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[Department for Levelling Up,
Housing & Communities](#)

Guidance

English Devolution Accountability Framework

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Applies to England

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Foreword

Stronger, more empowered, and more accountable local leadership is core to our levelling up mission. It can help to grow our local economies and to improve public services. But it requires local leaders and institutions that are transparent and accountable, work closely with local businesses, seek the best value for taxpayer's money and maintain strong ethical standards.

Over 40% of the population of England currently lives in an area covered by a devolution deal that sees them elect a mayor every 4 years. And, thanks to 6 new devolution deals agreed since the Levelling Up White Paper was published in February 2022, over half of England will be represented by a directly elected mayor or leader following the May 2024 elections.

It is through those elections that residents will ultimately be able to hold those responsible for local decisions accountable, but an election every 4 years is not sufficient on its own. This first edition of the English Devolution Accountability Framework sets out how those who lead and work for English institutions with devolved powers such as Mayoral Combined Authorities can be scrutinised and held to account by local politicians and businesses, by the UK government and parliament and – most crucially – by the residents whom they serve.

The accountability system described in this framework acts as a safeguard against unethical behaviour, inadequate performance and poor value for money for the local taxpayer by placing a focus on transparency and scrutiny. It will ensure that local councillors are empowered to provide effective scrutiny through a new Scrutiny Protocol. And that local media and residents are able to hold leaders and institutions to account with accessible information about their role and performance of the leaders through plain English guidance and published outcomes showing the progress areas have made. It will improve the decision-making process and allow greater progress in delivering levelling up to all areas that have agreed devolution deals.

As the new deals and new devolved arrangements are implemented – including to single local authorities in county areas – the framework will be updated to consider their particular needs.

All of these institutions are part of the local government family, supported by the same broader Local Government Accountability Framework, and will benefit from the work being done to make all local authorities, including combined and combined county authorities, more accountable and transparent, such as the establishment of the Office for Local Government.

For devolution to succeed it is important not just that UK government relinquishes powers and funding so that areas can forge their own path to prosperity. Effective local government and devolution requires local leaders to take on responsibility for delivery in the eyes of the public. This requires residents to understand the role of local institutions and make informed assessments of the performance of their local leaders through clear metrics and robust scrutiny.

That will not happen overnight, but it is a vital part of allowing devolution, and through it levelling up the country, to succeed. It is a process to which I know that both the government and local leaders are committed, and that this framework can help begin.

Dehenna Davison

Parliamentary Under-Secretary of State for Levelling Up

Executive summary

Introduction

This first edition of the English Devolution Accountability Framework sets out how the mayoral combined authorities and the Greater London Authority (GLA) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

It will also apply to other new English institutions with devolved powers including mayoral combined county authorities and, with regard to their devolved powers, county councils and unitary authorities that have agreed and implemented devolution deals.

The English Devolution Accountability Framework is an element of the broader Local Government Accountability Framework which applies to all local authorities, including combined authorities. The Local Government Accountability Framework is continuing to evolve and 2023 will see the introduction of the Office for Local Government (Oflog).

The English Devolution Accountability Framework is structured around the 3 key forms of accountability:

- local scrutiny and checks and balances
- accountability to the public
- accountability to the UK government

Local scrutiny and checks and balances

- As with all public bodies, English institutions with devolved powers must maintain standards in public life. And like all other local authorities they must ensure value for money.
- To increase oversight of value for money, all combined authorities and combined county authorities are legally required to have an audit committee and this is also expected of county councils or unitary authorities that agree a devolution deal.
- All institutions with devolved powers must also have a strong, independent, and diverse local business voice.
- All local authorities, including combined authorities and combined county authorities, are required to have overview and scrutiny committees. But in recognition of the unique circumstances for directly elected leaders, government will work with local areas to develop a protocol for all institutions with devolved functions on the relationship between the mayor/directly elected leader, the institution and its scrutiny/audit functions.
- The Scrutiny Protocol will focus on ensuring that each institution has a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members should be able to devote time to the role. And the committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary.
- The Scrutiny Protocol will also look at how mayors can best engage with residents (e.g. through Mayors Question Times), MPs and other key stakeholders including an independent business voice. Government recognises that this will take significant change and the development of the Scrutiny Protocol is an opportunity to explore innovative ideas.
- Separately, we will be engaging with the Liaison Committee on Parliamentary Select Committees' role in scrutinising an institution's delivery of projects funded by central government.

Accountability to the public

- To improve awareness of roles and performances, institutions and their leaders are expected to communicate with their residents clearly about what their role entails. The government will encourage areas to include information on these roles in council tax bills and will explore whether Level 3 areas should include it in the booklets of election addresses.
- Further to [existing literature](#), government will commit to publishing new plain English guidance covering all the roles and funds of current institutions with devolved powers (including the GLA) before the next mayoral elections in 2024.
- In 2023, the government will set out a series of outcomes and metrics which will help local people to assess how institutions with devolved functions are performing with funding provided by UK taxpayers. These metrics will build on the Levelling Up Missions and the Net Zero Strategy and be published by the new Office for Local Government.

Accountability to government

- Government must ensure centrally provided funds support UK government priorities and deliver value for money.
- Government will coordinate the reporting against specific assurance processes and set up an annual conversation with each area to allow a clearer understanding of the interconnections between projects in different funding streams and the local priorities.
- Each area already in receipt of 30-year Investment Funds must agree to an independent evaluation of this funding every five years to assess progress and inform the release of future funding.
- Individual departments have specific intervention processes linked to individual devolved funds. Government has the ability and capacity to intervene when an authority is failing to meet their duty of best value. The Levelling up Secretary powers include ultimately sending in commissioners, where an institution is failing to meet its Best Value duty.

Further iterations of the English Devolution Accountability Framework

The English Devolution Accountability Framework will be republished annually alongside the Annual Devolution Report and updated as appropriate. Anticipated changes to future editions include planned improvements to the broader Local Government Accountability Framework, development of accountability for Single Department Style Settlements for Trailblazer devolution deals and any other relevant change in government policy.

1. Introduction

1.1. The Levelling Up White Paper sets out a mission that:

By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

1.2. To deliver this, the UK government has developed a new devolution framework for England designed to create a clear and consistent set of devolution pathways for areas, enabling them to widen and deepen their devolved powers.

1.3. The devolution framework is underpinned by 4 principles to guide future devolution deals: effective leadership, sensible geography, flexibility, and appropriate accountability.

1.4. In providing areas with more powers and funding flexibility, these powers need to be used appropriately to support local and national priorities. This means having local leaders and institutions that are transparent and accountable, work closely with local businesses, seek the best value for taxpayer's money and maintain strong ethical standards. In order to achieve this, mechanisms are needed to ensure strong local accountability.

Scope of the accountability framework

1.5. The English Devolution Accountability Framework should be seen as part of the broader Local Government Accountability Framework. Much of the English Devolution Accountability Framework highlights existing policies, processes, and mechanisms within the Local Government Accountability Framework and confirms how these should be understood and adopted in the context of implementing devolution deals. Where it proposes to go further, for example in the creation of the Scrutiny Protocol, these additional policies, processes and mechanisms should be understood to be especially applicable in the case of devolution deal implementation but may be adopted more widely where local authorities consider this appropriate.

1.6. All of the processes and mechanisms detailed in this document apply to all existing and future English institutions with devolved functions, unless stated otherwise. These are:

- Combined Authorities, which if they have a directly elected mayor are referred to as mayoral combined authorities
- Combined county authorities, which if they have a directly elected mayor are referred to as mayoral combined county authorities^[footnote 1]
- County councils in areas with two-tier local government that have agreed a devolution deal, including one introducing a directly elected leader
- Unitary local authorities that have agreed a devolution deal, including one introducing a directly elected leader
- The Greater London Authority (GLA)

1.7. All these institutions, with the partial exception of the GLA, are a form of local authority and are subject to the Local Government Accountability Framework. This framework refers to the legal requirements and processes that form local accountability. The Accounting Officer for Local Government (the Permanent Secretary of the DLUHC) sets out their role and the assurance they receive in the [Accounting Officer System Statement](#) (pages 34 to 54), which is published each year with the Department's Annual Report and Accounts. The English Devolution Accountability Framework should be understood as part of the broader Local Government Accountability Framework.

1.8. The GLA has its own unique structure and some specific funds (see Box 2.1) but is also a Best Value Authority (see 2.5). Where the GLA's position is different, this is detailed in the text. In the majority of cases however, particularly when it comes to accountability to government, the system for English institutions with devolved powers is the same as that which applies to other local authorities.

1.9. It does not apply to principal local authorities which have the mayor and cabinet

executive model but have not agreed a devolution deal leading to new powers or functions. Government will keep under review whether certain mechanisms, for example the Scrutiny Protocol, could be applied to these authorities but has no intention to do so at the moment.

1.10. For county councils and unitary authorities that have agreed to a devolution deal, the additional accountability policies, processes and mechanisms that are especially applicable in the case of devolution deal implementation (e.g. the Scrutiny Protocol and the specific published outcomes and metrics) should be understood to be applicable only to the exercise of devolved functions and to other activities connected with deal implementation and not to existing local authority activities, unless the local authority considers this appropriate.

1.11. The government is also developing appropriate accountability processes for institutions that secure single funding settlements at the next Spending Review. They will give those areas more flexibility and accountability over key economic growth funds, enabling local leaders to make place-based decisions and so will need additional measures on scrutiny and assessing delivery against outcomes.

1.12. With the exception of the Greater London Authority, where these institutions have a directly elected leaders they are referred to in this document as Level 3 areas. Where they have an indirectly elected leader or chair, they are Level 2. This uses the terminology defined in the Devolution Framework in the Levelling Up White Paper.

1.13. This document does not look at accountability for the devolved administrations of Scotland, Wales and Northern Ireland nor for their local authorities.

Interdependencies

1.14. The Local Government Accountability Framework continues to evolve. Planned changes include establishing the Office for Local Government (Oflog). Using data as its cornerstone, Oflog will improve transparency and foster accountability, increasing the understanding of local government performance for its three main user groups of the citizen, local government, and central government. Through doing this, Oflog will form a part of the Local Government Accountability Framework and play a role in helping to improve the performance of all local authorities. More information on its future direction of travel will be set out in the coming months.

1.15. Oflog's remit includes all institutions with devolved powers. It will publish key data for institutions with devolved powers. Its broader role in accountability for those institutions will be developed and clarified in later editions.

1.16. Some mayors also exercise Police (Fire) and Crime Commissioner functions (P(F)CC) for their area, where those functions have been transferred through a local devolution deal^[footnote 2]. The accountability processes for that role are set out in the [Police, fire and crime panels guidance](#). Some institutions with devolved power are also responsible for the Fire and Rescue Authority. View the [National Framework that Fire and Rescue Authorities](#) must adhere to.

1.17. The processes for Local Enterprise Partnerships which have not integrated into institutions with devolved powers are set out in the [National Local Growth Assurance Framework](#) which will be updated in due course. Business boards in institutions with devolved powers (see 2.11) are not subject to the separate national LEP assurance, performance, and government intervention arrangements but are a part of their institution and so subject to the English Devolution Accountability Framework.

Structure of the accountability framework

1.18. This document is divided into 3 sections:

- **Local scrutiny and checks and balances** – focused on the processes by which local stakeholders (inside and outside of the organisation) ensure that there is good governance and value for money
- **Accountability to the public** – how government and local areas ensure that the public understand what the institutions do and how they are performing to inform their decision at the ballot box
- **Accountability to government** – the monitoring and intervention done by individual departments for specific funding streams and by DLUHC as ultimate owner of the system

1.19. In each section, some elements cover all Level 2 and Level 3 devolution deals and some only cover Level 3 deals i.e., those with a directly elected leader. Where appropriate individual arrangements for London will be included.

1.20. The annexes provide more detail on specific assurance processes. Annex A covers the Single Assurance Framework which applies to all institutions with devolved deals. Annex B then explains which of the current institutions with devolved powers have specific funds before Annexes C to E detail assurance processes for different funds available for Level 2, Level 3 and uniquely for London respectively.

Refreshing the English devolution accountability framework

1.21. Future iterations of the Annual Devolution Report will have the English Devolution Accountability Framework as an annex and the framework will be updated annually as appropriate. We anticipate changes to future editions to incorporate planned improvements to the broader Local Government Accountability Framework, development of accountability for Single Settlements for Trailblazer Devolution Deals, reflect the governments progress on the English devolution mission and any other relevant change in government policy.

2. Local scrutiny and checks and balances

2.1. This section looks at the key checks and balances that all institutions with devolved powers have. The majority are set out in legislation and are part of the Local Government Accountability Framework so apply to all of the local government sector including institutions with devolved powers.

2.2. The checks and balance in place are to ensure that standards in public life are maintained, value for money is delivered, the voice of business is fully involved in decision making, and that there is a strong culture of local scrutiny with decisions and services being refined and improved through challenge.

Maintaining standards in public life

2.3. As with all public sector bodies, elected officials and officers of English institutions with devolved powers are expected to uphold the [Seven Principles of Public Life \(the Nolan Principles\)](#). This is promoted by the Committee on Standards in Public Life which advises the Prime Minister on ethical standards across all public life including all institutions with devolved powers. As set out in the [Pickles Review](#), governance must include robust and effective processes that openly and

transparently hold those exercising executive responsibilities to account, and which prevent, discourage, and expose municipal corruption.

2.4. All institutions with devolved powers, in common with all other local authorities, are legally required to maintain standards set out in Chapter 7 of the Localism Act 2011, including to:

- promote and maintain high standards of conduct
- adopt their own code of conduct – which as a minimum must be consistent with the Nolan principles (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- have in place arrangements to investigate and decide on alleged breaches of the code
- maintain a register of both pecuniary and non-pecuniary interests
- draft and subsequently abide by a constitution to guide decision making
- employ [3 statutory officers](#) (PDF, 138KB):
 - Head of Paid Service/Chief Executive – who must ensure that all the authority’s functions are properly co-ordinated, as well as organising staff and appointing appropriate management
 - Section 151 Officer or equivalent – who must make arrangements for the proper administration of the authority’s financial affairs, including ensuring the council sets a balanced budget
 - Monitoring Officer – who must report on matters they believe to be illegal or amount to maladministration, be responsible for matters relating to the conduct of councillors and officers and for the operation of the council’s constitution

2.5. Underpinning good governance, and so local democracy, is the best value duty. The duty requires authorities ‘to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness’. Government can intervene where authorities have failed to do so. See the Inspection and Intervention section in Part 4.

Ensuring value for money

2.6. Ensuring value for money is a key duty for all institutions with devolved powers. All institutions with devolved powers are required to independently verify their statutory accounts through external audit as set out in the [Local Audit and Accountability Act 2014](#).

2.7. To help support this, each combined authority, combined county authority or local authority with a devolution deal must have an audit committee. We also expect that constituent councils of combined authorities and combined county authorities should move towards setting up audit committees where they do not have them (or an equivalent structure), in line with the government’s planned commitment to make an audit committee compulsory for all local authorities when parliamentary time allows.

2.8. The audit committee’s role is to review and scrutinise the institution’s financial affairs (including consideration of any devolved funds), ensure appropriate corporate governance and risk management and assess whether it is delivering value for money. They are expected to have an independent person among their membership. Further detail can be found in [Audit Committees: Practical Guidance for Local Authorities and Police](#).

Ensuring a business voice

2.9. All institutions with devolved powers should embed a strong, independent, and diverse local business voice into their decision-making processes. Any newly integrated business voice function should play an active role in partnerships such as Town Deal Boards, where those partnerships currently have Local Enterprise Partnership (LEP) participation at the request of local partners.

2.10. This business board should build on the success of existing LEP boards wherever possible. Local leaders will also have the flexibility to adjust the membership of the newly integrated business board, including by inviting the participation of local economic partners outside of the business community, and can re-brand as necessary. Any new business board members must be appointed through an open process. That process should ensure appointees are politically independent and able to provide a constructive check and challenge on local decision-making using their private sector perspective.

Providing appropriate scrutiny

2.11. Local scrutiny is critical for increasing knowledge and analysis of the performance and governance of local areas. All combined authorities, combined county authorities and local authorities are required to have at least one overview and scrutiny committee, and, where the mayor exercises Police (Fire) and Crime Commissioner functions, a Police (Fire) and Crime Panel is responsible for scrutinising the actions and decisions of Mayors who exercise the functions. See [Police, fire and crime panels guidance](#). In combined authorities and combined county authorities, the members of those committees are predominantly made up of members from the constituent councils. Quoracy for these committees is two-thirds as opposed to the one-third in other local authorities.

2.12. An Overview and Scrutiny Committee's role is to review and scrutinise the institution's decisions (whether planned, underway or implemented) and to make reports and recommendations to the authority on the discharge of its functions and on matters that affect the authority's area or residents. This includes scrutinising accounts and local audit reports.

2.13. Full details of the requirements for these committees are set out in the following:

- [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#)
- [Overview and Scrutiny: statutory guidance for councils and combined authorities](#)
- [Schedule 1 of the Levelling Up and Regeneration Bill](#)

2.14. In the case of London, [the Greater London Authority Act 1999](#) (as amended) sets out the arrangements for the Greater London Assembly which are summarised in Box 2.1.

Box 2.1: London scrutiny and audit arrangements

The London Assembly scrutinises the exercise of the Mayor's functions and conducts investigations into London issues through a series of themed committees.

The London Assembly is formed of 25 elected members, of which 14 members represent individual constituencies with the remaining 11 members acting as London-wide member and elected from a 'top-up' list.

The Mayor is required to attend 10 question times each year to allow Assembly members to enquire into the Mayor's actions and policies, alongside holding an annual, public, State of London debate. In addition, the Mayor and Assembly are required to hold twice-yearly public meetings known as "People's Question Time".

The Assembly has a formal role in considering the budget for the GLA and its 5 functional bodies, and has the power to overrule either all or part of the Mayor's proposals by a two-thirds majority

Similarly, the Assembly must be consulted by the Mayor during the preparation of GLA strategies, and has the power to make amendments, subject to a two-thirds majority being reached.

The Assembly has the power to require attendance at Assembly meetings from certain individuals, such senior members of GLA staff or board members, to give evidence at its meetings and to produce documents on request.

2.15. The role of overview and scrutiny committees is different in combined authorities and combined county authorities. Most scrutiny in principal local authorities focuses on the critical day to day services that the local authority provides. For combined authorities and combined county authorities, the great majority of their decisions are about long-term investments and strategic plans. In addition, when joining these committees, councillors need to think on a broader strategic geography rather than just about their own council area.

2.16. This makes it crucial that committees can recruit committed, motivated members and, crucially and retain them in post for more than one year to allow appropriate training, build knowledge and maintain focus on key policy and performance issues.

2.17. Government is already taking steps to support this through the Levelling Up and Regeneration Bill which will ensure combined authorities and combined county authorities are able to compensate constituent authority councillors for their roles on overview and scrutiny and audit committees.

2.18. But more needs to be done. It is crucial that local scrutiny of institutions with devolved powers sets new standards for holding their institutions to account for delivery, as well as playing a critical role in policy and strategy development.

2.19. To that end, the government will develop a new Scrutiny Protocol for all institutions with devolved functions on the relationship between the mayor/elected leader^[footnote 3], the institution and its scrutiny/audit functions. It will do this working with the currently established mayoral combined authorities, the GLA and those areas which have agreed devolution deals for their areas, as well as organisations such as the Centre for Governance and Scrutiny.

2.20. The Scrutiny Protocol will focus on ensuring that each institution has a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members should be able to devote the time to the role. And the committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary.

2.21. Committees should have easy access to relevant data to support their role. They should be supported by a well-resourced team of clerks, regular training opportunities and access to research and analysis capability.

2.22. Government recognises that this will take significant change and the

development of the Scrutiny Protocol is an opportunity to explore innovative ideas. Government and ministers will also look to demonstrate to local media, residents and politicians the importance that it places on the role of local scrutiny.

2.23. The Scrutiny Protocol will also look at how mayors can best engage with residents (e.g. through Mayors Question Times), MPs and other key stakeholders including the independent business voice (see 2.9).

2.24. The Protocol will be developed during 2023 with a view to publishing later in year, and will be incorporated into the next iteration of this framework. Successfully implementing the Protocol will be a key factor when determining eligibility for single funding settlements and deeper devolution deals.

2.25. Separately, we will be engaging with the Liaison Committee on Parliamentary Select Committees' role in scrutinising how an institution with devolved powers deliver projects funded by central government.

3. Accountability to the public

3.1. The most important form of accountability in devolved institution is to the residents who elect its leaders.

3.2. In Level 2 areas (without directly elected leaders), elected councillors are responsible for appointing the leader of their council and, where relevant, representatives to the combined authority or combined county authority. Councillors should hold leaders to account for the decisions they make on devolved matters, as well as other local government functions, and ensure they are delivering for their residents. Residents should consider this role when making their choice at the ballot box.

3.3. To allow democratic accountability to be effective, it is crucial that the public can easily understand what functions institutions are responsible for and how they are performing. Local and national news publishers, including the hyper-local press and citizen journalism, must be able to play a key role in facilitating public accountability.

Improving awareness of roles and performances

3.4. Institutions and their leaders are expected to communicate with their residents clearly about what their role entails. The government will encourage areas to include information on these roles in council tax bills and will explore whether Level 3 areas could include it in election address booklets.

3.5. Government has previously published [explainers on what each of the devolution deals means](#). To improve understanding, Government will commit to publishing new Plain English Guidance covering all the roles and funds of current institutions with devolved powers (including the Greater London Authority) before the next mayoral elections in 2024. It will engage with the current mayoral combined authorities, the Greater London Authority and new devolution deal areas to develop it.

3.6. This guidance will summarise the powers that have been devolved and the respective roles of the institution, its elected officials and other key stakeholders. It will do so in a way which is straightforward to follow.

3.7. In 2023, the government will set out the outcomes and metrics which should be used to assess how institutions with devolved functions are performing with funding provided by UK taxpayers. These metrics will build on the Levelling Up Missions and

the Net Zero Strategy and be published by the new Office for Local Government.

3.8. The government will engage with a broad range of stakeholders including the current mayoral combined authorities, Greater London Authority and new devolution deal areas in developing these outcomes and metrics. It will consider whether to capture the comparative performance of areas with devolved powers against these outcomes in the annual report on the delivery of Levelling Up Missions or separately. The co-design process with mayoral combined authorities and the Greater London Authority commenced in February 2023, with an initial focus on Adult Skills. Engagement around Transport outcomes and metrics is expected to begin in late-Spring 2023 followed by Housing in early 2024.

3.9. Together the plain English guidance and Office for Local Government data will provide a central resource of information on the roles and performance of mayors and institutions with devolved powers for media, stakeholders and the public to use.

Raising the profile of mayors and other directly elected leaders

3.10. Level 3 devolution deals provide greater democratic accountability by having a single visible leader directly accountable to the public at the ballot box for their performance and the decisions they make.

3.11. Government has improved this accountability by changing the voting system to “First Past the Post” for directly elected mayors and leaders of institutions with devolved powers (as well as for Police and Crime Commissioners and other mayors of local authorities). The government believes that the First Past the Post system is a more straightforward way of electing representatives, which is well-understood by voters. Moving to First Past the Post will make it easier for the public to express a clear preference: the person chosen to represent a local area will be the one who directly receives the most votes. It will reduce complexity for the voter and administrator.

3.12. To date, turnout at every MCA election has increased on the previous election. Areas which have devolved functions should be ambitious in expecting engagement with institutions and their new role to grow year on year.

3.13. As set out in 2.23, the new Scrutiny Protocol will also set out how government expects mayors to engage regularly with the public through ‘Mayor’s Questions Times’ or similar forums whereby residents are able to ask mayors/leaders questions directly about their concerns.

3.14. Two decades on from the establishment of the Mayor of London and the London Assembly, the government intends to review how current scrutiny and accountability arrangements in London are operating in practice, exploring the strengths and challenges of the capital’s devolution settlement, and how the Greater London Authority works and liaises with the London boroughs. This will be aimed at sharing best practice, learning lessons for other mayoral authorities and considering how current scrutiny arrangements may need to evolve over time.

4. Accountability to government

4.1. Areas with devolution deals should consider their primary accountability to be to their local residents. Government must, however, ensure that devolved funds support UK government priorities and deliver value for money. Government is also responsible for the overall integrity of the local government system, including

combined authorities, combined county authorities and local authorities with a devolution deal.

An overall framework for assuring central funds

4.2. Government has provided – and will continue to provide – a number of funding streams to be delivered through areas, including the main funds set out in the devolution framework, as well as other temporary or place specific funds.

4.3. For devolved funds, it is important that there are clear and practical accountability and assurance processes to the relevant department.

4.4. Devolution deals signed with government provide places with greater local control, flexibility and responsibility over funding streams and their outcomes. The deals are the beginning of a process whereby local partners will have increasing control over budget lines, as well as further responsibility for delivery and outcomes.

4.5. A significant fiscal agreement in many of the original devolution deals was a ‘single pot’ approach to funding, which attempted to consolidate some funding lines and reduce ring-fences. It typically brought together the Transport Grant, Local Growth Funds, Adult Education Budgets and the Investment Fund although some of those funds have been superseded. The full commencement of the ‘single pot’ was contingent on the ratification of the devolution deal in all relevant constituent authorities, the establishment of the agreed governance structures, and agreement with central government to both an implementation plan and a Local Assurance Framework. Mayoral combined authorities must then submit their Local Assurance Framework to the department. More detail on the Local Assurance Framework, which all devolution deal areas must develop, can be found in [Annex A](#).

4.6. The government recognises that the ‘single pot’ process did not reduce the inefficiencies, decision-making complexity and reporting burdens which result from the number of local funding pots and the strings attached to them. Over the next 2 years, the government will apply the lessons from the ‘single pot’ process to streamline devolved funding, reducing inefficiency and bureaucracy, and giving institutions with devolved powers the flexibility they need to deliver for their local economies.

4.7. The Levelling Up White Paper announced that the government will set out a plan for streamlining the funding landscape; this will set out our ambition for reforming the current funding landscape to deliver a simpler, more transparent and accountable funding system for local authorities across the UK. DLUHC will publish more details and a wider package of reforms in due course.

4.8. Looking ahead to the next Spending Review and opportunities for simplification, our intention is also to deliver a single funding settlement for Greater Manchester and West Midlands Combined Authorities. More detail on the accountability mechanisms to accompany these settlements will be included in future editions of this accountability framework.

Assurance for individual funding streams

4.9. While the funding simplification work is in progress, each department has developed processes appropriate for their fund detailed in the Annexes. [Annex B](#) sets out the devolved funds received by each MCA. Fuller details of each are set out in the Annual Report on Devolution. Details of the accountability processes for Level 2 government funding streams (Adult Education Budget, Local Enterprise

Partnership funding and UK Shared Prosperity Funds) and Level 3 funding streams (locally led Brownfield funding, integrated transport settlements and, in the case of some major city regions, the City Region Sustainable Transport Settlements) are recorded in [Annex C](#) and [Annex D](#) respectively. London specific funds are captured in [Annex E](#).

4.10. While data on outcomes should be made publicly available (see 3.7) there will also be a need to share more detailed data with government and to ensure that there is consistent data collection and reporting processes to improve data monitoring and allow comparative analysis.

4.11. Government will coordinate the reporting against specific assurances processes and set up an annual conversation with the area to allow a clearer understanding of the interconnections between projects in different funding streams and the local priorities. These will be supplemented in many cases by department specific conversations and regular engagement on a policy-by-policy basis.

Investment funds

4.12. In addition to these devolved funds, Level 3 deals receive area specific funding. UK government has agreed long-term (typically 30 year) Investment Funds (sometimes known as 'Gainshare' or 'Earnback') with each MCA to date and is likely to agree further ones with more areas that agree a Level 3 devolution deal. These are delivered as a joint programme with HMT and DLUHC.

4.13. An integral part of each published devolution deal is that an area had to agree to an independent evaluation leading up to a Gateway Review every 5 years, which assesses progress and impact of the Investment Funds. As well as the impact of the investment, the Gateway Review looks at how an area has met the requirements as set out in the National Evaluation Framework and HMG Performance Indicators. On the conclusion of the Gateway Review, ministers in DLUHC and HMT decide whether to release the next 5 year's funding in full.

4.14. Where the Gateway Review identifies an issue, minister's may decide to reduce or pause an area's payments until the issues affecting their performance are resolved.

4.15. For current and future rounds of Gateway Reviews, DLUHC will procure an Independent Evaluator, ensuring a clear split between the evaluation undertaken by the areas and the assessment of their progress by the Independent Evaluator. At the end of the 5-year period, a final assessment will be submitted to DLUHC to enable recommendations to be made to ministers.

Monitoring of governance and finances

4.16. For local government, which includes institutions with devolved powers, the department collects and analyses information from a wide range of sources to provide assurance that the core Local Government Accountability Framework is working and to assess levels of financial risk across the sector. This includes key sources of financial data and other soft intelligence primarily gained from our interaction with authorities and other government departments. This data and intelligence is considered and analysed in the department to provide indications of which local authorities or groups of authorities are at highest risk of financial distress, service failure or other inability to meet statutory duties.

Inspection and intervention

4.17. The purpose of the measures set out in this accountability framework is to ensure good governance and value for money and reduce the need for government intervention. However, government must have the ability and capacity to intervene where there are very serious concerns of bad governance, poor value for money or inadequate services for residents.

4.18. It is for this reason that the DLUHC Secretary of State has the power to inspect an authority to determine if they are meeting the Best Value duty (see 2.5) and can intervene if they judge that an authority is failing to meet this duty. Intervention can be in the form of directing the authority to take specified actions and appointing Commissioners to take on functions of the authority. Full details are set out in [Statutory intervention and inspection: a guide for local authorities](#).

4.19. Where the government judges it necessary to seek additional assurance this can be achieved in a number of ways set out below:

- increase regularity of contact to ensure progress is being maintained
- work with Local Government Association and peer organisations to provide sector level support
- engage with the external auditor
- non-statutory independent reviews
- provide additional conditions on the release of funding
- non-statutory intervention
- statutory Best Value inspection
- statutory Best Value intervention

4.20. DLUHC maintains stewardship responsibilities and will work with other departments who manage policy with devolved funding to agree next steps on additional assurance where needed, consistent with assurance processes set out in Annexes C to E.

Annex A: Local Assurance Frameworks

Due to the anticipated lifetime, value, and significance of certain elements within devolution deal agreements, Local Assurance Frameworks will need to be formally signed off by DLUHC before the Level 3 institution's first allocation of investment fund.

The Local Assurance Frameworks must demonstrate robust assurance, project appraisal and value for money processes before they are signed off by the department. Once approved, resources are paid where possible via a Section 31 Grant Determination to the Level 3 institution.

The single pot policy which led to the creation of Local Assurance Frameworks has evolved over time and will be superseded by single funding settlements where those are agreed. Should further funding be incorporated, or if wider changes affect local authority responsibilities, the Local Assurance Framework will be updated. In such instances, Local Assurance Frameworks will need to be updated accordingly. More detail on what is required for Single Local Growth Settlements will be included in future editions of the English Devolution Accountability Framework.

Where Level 3 institutions make changes that result in significant divergence from approved Local Assurance Frameworks, places should inform DLUHC officials who will provide further advice. Adjustments may need to be agreed by the Accounting Officer for the department, in consultation with relevant Accounting Officers across

government. Recognising the fluidity and lifetime of the programme of investments, we expect Local Assurance Frameworks to be live documents, reviewed and refreshed annually (or more frequently if required) by the place. They should notify DLUHC if they are considering any significant changes and submit any new drafting in order to engage in a review process, including obtaining DLUHC approval before re-publishing.

Accountability and transparent decision making

This section sets out the accountability and decision-making process for all Level 3 institutions. Government's expectation is that mayoral combined authorities will build upon these requirements through their own Local Assurance Framework. It is important that, within their Local Assurance Framework, mayoral combined authorities outline their decision-making processes and demonstrate their commitment to transparent and accountable decision making. To demonstrate this commitment, we expect all Local Assurance Frameworks to:

- Confirm Accountable Body arrangements for funding received from government through devolution deals
- Confirm that the use of resources is subject to the usual local authority checks and balances – including the financial duties and rules which require authorities to act prudently in spending, which are overseen and checked by the responsible Chief Finance Officer (the Section 73 Officer) and to ensure that annual accounts are published. This should include reference to the MCA's overview and scrutiny and audit committee functions
- Confirm, where applicable, that investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local objectives (e.g. transport objectives) and through formal LEP involvement
- Describe the arrangements for enabling effective and meaningful engagement of local partners and the public to inform key decisions and future strategy development

The Local Assurance Framework should set out the key roles and responsibilities in decision making. In particular, it should set out which body (or bodies) has the authority to set strategy, budgets, and individual investment decisions, including any delegated authority. It should set out, for example, the distinct responsibilities of the Mayor and other Combined Authority members.

Where LEP integration has not taken place, mayoral combined authorities must agree and publish a joint statement with their LEP(s) in their Local Assurance Framework(s) which sets out their respective roles and responsibilities in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

In line with the Local Government Accountability Framework, we expect the Level 3 institution to ensure appropriate arrangements are in place so that decision-making and recording is transparent, and that requests for information, conflicts and complaints are dealt with appropriately. We would also expect to see arrangements in place to enable effective engagement with local partners and the public.

Local Assurance Frameworks should set out the means by which directly elected leaders will be involved in funding allocation and decision making. No spending commitments beyond the initial 5-year allocation should be made until elected leaders are in place and have agreed to the investment strategy. This is consistent with the ambition and agreement to hold a single democratically elected leader accountable, and for their democratically invested power to influence the allocation of funding.

Annex B: List of funds each current institution with devolved powers receives

Place	UK Shared Prosperity Fund	Growth Hubs	Career Hubs	Adult Education Budget	Brownfield Funding	Affordable Housing
Cambridgeshire & Peterborough	Yes	Yes	Yes	Yes	No	No
Greater Manchester	Yes	Yes	Yes	Yes	Yes	No
Greater London Authority	Yes	Yes	Yes	Yes	No	Yes
Liverpool City Region	Yes	Yes	Yes	Yes	Yes	No
North of Tyne	Yes	Yes	Yes	Yes	Yes	No
South Yorkshire	Yes	Yes	Yes	Yes	Yes	No
Tees Valley	Yes	Yes	Yes	Yes	Yes	No
West Midlands	Yes	Yes	Yes	Yes	Yes	No
West of England	Yes	Yes	Yes	Yes	No	No
West Yorkshire	Yes	Yes	Yes	Yes	Yes	No

Annex C: Funds for Level 2 and Level 3 areas

United Kingdom Shared Prosperity Fund (UKSPF)

The UKSPF runs until end of Financial Year 24/25, and any future funding cycle is subject to Spending Review decisions. However, as set out in the UKSPF Prospectus, we expect delivery responsibility for any future rounds of the Fund to align with new devolution deals in due course. In that case existing mayoral combined authorities, and all new combined authorities, combined county authorities or local authorities with a devolution deal, as lead authority for the strategic geography, would be expected to have overall accountability for the funding and how the Fund operates, although this does not preclude working with constituent authorities to deliver discrete elements of the fund more locally.

In that case the area, as lead authority for the strategic geography, would be expected to have overall accountability for the funding and how the Fund operates, although this does not preclude working with constituent authorities to deliver discrete

elements of the fund more locally.

Based on current delivery arrangements (which may be subject to change), the milestones, expectations and timescales for UKSPF projects are expected to be set out in a Memorandum of Understanding with each area. This would set out formal reporting requirements, including quantitative and qualitative reporting. Areas must report this data to DLUHC to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level.

Areas are currently advised to carry out process evaluation/s of each project they fund to demonstrate the effectiveness of delivery of the interventions pursued. This can help contribute towards local accountability and provide learning on what worked in terms of delivery. Areas are also strongly encouraged to conduct their own causal quantitative impact evaluations for certain projects, where feasible. This should be proportionate to their allocations and investment plans.

Areas will also be expected to take part in the national level evaluation of process and causal impact where required.

Growth Hubs

Where the Department for Business and Trade provides grant funding to mayoral combined authorities and the GLA for a Growth Hub that will provide advice and guidance and simplify access to support for businesses. The MCA, GLA and the Growth Hub are required to comply with the terms of the Grant Offer Letter and Memorandum of Understanding, including using robust monitoring and evaluation systems and ensure excellence in quality delivery.

Career Hubs

Where DfE provides grant funding, via The Careers & Enterprise Company, to support the delivery of activity within their local Careers Hubs, the MCA, GLA and the associated Careers Hub are required to comply with the terms of the Grant Offer letter and Memorandum of Understanding, including meeting relevant targets and Key Performance Indicators (KPIs).

Accountability for devolved skills funding

This section sets out the relationship between all institutions with devolved powers for adult skills functions and the DfE in more detail. This relationship ensures clear accountability and transparency as part of a strengthened strategic partnership that will help ensure the best possible skills outcomes for learners, local employers and value for money for the taxpayer.

All current mayoral combined authorities and areas with a devolution deal that have agreed to take responsibility for devolved skills budgets for their area (subject to readiness tests) will be expected to confirm that investment decisions made in relation to this funding are undertaken having given full consideration to (a) statutory duties relating to adult education and training which have been transferred to the mayoral combined authorities under Statutory Instruments (b) statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant (c) statutory and non-statutory guidance.

Institutions with devolved powers should consider how their devolved skills funding will align to local skills plans (including strategic skills plans set out by the institution with devolved powers, as well as the Local Skills Improvement Plan) while also addressing national priorities (such as those that will be set out in DfE's Accountability Agreements with providers).

Monitoring and evaluation

DfE expects institutions with devolved skills powers to produce an Annual Assurance Report on the delivery of adult education functions in line with wider monitoring and evaluation requirements. Institutions will report on the previous academic year findings to date by the end of every January using a standard template, referencing the most up to date publicly available data at that point in time. The report should include:

- Strategy and priorities for adult skills (subject to any further powers devolved in future)
- Spend – including the amount spent on skills programmes vs allocation, and the amount spent on related administrative costs
- Analysis of their delivery in their areas. This can draw on published data from DfE and use other data where necessary
- Impact – areas should consider the impact devolved skills funding has had upon skills in their localities (including alignment with Local Skills Improvement Plan), as well as against national priorities

To support local transparency, we ask that these reports are published on the institutions with devolved power's website. This report should be provided in addition to the policy specific assurance arrangements over the use of funds allocated to providers (e.g. the Adult Education Budget assurance statement).

To improve data transparency DfE will publish area-level information on key delivery outcomes and metrics, following engagement with existing and planned institutions with devolved skills powers. Timely data from devolved institutions will be required to support this.

To support DfE's strategic relationship with devolved institutions an annual skills stocktake will be held with each area to understand the strengths, challenges and opportunities in that area to improve skills outcomes. This will be informed by the information provided via the Annual Assurance Report and the outcomes data and metrics.

Intervention

When there is evidence of serious concerns DfE will use the menu of interventions set out in the Inspection and Intervention section of the framework. For institutions with devolved skills specifically, DfE will also offer support for escalating concerns via a non-statutory Diagnostic Review to help facilitate improvement. In extremis, where there are very serious unresolved concerns, DfE reserves the right to withhold funding.

Annex D: Level 3 only funds

Brownfield funding

The Brownfield Housing Fund is a £550 million fund, profiled over 5 years, with the aim of creating more homes by bringing more brownfield land into development. The

fund will contribute to the levelling up agenda targeting funding at places with an affordability ratio below national average to help ease the viability issues that brownfield projects in these places face, alongside supporting wider interventions aimed at economic development.

Areas are required to provide a quarterly report (covering spend and general delivery update) and an annual statement (covering both more detail on projects but also detail including analysis of market failures addressed and progress on Local Plans). Payments are dependent on the annual statement showing that DLUHC is satisfied that there has been sufficient progress.

Following the conclusion of the 5-year programme in 2024/25, areas must provide an evaluation report to DLUHC.

DLUHC may conduct its own monitoring and evaluation of the programme and may request to interview senior programme officers across a number of years.

Consolidated Transport Settlement

The consolidated integrated local transport budget consists of the local highways maintenance funding (pothole and highways maintenance block funding) and integrated transport block (transport capital improvement schemes worth less than £5 million). The Department for Transport (DfT) allocates capital funding to the devolved authority as they can most effectively decide how to spend this funding on maintaining and improving their respective network, based upon their local knowledge, circumstances, and priorities.

It is up to the devolved authority how best to spend this funding to fulfil their statutory duty under Section 41 of the Highways Act 1980. The Department strongly advocates a risk-based whole-lifecycle asset management approach to local authority highways maintenance programmes to ensure this funding is used as effectively as possible.

City Region Sustainable Transport Settlement

Seven mayoral combined authorities have agreed City Region Sustainable Transport Settlements (CRSTS) with government consolidating transport funding streams into a single settlement on a 5-year basis which could be the first of a series of 5 year transport settlements. Following the recent devolution deal the new North East Mayoral Combined Authority will become eligible for a CRSTS, which will be determined in line with plans put forward by the Mayor.

This provides the long-term funding certainty for areas to design and deliver ambitious investments in their local transport network, which the mayoral combined authority takes responsibility for managing. Any cost overruns must be met locally and no additional government funding from this settlement will be provided to support the City Region Sustainable Transport Settlement programmes.

Delivery against those outcomes and local network performance will be monitored and regularly published in the same place, giving government and local electorates the opportunity to judge each mayor and combined authority's performance. Funding may be reduced if agreed schemes are not delivered, modified, delayed significantly or removed.

To ensure lessons are learnt from the City Region Sustainable Transport Settlement interventions, monitoring and evaluation of projects supported through settlements is a condition of funding. As outlined in the guidance, mayoral combined authorities are

required to set aside a proportion of their allocated funding to undertake their own monitoring and evaluation. They should develop an Evaluation Plan to a timetable to be agreed with the department and make findings and reports available to the department. This plan should include proposals for carrying out monitoring and evaluation of the overall programme of work and the individual projects within it.

The department has procured evaluators to lead on the national-level evaluation of the city region sustainable transport settlements. This will include impact, process and value-for-money evaluation. As well as undertaking their own evaluations of schemes, mayoral combined authorities are required to collaborate fully with the national evaluator. This will include submitting the required data in a consistent format, which will be agreed between the contractor, the Department for Transport and the mayoral combined authorities as part of the development of the national monitoring and evaluation framework

Work and Health Programme

Devolution deals are in place to deliver the Work and Health Programme in 4 sub-regional groups of boroughs in London and in Greater Manchester, known as our Local Government Partners. The Work and Health Programme is commissioned by the local authorities, who have full control of the contracts, are responsible for performance management and are free to prioritise specific customer groups in their areas with grant funding from the Department for Work and Pensions.

Annex E: Greater London Authority (GLA) only funds

Affordable Homes Programme

The Affordable Homes Programme is the Department for Levelling Up, Housing and Communities flagship programme for delivering affordable housing in England. It provides grant funding towards the new supply of social and affordable housing, which would not otherwise be financially viable. Two programmes run concurrently – the Affordable Homes Programme 16-23 and the Affordable Homes Programme 21-26.

The department delegates Affordable Homes Programme delivery to our delivery partners the Greater London Authority (GLA) in London, and to Homes England for the rest of the country. Providers (mostly housing association and local authorities) bid for grant funding from Homes England and the GLA to partially cover the cost of new supply. Housing providers bring forward funding through their own borrowing; cash from their own reserves; and cross subsidy from selling homes on the open market. Ultimately, central government grant funding is required to make up the rest of the shortfall.

Spend and allocation

The Affordable Homes Programme 16-23 has an overall budget of £9.1 billion, of which £4.8 billion was allocated to the GLA and the remainder allocated to Homes England for the rest of England.

The Affordable Homes Programme 21-26 has an overall budget of £11.5 billion, of which £4 billion is allocated to the GLA and the remainder allocated to Homes

England for delivery in the rest of England.

London Land funds

The Department contributes £486 million towards the GLA's Land programme. This sum is an aggregation of 20% of the national pot for Accelerated Construction, Small Sites and Land Assembly funds. The GLA provides quarterly management information responding to data requirements set out in the initial memorandum of understanding (MOU) in 2018. Departmental policy and Finance lead to meet with the authority on the back of this management information and payment stages are triggered where the authority has demonstrated progress as per the MOU. Payments are triggered on the provision of delivery evidence and an indicative pipeline (as stipulated in the MOU).

The initiating business case recognised that the GLA, as a devolved body should enjoy a degree of control over the management of the funds. Generally, the GLA invest more in recoverable loans as a mechanism compared to Homes England. This has led to greater outputs than demanded through the MOU. The MOU seeks 8,000 units by 2030 and the GLA is forecasting to exceed this by several thousand units.

Transport for London funding settlement

Transport for London's (TfL) income comes from a range of sources including c. £1 billion per annum through Business Rates income which is agreed through the Spending Review process. Since 2020, TfL has also received direct grant funding to mitigate revenue loss due to the pandemic, this funding ends in March 2024.

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1. Subject to the current combined county authority provisions in the Levelling Up and Regeneration Bill receiving Royal Assent. [↪](#)
 2. The Mayor of Greater Manchester is the Police, Fire and Crime Commissioner for their area, and the Mayor of West Yorkshire is the Police and Crime Commissioner for their area. From 2024, the Mayor of York and North Yorkshire will also be the Police, Fire and Crime Commissioner for their area. The Mayor of London also has responsibility for police and fire services (see Box 1) [↪](#)
 3. The Levelling Up and Regeneration Bill will enable directly elected mayors of local authorities, mayoral combined authorities and mayoral combined county authorities to be known by alternative titles – such as governor or elected leader – where there is a local wish for this. [↪](#)

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