling opportunities and inclusive growth considerations as a specific WMCA standard.

Business Cases will be required to take a **'Board Friendly'** approach, this means that they will be required to focus on summary information with detailed information linked to each business case through the appropriate artefact. This will assist decision-makers in considering the relevant information at the relevant point and prevent business cases being submitted to Boards that are several hundred pages long.

This will also support delivery of proportionality to business case submissions with only the required artefacts being completed, or only required elements of artefacts being completed as applicable, in line with webTAG where relevant and as required.

Delivering the **'Board Friendly'** summary focused business case will not prevent detailed information required by external funders (i.e. Government Departments) being produced or considered, the **'Board Friendly'** approach will require this information be provided in the appropriate artefacts to support each business case. This approach will therefore prevent any duplication of information.

Each Board Friendly business case will include the following information:

Applicant Details	Sets out key information about the applicant and applicants contact information as well as title/ overview of proposed intervention
Factual Summary	Sets out key financial information relating to costs
Executive Summary	Provides the key summary information relating to that Business Case stage

Five-Case summary element (max 2000 words)	Sets out the summary information for each of the elements of the five-case model
Artefacts	Artefacts provide the detailed information relevant to that Business case stage that support the summary case

5.2.2   Business Case Content
A well-prepared Project Business Case:
- o   enables the organisation and its key stakeholders to understand, influence and shape the project's scope and direction early on in the planning process
- o   assists decision makers to understand the key issues, the available evidence base and to avoid committing resources to schemes that should not proceed
- o   demonstrates to senior management, stakeholders, customers and decision makers the continuing viability of the project, and
- o   provides the basis for management, monitoring and evaluation during and after implementation.

A Project Business Case is recommended best practice and should be prepared following approval of a proposal or Business Plan item at the Initiation stage by the appropriate Executive Director.

The Project Business Case is a working document which must be developed and revisited over the duration of the scheme.

Developing a Project Business Case applies to all types of projects and requires trained people who have the capabilities and competencies to undertake the tasks involved.

5.2.3   HMTs Five Case Model
All business cases will be based upon HMT and DfT best practice guidance for the development of business cases which is based upon their five-case model. WMCAs business case templates, appraisal criteria and approvals criteria build on this best practice, incorporating WebTAG or other guidance where applicable.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence based and transparent decision-making and a framework for development, delivery, management, performance monitoring and evaluation of the resultant scheme.

HMTs five case model is a fundamental requirement of all business cases produced within the Single Assurance Framework; the five case dimensions are as follows:
- ▪   The Strategic Case
- ▪   The Economic Case
- ▪   The Commercial Case
- ▪   The Financial Case
- ▪   The Management Case

Every business case must evidence each dimension of the five-case model.

5.2.4   The Strategic Case
The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit.

Demonstrating that the scheme provides a strategic fit to the agreed WMCA Strategic Objectives is key to demonstrating the golden thread throughout the work and activity of the WMCA.
Making a robust case for change requires a clear understanding of the rationale, drivers and objectives for the spending proposal, which must be made SMART – Specific, Measurable, Achievable, Relevant and Time constrained – for the purposes of post-evaluation.

Key to making a compelling case for intervention is a clear understanding of the existing arrangements:
- ▪   the Business As Usual (BAU)
- ▪   business needs (related problems and opportunities)
- ▪   potential scope (the required organisational capabilities) and
- ▪   the potential benefits, risks, constraints and dependencies associated with the proposal.

The challenges are:

- o to explain how further intervention and spend on key inputs will deliver 'outputs' that improve the organisation's capability to deliver better outcomes and benefits to stakeholders and customers, while recognising the associated risks
- o to ensure the organisation's proposals focus on business needs that have been well researched and are supported by service demand and capacity planning
- o to ensure schemes are planned and delivered as part of an approved organisational strategy that has a well-defined portfolio of related programmes and projects.

5.2.5   The Economic Case
The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

Demonstrating public value requires a wide range of realistic options to be appraised (the long-list), in terms of how well they meet the spending objectives and critical success factors for the scheme; and then a reduced number of possible options (the short-list) to be examined in further detail.

The short-list must include the BAU, a realistic and achievable 'do minimum' that meets essential requirements, the preferred way forward (if this is different) and any other options that have been carried forward. These options are subjected to cost benefit analysis (CBA) or cost effectiveness analysis (CEA), where more appropriate, to identify the option that offers best public value to society.

The challenges are:
- o to begin by selecting the 'right' options for scope, solution, service delivery, implementation and funding, otherwise options will represent sub-optimal Value for Money (VfM) from the outset
- o to justify higher cost options in relation to BAU and the 'do minimum'
- o to measure and monetise the benefits and risks.

5.2.6   The Commercial Case
The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

Demonstrating a viable procurement requires an understanding of the marketplace, knowledge of what is realistically achievable by the supply side and research into the procurement routes that will deliver best value to both parties.

Putting in place a well-structured Deal requires a clear understanding of the services, outputs and milestones required to be achieved and of how the potential risks in the Design, Build, Funding and Operational (DBFO) phases of the scheme can best be allocated between the public and private sectors and reflected in the charging mechanism and contractual arrangements.

The challenge for the public sector is to be an 'intelligent customer' and to anticipate from the outset how best public value can continue to be secured in during the contract phase in the face of inevitable changes to business, organisational and operational requirements.

5.2.7   The Financial Case
The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.

Demonstrating the affordability and fundability of the preferred option requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how the Deal will impact upon the balance sheet, income and expenditure and pricing arrangements (if any) of the organisation.

The challenge is to identify and resolve any potential funding gaps during the lifespan of the scheme.

5.2.8   The Management Case
The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

Demonstrating that the preferred option can be successfully delivered requires evidencing that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.
The challenges are:

WEST MIDLANDS COMBINED AUTHORITY

- o to manage the risks in the design, build, funding and operational phases of the scheme and put in place contingency plans
- o to deal with inevitable business and service change in a controlled environment, and
- o to ensure that objectives are met, anticipated outcomes delivered, and benefits evaluated.

5.2.9   Due Diligence

The WMCA is committed to undertaking due diligence activities that support effective and informed decision-making and project appraisal. The specific nature and timing of the due diligence will depend upon the nature of the project, its cost and the potential impact of the project on the WMC itself. The project lifecycle set out in 5.3 below highlights the key stages at which due diligence will occur and what sort of due diligence is required.

The Observation Report produced out of Directorate to advise on project maturity will support the development of due diligence activities. Directorates who will utilise their officer expertise and stakeholder relationships will lead on project development and be responsible for the timing and nature of due diligence activities, guided by the Assurance Framework and the expertise of WMCAs Strategic Hub. Directorates may want to commission external due diligence providers in some instances and will be advised on such requirements and the quality of due diligence undertaken through the Investment Panel and Advisory Panel processes.

5.3   The Project Lifecycle Process

This section outlines the method for how projects and programmes will be evaluated and prioritised through the WMCAs project lifecycle. It explains the assessment of and evaluation process at each of the lifecycle stages and the role of different stakeholders at each stage.

The diagram below provides an illustrative example of the project lifecycle process based on a standard SOC to OBC to FBC development process as recognised through Green Book. The project lifecycle allows for numerous development routes to be undertaken.
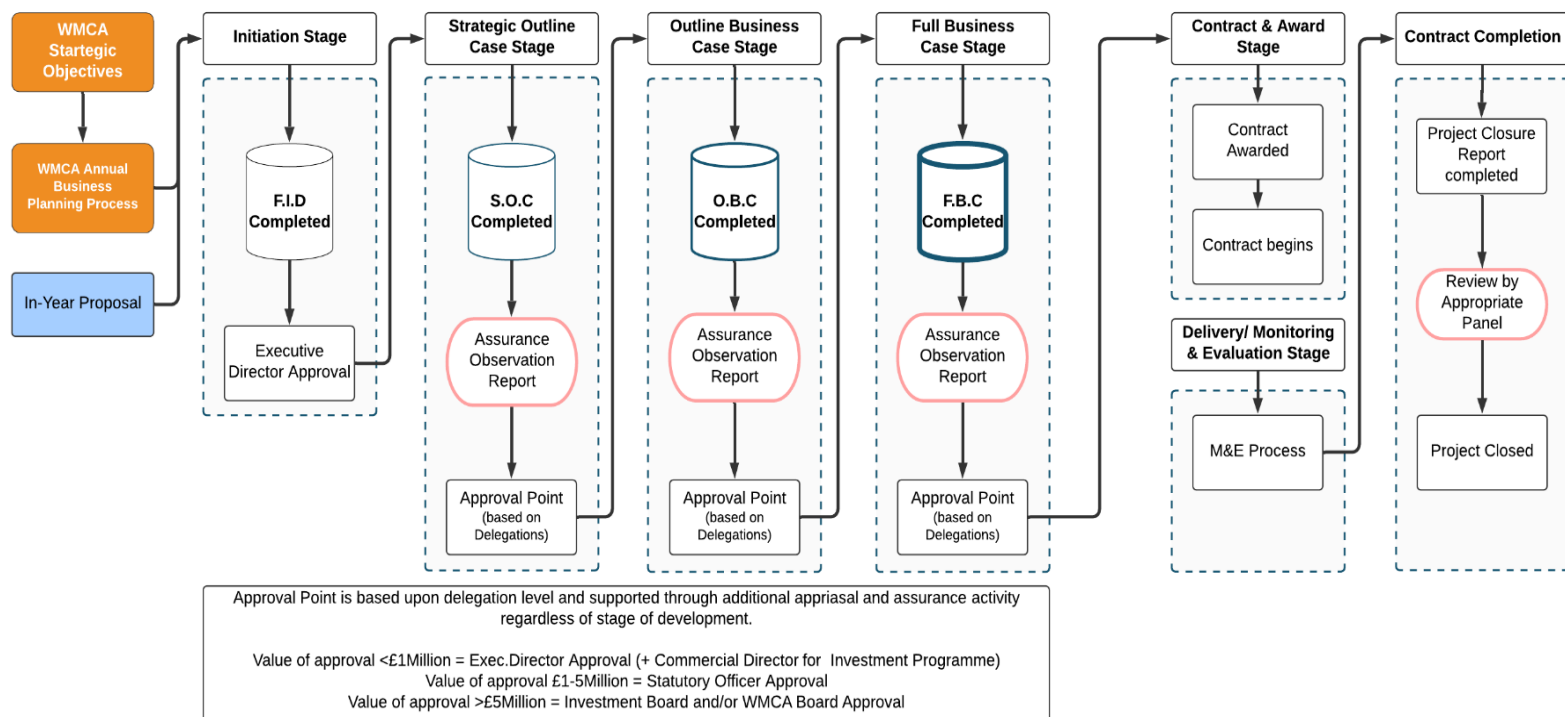
The diagram above provides an overview of the standard project lifecycle, there are additional appraisal and assurance elements within this that will be explained later in this process.

Not all projects will be developed under the standard project lifecycle, the initiation phase will determine the business case route that is required to be followed. For example, a previously agreed business case for a previously agreed fund such as the Brownfield Land Fund would not need to go through the standard project lifecycle.

The diagram illustrates that the typical WMCA project lifecycle is split into seven stages, they are:
- o Project Initiation Stage
- o Strategic Outline Business Case Stage
- o Outline Business Case Stage

- Full Business Case Stage
- Contract Award Stage
- Delivery + Monitoring & Evaluation Stage
- Contract Completion Stage

The diagram below provides an overview of the BJC lifecycle and how the PBC lifecycle could typically operate:
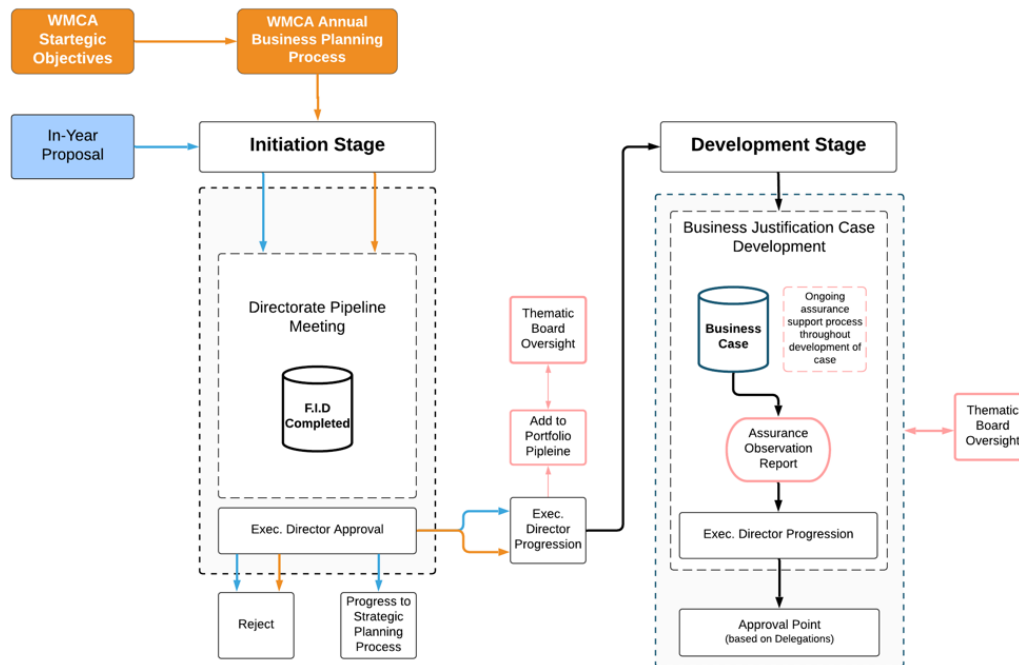
A PBC lifecycle would involve initial consideration of the PBC and Observations Report before projects followed their own routes which could involve SOCs, OBCs, FBCs, BJCs or a combination thereof.

Each stage is described in more detailed below.

5.3.1   Strategic Planning Process

Before a project can enter the project lifecycle there are some key processes that need to have taken place and requirements that need to be met, this begins with the Strategic Planning Process.

The Strategic Planning Process has three key elements, they are:
1. Selecting the Strategic Objectives of the WMCA
2. Setting out the Strategic Economic Plan (SEP) and the West Midlands Industrial Strategy
3. Setting out the WMCA Annual Plan and supporting Portfolio Annual Business Plans

Element 1 is the setting of the WMCAs Strategic Objectives. This involves the Mayor and the WMCA Board debating and agreeing, in collaboration with Government and key partners and stakeholders, ensuring a reflection of devolution agreements and political manifestos, the priority deliverables for the region. This process sets the strategic objectives for the WMCA.

Element 2 is the development and agreement of the key strategic strategy documents for the WMCA. The Strategic documents are set out in 4.14 and are available on the WMCA website.

Element 3 is the breaking down of the SEP and LIS into annual priorities and deliverables to make the WMCAs Annual Business Plan, this is supported by individual Portfolio Business Plans across the WMCA.

5.3.2   The Initiation Stage

The Initiation Stage is a requirement for all proposals and projects, it provides a consistent WMCA wide approach to initiating a proposal in order to ensure that key information exists, that key considerations have taken place, that key stakeholders are engaged and that the 'golden thread' is in existence through a clear strategic justification.

The Initiation Stage can be illustrated through the following diagram:
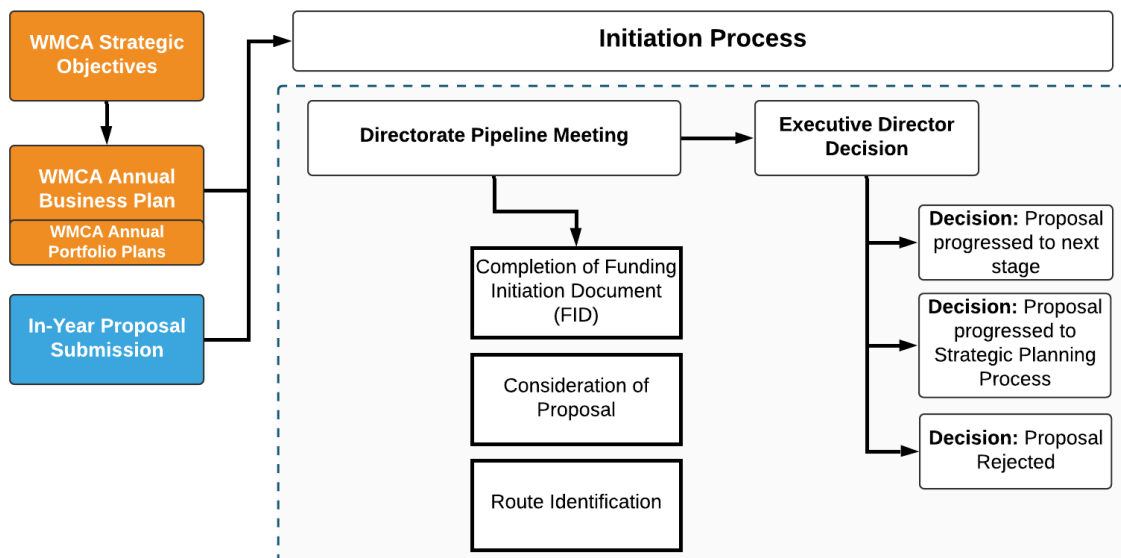
There are 2 ways that proposals can enter the initiation stage, they are:
- Entry from Annual Business Plan
- Project sponsor submits proposal

5.3.1 explained how the Strategic Objectives fed into the WMCA Annual Business Plan, this in turn is supported by various Portfolio specific Annual Business Plans that set have the following purpose:
- Set out the WMCA priorities for that year for that **Directorate/ Portfolio** so that partners and stakeholders are clear on the key areas of focus
- Provide a strategic context for the **Directorate/Portfolio** and the WMCA as an organisation so that service plans and operational activity are aligned to the overall vision and priorities
- Enable the WMCA **Directorates/Portfolios** to articulate what is being delivered, and be able to oversee and review progress against priorities

Directorates will schedule consideration of items from the Annual Business Plan into the initiation stage in order to consider whether or not to progress that item to the business case development stage. The other way items can enter the initiation stage is for Directorates to receive in-year proposals that are not included in the Annual Business plan.

In both circumstances the appropriate Directorate would consider the item at its Directorate Pipeline Meeting. The Directorate Pipeline meeting is where proposal submissions and project initiation is considered. The Assurance Framework does not specifically require a Pipeline meeting to be set up by each Directorate, just for its purpose to be fulfilled. This means it could take place in existing Directorate governance arrangements or it could be specifically set up by Directorates as a new function.

The Directorate Pipeline Meeting requires the appropriate Directorate arrangements to consider whether an item should be initiated, it does this by completing a Funding Initiation Document (FID) which requires the following considerations to take place and information to be provided:
- Project identification and management information including secured and unsecured funding source details and external assurance requirement details
- Result of route identification tool – this is the WMCA toolkit which assesses what business case route is required for each proposal based on value, complexity and other criteria in order to determine a proportionate development route
- Evidence of meeting pre-qualification criteria if applicable – i.e. for Housing or Land applications the WMCA has pre-qualification criteria which must be met for a proposal to be considered for initiation, this criteria is detailed in the WMCAs Single Commissioning Framework which is available on the WMCA website.
- Intervention Statement – series of problem statement questions to drive consideration behaviour. If a DfT proposal, then WebTAG compliance with initial consideration and evaluation of the intervention is required.
- Strategic Justification – Statement required as to how proposed intervention aligns with WMCA Strategic Objectives in order to demonstrate 'golden thread', requires proposed deliverables and critical success factors.
- Development Funding – information regarding funding required to get proposal to the next development stage (usually a Strategic Outline Case) with comments from WMCA Finance Department.
- Funding Source – information regarding the proposed funding source with confirmation from Finance that potential funding is still applicable.

All of the information above is considered with the appropriate leads from Legal and Finance for that Directorate present, the result of which is a decision by the Executive Director (or their delegates) on whether or not to progress the proposal to the next stage. This process creates a clear line of accountability with Executive Directorates responsible for the completion and submission of Funding Initiation Documents and for progressing proposals to the next stage. Executive Directors can also reject proposals if there is not a sufficient strategic fit, for in-year submissions they also have an option to progress that proposal into the strategic planning process to see if the WMCA wants to pick it up following further review.

5.3.3   The Strategic Outline Business Case (SOC)

This is the scoping phase for the project, which results in the production of the Strategic Outline Case (SOC).

The key purpose of the Strategic Outline Case (SOC) is to:
- o   establish the strategic context for the spending proposal
- o   evidence the case for change
- o   establish the preferred way forward.

The 'Board Friendly' business case will require the SOC to:
- o   Outline the intervention and spend for which approval is being sought
- o   Set out alignment with the 'golden thread'
- o   Set out details of intended initial timeframe
- o   Detail programme information and review if applicable

The SOC follows the initiation stage where completion of a FID is required to drive early appraisal considerations and ensure the strategic fit to demonstrate the 'golden 'thread' is clear. The SOC builds on the FID, requiring project sponsors to develop a SOC in line with the business case approach outlined in 5.2.
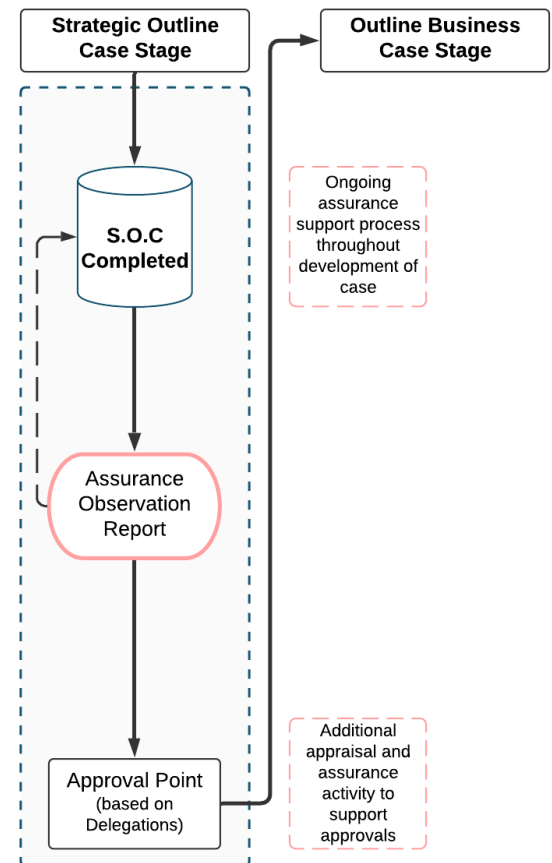
The SOC primarily focuses on the Strategic Case, supported by initial considerations regarding the Economic Case, Financial Case and Management Case with some general information required for the Commercial Case.

This is to ensure that there is a clearly developed strategic fit for projects that will be taken forward to the OBC stage. Details of the criteria and content required and how to apply further proportionality are detailed in the WMCAs Business Case guidance documents.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the SOC with Assurance specialists available to provide direct support if required. This support can advise on when the SOC is mature enough to be submitted for approval to the next stage.

Once an SOC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The SOC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the SOC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

ASSURANCE FRAMEWORK

Single Assurance Framework

West Midlands Combined Authority

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

The following key review criteria may be applied to an SOC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	
1. Is the proposed scheme an integral part of the organisation's business strategy?	o Extracts from business and other relevant strategies. o Reference to relevant government and organisational policies.
2. Is the proposed scheme sufficiently large and stand-alone to form a project or could it be more sensibly be undertaken as part of another programme or project?	o Relevant extracts from business and other strategies. o Reference to scoping documentation. o Relevant extracts from strategy board minutes.
3. Are the spending objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?	o SMART spending objectives. o Evidence of stakeholder and customer involvement and support.
4. Is the scope for potential change to current services and business processes clearly defined?	o Clear statement of business outcomes and service outputs. o Statement of any security and confidentiality issues.
5. Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?	o Outline of benefits realisation plan. o Direct and indirect to the organisation and wider public sector. o Cash (£) and non-cash-releasing. o Ranking of benefits by key stakeholder.
6. Have the main risks been identified, alongside arrangements for their management and control?	o Outline of risk management strategy. Business risks. o Service risks. o Likely probabilities and impact (high, medium or low).
7. Have the key organisational constraints and business dependencies been identified?	o Evidence of critical path. o Related programmes and projects. o Assessment of internal and external constraints.
The Economic Case	
8. Have the CSFs for options appraisal been identified?	o Prioritised CSFs (high, medium or low). o Relevant performance measures.

9. Has a sufficiently wide range of options been identified and assessed within the long list?	o Use of a feasibility study.
	o 10 to 12 main options – full description.
	o Minimum of three to four options, including:
	  o Business as Usual (BAU)
	  o Preferred way forward
	  o Do minimum (if different)
	  ▪ Public Sector Comparator (if required)
	o Use of the Options Framework filter for:
	  ▪ potential scopes
	  ▪ potential solutions
	  ▪ methods of service delivery
	  ▪ implementation
	  ▪ funding sources.

10. Has a preferred way forward been identified following robust analysis of the available options?	o SWOT analysis of options against:
	  ▪ spending objectives
	  ▪ critical success factors
	  ▪ benefits criteria
	  ▪ evidence of likely support from key stakeholders.

11. Has a short-list with indicative Net Present Social Values (NPSV) been prepared for further examination and appraisal?	o Include all viable long-list options

The Commercial Case	

12. Has a requirements analysis been undertaken?
13. Has a market analysis been undertaken?
14. Has the project been prepared in accordance with the organisation's arrangements in response to the Government commercial operating standards?
	o Description of potential Deal
	o Market soundings
	o Existing service providers
	o Requirements analysis
	o Government commercial operating standards for:
	  • blueprint and resources
	  • pipeline and planning
	  • senior responsible owners and expertise
	  • early cross-functional analysis of options
	  • maximising competition
	  • contracting
	  • contract management
	  • Supplier relationships.

The Financial Case	
15.	Has a high-level assessment of affordability and source(s) of required funding been undertaken?
The Management Case	
16. Has a high-level assessment of the achievability and deliverability of the project been undertaken?	o Indicative timescales. o Use of special advisers. o Feasibility study. o Peer review.
17. Are all the necessary arrangements in place for the successful completion of the next phase?	o Outline Programme and Project Board. and reporting arrangements. o Project manager and team. o Project plan and agree deliverables. o Budget allocation and resources.

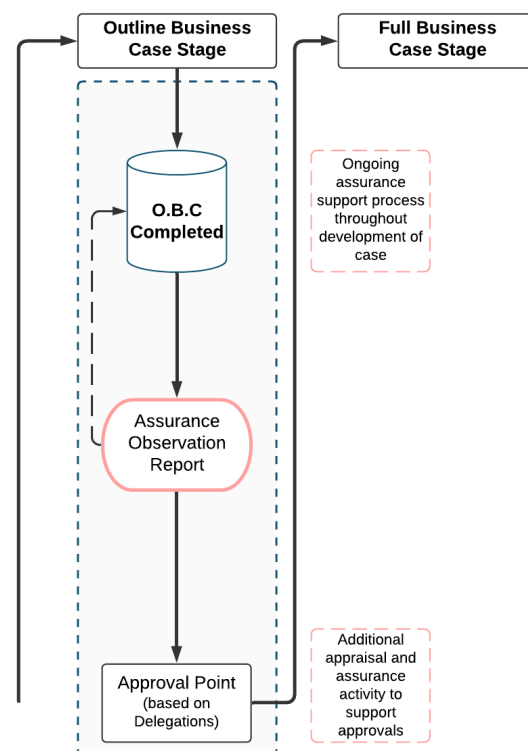## 5.3.4 The Outline Business Case (OBC)

This is the planning phase for the project, which results in the production of the Outline Business Case (OBC).

The key purpose of the Outline Business Case (OBC) is to:
o revisit the SOC assumptions and main findings
o establish the preferred option
o put in place the arrangements for the procurement of the scheme.

The 'Board Friendly' Business Case will require the business case to outline:
o Outline the intervention and spend for which approval is being sought
o Provide an overview of developments since SOC
o Provide an overview of how the preferred option represents value for money
o Explain how the preferred option has been prepared for procurement
o Set out details of the necessary funding and management arrangements to deliver the project

The OBC aims to ensure that only projects that will deliver the Strategic Objectives are taken through to the Full Business Case Stage. The OBC is required to be developed in line with the approached outlined in 5.2.

The core of the OBC is the options analysis which should demonstrate that the preferred option is optimally designed to meet the WMCAs strategic objectives.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the OBC with Assurance specialists available to provide direct support if required. This support can advise on when the OBC is mature enough to be submitted for approval to the next stage.

Once an OBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists
Once an OBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The OBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the OBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

The following key review criteria may be applied to an OBC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	

1. Are the SOC spending objectives and planning assumptions still valid?	o Are they set at an appropriate level and SMART:
	  ▪ specific
	  ▪ measurable
	  ▪ achievable
	  ▪ relevant
	  ▪ timely
	o Still supported by stakeholders and customers.

2. Do the services to be procured in the SOC still provide best fit in relation to organisational needs?	o Organisational context. o Existing and future changes in needs. o Expected changes in volumes and mix of services. o Other existing, planned or possible services. o Security and confidentiality issues.
3. Have any outstanding differences at SOC stage between stakeholders and customers been satisfactorily resolved?	o Continued stakeholder commitment and involvement. o Communication strategy.
4. Has the assessment of likely benefits, risks, constraints and dependencies in the SOC been revisited and examined in further detail?	o Updated benefits criteria – benefits study. o Updated risk assessment – risk study. o Ongoing assessment – business strategies and plans.
The Economic Case	
Were the long-listed options in the SOC revisited and subjected to further scrutiny?	o New options. o CSFs revisited. Options ranked, weighted and scored.

Were the short-listed options in the SOC revisited and subjected to robust analysis?	o Economic appraisals for shortlisted options, including:
	  ▪ 'BAU and 'do minimum'
	  ▪ PSC
	  ▪ PFI (PPP) solution(s)
	o Use of appropriate tools:
	  ▪ Cost Benefit Analysis (CBA)

	▪ sensitivity analysis risk (£) quantification.

Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	○ Realistic solution capable of implementation.
	○ Risks identified, apportioned and measured for all project stages:
	    ▪ Design
	    ▪ Build
	    ▪ Finance
	    ▪ Operate
	
	PFI (PPP) costs, where available.

Does the preferred option provide best public value?	○ Rigorous use of investment appraisal tools and techniques. ○ All assumptions recorded. ○ Achievable benefits streams. Stakeholders and customers support.
The Commercial Case	

Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	○ Consideration of procurement options including:
	    ▪ use of preferred bidder
	    ▪ draft advertisement
	    ▪ evaluation criteria
	    ▪ negotiation strategy
	
	procurement plan and timetable.

Is there sufficient scope for a potential Deal, which meets organisational needs while offering best VfM?	○ Potential for innovation within the provision of services and solutions. ○ Potential for risk transfer in Design, Build, Finance, Operate stages. ○ Potential for new business and alternative revenue streams. Likely contract length.
Has the potential deal been considered in sufficient detail? The **how** rather than **what.**	○ Preparation of Outline Based Specification (OBS) ○ core, desirable and optional services ○ delivery timescales (phased improvements ○ etc.) ○ potential payment mechanisms ○ ownership of residual assets service levels and performance measures.
Is there a clear understanding of the business change agenda?	○ Change management plans. ○ Proposed mechanisms and milestones. Assessment of personnel implications.
Is the potential Deal still likely to be acceptable and bankable within the private sector?	○ Market research and surveys. ○ Use of standard contractual terms and conditions. Benchmarks – similar projects.
The Financial Case	

Is the solution still likely to be affordable?	○ Financial appraisals for preferred option, including full assessment of:
	    ▪ capital and current requirements
	    ▪ net effect on prices
	    ▪ balance sheet impact
	    ▪ income and expenditure account
	
	stakeholder and customers agreement.

The Management Case	
Are all the necessary arrangements in place for the successful completion of the next phase?	○ Programme methodology (MSP). ○ Project methodology (PRINCE2):

- project board and structure
- project manager and team
- project plan
- project resources and budget
- reporting mechanisms
  - o Use of external advisers
    - legal
    - financial
    - other
  - o Outline arrangements for:
    - benefits study and realisation plan
    - risk management strategy and plan
    - change management strategy and plan
    - contract management
  - o Arrangements for evaluation:
    - peer reviews
    - Cabinet Office Gateway reviews (if required)
    - project implementation reviews
    - post-evaluation reviews
  - o Contingency plans

5.3.5   The Full Business Case (FBC)

This is the procurement phase for the project, which results in the Full Business Case (FBC), following negotiations with potential service providers prior to the formal signing of the contract(s).

The key purpose of the FBC is to:
- o revisit the assumptions and main finding of the OBC
- o evidence the most economically advantageous tender (MEAT) for the project
- o establish that the management arrangements for successful delivery are in place

The 'Board Friendly' Business Case will require the business case to:
- o Outline the intervention and spend for which approval is being sought
- o Provide an overview of developments since OBC
- o Document the outcome of the procurement
- o Identify the market-place opportunity which offers optimum Value for Money (VfM)
- o Set out the commercial and contractual arrangements for the negotiated deal
- o Confirm the deal is still affordable
- o Put in place the detailed management arrangements for the successful delivery and monitoring & evaluation of the scheme

The aim of the FBC is to provide a mechanism for appraising projects against a comprehensive set of criteria

Full Business Case Stage

F.B.C Completed

Assurance Observation Report

Approval Point (based on Delegations)

Ongoing assurance support process throughout development of case

Additional appraisal and assurance activity to support approvals
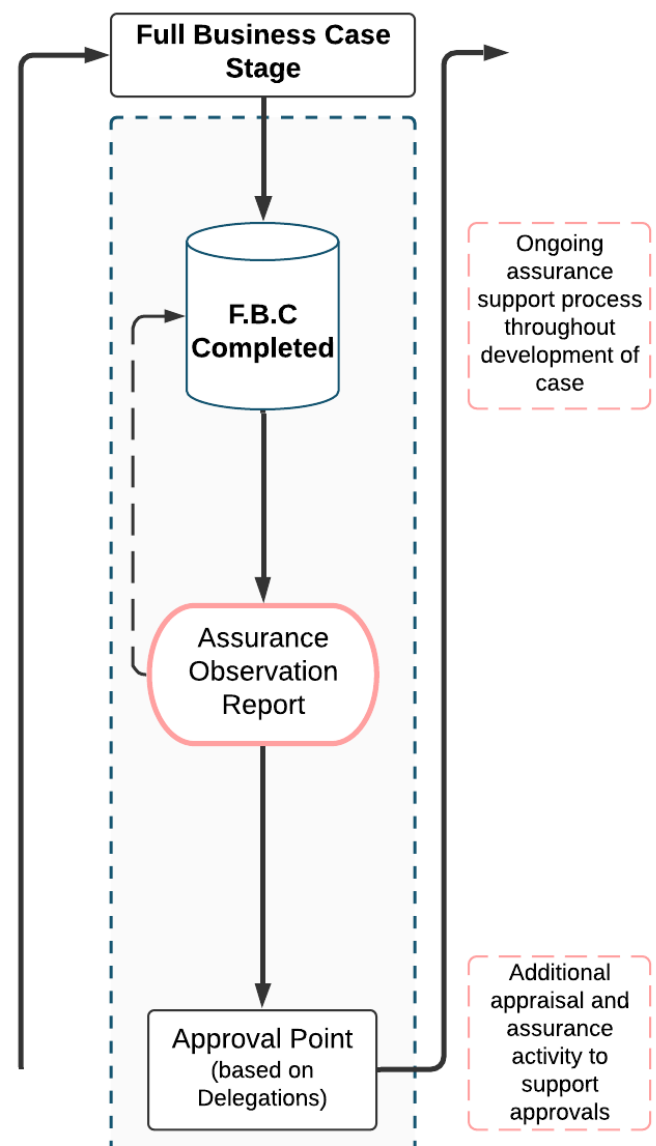
for each of the five cases. The FBC will revisit the assumptions and main findings from the OBC which may have changed for example due to the procurement arrangements but will also bring forward new evidence on issues such as the procurement and management strategy. The FBC is required to be developed in line with the approached outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the FBC with Assurance specialists available to provide direct support if required. This support can advise on when the FBC is mature enough to be submitted for approval to the next stage.

Once an FBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The FBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the FBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

By the FBC stage, it is expected that there is already a clear alignment between the project and a wider programme. As a result, the focus of the FBC evaluation will be to scrutinise each component of the five cases to ensure that the project stacks up in isolation and that it will deliver for Value for Money for the WMCA and taxpayers.

The following key review criteria may be applied to an FBC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	
1. Does the recommended Deal still provide synergy and best fit with other parts of the organisation's business strategy?	o Notification of any changes during negotiations. o Ongoing evaluation of business strategies and plans.
2. Does the recommended Deal still satisfy OBC objectives and business needs?	o SMART spending objectives (revisited). o Notification of any changes during negotiations. o Written confirmation of agreement on part of stakeholders and customers.

3. Does the recommended Deal still provide all of the required services – both current and future?	o Clear statement of service requirements and outputs.
	o Change control arrangements.
	o Notification of any changes during negotiations:
	  ▪ additional services
	  ▪ agreement of stakeholders and users
	  ▪ business justification and CBA.

The Economic Case	

Was a wide range of bids received from service providers in response to the invitation to tender	o Assessment of earlier assumptions.
	o Use of evaluation criteria:
	  ▪ long-list of suppliers
	  ▪ short-list of suppliers
	o Description of each bid received at BAFO.
	o Method of treatment for varying bids.
	o Basis for selection of preferred bidder (if applicable).

Was the most economically advantageous offer selected?	o Preparation and assessment of economic appraisals for:
	  ▪ BAU and do minimum
	  ▪ revised PSC
	  ▪ best and final offers and/or
	  ▪ preferred bidder (if selected)
	o Use of appropriate tools:
	  ▪ sensitivity analysis
	  ▪ risk (£) quantification
	  ▪ evaluation of qualitative benefits
	  ▪ Use of CBA.

The Commercial Case	

Was the procurement undertaken in accordance with appropriate procurement legislation?	o Overview of procurement process.
	  ▪ deviations from procurement strategy
	  ▪ use of legal and procurement advice (internal and external advisers).

Can the selected service provider deliver the required deliverables and services?	o Outline of the agreed Deal
	  ▪ services – current and future
	  ▪ delivery timescales
	  ▪ design
	  ▪ build
	  ▪ operate
	  ▪ payment mechanisms
	  ▪ performance and availability
	  ▪ volume and usage
	  ▪ incentives
	  ▪ future change
	  ▪ new business and alternative revenue streams jownership of residual assets
	  ▪ service levels and performance measures.
	o Business, technical and cultural fit – track record.

Have negotiations resulted in a robust and legally enforceable contract?	o Use of specialist adviser(s). o Use of standard terms and conditions. o Key contractual terms agreed.

How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	o Assessment of known and expected change.
	o Formula for handling unexpected change.
	  ▪ Benchmarking
	  ▪ market testing arrangements.

The Financial Case	

Is the proposed investment still affordable?	o Financial appraisals for recommended Deal, including full assessment of:
	  ▪ capital and current requirements
	  ▪ net effect on prices
	  ▪ impact on the balance sheet
	  ▪ income and expenditure account.
	o Stakeholder and customers agreement.
	o Confirmation of finance directorate.

The Management Case	

Have the business and cultural implications of the intended service been fully understood and taken into account?	o Agreed programmes for:
	  ▪ change management
	  ▪ business process re-engineering.
	o Staff-side representation.
	o Personnel implications.

Are all the arrangements in place for the successful implementation and delivery of the required services?	o Contract management strategy, including disputes resolution procedures. o Skilled contract management team. o Agreed schedules for service streams and outputs.
How will the benefits be delivered, and associated business and service risks managed throughout the lifespan of the service?	o Detailed benefits realisation plan. o Robust risk management strategy o Monitoring and reporting arrangements- registers and regular audits.

Are all the necessary arrangements in place for Project Monitoring and Evaluation during and after Implementation?	o Agreed arrangements for evaluation:
	  ▪ peer reviews
	  ▪ Cabinet Office Gateway reviews (if required)
	  ▪ project implementation reviews
	  ▪ post-evaluation reviews.

Are contingency plans in place should the recommended Deal fail at any stage?	o Contingency plans. o Arrangements for regular review.

5.3.6   The Business Justification Case (BJC)

There is an additional business case within the project lifecycle that can also be considered, if applicable this business case route will be identified during the Initiation Stage.

The Business Justification Case (BJC) is a 'lighter', single stage business case that is available for the support of smaller, less expensive spending proposals that are not novel or contentious and for which 'firm' prices are available from a pre-competed arrangement, including framework contracts negotiated in accordance with EU/WTO rules and regulations.

The key purpose of the Business Justification Case is to:
- Set out the background to the proposed investment
- Make the case for change from the current arrangements and outline the benefits gained therein
- Recommend a preferred option
- Set out briefly the financing, procurement and management arrangements for that option

The 'Board Friendly' Business Case will require the following information:
- Outline the intervention and spend for which approval is being sought
- Set out the case for change and alignment with the 'golden thread'
- Set out the potential benefits of the intervention
- Set out details of preferred option
- Set out the finance arrangements for the preferred option
- Set out the procurement arrangements for the preferred option
- Set out the management arrangements for the preferred option

The BJC is required to be developed in line with the approached outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the BJC with Assurance specialists available to provide direct support if required. This support can advise on when the BJC is mature enough to be submitted for approval to the next stage.

Once an BJC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The BJC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the BJC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

5.3.7   Programme Business Case (PBC)
The key purpose of the PBC is to:
- Revisit the assumptions and main finding of the OBC
- Evidence the most economically advantageous tender (MEAT) for the project
- Establish that the management arrangements for successful delivery are in place

The 'Board Friendly' Project Business Cass will provide the following information:
- Outline the intervention and spend for which approval is being sought
- Provide an Organisational overview
- Provide details of Business strategy and aims
- Detail other relevant strategies

The PBC is required to be developed in line with the approached outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the PBC with Assurance specialists available to provide direct support if required. This support can advise on when the PBC is mature enough to be submitted for approval to the next stage.

Once an PBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The PBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the PBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

5.3.8   Contract Award Stage
The primary focus of the contract ready and award stage is the completion and evaluation of any due diligence undertaken at the OBC and FBC stages to ensure that the Project Sponsor meets the WMCAs required standard and criteria.

This process is of particular importance from a financial and legal standpoint.

Where the project sponsor is deemed fit for undertaking the project, the project will progress to contract award and funding will be provided to the project before project delivery commences.

Detailed contract and grant conditions will be reviewed and drawn up by WMCA for each successful bid as part of the contract award stage.

For externally delivered projects, where delivery is being completed externally, to direct WMCA resource a Heads of Terms (HOT) agreement will be written up and entered into the external delivery organisation and WMCA.

5.3.9   Delivery and Monitoring & Evaluation
Project sponsors will have been required to outline their project monitoring and evaluation plans during the business case submission process at the Full Business Case stage.

Individual project sponsors will be required to implement their monitoring and evaluation plans, which, in turn will feed into the WMCA Performance Monitoring Framework and the WMCA Performance Dashboard.

The WMCA will monitor and map the outputs of projects and programmes through the Economic Intelligence Unit, supported by the Strategic Hub. This analysis will be used to inform the evaluation of the quality and impact of the WMCAs investment decisions, and in turn will create the evidence base for the Five-Year Gateway Review. Government guidance recognises the fact that local and national economic impact of the investment fund might not be observable after five years. As a result, the national evaluation panel will use appropriate metrics at the first gateway, such as whether investments are being delivered to time and budget.

5.3.10   Completion Stage
On completion of delivery of the work the programme or project will be formally closed, there will be however arrangements that are made for continued assessment of benefits and their realisation as well as review of economic impacts for a planned period of time after the formal closure.

Evaluation of the programme or project will be conducted and the output will be lessons learnt that are captured, additionally continuous improvement factors will be identified across themes such as development, contract management, delivery approaches, cost management and resource management aligned to the HMT five-case model.

The lessons learnt and continuous improvement factors will be shared with other projects and stakeholders as deemed appropriate and useful, provided that these are not commercially confidential. They will be utilised to inform WMCAs strategic planning pipeline and the way in which programmes and projects are planned, developed and delivered.

The WMCA is committed to using evidence-based analysis to improve its decision-making processes. As such information collected through Monitoring & Evaluation will be used to inform the future direction of the WMCA and its strategic objectives.

5.4   Approvals Process

The approvals phase is part of the project development life cycle, it is where the WMCAs principles of robust investment decision-making are applied. This is also where additional 2nd line assurance assessment will be undertaken to help better inform those with decision-making responsibility.

The approvals process has been designed to ensure that a higher level of assurance activity is undertaken and considered in informing a higher level of investment decision-making, reflecting the agreed decision-making principles of WMCA and supporting the taking of robust and informed investment decisions.

The approvals process is applied based on the value of approval required, not the stage of development. This approach is designed to provide additional proportionality to the process.

5.4.1   Approval Levels
The approval delegations at WMCA are as follows, it should be noted that accumulative cost is applied to approvals.

Investment Programme Approvals:
Up to £1Million	-	Executive Director + Investment Programme SRO Approval
Between £1-5Million	-	Statutory Officer Panel Approval (Executive Director + Investment Programme SRO + Section 151 Officer + Monitoring Officer)
Between £5-20Million	-	Investment Board
Over £20Million	-	WMCA Board

Non-Investment Programme Approvals:
Up to £1Million	-	Executive Director Approval
Between £1-5Million	-	Statutory Officer Approval Panel (Executive Director + Section 151 Officer + Monitoring Officer)
Over £20Million	-	WMCA Board

The Approvals process, and the associated additional appraisal and assurance provided, is illustrated in the diagram below:

5.4.2 Ever Increasing Levels of Assurance

The WMCA approach requires an ever-increasing level of assurance and appraisal to be delivered and considered for increasing levels of investment.

The scheme of delegations provides Directorates with approval powers up to £1Million at various officer levels and dependent upon the funding source of the approval, to aid them in their decision-making the project development process will deliver the following level of Assurance for all proposals:

- Initiation process to ensure strategic fit, the funding exists and to identify intended outputs that will contribute to delivery of strategic objectives (the golden thread)
- Compliance with highest level of assurance that applies to funding (DfT, MHCLG Business Case requirements)
- Proportionate compliance with HMTs 5 Business Case elements model (Strategic/ Economic/ Commercial/ Financial/ Management)
- Projects developed in line with WMCA standards (i.e. cross portfolio collaboration)
- Legal and Finance sign off requirement
- Guidance provided to Exec. Director to assist approval decision (maturity assessment, observations on compliance with WMCA standards)

This approach ensures that all proposals are subjected to a minimum level of assurance that drives compliance with the five-case model, with Green Book and other Government guidance, with WMCA standards and requirements whilst maintaining a proportionate approach.

This is the minimum Appraisal and Assurance pack for all WMCA approvals regardless of what stage the Business Case is at.

All approvals above £1Million are subjected to an additional level of assurance, this is first delivered through an additional Risk and Investment Appraisal of the business case seeking approval, which is undertaken by Risk and Investment Appraisers within the Strategic Hub.

The purpose of the Risk and Investment Appraisal is to provide an un-bias appraisal of project proposals above £1million that covers the following:

- Detailed appraisal of NPSV and social impact with narrative + score
- Appraisal of validation of content of Economic Case
- Identify/ Provide comment on risks associated with Delivery/ Cost/ Time/ Funding
- Appraise funding arrangements (particularly cocktail funding)
- Review Risk Mitigations and provide opinion

The Risk and Investment Appraisal provides an output which is as follows:

- Appraisal of Project Business Case
- Expert opinion on Observations Report and Directorate response
- Investment Risk Profile
- Recommendations on key lines of enquiry and conditions to add to proposal

The Risk and Investment Appraisal is considered alongside the Business Case seeking approval and the Observations Report, both of which have been progressed into the approvals process by the appropriate Executive Director.

This package of information is presented to the Statutory Officer Panel for approvals between £1Million and £5Million, the Panel consists of the Executive Director progressing the Business Case plus the Section 151 Officer and the Monitoring Officer. For approvals that require an element of funding from the Investment Programme the Panel also involves the Investment Programme SRO.

All approvals above £5Million are then subjected to even further appraisal and assurance by being subjected to challenge and review by the appropriate Appraisal Panel. For Investment Programme approvals this is the Investment Panel whilst for Non-Investment Programme approvals this is the Advisory Panel.

The purpose of the Investment Panel/ Advisory Panel is to drive further consideration of the Business Case. The Investment Panel/ Advisory Panel will challenge projects prior to the appropriate Member Board consideration in order to highlight key lines of enquiry, observations and recommendation to bring to the Member Boards attention in order to assist the them with their deliberations and drive a higher threshold of consideration in the decision-making process.

The membership of the Investment Panel/ Advisory Panel includes senior WMCA representation for each of the five cases (Strategic/ Economic/ Commercial/ Financial/ Management), additional there is representation from Constituent, Non-Constituent and LEPs on the two Panels.

More details on the Investment Panel and the Advisory Panel can be found in the WMCA Constitution, the respective Panels would meet to consider items going to their respective Member Boards in order to:
- identify key lines of enquiry for the Investment Board to focus on
- validate and challenge proposal content
- validate and challenge external review of proposal
- validate and challenge the quality and robustness of proposal content
- ensure a consistent approach to challenging HMTs 5 case elements within Business Cases
- examination of Proposal Observation report produced during development that highlights Case Maturity, compliance with guidelines and standards and appraises proposals
- examination of key risks and investment consideration

The Investment Panel/ Advisory Panel would then produce an output for consideration by its respective Member Boards. The output would include a summary of the proposal, highlighting the strengths and weaknesses of a proposal and any recommendations for improvement (For example - additional conditions to be added to funding agreements, conditions for withdrawal of support, additions to M&E plans).

Both Panels would also have an additional role in the Project Delivery Process by responding to instructions from their respective Member Boards to:
- Provide oversight of project performance and M&E plans
- Provide oversight of or undertake a formal review of a project if a review is determined to be required by the Parent Board
- Provide a review of the rationale behind any material delay or change in a project
- Instruct where reasonable completion of a change request (via the WMCA Assurance Process) following completion of a review

The Panel outputs add to the ever-increasing level of appraisal and assurance required by the WMCA to inform decision-makers, this information is included in the pack provided to the Investment Board and the WMCA Board to consider approvals within their respective delegations.
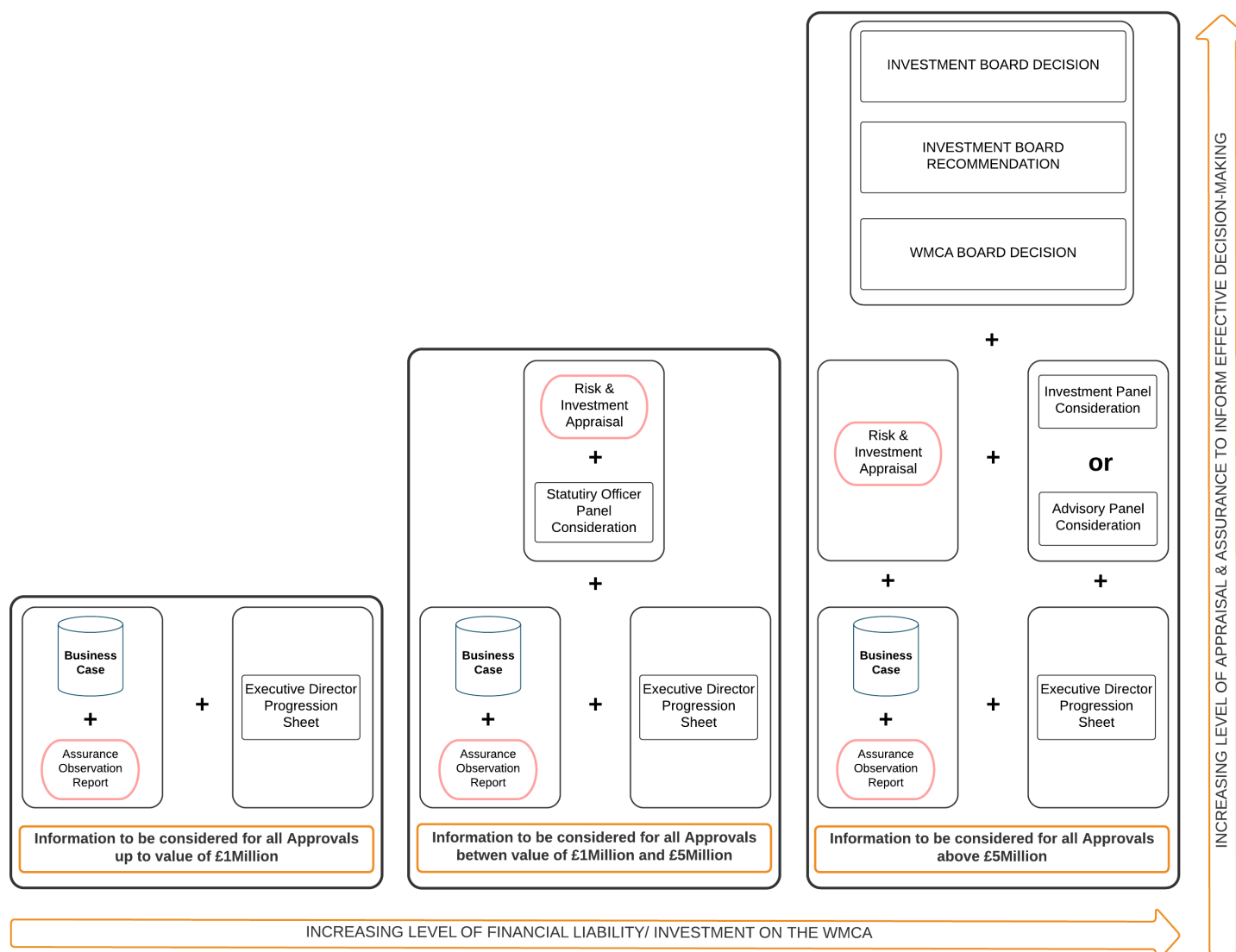
For Non-Investment Programme approvals, the pack of information above is considered by the WMCA Board.

For Investment Programme approvals the pack of information above is considered by the Investment Board who have the delegated authority to make approvals up to the value of £20Million, for required approvals above that amount they consider the pack and then make a recommendation for consideration by the WMCA Board.

5.5   Project Lifecycle Stakeholders

There are a number of stakeholders (e.g. Committees, Boards, Panels) that are involved in the Project Lifecycle. These stakeholders are part of the WMCAs overarching system of governance and have distinct and clearly defined roles within the Project Lifecycle. These stakeholders are outlined in the table below:

STAKEHOLDER	PERSONNEL	ROLE
Mayor	The Mayor	Chair of the WMCA Board
Investment Panel	WMCA Officers Constituent Council Officers LEP Officers Non-Constituent Officers	To support the Investment Board and WMCA Board decision-making process
Advisory Panel	WMCA Officers Constituent Council Officers LEP Officers Non-Constituent Officers	To support the WMCA Board decision-making process

Investment Board	Elected Members	To make investment decisions within its delegation and to make recommendations on investments to WMCA Board above its delegation
WMCA Board	The Mayor Constituent Council Leaders Constituent Council Members Non-Constituent Council Representatives LEP Representatives	Provide ultimate sign-off and responsibility on investments and provide political accountability and transparency
Thematic Boards	WMCA Portfolio Lead Elected Members Portfolio Partners and Stakeholders	To provide oversight of project development and delivery, supporting the WMCA Portfolio lead in delivering strategic objectives and developing policy

5.6   Project Lifecycle Documents

There are a number of standard documents that are required to support the project lifecycle, these include (please note they will not all apply to each project):

Project Lifecycle Stage	Documents
Initiation	o Annual Business Plan o Proposal Document for in-year submissions o Funding Initiation Document
Business Case Development Stage	o Strategic Outline Business Case o SOC Observations Report o Outline Business Case o OBC Observations Report o Full Business Case o FBC Observations Report o Business Justification Case o BJC Observations Report o Programme Business Case o PBC Observations Report
Approvals Stage	o Risk and Investment Appraisal o Investment Panel Outputs o Advisory Panel Outputs
Contract Award Stage	o Contractual documentation
Delivery and Monitoring & Evaluation Stage	o M&E documentation o Performance Management documentation
Contract Completion Stage	o Evaluation and Monitoring Report o Lessons Learnt Report

5.7   Prioritisation and Sequencing

The Project Lifecycle described above is specifically designed to support the WMCA to appraise and evaluate the suitability and value for money of individual projects or programmes. It will enable the WMCA to provide assurance to government that its investment decision and expenditure considerations have been made in a robust and consistent manner.

The prioritisation and sequencing of investments is not directly included within the Project Lifecycle and must be considered as a separate exercise.

The WMCA has a strategic planning process which controls the prioritisation and sequencing of its projects and programmes. This has been established through a set of pre-established criteria to ensure consistent and evidence-based decisions for the sequencing of work planned for initiation. The strategic planning pipeline is controlled, assessed and approved by the WMCA Board.

5.8   State Aid

The Assurance Framework has been designed to support the WMCA make an assessment about whether its projects are State Aid compliant.

The business case templates that form a core part of the project lifecycle require projects to confirm that they comply with State Aid Regulations and do not contravene the State Aid Legislation. Projects are also required to outline what advice they have had in relation to State Aid, this has been built into the Legal Service Single Assurance Framework checklist as well. Project Sponsors additionally are asked to confirm their acceptance that:

"All applicants need to take steps to satisfy themselves that any WMCA funding approved does not amount to unlawful State Aid. A declaration of compliance with EU State Aid regulations will be required prior to any WMCA funding being provided. If your project is awarded funds from the WMCA it will be subject to a condition requiring the repayment of any WMCA funding in the event that the European Commission determines that the funding constitutes unlawful State Aid."

When required the WMCA will also conduct legal due diligence to obtain further confidence that State Aid requirements have been met.

5.9   Monitoring and Evaluating

The WMCA has produced a monitoring and evaluation strategy and approach which is aligned to HMTs guidelines. Monitoring is invoked throughout the development stages of a business case and then subsequently during delivery stages.

All WMCA interventions are then subject to evaluation and the results of which are published and utilised to inform future planning and development of programmes and projects, driving continuous improvement.

5.10   Five Year Gateway Review

The Five-Year Gateway Review process is intended to provide evaluation of appropriate project appraisal, assurance and Value for Money processes within Combined Authorities.

Government has suggested that the Five-Year Gateway Review process will focus on evaluating the performance of the WMCAs £36.5 Million per annum of Gain Share funding within the Investment Programme.

Glossary

Accumulative Cost	The cost considerations made in the approvals phase
AEB	Adult Education Budget
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Affordability	Affordability refers to both the absolute availability of funding to defray the costs of a project (i.e. is there a funding gap?) and the relative cost of the project in relation to other interventions that could otherwise be funded instead. A project can represent Value for Money, but not be affordable, and vice versa.
Alternative Option	A scenario which reflects a different way in which similar objectives could be met. This may include an option with lower costs but fewer benefits, or higher costs with more benefits.
Appraisal	Proportionate process to assess the merits of the application, its strategic fit and value for money
Balance Objectives	A series of objectives designed to ensure that the whole of the region (in terms of geography and people) benefits from growth.
BJC	Business Justification Case
Capital Expenditure	Expenditure on the acquisition or creation of a tangible fixed asset or expenditure which adds to and not merely maintains the value of an existing tangible fixed asset.
Capital Funding	Funding that is hypothecated or ring-fenced for capital expenditure.
Cashability	Refers to the extent to which a change in an outcome or output (e.g. fewer children in care) will result in a reduction in fiscal expenditure such that the expenditure released from that change can be reallocated elsewhere.
Cashable	Cashable fiscal benefits will result in a reduction in fiscal expenditure such that the expenditure released from that change can be reallocated elsewhere. They should be counted in the financial case as reducing the overall budget impact of a project and in the economic case as a benefit to the public (as this resource can be reallocated to productive purposes elsewhere)
C&LG	Cities and Local Growth Unit
Contingency	A special monetary provision in the project budget to cover uncertainties or unforeseeable elements of time/cost in the estimate associated with the normal execution of a project, for example, labour rates and design development.
Demand	A consumer's (or taxpayer) willingness to pay a price for a good or service. Demand can be used to infer the 'need' for a project.
DfT	Department for Transport
Displacement	The number or proportion of intervention outputs (occurring under the reference case and the intervention options) accounted for by reduced outputs elsewhere in the target area.
FBC	Full Business Case
FID	Funding Initiation Document

Financing	The set of financial arrangements put in place to provide committed capital to meet the costs of a project as they are incurred
Funding	The sources of income to be used to meet the capital and operating costs of a project over time.
Funding Gap	The amount of the funding requirement that has no identifiable funding sources (measured in Pounds Sterling or as a percentage of total funding requirement).
Golden Thread	Refers to the direct link between the strategic objectives of the organisation and the outputs that are delivered.
Governance	The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of the WMCA
Interest Payable	Amount of interest repaid in a given period.
Leakage	The number or proportion of outputs (occurring under the reference case and the intervention options) that benefit those outside of the intervention's target area or group should be deducted from the gross direct effects.
Lifecycle/ Whole Life Costs	Sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period of a project.
Loan Drawdown	Amount of funds drawn from a loan facility in a given period.
MCA	Mayoral Combined Authority
MHCLG	Ministry for Housing, Communities and Local Government
Multiplier Effect	Further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer-term development effects
Net Cash Position	Sum of the total cashflows for a given period.
Non-Cashable	Non-cashable fiscal benefits should be quantified as these represent a benefit to the public from freeing up resource for other productive purposes (even if public expenditure is not reduced). In this case, the fiscal benefit is assumed to be equal to the 'opportunity cost' of resources under business as usual which are expected to change as a result of the proposed project, i.e. the value of the forgone alternative use of resource under business as usual. For example, staff time in treating avoidable A&E attendances which is freed up for other purposes (i.e. other more serious A&E cases) as a result of a project could be counted as a non-cashable fiscal benefit. These non-cashable fiscal benefits are counted in the economic case in addition to any cashable benefits.
OJEU	Official Journal of the European Union. Public sector procurements above a certain value must be published in this Journal.
Optimism Bias	There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency project appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.
Opportunity Cost	'Opportunity cost' is a concept used in economics to describe the trade-off between different choices, or the cost associated with making one choice over another.
Outcome	The benefits and other impacts resulting from specific outputs (e.g. reduced journey times, jobs created, homes built, reduction in pollution, access to employment, reduced offending etc.). Some

	outcomes are tangible and measurable, but some may be more intangible. Outcomes can be used to measure the WMCA's success in delivering its strategic objectives.
OBC	Outline Business Case
Output	Specific and clearly measurable products resulting from an investment (e.g. metres of train track, square metres of remediated land, number of educational places created, etc.). In isolation outputs do not necessarily enable the WMCA to meet its strategic objectives
PBC	Programme Business Case
Programme	Group of related projects managed in a coordinated way to obtain outcomes not available from managing projects individually
Project	A distinct scheme that is required to provide a specific service(s) or deliver a specific output(s).
Proportionality	The allocation of resources to the production of evidence should be clearly related (i.e. proportional) to the scale of the resources associated with the activity in question.
Proposed Option	Details of the assumptions and forecasts made under the investment case.
Reference Case	The 'but for' or baseline scenario: The reference case requires a set of assumptions and forecasts about a future in which the intervention is not made. It is used to determine the net benefits of a project or investment.
Payment of Principle	Amount of principle repaid in a given period.
Revenue Expenditure	The operating costs incurred by the authority during the financial year in providing its day to day services. Distinct from capital expenditure on projects which benefit the authority over a period of more than one financial year.
Revenue Funding	Funding that is hypothecated or ring-fenced for revenue expenditure
Risks	A probability or threat of liability, loss or other negative occurrence that may affect the funding and deliverability of a project, with knock on implications for the project sponsor and/or the WMCA.
Risk and Investment Appraisal	Specific appraisal undertaken by specialist appraisers to identify key risks and key lines of enquiry to support the decision-making process
SOC	Strategic Outline Case
Stakeholder	The range of public and private organisations and individuals who have a definitive interest or role in a project/programme or who will be impacted by it.
Strategic Economic Plan	A document that sets out the actions that need to be taken in order to deliver the WMCA vision.
Substitution	Arises where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance.
TAG (WebTAG)	Transport Appraisal Guidance from the Department for Transport
TfWM	Transport for West Midlands
Total Debt Service	Sum of interest and principle repaid in a given period.

TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981
Value for Money (VfM)	Value for Money can be assessed using three criteria: Economy (i.e. minimisation of resource usage, or "spending less"); Efficiency (i.e. the relative level of outputs and the resources used to produce them, or "spending well"); and, Effectiveness (i.e. the relationship between the intended and actual results of public spending, or "spending wisely")