



<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	7 March 2024
<b>Subject:</b>	<b>Compliance and Monitoring</b>
<b>Director:</b>	Alan Reiss, Chief Operating Officer
<b>Author:</b>	Caroline Allen Deputy Director, Legal, Governance & Compliance

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1: paragraph 3	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this Report

- 1.1 To consider any changes to the arrangements for internal control in the West Yorkshire Combined Authority since the last meeting of the Committee.
- 1.2 To present an update on the Combined Authority's compliance with regulatory requirements and internal controls (compliance dashboard).

## 2. Information

- 2.1 This paper is provided to each meeting of the Governance and Audit Committee and provides information and assurance on governance issues. Any changes to, or failures of, internal control will be reported along with significant risk issues.

### Internal Controls

- 2.2 The Combined Authority's Corporate Centre Management Board (CCMB) under the leadership of the Chief Operating Officer has internal responsibility for monitoring compliance with regulatory requirements and internal controls.

- 2.3 The integrated Finance, HR and payroll system CI Anywhere went live from 13 November 2023. In the coming months, officers will be implementing new modules within the system. An officer steering group has been set up to manage this and further developments and implementation phases will include Learning Management and Talent Management for 2024.
- 2.4 The latest version of the dashboard is published as part of the Combined Authority's publication scheme. An updated version of the dashboard for consideration of the Committee is provided at **Appendix 1**.
- 2.5 The dashboard has been populated with data where this is currently available, and work will continue to ensure that all data fields can be populated in future iterations.
- 2.6 The following key indicators can be drawn from the dashboard:

#### Information and Communications Technology

- 2.6.1 In the Autumn of 2023 the Combined Authority, along with other transport authorities, was the target of multiple Distributed Denial of Service (DDoS) attacks which rendered its public facing journey planning website unavailable for multiple periods. This is a serious matter, which affects the ability of people across West Yorkshire to plan their journeys. During these attacks, we have swiftly communicated with the public via social media and Metroline and put in place additional protections to bring the service back online as quickly as possible.

To mitigate any future DDoS attacks, DDoS protection has been purchased and enabled to protect all the Combined Authority websites, this prevents low level network attacks. A Web Application Firewall (WAF) service has also been purchased which provides advanced protection against DDoS and other Cyber Attacks to websites. The WAF service mitigated the most recent DDoS attacks, and no future outage has been experienced.

To ensure stability, additional capacity has been built into the webservices platform allowing for the automatic scaling out of services in response to higher load, allowing for dynamic load management. This is required because under any DDoS attack additional traffic is expected to reach the webservices and needs to be absorbed to ensure the websites remain functional.

The total number of attempted malware attacks has reduced from last year with zero successful attempts.

ICT Services have a new Cyber Security Manager, who brings a wealth of knowledge and experience in cyber security and securing ICT infrastructure. The new Cyber Security Manager has already started to prioritise and action security improvements and remediation work and is leading on the implementation of the managed Security Operations Centre (SOC) which will provide the Combined Authority with a detection and response capability to protect the organisation 24/7/365.

## Complaints, Correspondence and Casework

- 2.6.2 The total number of Complaints, Correspondence and Casework received was less in December than in previous months, falling significantly from the high in September when schools returned. There are no areas of concern over the last quarter. The case which was at Stage Two in December is now with the LGO which will reflect in figures for January.
- 2.6.3 Overall KPI's for the last quarter were above the 85% target, showing a slight decrease for December.

## Health and Safety

- 2.6.4 There have been no RIDDORs reported over the last two years.
- 2.6.5 On Friday 5 January 2024 the Combined Authority took the precautionary measure to close Bradford Interchange Bus Station to safeguard public safety, following a degree of concrete fall into the basement of the facility. Contractors have begun work onsite to establish the extent of the damage and what remedial works are required before it can be safely reopened. It is anticipated that these surveys could take several weeks to complete and the bus station will remain closed throughout this period. A temporary bus station solution has been established to limit disruption for passengers, operators and the city centre during this time. These arrangements will develop to ensure that current highways work in the city centre can progress, traffic congestion minimised and all preparations can continue for the 2025 City of Culture programme. Bradford Council is supporting us with this to help minimise disruption to transformation work that is happening in the city centre. Train services remain unaffected by the closure of the bus station.

## Internal Audit

- 2.6.6 The number of fraud/whistleblowing referrals have increased (10 to date) compared to last year (7 in total) and the year before that (1 in total). Of all the cases referred to date, 3 are currently still under investigation.
- 2.6.7 There are five overdue audit recommendations.

## Legal, Governance and Compliance (including Information Governance)

- 2.6.8 There has been a drop (-5.6%) in the number of quorate Combined Authority committee meetings compared to last year, however, significantly fewer committees cancelled (-7.2%).
- 2.6.9 The percentage of Member declarations of interest returned within the 28 day deadline remains at 96.6% in 23/24.
- 2.6.10 Compliance with deadlines for publication of committee agendas and key decisions remains on target (100%).

2.6.11 Response times to FOIs have dipped slightly below the Combined Authority's KPI of 100%. However, an internal process has been developed as well as communications to officers to reemphasise the importance of meeting the legal deadline. At 96.6% compliance, this remains significantly above the Information Commissioner's Office (ICO) threshold of 85% which triggers enforcement action. Response times to and data subject access requests have fallen below KPI, however, the number of requests which have exceeded the deadline remains low in numbers.

2.6.12 There have been no reportable data security incidents.

### Human Resources

2.6.13 Recruitment activity was suspended from 6<sup>th</sup> November to 31<sup>st</sup> December 23 in preparation for the implementation of CI Anywhere. This has affected the data figures for the end of Q3 and the beginning of Q4, therefore no further data can be provided for this period.

### Finance and Commercial

2.6.14 There has been a slight increase in Standing Orders waivers year on year but by far the majority are low value and have been deemed low risk.

### **Financial Update**

- 2.7 Revenue and Capital expenditure year to date positions and year end forecasts for the first 9 months of 23/24 have been prepared and will be reported to the Finance Resources and Corporate Committee in March 2024. The Combined Authority is reporting a Quarter 3 net income position of £27k compared to a budgeted position of net income of £70k.
- 2.8 The variations in both income and expenditure are predominantly driven by the project portfolio, where the incidence of income and expenditure varies throughout the financial year, in contrast to budgets which are phased equally across 12 months.
- 2.9 The significant variances have been reviewed in detail and arise from timing differences, for example where income is received in advance of incurring related expenditure, or where expenditure is recovered from third parties, and this is only invoiced after the expenditure occurs. The introduction of the new finance system will facilitate improved phasing of budgets and thereby reduce temporary timing differences.

## 2023/2024 Quarter 3 Revenue Summary

	Actual to	Budget to	Difference	Difference
	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
	£000s	£000s	£000s	%
<b>Income</b>				
Transport Levy	69,148	69,149	(0)	(0%)
AEB Income	44,678	52,225	(7,547)	(14%)
Pre Paid Ticket Income	22,057	16,500	5,557	34%
Income - Operational	6,619	10,733	(4,115)	(38%)
Funding - Grants	25,345	49,173	(23,828)	(48%)
Tendered Services Income	2,374	4,741	(2,367)	(50%)
<b>Total Income</b>	<b>170,222</b>	<b>202,521</b>	<b>(32,299)</b>	<b>(16%)</b>
<b>Expenditure</b>				
AEB costs	44,678	52,134	7,455	14%
Concessions	35,053	34,632	(420)	(1%)
Consultancy and Professional Services	1,630	2,064	434	21%
Employee Costs	27,048	30,858	3,810	12%
Financing Charges	557	5,390	4,832	90%
Grants and Agency costs	-	1,133	1,133	100%
ICT Related Costs	2,307	2,511	204	8%
Indirect Employee Costs	914	1,307	394	30%
Members Allowances & Expenses	152	279	127	46%
Non-staffing Project costs	14,983	39,159	24,176	62%
Premises Costs	3,888	5,506	1,619	29%
Prepaid Tickets Costs	20,026	16,500	(3,526)	(21%)
Supplies and Services	2,468	2,972	504	17%
Tendered Services	24,981	25,179	199	1%
Travel, Subsistence & Transport Costs	127	170	42	25%
<b>Total Expenditure</b>	<b>178,812</b>	<b>219,794</b>	<b>40,982</b>	<b>19%</b>
<b>Indirect Contribution* (Capitalisation/ Internal recharges)</b>	<b>8,617</b>	<b>17,343</b>	<b>(8,727)</b>	<b>50%</b>
<b>Net Income / (Expenditure)</b>	<b>27</b>	<b>70</b>	<b>(43)</b>	
<b>Net Income / (Expenditure) as a % of Income</b>	<b>0.02%</b>	<b>0.03%</b>		

## Quarter 3 Capital Summary

The Combined Authority's capital programme at Quarter 3 shows expenditure of over 56% of the December 2023 revised forecast, with the majority concentrated across the City Region Sustainable Transport Settlement (CRSTS), the Transforming Cities Fund (TCF), the West Yorkshire plus Transport Fund and the Zero Emissions Regional Bus Areas (ZEBRA). In line with previous years, it is expected that expenditure will increase as the year progresses and at this stage there is confidence that the full year forecast will be achieved.

Capital Programme Expenditure	Indicative Forecast Combined Authority February 2023	Revised In-Year Forecast as at Dec 2023	Expenditure upto Quarter 3 2023/24	% of in-year Forecast
<b>Transport Programmes</b>				
City Region Sustainable Transport Settlement	£103,031,181	£103,031,181	£67,014,024	65.04%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	£72,144,806	£64,319,670	£41,077,776	63.87%
West Yorkshire plus Transport Fund	£76,485,552	£68,832,475	£41,166,916	59.81%
Zero Emissions Bus Regional Areas	£10,108,378	£10,108,378	£6,193,387	61.27%
Leeds Public Transport Investment Programme	£824,728	£699,728	£78,813	11.26%
Integrated Transport Block (CA legacy projects)	£2,569,856	£2,569,856	£1,162,161	45.22%
Active Travel	£9,113,471	£6,835,962	£2,757,542	40.34%
New Station Fund	£7,044,369	£3,360,369	£0	0.00%
Levelling Up Fund	£1,308,784	£1,086,618	£97,955	9.01%
Gainshare Capital (Capital Flood Infrastructure Programme)	£1,094,236	£1,094,236	£0	0.00%
Gainshare Capital (LUF2 match)	£1,523,000	£1,523,000	£0	0.00%
LEVI	£438,220	£438,220	£0	0.00%
<b>Economic Development Programmes</b>				
Getting Building Fund	£0	£0	£0	n/a
Brownfield Housing Fund	£15,000,000	£15,000,000	£0	0.00%
Social Housing Decarbonisation Fund	£6,978,371	£6,886,923	£2,020,082	29.33%
British Library North	£302,000	£303,835	£255,307	84.03%
Corporate Projects	£1,553,410	£1,554,881	£769,259	49.47%
Broadband	£25,000	£1,815	£1,815	100.00%
Growth Deal - Economic Development	£55,000	£55,000	£0	0.00%
Business Accelerator Fund	£3,126,168	£2,626,168	£2,303,349	87.71%
<b>Total Capital Spend</b>	<b>£312,726,530</b>	<b>£290,328,315</b>	<b>£164,898,387</b>	<b>56.80%</b>

2.10 The revenue and indicative capital budgets for 2024/25 were approved by the Combined Authority at the 1 February 2024 meeting.

### 3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report.

### 4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report.

### 5. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report.

**6. Financial Implications**

6.1 As set out in the report.

**7. Legal Implications**

7.1 There are no legal implications directly arising from this report.

**8. Staffing Implications**

8.1 There are no staffing implications directly arising from this report.

**9. External Consultees**

9.1 No external consultations have been undertaken.

**10. Recommendations**

10.1 That the Committee considers the information contained in this report.

**11. Background Documents**

None

**12. Appendices**

Appendix 1 – Dashboard.