

GOVERNANCE AND AUDIT COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON MONDAY, 16 OCTOBER 2023
IN COMMITTEE ROOM 1, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. Generally, the public seating areas will not be filmed; however, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting. If you have any queries regarding this, please contact Governance Services on 0113 251 7220.

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXCLUSION OF THE PRESS AND PUBLIC**
 1. To highlight Appendix 4 to Agenda Item 8 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
 2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out in paragraph 7.1 of Agenda Item 8.
 2. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 4 to Agenda Item 8 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there

would be disclosure to them of exempt information and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**4. MINUTES OF THE MEETING OF THE GOVERNANCE AND
AUDIT COMMITTEE HELD ON 24 JULY 2023**

(Pages 1 - 4)

5. INTERNAL AUDIT PROGRESS REPORT

Lead Director: Alan Reiss; **Lead Author:** Bronwyn Baker

(Pages 5 - 20)

6. EXTERNAL AUDIT PROGRESS REPORT

Lead Director: Angela Taylor; **Lead Author:** Gary Dowson

(Pages 21 - 28)

7. COMPLIANCE AND MONITORING

Lead Director: Alan Reiss; **Lead Author:** Caroline Allen

(Pages 29 - 40)

8. RISK MANAGEMENT

Lead Director: Alan Reiss; **Lead Author:** Caroline Allen

(Pages 41 - 54)

9. CORPORATE GOVERNANCE UPDATE

Lead Director: Alan Reiss; **Lead Author:** Caroline Allen

(Pages 55 - 100)

10. BUS REFORM

Lead Director: Simon Warburton; **Lead Author:** Alexander Clarke

(Pages 101 - 108)

Signed:



**Chief Executive
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON MONDAY, 24 JULY 2023 AT COMMITTEE ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Debbie Simpson (Chair)
Councillor Jane Scullion (Deputy Chair)
Councillor Susan Hinchcliffe
Councillor Sam Firth (Substitute)
Joanna Wardman

Independent Member
Calderdale Council
Bradford Council
Leeds City Council
Independent Member

In attendance:

Mark Outterside
Caroline Allen
Bronwyn Baker
James Nutter
Angela Taylor

Mazars Auditors
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority

1. Apologies for Absence

Apologies had been received from Cllr Lamb.

2. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

3. Exclusion of the Press and Public

There were no items which required the exemption of the press and public.

4. Minutes of the Meeting of the Governance and Audit Committee held on 22 March 2023

Resolved: That the minutes be approved.

5. Governance Arrangements

The Committee considered a report which set out the governance arrangements for the committee an approved at the Combined Authority's annual meeting as well as a proposed work programme for the year.

Members noted the summary of grant applications considered during the last financial year under arrangements to address conflicts of interest.

Members asked for the joint independent audit report to be added to the work plan as well as for the value for money opinion form Mazars.

Members discussed the role of the committee in the bus franchising audit work currently underway. An external auditor had been appointed and was operating in a strict legislative framework and that the outcome of that audit work could be brought back to the committee.

Resolved:

- (i) That the governance arrangements approved by the Combined Authority be noted
- (ii) That the summary of applications for grants considered during the last financial year under arrangements to address conflicts of interest be noted.
- (iii) That the workplan and the suggested additions be noted.

6. Review of Internal Control and Effectiveness of Internal Audit

The committee considered a report that outlined the result of the review of internal controls and the effectiveness of internal audit.

Members noted that the Director, Finance and Commercial Services had undertaken a review of internal audit and concluded that it complied with the necessary standards and had worked to an adequate standard throughout the year.

Members asked for more information about the external independent review next year. Planning was underway and an update would be brought to a future meeting of the Committee.

Resolved: That the outcome of the review of internal audit control and the effectiveness of internal audit be approved.

7. Internal Audit Annual Report and Opinion

The Committee considered a report that set out the Head of Internal Audit's Annual Opinion for 2022/23.

Internal audit had been able to complete sufficient work against the internal audit plan to enable the provision of an opinion which was not limited by volume or scope. The systems of control, governance, and risk management had been found to be adequate for 2022/23.

Given the growth of the Combined Authority, a piece of work would be undertaken to look at the audit universe to understand the full range of work

that internal audit should be assuring.

Members asked about the management and timetabling of audits carried over from the previous year. A number of those audits carried over were in progress but not completed in time for the opinion and two were deferred but would be carried out. Only one audit had been removed from the plan as it could not be justified on a risk basis.

It was noted that the audit universe work would examine the need to make transport issues a greater focus of audit and would also look at the resourcing around grant certification.

Resolved: That the report be noted.

8. Internal Audit Progress Report

The Committee considered progress report on internal audit matters.

Members asked if the date of the last review of overdue actions could be added for clarity.

Members discussed the audit work on contract management across several audits and asked if a more holistic approach could be utilised within the organisation. Work was ongoing with the commercial team on the development of contract management standards which would address this.

Resolved: That the report be noted

9. External Audit Progress Report

The Committee considered a report that provided an update on external audit matters.

The triennial valuation of the Local Government Pension Scheme had been published and CIPFA had ruled that auditors would need to consider if there were a material difference between the figures. This had result in a further delay to the completion of the 21/22 accounts while this work was completed.

The delay to the conclusion of the 2021/22 audits meant that meaningful work has not yet progressed on the audit of the 2022/23 accounts. It was intended that a planning document as well as the draft accounts for the 22/23 audit would be brought to the next meeting of the committee.

Resolved: That the report be noted.

10. Compliance and Monitoring

Members considered a report that provided an update on internal controls since the last meeting of the Committee.

There had been no changes to internal controls and no RIDDOR incidents.

To ensure comprehensive reporting of key indicators and other management information a dashboard was in development and areas to be included were outlined at 2.9 in the submitted report. A first draft of the dashboard would be brought to the next meeting of the committee for comment and discussion.

Members asked if the dashboard could look at comparability with other combined authorities.

Resolved: That the report be noted.

11. Treasury Management

The committee considered a report that provided an update on Treasury Management arrangements.

Members were supportive of the proposal for further training on Treasury Management which would be provided by colleagues at Leeds City Council.

Resolved: That the report be noted.

12. Risk Management

The committee considered a report that set out the risk management update.

The organisation had moved to a new delivery focused model as well as monthly internal reporting for risk against the business plans for each directorate. This approach had meant that there had not been sufficient resource in the team to formally update the corporate risk register since the last meeting. The corporate risk register would be updated and brought to the next meeting of the committee.

Members requested that the risk register be brought to every meeting. Members also asked for further thought on the processes around of the corporate risk register in how it would be sequenced, with and ask for a clear written protocol on the roles and responsibilities, and the escalation of risk within the organisation.

Resolved: That the report be noted.

13. Code of Corporate Governance

Members considered a report that provided an update on progress to revise the Code of Corporate governance.

The Code of Corporate Governance would continue to be reviewed in line with the organisational evolution work and further reports on progress to amend the code would be brought to the next meeting of the committee.

Resolved: That proposed revisions to the code be endorsed and an updated version be brought back to the next meeting.



Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: Internal Audit Progress Report

Director: Alan Reiss, Chief Operating Officer

Author: Bron Baker, Head of Internal Audit

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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 To ask the members of the committee to consider and note the progress report and supporting **Appendix**.

2. Information

Recruitment

- 2.1 The recruitment campaign held in July identified two new potential recruits, both were offered and accepted positions, but one has since withdrawn. Additionally, one of the Principal Auditors in the team resigned in August and we are, therefore, running a further recruitment campaign to replace both posts. Work is continuing on the broader assessment of the service and the resource required to deliver against the growing priorities of the organisation, the Committee will be kept updated on the progress of this reform work.

Work Against the New Audit Plan

- 2.2 Work has now completed for those reviews carried over into the 2023/24 audit plan and a significant number of the new reviews have also started. One report has been completed since the last update to Committee and is included in the progress update with a number of other reviews indicated as either in progress or at draft report stage. Without further positive recruitment, however, there is a real risk that the team will not be able to complete sufficient work before the end of the current plan year.

Fraud/Whistleblowing/Money Laundering

- 2.3 There have been six new referrals since the last update bringing the total to date for 2023/24 to seven and three investigations also carried forward from the previous year. Three of those cases have now concluded.

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 There are no financial implications directly arising from this 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 consider and note the progress update.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

APPENDIX 1 – Internal Audit Progress Report

7

Governance and Audit Committee Internal Audit Progress Report

October 2023

Appendix 1

1.Key Headlines / Index

Top three issues – Resource and capacity, transport for the region (bus reform, rail policy, mass transit), new integrated corporate system.

Reports issued – Page 2 provides an update of work carried out since the last report to Committee.

Progress against 2023/24 Audit Plan and any planned changes – Page 8 onwards shows progress against the plan. Work on the 2023-24 plan is progressing, albeit slowly while we wait for a new recruit (due end September) to start and lots of leave over the summer period.

Outstanding actions- At **page 9** the status of audit recommendations has been provided along with an update on any ‘in progress’ and those that have not met their original due date.

∞ **Feedback from clients – Page 11** provides details of feedback received from recently issued reports to date and these have been included.

Performance Measures - Page 12 provides details on our performance measures.

2. Reports Issued/ Progress Updates since the last Committee Meeting

Audit Report- GDPR

The review examined the organisations compliance with the General Data Protection Regulations and focused at a high level, on systems and processes against expectations of the Information Commissioner’s Office Accountability Framework. This was a two stage review looking at one half of the framework with a further review planned for later in 2023. This review covered the following areas; Leadership and Oversight, Policies and Procedures, Training and Awareness, Risks and DPIA and Records Management. The review noted the following observations;

- The leadership and management structure was clear with roles and responsibilities identified with individuals responsible for data protection being well experienced.
- There was guidance and procedures issued to Heads of Service and other managers as Information Asset Owners (IAO) on what is needed to meet the GDPR requirements, and the induction process required all staff to undertake the training on GDPR. An improvement was suggested for the Information Governance team to ensure that newly recruited IAO and internal movers receive the necessary guidance and training,
- A recent health check report concluded that the policies and procedure were generally fit for purpose with areas for development suggested. The Information Governance team was in the process of implementing the recommendations from the health check report.
- There was an Information Management project which would develop a Data and Information strategy to support the development of a framework around managing information and data throughout its lifecycle. An improvement to the process of keeping information assets in one register available to asset owners was recommended.

Audit provided an audit opinion of **REASONABLE ASSURANCE** and two recommendations were made for improvement which have been accepted by management.

Adult Education Budget (AEB) Progress Update

Work is continuing on provider audits to support the annual rolling programme of AEB assurance reviews with one audit at draft report stage and a second audit underway. The recently completed draft report identified a number of control issues with the supplier and these have been escalated to the AEB team for consideration.

Internal Audit have continued to provide support, advice and guidance including: the development of the AEB funding rules, attendance at the AEB Performance Board and ESFA led anti-fraud meetings along with ad hoc pieces of work.

Internal Audit have now recruited to one of the two vacancies in the team, with the new starter in post from the end of September and recruitment underway for the other post.

Counter Fraud, Whistleblowing and Anti Money Laundering

There have been seven new referrals in 23/24 to date and three cases that carried forward from 22/23. Out of those ten cases, seven are still under investigation and three have closed. This has been a significant increase in the number of referrals over a relatively short space of time creating pressure on delivery across both these investigations and across the wider audit work. This is compounded by the resignation of our counter fraud officer. In order to mitigate this risk, we have identified training that will upskill a number of the team to enable them to assist with investigations in the interim while we undertake recruitment action.

The table below provides a summary of referrals reported during 2023-24, including carry over from the previous year.

	Total number of referrals 23/24	Investigation completed - No breach/ no further action / not proven	Investigation completed – further action taken	Under investigation
Fraud – External	5 1 (c/f from 22/23)	1	1	4
Fraud – Internal	1 1 (c/f from 22/23)	N/A	N/A	2
Whistleblowing	1 1 (c/f from 22/23)	1	N/A	1
AML	0	N/A	N/A	N/A

10

Grant certification

Internal Audit resource continues to provide certification in accordance with the funding bodies grant determination letter requiring the Head of Internal Audit to sign off that the grant conditions have been met. Since we last reported to Committee in July 2023, Audit have reviewed and certified the following.

Grant/Fund	Claim Period	Value certified £
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Connecting Innovation	Q2 (01/04- 30/06)	444,295
Rebiz (REF2)	Q2 (01/04- 30/06)	321,285
UKSPF (Claim1)	Up to 31 st March 2023	4,037,852
WYTCL Shareholding statement	2022-23	n/a
BDUK	2022-23	1,580,205

Audit resource has also been utilised to support the 3-year UK Shared Prosperity Fund (UKSPF). Work is ongoing with advice and guidance provided to the UKSPF team developing their procedures for managing the claims process as well as the role of audit and assurance in the process, a further detailed update can be provided to this Committee at the next update.

Internal Audit Plan 2023/24

	Assurance Area	Scope	Current Status/Timetable
1	Connecting Innovation Controls Advisory report	Review of the Connecting Innovation fund to suggest improvements to controls and processes. (carried over from 22-23)	Advisory Report Completed
2	Adult Education Budget-Assurance statement	A review of the governance and financial arrangements of the Adult Education Budget programme to inform the Assurance Statement to the DfE.	Completed
3	GDPR (ICO Framework)	This audit is focused on a high-level review of compliance with expectations in the Information Commissioner Office Accountability Framework (carried over from 22-23)	Completed REASONABLE ASSURANCE
4	AEB Provider Review 7	This review forms part of the regular assurance cycle for AEB providers that Internal Audit have been commissioned to deliver. Evidence is to be tested to ensure the reporting, eligibility of learners and claims (financial and outcomes) have followed the Funding Rules and contractual agreements in place.	Draft Report Stage
5	Contract Management Review-Electricity contract	Contract review to ensure compliance with contract standing orders and contract management principles	Draft Report Stage
6	Compliance with Contracts Standing Orders & Financial Regulations	Review focuses on control and use of Procurement Cards (carried over from 22-23)	In progress
7	Police and Crime Team Commissioning (including violence reduction unit)	A review to consider how the Police and Crime team processes are fitting into the CA ways of working to ensure agile responses to short term funding. (carried over from 22-23)	In progress

12

8	Project Review (Rail car parking package)	A review of the Rail car parking package to examine compliance with the Assurance Framework and good project management principles. (carried over from 22-23)	In progress
9	Contract Management Review – Marketing and Communications contract	Contract review to ensure compliance with contract standing orders and contract management principles	In progress
10	AEB Provider Review (8)	This review forms part of the regular assurance cycle for AEB providers that Internal Audit have been commissioned to deliver. Evidence is to be tested to ensure the reporting, eligibility of learners and claims (financial and outcomes) have followed the Funding Rules and contractual agreements in place.	In progress
11	Climate Change	To examine the CA's progress against its external plans to manage climate emergency.	In progress
12	ICT – various, including Cyber Security and PCI	A programme of ICT audits provided by Salford Internal Audit Services informed by the 22/23 audit work. PCI work now in progress, Cyber to be undertaken in Quarter 4.	In progress
13	Integrated Corporate System (HR, Finance, Payroll)	To review progress with implementation of the new Integrated Corporate System and more specifically aim to provide assurance that the organisation is ready to go live.	In progress
14	Procurements (sample to confirm compliance with Fin Regs/ Contracts Standing Orders)	To review a selection of recent procurements and examine compliance with financial regulations, contract standing orders and procurement rules	In scope .
15	TPS Financial Controls follow up work	This work will follow up the 22/23 audit which culminated in a minimal assurance rating.	See Follow Up section below
16	Physical security including responsibilities and the social element of security	To review access arrangement and physical security of CA property and risk of social engineering.	Quarter 2-3

17	Central review of contract management to consider standards, support, guidance and monitoring.	To examine the central approach to Contract Management support provided to the organisation,	Quarter 2-3
18	HR – with an emphasis on recruitment/ retention/ succession planning	To review the arrangements to support recruitment and retention and succession planning.	Quarter 2-3
19	Compliance with Contracts Standing Orders & Financial Regulations	Focus on the current financial system and processes.	Quarter 2-3
20	Data Quality	To review the project examining the provision of data for the region.	Quarter 2/3
21	Financial Management and Business Planning – a rolling programme of reviews over a 3-year cycle to assess controls, governance and risk management of these linked processes.	A rolling programme of reviews over a 3-year cycle to assess controls, governance and risk management of these linked processes.	Quarter 3
22	Security of Assets	Informed by our 22/23 audit work, to continue to review asset management processes.	Quarter 3
23	Health & Safety	To provide assurance that HS policies and practices are up to date and meet legislative requirement and review processes around incidents and reporting of these and actions taken as a result.	Quarter 3
24	Supply chain financial liquidity, with an emphasis on risk management and business continuity plans	To examine the due diligence and financial check processes on the CA's processes	Quarter 3
25	Equality, Diversity and Inclusion (progress against the Local Govt Framework and internal EDI measures)	To examine EDI implementation across the organisation and examine progress in areas highlighted for improvement in the 22-23 audit. And to carry out compliance work to determine how well EDI is being embedded in the CA.	Quarter 4

26	GDPR	To focus on compliance with policies and practices in directorates including following up on 22/23 audit findings.	Quarter 4
27	Risk Management	Health check of the risk management arrangements to inform the audit opinion	Quarter 4
28	Adult Education Budget	Reviews in line with the Assurance framework for AEB to give programme assurance	Quarter 4
29	Code of Corporate Governance and Compliance with sub delegations	This review will focus on review of the revised delegations and proposed review of the Code.	Quarter 4
30	Project and Programme Assurance (various reviews) including use of PIMS and overall view of use of funding (e.g. Gainshare)	Project and programme assurance reviews to be undertaken. The reviews will primarily focus on compliance with the Assurance Framework as well as good project and contract management principles.	Quarters 1-4
31	Counter Fraud work	To undertake proactive counter fraud work to strengthen controls to prevent, detect and investigate theft, fraud and corruption	Quarters 2-4
32	Multiply – advice and guidance on new funding stream in line with DfE requirements	Ongoing advice and guidance on requirements of the programme and review to inform the year end annual assurance statement to the DfE.	Ongoing
33	Attendance on Boards	Advice and guidance to inform the control framework	Ongoing
34	Various grant certifications	In line with funding applications and funding agreements	See above table
35	Grant Audits	In line with funding applications and funding agreements	As required

15

Overall Opinion Ratings

Level of Assurance	Description
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Reasonable	There is a good framework of controls in place and the majority of controls are being consistently applied to ensure risks are managed effectively.
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Limited	There is an adequate framework of controls in place but the controls are not being consistently applied to ensure the risks are managed effectively.
Minimal	There is a weak framework of control in place and/or the controls are not being consistently applied to ensure the risks are managed effectively.

3. Audit Follow up

In line with Public Sector Internal Audit Standards and internal procedures, progress against implementation of agreed actions (audit recommendations) is followed up with the action owner/management at periodic intervals. These follow ups vary between, a formal evaluation of evidence to assess the progress management have made, to obtaining a status update from action owners.

The table below shows the status of agreed actions arising from April 2022. Of the 46 recommendations remaining to be implemented, the original due date has been revised for 22 actions following discussions with Management. For 3 cases where the due date has now passed Audit are waiting to receive feedback regarding their implementation. Audit continues to work with management/action owners to ensure agreed actions are implemented in a timely manner to mitigate governance, risk and control issues. In the 3 not to be implemented, 1 relates to a action in the Contract review of Facilities Management (previously reported) and 2 relate to Transport and Property – Financial Controls audit.

16

Status of agreed actions						
Directorate	Total	Implemented	In progress	Original Due Date Not Met Revised Implementation Date Agreed	Overdue, Revised Implementation Date Not Agreed	Not to be Implemented
Cross Cutting	10	7	0	3	0	0
Finance and Commercial	5	4	0	1	0	0
COO Direct report	5	0	4	1	0	0
Transport Policy and Delivery	0	0	0	0	0	0
Inclusive Economy, Skills & Culture	0	0	0	0	0	0
Strategy, Comm, Intelligence	4	0	4	0	0	0
Policing, Environment, Place	0	0	0	0	0	0
Transport Ops & Passenger Exp	44	11	10	17	3	3
Mass Transit	0	0	0	0	0	0
TOTAL	68	22	18	22	3	3

		32.35%	26.47%	32.35%	4.41%	4.41%
Previous report		20.55%	78.08%	n/a	n/a	1.37%

A breakdown of actions still to be implemented is provided here;

Status of In progress recommendations		
Audit Area	In progress Recommendations	Status
Risk Management	3	Implementation of recommendations remains in progress. Some changes internally and responsibility for owning risk management is moving to the Legal and Governance team has meant implementation of recommendations has been delayed.
Health & Safety	3	Due to the internal restructure and line responsibility for the team changing, implementation of recommendations has been delayed although work is progressing.
Customer Complaints & Casework	1	The recommendation is in progress with some delay due to staffing changes, a revised implementation has been agreed, the status of this recommendation will continue to be monitored.
Mcard APP	1	Implementation of one recommendation remains in progress, the original due date has passed and Management has requested a revised implementation date.
Transport and Property (Financial Controls)	17	We have received feedback from the business on progress against the recommendations which is reflected in the revised figures above, however while there is a genuine desire to make the necessary changes, there is also recognition that given the significance of the change required, a lot of collaborative working needs to continue to not just deal with existing issues, but to build much better processes going forward. A formal follow up of this audit is planned for Quarter 3 - 4.
Equalities (EDI)	4	We have received an update regarding implementation of these in progress recommendations. The proposed recruitment of a EDI project manager due to commence in July 2023 was delayed to

		September 2023 and action owners have requested moving the original due dates.
Security of Assets	6	Currently in progress, we have received feedback from the action owners and it is highly unlikely the due dates will be met. Further discussions are to be held with management to review the risks and consider next steps.
Contract Management – JPB Facilities Management	3	These remain outstanding, we are awaiting feedback from management.
Flexi Bus	1	There is one recommendation outstanding which has been followed up with Management and Audit are awaiting feedback.
GDPR	2	Report recently issued, see the above audit summary section for details

4. Customer Feedback

18 Since we last reported to Committee, Audit have received the following positive feedback;

Review name & report issue date	What did we do well?	What could we have done better?
GDPR	Overall, it has been a successful audit within GDPR.. It is helpful that you have asked questions and further clarity as opposed listing non-conformities without IG input. This has ensured that we have been kept up-to-date and taken into account other ongoing work and action plans which will resolve questions which we're asked as opposed to repeating actions which are in alternative project plans.	If it is in-line with the audit principles, it would be helpful to understand the scope of the audit prior to the initial meet – this will ensure that we are adequately prepared and not overlapping the scope of the audit with project plans.

5. Performance Measures

The following provides some general performance indicator information to support the Committee in assessing the performance of Internal Audit.

Measure	Annual Target	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Annual Governance Statement deadline 2022/23 - to include annual audit opinion achieved	July (draft) March (final)	NA	NA	NA	NA	NA	Draft done							NA
Compliance against Public Sector Internal Audit Standards - self assessment against the Local Govt checklist achieved	July (draft) March (final)	NA	NA	Met	NA	NA	NA							Met
Customer Satisfaction (including question around EDI approach)	80% good or above	NA	100%	100%	NA	NA	100%							100%
Reports issued within 10 working days from completion of audit work	95%	0%	67%	0%	NA	100%	NA							50%
Percentage completed reviews against agreed plan, quarterly targets	Q1=10%, Q2=40%, Q3=70%, Q4=90%	0%	0%	7%	7%	7%	10%							10%
Percentage of recommendations agreed	90%	99%	100%	NA	NA	100%	NA							99%
Fraud/ Whistleblowing acknowledgement, where appropriate, within 10 working days	100%	NA	100%	0%	100%	100%	NA							86%
Fraud/ Whistleblowing reports to be issued within 10 working days of investigation completion	95%	NA	N/A	0%	NA	NA	NA							0%
Grant certifications to be completed within 3 working days (or to a separately agreed deadline) of a fully completed evidence file being received	95%	100%	100%	NA	100%	100%	NA							100%

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Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: **External Audit Progress Report**

Director: Angela Taylor, Director Finance and Commercial Services

Author: Gary Dowson, Head of Finance

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input 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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 To provide an update on external audit matters that have occurred since the last meeting.

2. Information

2021/22 Audit of Accounts

- 2.1 As previously reported, the audit work is substantially complete. The Committee approved the accounts with any final changes to be shared with the Committee once the final points were cleared.
- 2.2 The statutory accounts for the Combined Authority are consolidated to include the accounts for West Yorkshire Police. Both organisations were required, in line with national guidance issued in the spring, to update their accounts for the revised disclosures arising from the additional information from the triennial valuation. This is now complete for West Yorkshire Police but work is still underway for West Yorkshire Combined Authority.
- 2.3 Mazars are continuing to address the revised pension position and expect to complete all of their work in early October 2023. As previously reported, the adjustments to the pension disclosures will have no impact on the results for the year.

- 2.4 It is proposed that final revised accounts and the updated report from the auditors be shared with the Committee when available. If there are material changes these will be brought to the January meeting for consideration and approval. The auditors will be in attendance at the meeting and will provide a verbal update.

2022/23 Audit of Accounts

- 2.5 The Committee is aware, from previous reports, of the delay to the conclusion of the 2021/22 audits and the impact that has had on auditor resource allocation to undertake the audit of the 2022/23 accounts.
- 2.6 It was always likely, therefore, that the audit of the 2022/23 accounts would not be able to take place until late summer/autumn and at this stage Mazars are still considering their approach to the audit. The usual planning document will therefore not be available until the January meeting of the Committee.
- 2.7 In line with a significant number of other local government organisations the Combined Authority has focussed on responding to the need to re-consider the 2021/22 accounts and ensure accuracy and attention to detail for the 2022/23 accounts, particularly given the likely timescales to start the audit work. Changes to 2021/22 accounts are likely to impact on 2022/23 accounts. In addition, there have been, and continue to be, resource and capacity constraints within the Finance team which have resulted in the need to prioritise other areas of work.
- 2.8 As a consequence of all of the above, draft financial statements are now expected to be complete no later than the end of October 2023 and will be brought to the January meeting of the Committee along with an update on audit timescales.

Financial Reporting and Audit in Local Authorities

- 2.9 A cross system statement on proposals to clear the backlog of local audit delays was issued in July and a follow-up letter was sent to all local authorities – attached as Appendix 1. This is clear that fundamental action is required to address the backlog of local audits across the sector. Proposals to introduce back stop dates by which audits must be concluded are under discussion with a consultation expected to be launched shortly. It is expected that in order to bring all outstanding audits to completion by a backstop date that audits would be limited in scope and/or receive modified opinions and potentially that some organisations would see very little audit work undertaken, in an attempt to ‘catch up’ and get back on track for the 2023/24 audits.

Proposed Fee Scale for 2023/24 Audits

- 2.10 Public Sector Audit Appointments (PSAA) is consulting on the proposed fee scale for 2023/24 audits. At this stage, it is expected that audit work under this fee scale will largely be undertaken from autumn 2024 onwards. However, as set out above there is currently a local audit system-wide discussion taking

place about the possible timetable for the audit work for 2023/24 and earlier years for which audit opinions are currently outstanding.

- 2.11 The consultation explains how PSAA proposes to calculate the audit fees which will make up the 2023/24 fee scale. The proposals involve managing the impact of a range of elements, including the additional fees now required for recurrent additional work, changes in local audit requirements (for example updated technical standards) and adjustments at individual bodies where local circumstances now require more audit work than previously. Consequently, the scale fee for each opted-in body better reflects the audit work required under the current Code of Audit Practice published by the National Audit Office and the regulatory expectations of the Financial Reporting Council (FRC). It is the intention that updating the fee scale in this way will have the benefit of making expected fees clearer for opted-in bodies much earlier in the audit cycle and reducing the volume of ongoing fee variations.
- 2.12 An update will be brought to the January meeting of the Committee following the 1st December 2023 deadline PSAA has to set the final 2023/24 fee scale.

Total Fees for 2023/24 Audits

- 2.13 PSAA has previously advised opted-in bodies to anticipate a major re-set of total fees for 2023/24, being an increase estimated in the order of 150% on total fees for 2022/23. They have now confirmed the increase required is 151%.
- 2.14 Whilst recognising the significant financial pressures on all types of local government bodies and understanding that any further cost pressure is unwelcome, PSAA has stated that the level at which they are proposing to set the 2023/24 fee scale is determined by both the audit work needed to deliver audits compliant with the requirements of the Code of Audit Practice, and market rates.

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. There are no financial implications directly arising from this report, although it is expected that audit fees will rise in the future and this will need to be reflected in future budgets.

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. To note the position with regard to external audit work.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

APPENDIX 1 – Letter to local authorities on audit delays



Department for Levelling Up,
Housing & Communities

Lee Rowley MP

*Parliamentary Under-Secretary of State for Local
Government and Building Safety*

To: Local Authority Chief Executives, Local Authority
Leaders and
Chief Financial Officers in England, and
Local Audit Firm Partners

***Department for Levelling Up, Housing and
Communities***

Fry Building
2 Marsham Street
London
SW1P 4DF

18 July 2023

Dear Chief Executive / Chief Financial Officer / Local Authority Leaders / Local Audit Firm Partners,

This letter comprises an update on work since the Spring that DLUHC officials, along with Financial Reporting Council (FRC) colleagues, have undertaken to address the significant backlog of local audits in England and develop a sustainable solution to the timeliness challenges which the sector has faced in recent years. At the time of writing, only 27% of local audits have been completed for the financial year 2021-22. The combined total of outstanding local audits dating back to 2015-16 is now totalling nearly 520.

The attached paper derives from the recent work and outlines a proposed approach to resolving these issues, which has been agreed in principle with key partners across the local audit system. As Leaders of Local Authorities, Chief Executive Officers and Chief Financial Officers, you and your finance teams, alongside your auditors and Key Audit Partners, are critical to delivering high-quality financial reporting and audit in the public interest. As the paper suggests, decisive and concerted action is required to deal with the challenges in the local audit system. I would very much welcome your support in these endeavours and DLUHC officials will continue to engage with you as these proposals are further developed.

In summary, we are proposing that the National Audit Office (NAO) and DLUHC set a series of statutory deadlines for accounts preparers and auditors to clear the backlog of delayed audits for financial years 2015/16 to present. Auditors would then be required to provide as much assurance as possible for these outstanding years, reporting as normal any significant concerns they have on an organisation's financial controls and financial reporting, as well as financial resilience, governance and risk. Where necessary, it is intended that auditors would need to limit their opinion, making clear to the user of the accounts where full evidence hasn't been confirmed, and which the auditor is therefore unable to provide assurance over. Auditors' statutory duty to report on value for money (VfM) arrangements and their statutory audit powers (such as the power to make statutory recommendations or produce Public Interest Reports where necessary) will remain a high priority.

It will be the case that these deadlines may result in qualifications and disclaimers of opinion in the short term for a number of local bodies. We believe that these steps are necessary to reset the system and to restore the assurance which is provided by timely annual audits. Whilst further detailed work is needed across the Summer, there is broad consensus across the system that without any action being taken,

delays will continue for a number of years, and in that scenario, when the delayed audits are reported they will offer little if any assurance about the current position. In the meantime, there is a heightened risk of auditors not identifying and reporting on important, more current issues. We must ensure the capacity of the sector is focused on the most recent position as soon as possible.

It is critical that a repeat of the backlog is avoided in the future. Work across the local audit system must therefore be sustainable and ensure proportionate financial reporting requirements, auditing requirements and regulatory requirements are in place.

The Comptroller & Auditor General (C&AG) is therefore considering changes to the Code of Audit Practice on certain balances in the accounts to prevent continued local audit delays while a broader solution is sought. Potential changes would be time limited and would need to be supported by wider changes to standards and regulation. The C&AG will of course keep the Code of Audit Practice under review and will consider the effectiveness and operation of any changes made to the Code. This would inform a wider review of the measures to clear the backlog outlined above.

To support this broader work, it is important that the accounting framework set through the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting carefully balances the need for adherence to financial standards against the needs of the users of local authority financial information, including ensuring the accounts are still useful and valuable to the taxpayer. CIPFA is therefore exploring changes to the Code for the medium and long term, in order to enable a more proportionate approach to the accounting requirements for local authority non-investment assets and pension valuations for a local authority context.

CIPFA has already made a temporary adjustment to the Accounting Code on the reporting requirements for valuation of local authority infrastructure assets, to support amendments to regulation made by DLUHC in December 2022. However, clearly a long-term solution needs to be developed. This will take longer than the current temporary measures (both legislative and Code based) allow. As such, DLUHC will seek to extend the changes made to legislation last year and CIPFA will consider whether the current amendments to the Code can be extended in tandem.

In terms of ongoing regulatory requirements, the FRC has committed to set out annually its planned regulatory programme, areas of focus and how its inspection activity serves the public interest. As part of this work, the FRC intends to clearly set out how its inspection activity will review auditors' work on operational assets and pensions valuation, the rationale for doing so and examples of good practice. The FRC's inspection activity will continue to review compliance with auditing and ethical standards, any revised Code of Audit Practice and associated guidance. The FRC is also working with auditors, practitioners and regulatory bodies to consider whether changes to the level of audit materiality may be beneficial. This work is expected to conclude before the end of the year.

The Levelling Up, Housing and Community Committee is conducting an inquiry into Local Financial Reporting and Audit. I gave evidence to the Committee on 17 July and I have shared a copy of the enclosed cross-system statement with the Committee Chair.

The proposals will be subject to further work and engagement across the system over the Summer, including with Section 151 Officers, Chief Executive Officers, elected representatives, the Local Government Association and audit firms. We look forward to discussing this further with you in the coming weeks and will ensure that there are arrangements in place to engage all parts of the local audit sector, including the range of local bodies. Subject to the conclusion of the appropriate details, we anticipate changes to the relevant codes and standards will be made in time for implementation to begin by the end of December 2023.

Yours sincerely,



LEE ROWLEY MP

Parliamentary Under-Secretary of State for

Local Government and Building Safety

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Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: **Compliance and Monitoring**

Director(s): Alan Reiss, Chief Operating Officer

Author(s): 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 checked="" type="checkbox"/> Yes <input 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:	
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 propose a form of dashboard to facilitate reporting to the Committee on the Combined Authority's compliance with regulatory requirements and increase transparency of the same through regular publication.

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 officer level Regulatory and Compliance Board which was established to consider assurance against the internal controls of the Combined Authority has now been amalgamated with a new Corporate Centre Management Board (CCMB) under the leadership of the Chief Operating Officer with membership comprising: Director, Finance and Commercial Services; Director, Strategy, Communications and Intelligence;

Deputy Director, Legal, Governance and Compliance; Head of Human Resources, Head of ICT Services, Head of Internal Audit, and Business Improvement Manager.

- 2.3 Amongst other terms of reference connected with the overall management and leadership of the CA's corporate services, the CCMB will now consider assurance in the areas of internal audit, health and safety, information governance, risks, controls and compliance including financial, procurement, customer contact, HR and other policies, safeguarding, statutory returns and transparency arrangements. CCMB will refer actions, risk and issues to directorate management teams across the organisation and/or escalate matters to senior leadership and management boards as appropriate, to ensure compliance with internal controls and regulatory requirements.
- 2.4 Caroline Allen, Monitoring Officer and formerly Head of Legal and Governance Services has been appointed to the role of Deputy Director, Legal Governance and Compliance and in this capacity will oversee the Combined Authority's internal governance, risk and compliance function.
- 2.5 The integrated Finance, HR and payroll system CI Anywhere will be implemented in November 2023. Implementation will provide improved efficiencies in budget management, HR management and business processes across the organisation. It will support delivery of the Combined Authority's EDI vision through providing workforce data and information in real time, including information regarding pay data, pay gap and protected characteristics information. The system will provide energy efficiency and carbon reduction benefits through being cloud based and providing electronic workflows. Ensuring a strong control environment continues to be a priority. Access controls and system security have been considered by the Project Board which includes the Director, Finance and Commercial Services, Head of Finance and the Head of Internal Audit.

Dashboard Reporting and Key Indicators

- 2.6 Since the last meeting of the Governance and Audit Committee, work has been underway to develop a dashboard to enable reporting to the Committee on key indicators and other management information. The current version of the dashboard is provided at **Appendix 1**.
- 2.7 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.
- 2.8 Feedback on the design and content of dashboard is sought from members of the Governance and Audit Committee to enable the design to be finalised. It is proposed that the Committee continues to receive this dashboard at future meetings and the dashboard be made publicly available on the Combined Authority's website as part of an expanded publication scheme.
- 2.9 The following key indicators can be drawn from the dashboard:

Complaints, Correspondence and Casework

- 2.9.1 The number of complaints received at stage one has increased over the last three months, however all but one of the complaints have been resolved at stage one during this period.
- 2.9.2 Response times to casework and correspondence dipped below the KPI, of 85% of responses made within 15 working days, in June and July.

Health and Safety

- 2.9.3 The number of health and safety incidents has increased year on year in quarters one and two of this year however, there have been no RIDDORs over the last two years.

Internal Audit

- 2.9.4 The number of fraud/whistleblowing referrals have increased (7 to date) compared to last year (7 in total), one case was upheld last year, investigations are ongoing for the current cases.
- 2.9.5 There are three overdue audit recommendations.

Legal, Governance and Compliance (including Information Governance)

- 2.9.6 There has been a marked improvement (+4.6%) in the number of quorate Combined Authority committee meetings compared to last year with significantly fewer committees cancelled (-5.2%).
- 2.9.7 There has been a significant drop in the percentage of Member declarations of interest returned within the legislative 28 day deadline (-27.6%) despite a robust internal process and reminders being sent regularly to members.
- 2.9.8 Compliance with deadlines for publication of committee agendas and key decisions remains on target (100%).
- 2.9.9 Response times to FOIs have dipped slightly below the Combined Authority's KPI of 100% as one request exceeded the timescales, however these remain 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 this represents only one request that exceeded timescales.
- 2.9.10 There have been no reportable data security incidents.

Human Resources

2.9.11 Percentage of Black, Asian and Minority ethnic employees remains below proportionate representation of West Yorkshire (12% compared to 23%)

Finance and Commercial

2.9.12 The total number of waivers of contract standing orders has fallen year on year (40 to 19).

Information and Communications Technology

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

Financial Update

- 2.10 Revenue and Capital expenditure year to date positions and year end forecasts for the first 3 months of 23/24 have been prepared and will be reported to the Finance Resources and Corporate Committee in November 2023.
- 2.11 The Combined Authority is reporting a Quarter 1 overall revenue position in line with budget, with net revenue expenditure of £6k compared to a budgeted net income position of £23k.
- 2.12 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. The significant variances have been reviewed in detail and all arise from timing differences, for example where expenditure is recovered from third parties and this is only invoiced after expenditure occurs. It is expected that the introduction of the new finance system will facilitate improved phasing of budgets and thereby reduce temporary timing differences.

2023/2024 Quarter 1 Revenue Summary

	Actual to 30-Jun-23	Budget to 30-Jun-23	Difference 30-Jun-23	Difference 30-Jun-23
	£000s	£000s	£000s	%
Income				
Transport Levy	23,050	23,050	-	0%
AEB Income	18,884	17,338	1,547	9%
Pre Paid Ticket Income	6,723	5,500	1,223	22%
Income - Operational	4,404	3,680	724	20%
Funding - Grants	2,540	15,694	(13,154)	(84%)
Tendered Services Income	1,952	1,580	371	24%
Total Income	57,552	66,841	(9,289)	(14%)
Expenditure				
AEB costs	18,854	17,307	(1,547)	(9%)
Concessions	11,191	11,544	353	3%
Consultancy and Professional Services	(210)	613	823	134%
Employee Costs	8,618	9,924	1,306	13%
Financing Charges	557	1,797	1,239	69%
ICT Related Costs	1,136	918	(218)	(24%)
Indirect Employee Costs	326	432	106	25%
Members Allowances & Expenses	58	93	35	37%
Non-staffing Project costs	2,400	13,020	10,620	82%
Premises Costs	1,028	1,846	818	44%
Prepaid Tickets Costs	5,863	5,500	(363)	(7%)
Supplies and Services	715	890	175	20%
Tendered Services	9,297	8,393	(904)	(11%)
Travel, Subsistence & Transport Costs	42	57	14	25%
Total Expenditure	59,874	72,333	12,458	17%
Indirect Contribution* (Capitalisation/ Internal recharges)	2,316	5,515	3,199	(58%)
Net Income / (Expenditure)	(6)	23	(29)	
Net Income / (Expenditure) as a % of Income	(0.01%)	0.04%		

- 2.13 The Combined Authority's capital programme at Quarter 1 shows expenditure of nearly 13% of the February 2023 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 Brownfield Housing Fund (BHF).

2023/2024 Quarter 1 Capital Summary

	Indicative Forecast Combined Authority February 2023	Revised In-Year Forecast as at June 2023	Quarter 1 Expenditure 2023/24	% of in- year Forecast
Capital Programme Expenditure				
Transport Programmes				
City Region Sustainable Transport Settlement	100,000,000	103,868,641	14,313,156	13.8%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	78,618,210	76,561,367	10,317,227	13.5%
West Yorkshire plus Transport Fund	74,296,599	80,599,518	13,423,262	16.7%
Zero Emissions Bus Regional Areas	15,364,384	3,818,701	-	0.0%
Leeds Public Transport Investment Programme	-	875,007	35,000	4.0%
Integrated Transport Block (CA legacy projects)	3,628,138	3,671,222	168,106	4.6%
Active Travel	7,763,008	9,773,845	1,090,820	11.2%
New Station Fund	7,000,000	7,000,000	-	0.0%
Levelling Up Fund		1,100,863	-	0.0%
Economic Development Programmes				
Getting Building Fund	£0	£0	£0	n/a
Brownfield Housing Fund	£29,579,359	£22,427,115	£0	0.00%
Social Housing Decarbonisation Fund	£0	£7,292,727	£1,646,645	22.58%
British Library North	£100,000	£963,000	£0	0.00%
Corporate Projects	£1,805,649	£2,387,640	£182,043	7.62%
Broadband	£77,425	£25,000	£0	0.00%
Growth Deal - Economic Development	0	£120,000	0	0.00%
Business Accelerator Fund	£3,070,000	£3,070,000	£2,070,169	67.43%
Total Capital Spend	£321,302,772	£323,554,646	£41,176,259	12.73%

- 2.14 Budgeting for 24/25 is underway with progress to be reported to the Finance Resources and Corporate Committee in November 2023 and a draft budget to be reported to the Combined Authority in December 2023.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report. All projects approved through the assurance process are required to consider climate impact.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report. All projects approved through the assurance process are required to consider their impact on inclusive growth.

5. Equality and Diversity Implications

- 5.1 The Combined Authority workforce has both gender and ethnicity pay gaps, as well as a lower representation of black, Asian and minority staff than the West Yorkshire population. Copies of our latest gender and ethnicity pay gap reports can be found on the [website](#).
- 5.2 With support from our staff network groups, we have developed a [vision and action plan](#) for equality, diversity and inclusion with stretching diversity targets to fulfil our ambition for our organisation to be reflective of the communities we serve, and that everyone recognises as having an exemplary approach. One of our Combined Authority Equality Objectives for 2022-2025 is to ensure our workforce reflect the diversity of West Yorkshire and we have set targets to ensure proportionate representation by 2030. We are proactive about supporting flexible working, and we calculate the pay of all employees using the industry-standard Hay job evaluation system to ensure that all staff are rewarded fairly and consistently, irrespective of gender, ethnicity or any other protected characteristic and we monitor management information on a quarterly basis.

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.
- 10.2 That the Committee considers and feeds back on the design and content and of the dashboard.

11. Background Documents

None

12. Appendices

APPENDIX 1 – Dashboard.

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Complaints, Casework & Correspondence

Complaints, Correspondence & Casework	2023-24			
	July	June	May	April
Total: Complaints, Correspondence & Casework	537 ↓	562 ↑	412 ↓	464
Mayor's Office (Casework)	195 ↓	222 ↑	97 ↓	121
Combined Authority (Casework)	16 ↓	32 ↑	14 ↓	31
Combined Authority (Correspondence)	150 ↑	114 ↑	121 ↓	142
Operators	176 ↓	194 ↑	180 ↓	201
Total Number at Stage 1	150 ↑	114 ↑	121 ↓	111
Number Resolved at Stage 1	138 ↑	114 ↓	120 ↑	111
Number at Stage 2	0 ⇔	0 ⇔	1 ↑	0
Number Overturned at Stage 2	N/A ⇔	N/A ⇔	0 ⇔	N/A
Number at LGO	0 ⇔	0 ⇔	0 ⇔	0
Number Upheld by LGO	N/A ⇔	N/A ⇔	N/A ⇔	N/A

Responded to within 15 working days KPI: 85%

Combined Authority (Casework)	86%	81%	85%	85%
Combined Authority (Correspondence)	81%	87%	93%	87%

Top 5 Complaints, Casework & Correspondence 2023-24

Bus Stop / Shelter	43
Facilities (bin, seating, lighting, CCTV, real time)	42
Feedback	40
Passenger Information	39
Bus Station	37

Definitions

Casework: Predominately made up from member or MP enquiries.
Correspondence (inc. Complaints, as an expression of dissatisfaction about the standard of service the Combined Authority provides)
Stage 1, Stage 2: Includes correspondence and complaints

Health & Safety

Health & Safety	2023-24	2022-23
	Total	Total
Number of RIDDOR's Q1	0	0 ⇔
Number of RIDDOR's Q2	0	0 ⇔
Number of RIDDOR's Q3	0	0 ⇔
Number of RIDDOR's Q4	0	0 ⇔
Number of Incidents Q1	48	38 ↑
Number of Incidents Q2	50	39 ↑
Number of Incidents Q3		56
Number of Incidents Q4		59
Number of Near Misses Q1	128	97 ↑
Number of Near Misses Q2	99	179 ↓
Number of Near Misses Q3		242
Number of Near Misses Q4		248

Internal Audit

Internal Audit	2023-24	2022-23
	Total Number of Whistleblowing Cases	1
Total Number of Fraud Referrals	7	4 ↑
Number of Upheld Fraud Investigations	0	1 ↓
%age of Audit Recommendations Implemented	21%	48% ↓
Number of Audit Recommendations Overdue	3	0 ⇔
Number of Limited\ Minimal Assurances	0	7 ↓
%age of Audits Completed to Plan	10%	77%

Legal, Governance & Compliance (inc. Information Governance)

Legal, Governance & Compliance Information Governance	2023-24 Total YTD	KPI	2022-23 Total	Change
Percentage of Quorate Committees	93.5%		88.9%	↑ 4.6%
Percentage of Committees Cancelled	4.8%		10.0%	↓ 5.2%
Number of Committee Self-Reviews Undertaken	0		0	⇔ 0
%age of Member Returns (Declarations of Interest) within 28-day deadline	69.0%	100%	96.6%	↓ -27.6%
Compliance with Committee Agenda Publication Deadline	100.0%	100%	100.0%	⇔ 0
Compliance with Statutory Key Decision Publication Deadlines	100.0%	100%	98.0%	↑ 2.0%
Number of Complaints Against Members Upheld	0		0	⇔ 0
Number of Complaints Against Members Not Upheld	1		0	↑ 1
Insurance Claims	42			
Uninsured Claims	1			
Number of Freedom of Information Requests Received (inc. EIR's)	89		177	
Number of Freedom of Information Requests Responded on Time	87	100%	176	
Number of Data Subject Access Requests Requests Received	10		18	
Number of Data Subject Access Requests Requests Responded on Time	8	100%	18	
Number of Data Security Incidents	23		74	
Number of Data Security Incidents reported to ICO	0		0	

Whilst the CA KPI on FOI's is 100%, the ICO's compliance target is 85%

Human Resources

Human Resources	2023-24 As at: 30/6/23	2022-23	West Yorks
Training Completion of Key Courses (GDPR, Cyber Security, H&S, EDI)	89.19%		
Gender Mean Pay Gap	TBC	3.63%	
Ethnicity Mean Pay Gap	TBC	11.80%	
BME Employees	98	12%	TBC → 23%
White Employees	668	83%	TBC → 77%
Unknown (includes prefer not to say)	43	5%	TBC

Finance & Commercial

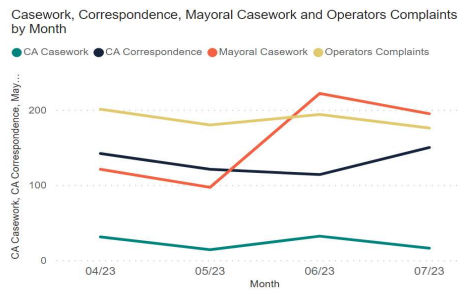
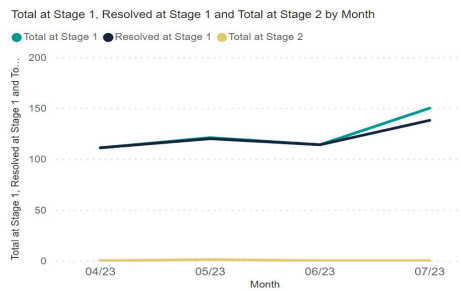
Finance & Commercial	2023-24	2022-23
Number of Procurement Challenges	0	0 ⇔
Number of Retrospective Waivers	3	3 ⇔
Number of Waivers Linked to Contract Standing Orders Cats	27	35 ↓
Category A Waivers <=£10,000	3	4 ↓
Category B Waivers >£10,000 <£60,000	18	26 ↓
Category C Waivers >£60,000 <£200,000	3	7 ↓
Category D Waivers >£200,000 <£2,000,000	2	2 ⇔
Category E Waivers >£2,000,000	1	0 ↑

For the purpose of determining the requisite tendering procedure under the Contracts Standing Orders, financial categories apply to all contracts for the execution of works, the supply of goods or the supply of services, unless a Procurement Framework or Central Purchasing Body is being utilised. Approval must be sought before Contracts Standing Orders can be waived

Information & Communications Technology

ICT	2023-24 Total	2022-23 Total
Number of Attempted Malware Attacks	55	114
Number of Successful Malware Attacks	0	0 ⇔

West Yorkshire Combined Authority Governance & Audit Compliance Dashboard - Summary of Casework, Complaints & Correspondence



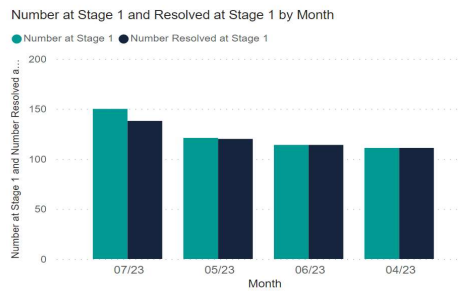
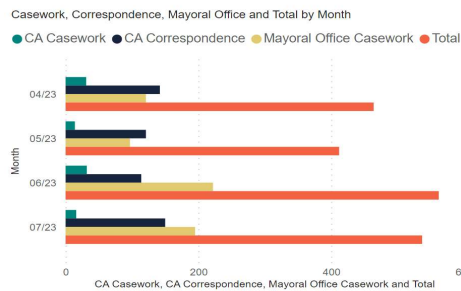
At 150, July, 23 had the highest Total at Stage 1 and was 35.14% higher than April, 23, which had the lowest Total at Stage 1 at 111.

Total at Stage 1 and total Resolved at Stage 1 are positively correlated with each other.

July, 23 accounted for 30.24% of Total at Stage 1.

Across all 4 Month, Total at Stage 1 ranged from 111 to 150, Resolved at Stage 1 ranged from 111 to 138, and Total at Stage 2 ranged from 0 to 1.

Number at Stage 1 and Number Resolved at Stage 1 diverged the most when the Month was 07/23, when Number at Stage 1 were 12 higher than Number Resolved at Stage 1.



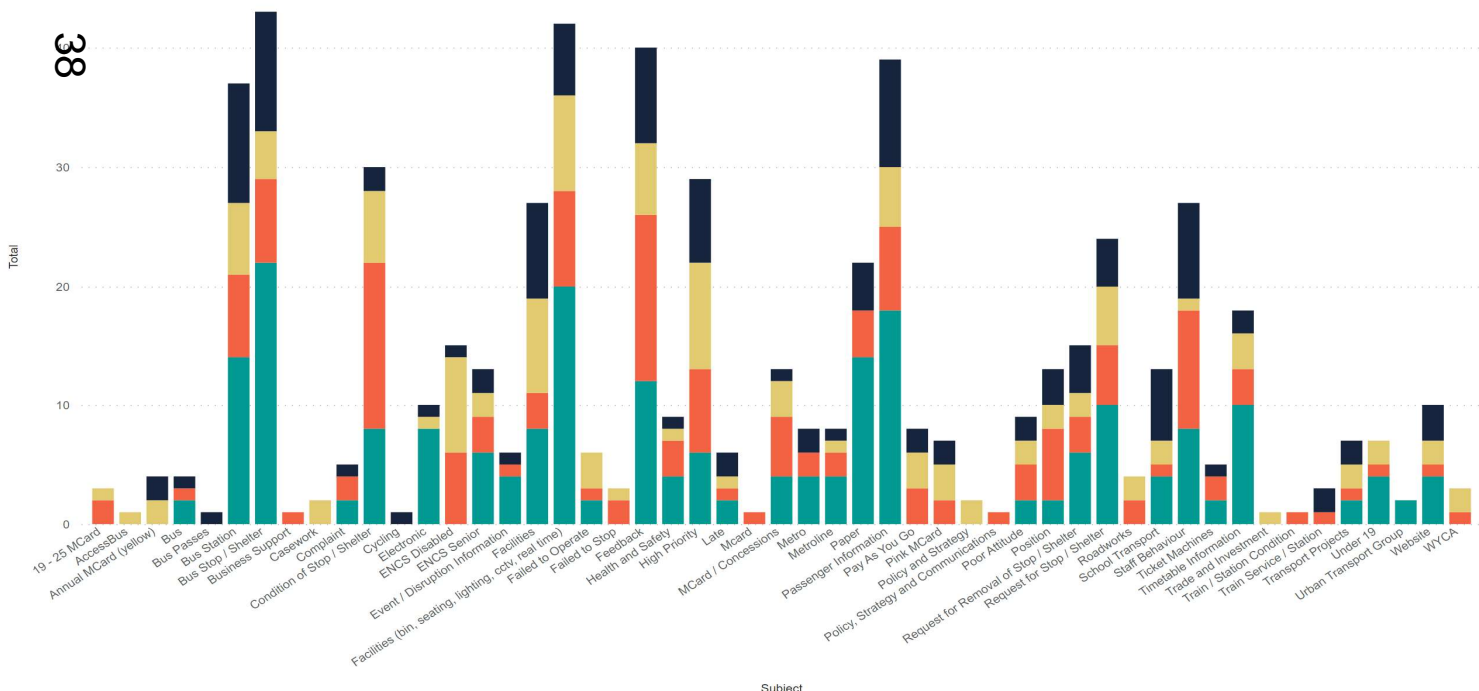
The CA has a two-stage process for dealing with complaints. Upon receipt of a complaint, the CA will look at whether this could be resolved quickly, known as "informal resolution". If not:

Stage 1: Acknowledgement of complaint within 3 working days and a full response within 15 working days.

Stage 2: If an individual is dissatisfied after receiving the response, a complaint can be escalated to Stage 2, where it will be reviewed by a more senior officer within 28 days from the date the CA responded to the initial complaint.

Total by Subject and Month

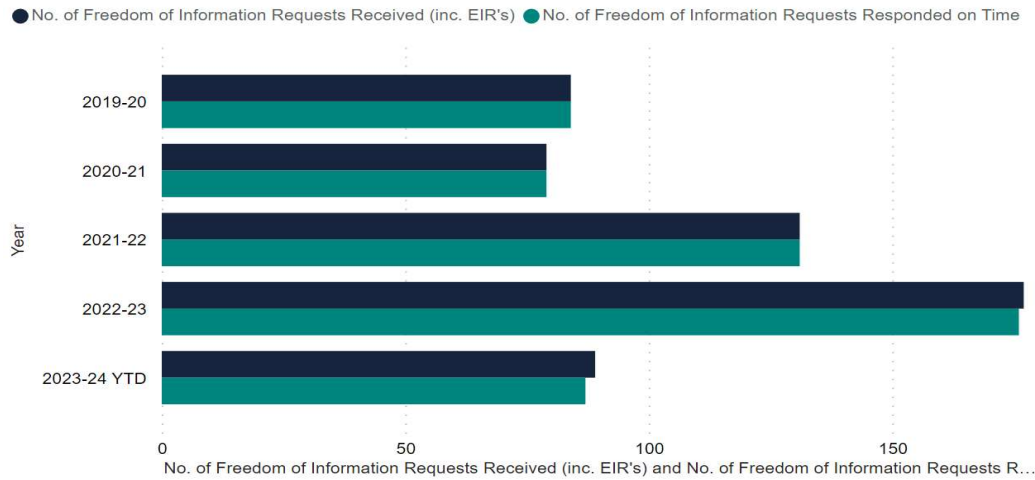
Month: April (teal), July (red), June (yellow), May (dark blue)



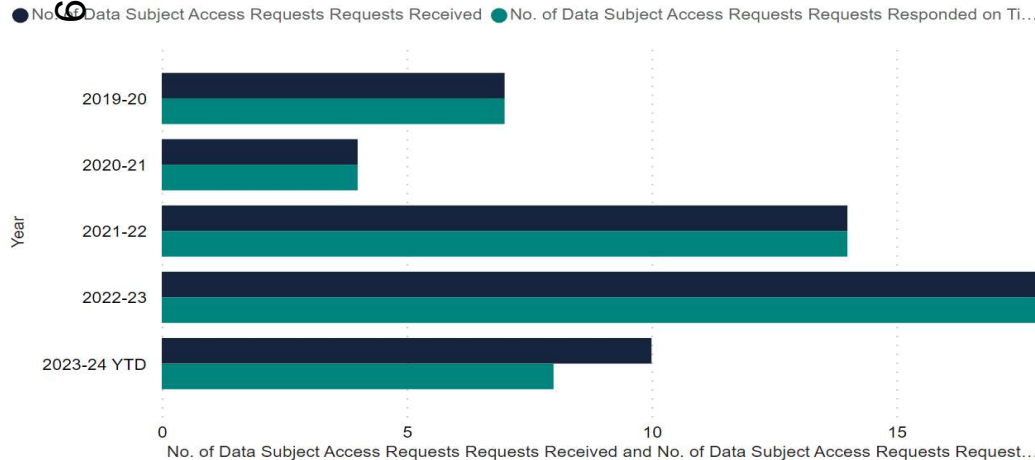
West Yorkshire Combined Authority

Governance & Audit Compliance Dashboard - Summary of Legal & Governance | Information Governance

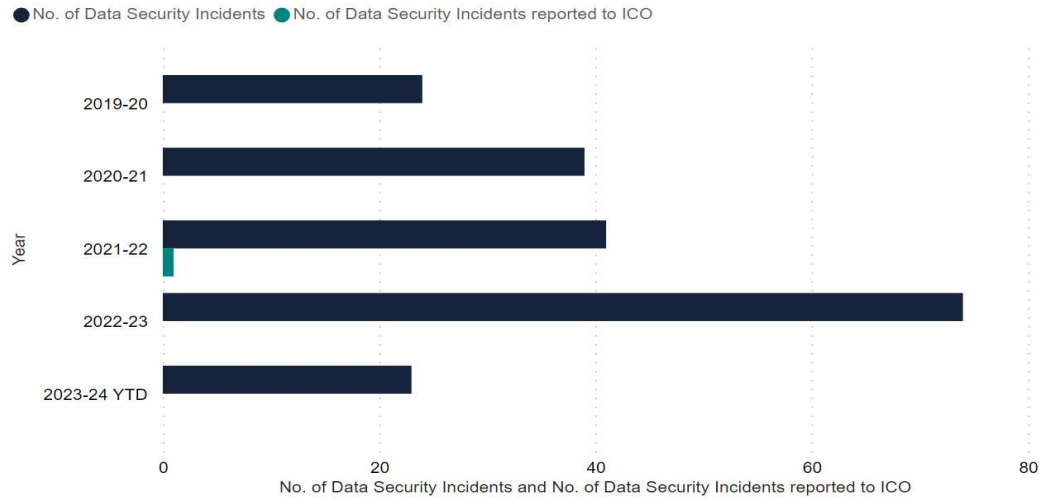
No. of Freedom of Information Requests Received (inc. EIR's) and No. of Freedom of Information Requests Responded on Time by Year



No. of Data Subject Access Requests Requests Received and No. of Data Subject Access Requests Requests Responded on Time by Year



No. of Data Security Incidents and No. of Data Security Incidents reported to ICO by Year



At 177, 2022-23 had the highest No. of Freedom of Information Requests Received (inc. EIR's) and was 124.05% higher than 2020-21, which had the lowest at 79. Predictions show at current rates 2023-24 is set to see 214 Freedom of Information Requests. This would be a 20.34% increase on 2022-23

The No. of Freedom of Information Requests Received (inc. EIR's) and total No. of Freedom of Information Requests Responded on Time are positively correlated with each other. 2022-23 accounted for 31.61% of No. of Freedom of Information Requests Received (inc. EIR's).

No. of Freedom of Information Requests Received (inc. EIR's) and No. of Freedom of Information Requests Responded on Time diverged the most when the Year was 2023-24 YTD, when No. of Freedom of Information Requests Received (inc. EIR's) were 2 higher than No. of Freedom of Information Requests Responded on Time. Across all 5 Year, No. of Data Security Incidents ranged from 23 to 74 and No. of Data Security Incidents reported to ICO ranged from 0 to 1.

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Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: Risk Management

Director: Alan Reiss, Chief Operating Officer

Author: Caroline Allen, Deputy Director Legal, Governance and 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input 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

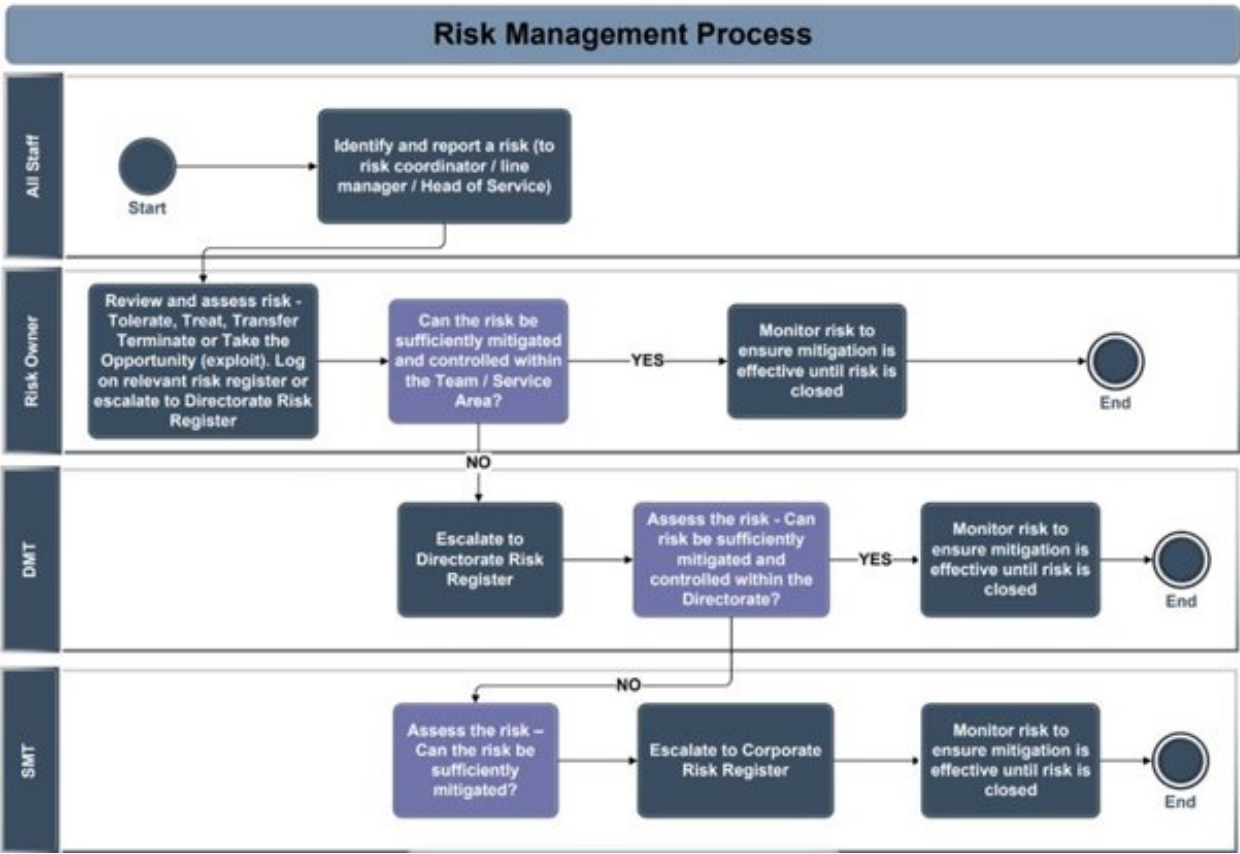
- 1.1 To provide the Committee with an update on the Combined Authority’s risk management strategy.
- 1.2 To provide the Committee with a copy of the Combined Authority’s corporate risk register.

2. Information

Risk Management Strategy

- 2.1 At their meetings over the course of 2023 the Committee has been advised on plans to review the organisation’s corporate risk management strategy and approach to risk management tools to bring these into alignment with the Combined Authority’s outcome led operating model and structure.
- 2.2 In March the Committee endorsed this proposal, noting:
 - The move to a model which revolves around delivery of outcomes and corporate performance;
 - The ambition to foster a simpler, active, discussion led approach; and
 - The desire to apply a differentiated approach to risk management at the different levels of management of the organisation.
- 2.3 Combined, these elements will update how and where risks are viewed and managed across the Combined Authority.

- 2.4 Since March, a review of the corporate approach to risk has been underway and consultation has been held with officers at various levels of management internally, as well as information gathering sessions with comparable Mayoral Combined Authorities.
- 2.5 This exercise has helped inform and shape next steps. It is clear that whilst the organisation is undergoing such a significant period of change, the priority is to ensure that risk management is effectively embedded within the new structure. The current risk management strategy, updated to reflect new roles and responsibilities, provides a sound basis for this with resource focussed on supporting the organisation to effectively implement and embed this to allow officers to actively manage risk across the organisation. It may be that in due course we adopt a revised risk management strategy, but at the present time the considered view is that, if applied consistently across the revised officer model, the existing strategy (updated) should be effective and support to implement and embed risk will be the primary aim.
- 2.6 The diagram below is taken from the existing risk management strategy and provides a summary of the current risk management process.



- 2.7 Work has started on refreshing the approach to risk management at directorate level as well as corporate level to ensure that risks are being captured and mitigated at the appropriate level within the officer structure from operational to strategic, with appropriate scrutiny and clear escalation levels. A holistic approach is being adopted to ensure that project and programme risk is not reviewed in isolation and this includes looking at reforms to the assurance framework and monitoring of delivery, in order to apply greater systematic

considerations of risk. This will include a review of our approach and presentation of risk more generally.

- 2.8 Additional activity proposed includes a review of the organisation's risk appetite statement together with the risk evaluation guidance to ensure it reflects the current context, ambitions and challenges facing the Authority.
- 2.9 Work will continue on all these aspects over the next few months and an update will be provided to this Committee at its next meeting.

Corporate Risk Register

- 2.10 Over the course of the summer, the Chief Executive and Directors together with senior managers have held a number of workshops and meetings to review and refresh the corporate risk register with the aim of focussing this solely on the strategic risks facing the Authority with other risks held and managed at Directorate or Service level below that.
- 2.11 The decision was taken to compile a new strategic register from a point in time, and the resulting document is included as Appendix 1, and exempted aspects of the register as Appendix 4. Appendices 2 and 3 set out the current risk evaluation guidance and risk matrix respectively, which provide the basis upon which the risk ratings have been assessed.
- 2.12 There are currently two risks and one issue categorised as "Very High" included in the corporate risk register:
- Cyber security (see Appendix 4).
 - Funding uncertainty (issue)
 - The possibility of market failure and reduced provision of bus services.
- 2.13 Each risk on the register has mitigations identified, as well as further mitigations. The current mitigations demonstrate the work which is already being undertaken to prevent and protect against the risks identified, after which the impact and likelihood is considered. The further mitigations are additional activities identified but not yet implemented which are intended to reduce the likelihood or impact or both.
- 2.14 It is worth noting that the significant risks identified are broadly similar to those of Mayoral Combined Authority counterparts.
- 2.15 The corporate risk register will be actively managed at senior officer boards, with clear actions taken on the further mitigations that have been identified as necessary. Further updates will be reported to the Committee in due course. As part of this, the intention is to develop an action plan with due dates for the further mitigations to enable Directors and the Committee to track progress. It is also proposed that the high and very high risks identified at a Directorate level are also shared with the Committee to provide a broader perspective on the key risks facing the organisation.

3. Tackling the Climate Emergency Implications

- 3.1 The risk management strategy and tools will allow the Combined Authority to identify and mitigate risks associated with the climate emergency. As referenced in the body of this report an existing corporate risk is the failure to meet net zero ambitions for the region.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report. The risk management strategy and tools will allow the Combined Authority to identify and mitigate risks associated with Inclusive Growth.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report. The risk management strategy and risk management tools will allow the Combined Authority to identify and mitigate risks associated with Equality and Diversity.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report.

7. Legal Implications

- 7.1 The information contained in Appendix 4 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person including the Combined Authority. It is considered that the public interest in maintaining the content of Appendix 4 as exempt outweighs the public interest in disclosing the information, as publication could prejudice the financial or business affairs of the Authority.

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 notes and endorses the proposal to review the risk management strategy, with an update on progress to be provided to the Committee in early 2024.
- 10.2 That the Committee notes work ongoing to embed risk management through all layers of officer governance.
- 10.3 That the Committee notes and endorses the revised corporate risk register.

11. Background Documents

Risk Management Strategy (2020)

12. Appendices

APPENDIX 1 – Redacted Corporate Risk Register

APPENDIX 2 – Risk Evaluation Guidance

APPENDIX 3 - Risk Matrix

APPENDIX 4 – Unredacted excerpts of Corporate Risk Register (exempt)

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Ref	Type	Description	Corporate Objective / Organisational Risk	Risk Owner (Operational Level, Head of Service)	Risk Sponsor (Accountable Director)	Consequences	Existing Mitigations	Likelihood	Impact	Rating	Rating at Last Review	Direction of Travel	Further Mitigations	Date Risk Opened	Weeks Risk has been open	Last Review Date	Review Overdue
CRR-001	Risk	Due to a malicious external incident, there is a risk that the Combined Authority falls victim to a cyber security attack. There is a risk that this may result in: human harm; damage to assets; financial penalties and enforcement action from the Information Commissioner's office; a loss of personal or sensitive data; disruption to affected services; reputational damage	Organisational risk	Head of ICT Services	Chief Operating Officer	Human harm; damage to assets; financial penalties and enforcement action from the Information Commissioner's office; a loss of personal or sensitive data; disruption to affected services including loss of ability of people using West Yorkshire transport system to access information; reputational damage	Redacted - exempt information pursuant to paragraph 3 Part 1 Sched 12A Local Government Act 1972	5 Very Likely	4 Serious	Very High	Very High	↔	Redacted - exempt information pursuant to paragraph 3 Part 1 Sched 12A Local Government Act 1972	12/09/2023	3	03/10/2023	No
CRR-002	Risk	Due to the high volume of people and inherent operational risks present in a bus station, transport interchange or CA facility, there is a risk that a major accident or injury occurs at a CA facility	Organisational risk	Director of Passenger Experience and Asset Management	Executive Director for Transport	Could result in death or injury, and leave the organisation open to significant potential civil and criminal liabilities Wider reputational issues	The organisation has in place a framework of policies, procedures and arrangements to ensure compliance with Health and Safety legislation. Training is provided to staff including front line staff eg. Bus station Manager vigilance New/enhanced bus station design takes on board current best practice and allows for continued improvement	3 Possible	4 Serious	High	High	↔	A review of implementation of policies and processes at an operational level Identify any gaps in training provision at an operational level Keep capacity under review through the business planning process	12/09/2023	3	04/10/2023	No
CRR-004	Risk	Due to external pressures there is a risk that fixed budgets are affected by cost increases which will impact on the ability of the organisation to deliver objectives and outcomes for the region.	Empowering our communities, towns and cities to thrive	Director of Finance and Commercial Services	Chief Operating Officer	Failure to deliver priorities for the region Failure to achieve corporate plan objectives	Robust budget setting and monitoring processes enabling Members to prioritise where funding goes Engagement with Government on future funding models Horizon scanning for new opportunities to generate income and/or lever in private sector funding. Completion of inflation review.	2 Unlikely	4 Serious	Medium	Medium	↔	Consider further actions as part of business planning and budgeting for 24/25.	12/09/2023	3	12/09/2023	No
CRR-005	Issue	Due to uncertainty in the funding landscape and the variable political climate, there is a risk that strategic objectives are not met or that key areas of expertise are lost.	Organisational risk	Director of Finance and Commercial Services	Chief Operating Officer	Due to stop/start funding, short term funding, reduction in some funding and/or lack of sufficient funding the following are at risk: •Violence reduction where we only have 18months left of a funding agreement with the Home Office •WY Police funding with real term cuts •Realizing the Climate Emergency with stop/start funding from Government and a limited long term plan for decarbonisation •Affordable and sustainable homes – with funding pots such as BFH being constrained by Government criteria and timeframes. Wider economic services and infrastructure are also constrained by this risk.	1. Making representations to Government about current and future funding requirements 2. Utilising flexible funding to fill gaps and underwrite where future funding is expected but not confirmed. 3. Regular advice to Members about choices and trade offs in budgeting and business planning.	5 Very Likely	4 Serious	Very High	Very High	↔	Consider further actions as part of business planning and budgeting for 24/25.	12/09/2023	3	12/09/2023	No
CRR-006	Risk	Due to operator business failure, there is a risk of significant change to bus services.	Creating an accessible, clean and customer focused transport system	Director of Transport Operations and Service Transformation	Executive Director for Transport	Communities left without bus services at short notice. Reputational risk to Combined Authority. Expectation that Combined Authority will resolve the issue and reinstate services	Combined Authority have a plan which involves liaison with other bus operators to seek to step in to plug the gaps. Relationship with operators is a critical part of this	3 Possible	3 Moderate	Medium	Medium	↔	Potential need for a contingency budget for this potential scenario	12/09/2023	3	12/09/2023	No
CRR-007	Issue	Due to a highly volatile market, where operating costs continue to increase, contracts come to an end and where post pandemic patronage remains low, combined with a static tendered services budget there is a risk that there could be fewer bus services in West Yorkshire.	Creating an accessible, clean and customer focused transport system	Director of Transport Operations and Service Transformation	Executive Director for Transport	May result in a decrease in customer confidence and reduced patronage resulting in a risk to the broader strategic outcomes around integrated transport in bus reform and the mass transit roll out.	Work closely with bus operators to understand future service changes/cuts proposed. Process exists to negotiate with bus operators on potential cuts - BSIP+ currently used to support Work planned on looking at the operational bus network more strategically	4 Likely	4 Serious	Very High	Very High	↔	Ongoing discussions with government around the bus funding model	12/09/2023	3	12/09/2023	No
CRR-009	Risk	Due to the scale and pace of change in the organisation there is a risk that the organisation's processes, systems and structures are inadequate to support the organisation in achieving its objectives.	Organisational risk	Chief Operating Officer	Chief Operating Officer	Failure to achieve key objectives, resulting in reputational damage and sub-optimal real world outcomes	Internal Governance Review underway; Implementation of CI Anywhere underway; Organisational structure changed to focus on outcomes supported by corporate centre with responsibility for leading, enabling and protecting.	3 Possible	3 Moderate	Medium	Medium	↔	Implementation of governance review including delegations. Successful implementation of CI Anywhere. Development of internal transformation resource.	12/09/2023	3	12/09/2023	No
CRR-010	Risk	Due to competing pressures there is a risk that the delivery milestones for the mass transit programme are not met which could result in delay or non delivery of the programme, reputational damage and limitations placed upon the availability of funding for future programmes	Creating an accessible, clean and customer focused transport system	Director of Mass Transit	Executive Director for Transport	Failure to achieve organisational objectives and Mayoral commitment on delivering Mass Transit for West Yorkshire, resulting in reputational damage and loss of confidence with key stakeholders and Government, potentially impacting availability of funding for future programmes and success of fully integrated public transport system across the region.	Development and baselining of resilient Integrated Master Schedule and risk profile ongoing, alongside review of governance and assurance processes supported by operating model and organisational development, to manage development and delivery of the Mass Transit Programme.	2 Unlikely	4 Serious	Medium	Medium	↔	Collaborative engagement with key strategic partners and supply chain partners to optimise delivery and manage/mitigate risks and issues. Development of appropriate gateway review and assurance processes to provide positive challenge and resilience to delivery processes and timescales. Corporate teams resourcing proposals to come forward.	12/09/2023	3	04/10/2023	No
CRR-011	Risk	Due to lack of capacity, expertise and funding, there is a risk that there is an inability to make the case for, and implement, bus reform	Creating an accessible, clean and customer focused transport system	Director of Transport Policy and Delivery	Executive Director for Transport	We may not have all implications of bus reform clearly set out to enable the Mayor to take an informed decision	We have appointed external experts to work alongside the team providing legal, economic, financial and commercial support in relation to Bus Reform and the statutory process. We have approved additional resource to move the assessment forward and we are recruiting to those roles. We have outlined a transition plan to take us to the operation of either an Enhanced Partnership Plus, or a fully franchised bus network.	3 Possible	4 Serious	High	High	↔		12/09/2023	3	20/09/2023	No
CRR-012	Risk	Due to a variety of challenges including level of funding available, changes in Government policy, and the scale of government investment and legislation, there is a risk that the CA fails to meet its objectives as set out in its Climate and Environment Plan.	Building a sustainable, nature rich and carbon neutral region	Director Policing, Environment and Place	Chief Executive	Which may mean that the Authority doesn't fully achieve its wider goals in supporting the regional commitment to becoming net zero by 2038 with significant progress by 2030.	Combined Authority has a Climate and Environment plan it is currently delivering against. In partnership with others, including Districts, the private sector, housing providers and others, schemes are being developed and delivered across transport (both decarbonisation through EV charging and solar panels on bus stations and through greater use of public transport and walking and cycling), homes (through the better homes hub), energy decarbonisation, skills (including recommendations from a green jobs taskforce and a £6m package of interventions on green and digital), business support (including £10m for business sustainability grants) and to support the community (through a £2m better neighbourhood programme). The CA is also making representations to Government about national change required. The CA is also working on adaption and resilience measures such as improvements to our flood defences.	5 Very Likely	3 Moderate	High	High	↔	Next three year climate and environment plan to be written next year with updated interventions and actions, work to update our carbon pathway and a new local nature recovery strategy. Continued development and delivery of programmes to decarbonise the region and encourage behaviour change. Further work on adaptation and resilience.	12/09/2023	3	04/10/2023	No

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Likelihood

If you're not sure about the percentage chance of a risk happening over a given timescale and you don't have the data to assess its frequency, use the likelihood descriptors (i.e. 'Very low', 'High' etc.) to determine the most suitable score.

The risk timescale – i.e. the period of time during which the risk could materialise - will vary according to the type of risk it is. For example:

- For a budget risk, it might be expected to materialise over this financial year or over the period of the Medium Term Financial Plan.
- For a project risk, it could be either over the whole of the project lifecycle or for a particular phase within the project.
- For a number of the more cross-cutting strategic risks such as those on the corporate risk register, it is likely that the risk could materialise at any time. When considering a Directorate or Corporate risk, this should be considered against existing and future business plans and any timescales indicated in these.

Impact

Many risks could have a range of consequences: for example, a Health & Safety breach could affect an individual as well as lead to reputational and financial damage for an organisation. It's therefore possible that you assess the risk as having an impact of '3' using the Health & Safety impact, '2' for Finance and '4' for reputation.

Although you could break the risk down into several different risks covering all these areas and then score each of them to address the varying impact scores, often this can crowd a risk register and take the focus away from the actual risk 'event': i.e. the Health & Safety incident. Where possible, it's better to focus on the key risk and use your best judgement to give an overall single impact assessment score.

Risk Prompt List

When identifying risks it is useful to work from a list of prompts. These are categories of risk which, when considered, help to encourage conversation and thought around typical areas of risk. One established approach is to use a PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental). The CA has determined an expanded list below which can be used when identifying areas of risk:

- Change Management
- Communication/Stakeholder Management
- Competitive
- Economic
- Environmental
- Financial
- Human Resources
- Partnership/Commercial
- Project Management
- Regulatory/legal
- Safety/security
- Service Delivery/Service User Risk
- Social/Political
- Technological/Technical

Likelihood Score	1	2	3	4	5
Likelihood Descriptor	Very Unlikely	Unlikely	Possible	Likely	Very Likely
Frequency (How often might it happen)	Very unlikely to occur	More likely not to occur	Could occur at some point	More likely to occur than not	Very likely to occur
% Likelihood	Less than 5% chance	between 5% and 30% chance	Between 30% to 60% chance	Between 60% to 90% chance	More than 90% chance

Impact Score	1	2	3	4	5
Impact Descriptor	Insignificant	Minor	Moderate	Serious	Critical
Projects / Programmes	Little or no schedule slippage. No threat to anticipated benefits & outcomes.	Minor delays but can be brought back on schedule within this project stage. No threat to anticipated benefits & outcomes.	Slippage causes delay to delivery of key project milestone but no threat to anticipated benefits / outcomes.	Slippage causes significant delay to delivery of key project milestone(s). Major threat to achievement of one or more benefits / outcomes.	Significant issues threaten entire project. Could lead to project being cancelled or put on hold.
Financial Impact	No or minimal financial cost.	Losses / costs incurred of 1-2% of budget.	Losses / costs incurred of 3-5% of budget.	Losses / costs incurred of 6-10% of budget.	Losses / costs incurred of more than 10% of budget. Not covered by insurance.
Reputation	No adverse publicity. Rumours.	Single adverse article in local media or specific professional journal. WYCA / Partner one of a number of agencies referred to.	A number of adverse articles in regional / social media mentioning WYCA / Partner. Some recirculation via social media. Single request for senior officer / member to be interviewed on local TV or radio. Adverse reaction by LCR residents in social media / online forums. Short-term reduction in public confidence.	Series of adverse front page / news headlines in regional or national media. Wider recirculation via social media. Sustained adverse reaction by LCR residents in social media etc. Repeated requests for senior officer / member to be interviewed on local TV or radio. Long-term reduction in public confidence.	Sustained adverse publicity in regional media and / or national media coverage. Extensive / prolonged recirculation via social media channels. Repeated requests for Leaders / Chief Execs / WYCA MD to be interviewed on national TV or radio. Possible resignation of senior officers. Total loss of public confidence.
Service Interruption	Negligible. No impact on services.	Minor inconvenience for service users and staff. Services quickly restored.	Some client dissatisfaction but services restored before any major impacts.	Major disruption to service delivery. This could be through a single event or a series of outages.	Massive disruption to services. Recovery difficult or even impossible.
Staff	No impact on staff or service delivery.	Short-term low staffing level that temporarily reduces service quality. No impact on staff morale.	Medium-term low staffing level / insufficient experienced staff to deliver quality service. Some minor staff dissatisfaction.	Late delivery of key objective / service due to lack of experienced staff. Low staff morale.	Non-delivery of key objective / service due to lack of experienced staff. Very low staff morale.
Statutory Duties	No or minimal impact or breach of guidance / statutory duty.	Minor breach of statutory legislation / regulation. Reduced performance rating if unresolved.	Single breach in statutory duty. Challenging external recommendations / improvement notice.	Several breaches in statutory duty. Enforcement action and improvement notices. Critical report. Low performance rating.	Multiple breaches in statutory duty. Prosecution. Complete systems / service change required. Severely critical report. Zero performance rating.
Health & Safety	No ill effects	Short-lived / minor injury or illness that may require First Aid or medication. Small number of work days lost.	Moderate injury / ill-effects requiring hospitalisation. Risk of prosecution from enforcement agencies.	Single fatality and / or long-term illness or multiple serious injuries.	Multiple fatalities and / or multiple incidences of permanent disability or ill-health.
Digital Security	No digital breach of systems or data.	Single breach of non-sensitive, non-business critical systems or data. Any loss quickly recovered and contained.	Single breach of data or systems which are operational or public-facing. Data recovered and contained.	Multiple breaches of data or system with limited ability to recover or contain the loss, or single breach of sensitive data or business-critical system.	Multiple breaches of one of more datasets including sensitive personal data, or sustained breach of business-critical or public facing systems, with limited means of recovery
Environmental	Carbon neutral or negative output in comparison to alternatives. No adverse effects on air, land or water quality.	Low levels of carbon output in comparison to alternatives. Minimal adverse effects on air or water quality to controlled geographic area.	Moderate levels of carbon output in comparison to alternatives. Some adverse effects on air or water quality to compact geographic area.	Noticeably higher levels of carbon output in comparison to alternatives. Noticeable adverse impact on air or water quality in multiple geographic area/s.	Significantly higher carbon output in comparison to alternatives. Significant harmful effect on air or water quality to large geographic area/s.
Environment	No effect on local infrastructure, communities or the environment.	Superficial damage to local infrastructure (e.g. minor road) but little disruption caused.	Medium damage to local infrastructure (e.g. minor road) causing some disruption.	Key elements of local infrastructure (e.g. school, major road) damaged causing major disruption.	Extensive damage to critical elements of local infrastructure (e.g. school, hospital, trunk road) causing prolonged disruption.

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Risk Rating Matrix

Once each risk has been assessed for probability and impact, the risk rating is determined from the following table. This spreadsheet calculates these automatically:

Impact	5 Critical	High	High	Very High	Very High	Very High
	4 Serious	Medium	Medium	High	Very High	Very High
	3 Moderate	Low	Low	Medium	High	High
	2 Minor	V. Low	V. Low	Low	Medium	Medium
	1 Insignificant	V. Low	V. Low	V. Low	Low	Low
		1 Very Unlikely	2 Unlikely	3 Possible	4 Likely	5 Very Likely
		Likelihood				

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Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: **Corporate Governance Update**

Director: Alan Reiss, Chief Operating Officer

Author: 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 checked="" type="checkbox"/> Yes <input 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:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To provide the Committee with an update on revisions made to the Code of Corporate Governance for comment and endorsement.
- 1.2. To provide the Committee with a draft of the Annual Governance Statement and Governance Improvement Plan for comment and endorsement.

2. Information

Revisions to the Code of Corporate Governance

- 2.1. At its last meeting on 24 July, Members considered a report which provided an update on a number of revisions made to the Code of Corporate Governance as a consequence of changes in organisational arrangements and in particular, the shift away from a 'process' based model towards an 'outcome/mission' based model.
- 2.2. Members endorsed the proposed revisions and noted that a further revised draft would be presented at this meeting. Members also requested that in presenting the revised Code, there should be linkages made to the relevant evidence to indicate how effectively the aims of the Code are being met.

- 2.3. The updated revised Code is attached at Appendix 1. Only minor changes have been made on this occasion to bring the Code up to date and these are shown as tracked changes for ease of reference. These relate primarily to governance changes brought about by the integration of the LEP Board into the Combined Authority.

Compliance with the Code

- 2.4. There are a number of means by which compliance with the Code are currently and can, going forward, be measured. These include:
- The Annual Governance Statement
 - The Compliance Dashboard
 - The Assurance Framework
 - Internal Audit
 - External Audit

The Annual Governance Statement

- 2.5. The purpose of the Annual Governance Statement (AGS) is to set out the results of the annual review of the effectiveness of the Authority's internal controls and governance arrangements. This is a statement produced pursuant to the Accounts and Audit (England) Regulations 2015 and both looks backwards over the previous financial year and forwards to the new financial year, highlighting any significant governance implications and areas for improvement set against the context of the Code. In other words, this is in effect the annual tracker of compliance with the Code itself.
- 2.6. CIPFA guidance advises that the AGS should be a meaningful but brief communication set at a high level, strategic and written in an open and readable style. The AGS also includes a Governance Improvement Plan (GIP) which highlights any identified governance issues.
- 2.7. The draft AGS for 2022/23 is attached as Appendix 2. This has been produced by officers who have carried out an assessment of compliance with the Code of Corporate Governance, and considering in particular areas of change and the effectiveness and robustness of governance arrangements in dealing with these. The AGS highlights a number of key changes which have taken place over the last financial year. These includes the exit of regional policing procurement arrangements, the integration of the LEP and changes arising from internal organisational restructure. However, from the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit has reached the opinion that, overall, the Combined Authority's framework of control and governance is operating adequately.
- 2.8. The proposed Governance Improvement Plan for 2023/24 can be found at section 7 of the draft AGS. It highlights key areas of focus and activities which will help improve our governance arrangements. These areas of focus are officer decision making, risk management, compliance, transparency and policing and crime. It is proposed that these activities are monitored by this

Committee with regular reporting as to progress over the remainder of this financial year, recognising that a number of these activities may extend into 2024/25.

The Compliance Dashboard

- 2.9. The Compliance Dashboard which is under development with an early draft elsewhere on today's agenda will also provide a data driven tool for assessing compliance with the Code, enabling the Committee to focus its scrutiny on areas for improvement as appropriate.

The Assurance Framework

- 2.10. The Assurance Framework governing investment decisions is reviewed annually and requires an annual return to government.

Audit

- 2.11. Regular reports are provided to the Committee from Internal Audit with External Audit providing the required annual opinion on the Authority's financial statements and arrangements for securing value for money.

Next Steps

- 2.12. Subject to any changes proposed by the Committee to the draft Corporate Governance Code of Conduct, this will be considered by the Combined Authority at its next meeting on 7 December.
- 2.13. The draft AGS will be finalised for publication as part of the annual accounts in due course, and will be subject to external audit as part of the audit of the financial statements.

3. Tackling the Climate Emergency Implications

- 3.1. The Code of Corporate Governance is in place to ensure that the Combined Authority is able to meet corporate objectives, including in relation to the environment.

4. Inclusive Growth Implications

- 4.1. The Code of Corporate Governance has inclusion at the heart of its function and objectives, as set out in the Code's introductory statement: "... it is about 'how bodies ensure they do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner'".

5. Equality and Diversity Implications

- 5.1. Equality, Diversity and Inclusion is embedded in the Code of Corporate Governance as a reflection of the organisations objectives and commitment to championing the region.

6. Financial Implications

6.1. There are no financial implications directly arising from this report.

7. Legal Implications

7.1. Failure to comply with the principles of good governance could ultimately lead to an external audit opinion qualification.

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 Members consider and endorse the proposed revisions to the Code of Corporate Governance and recommend its approval to the Combined Authority.

10.2. That Members consider and endorse the draft Annual Governance Statement including the Governance Improvement Plan for publication in due course as part of the annual accounts.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

APPENDIX 1	Draft Corporate Governance Code of Conduct
APPENDIX 2	Draft Annual Governance Statement including the Governance Improvement Plan

Item 11 - Appendix 1

West Yorkshire Combined Authority

Corporate Governance Code and Framework

Introduction

The definition of corporate governance is that it is about 'how bodies ensure they do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and culture and values, by which bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.'

West Yorkshire Combined Authority, which includes the Mayor of West Yorkshire's Policing and Crime function, has approved and adopted a code of corporate governance which captures the Mayor's duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, and is consistent with the principles of the best practice guidance issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). CIPFA/SOLACE updated this guidance in 2016 with their new framework to assist organisations in ensuring that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. The previous six core principles are replaced by the following seven principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management;
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Combined Authority is committed to meeting these principles and this statement sets out how the supporting principles beneath each statement will be achieved, monitored and reviewed. It is the responsibility of the Governance and Audit Committee



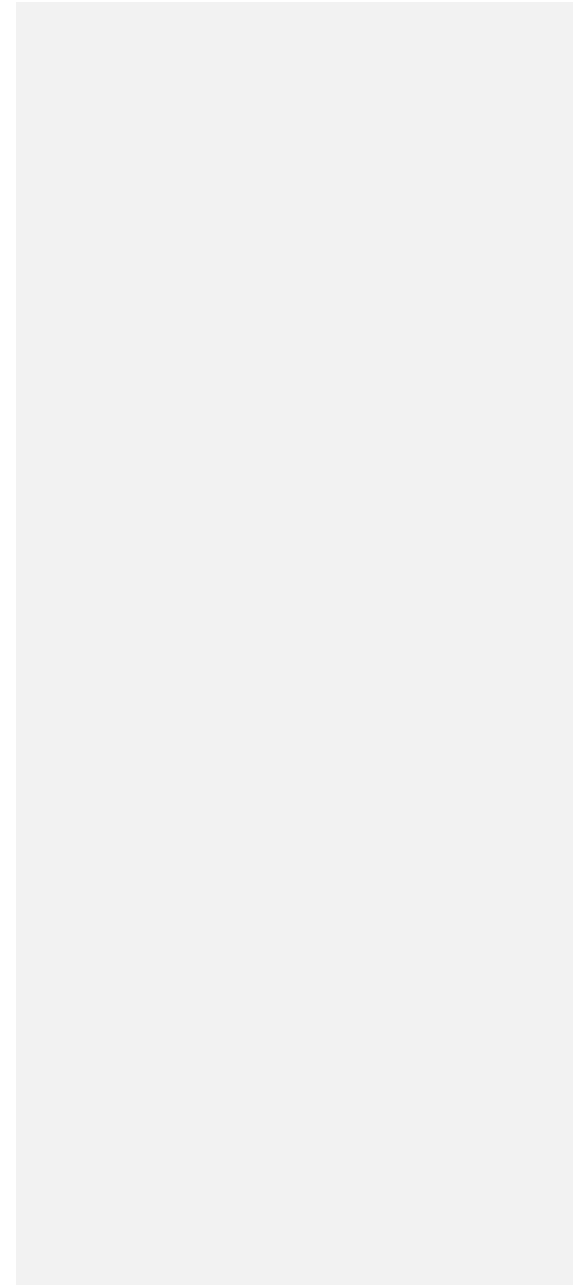
Item 11 - Appendix 1

to keep corporate governance matters under review. As part of this process it undertakes regular reviews throughout the year with a formal review at the year end of the processes and systems in place during the year. This includes the results of the work carried out by the internal audit section. The Committee reviews and approves the Annual Governance Statement which forms part of the statutory annual accounts which are subject to external audit. A Joint Independent Audit and Ethics Committee has oversight of the governance arrangements for the Mayor's PCC functions and West Yorkshire Police.

Principle	Sub principles	Our actions and behaviours to achieve this:
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law.</p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law</p>	<p>We will: Behave with integrity</p>	<ul style="list-style-type: none"> • <u>A Code of Conduct for Members and the Mayor to ensure that high standards of conduct are maintained. The Code also applies to voting private sector LEP Board Members, and all committee members (private sector and advisory reps) are required to comply with the general principles of the Code. has been extended to include private sector LEP Board members.</u> • <u>Annual Member induction training held on Standards and interest and guidance provided including the production of a new Member Handbook this year.</u> • Established a procedure outlining arrangements for breaches of the Member Code of Conduct. • An Employee Code of Conduct that sets down standards of behaviour and conduct the Combined Authority expects of its employees. Reference is made to the Code on the Induction Checklist. • A Policing and Crime Team Code of Conduct. • Clear decision-making processes to ensure that all those

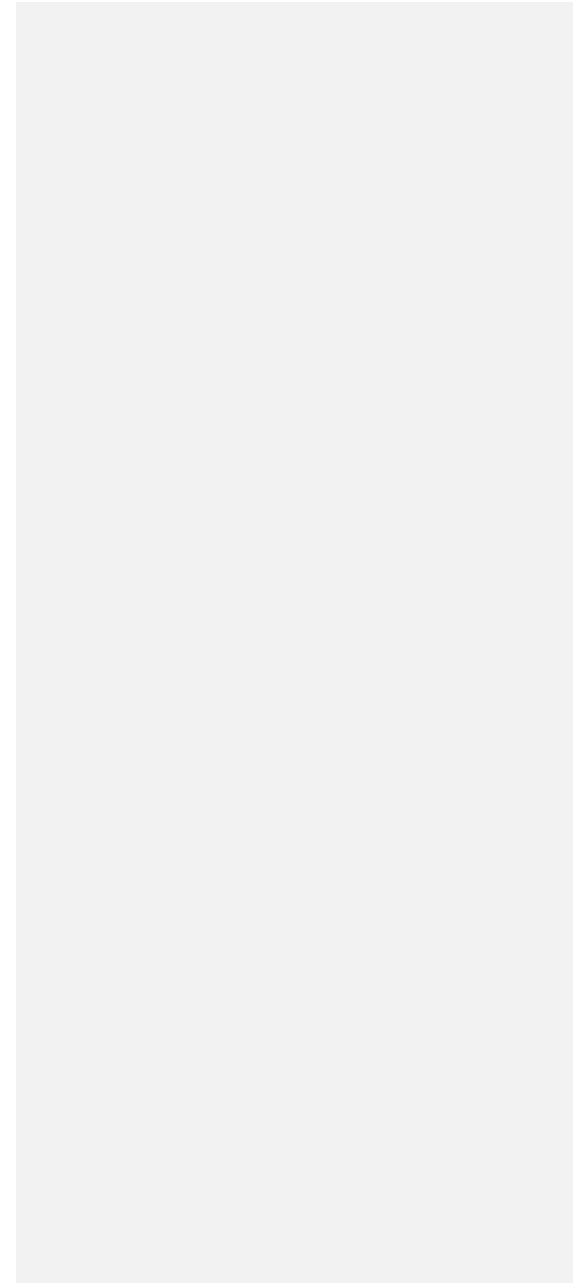
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		<p>responsible for taking decisions have the necessary information on which to do so with appropriate and up-to-date Scheme of Delegation.</p> <ul style="list-style-type: none">• The Mayor's Scheme of Delegation, Financial Regulations and Contract Regulations and Scheme of Consent have been developed in accordance with the Home Office Financial Management Code of Practice to enable effective accountability and govern the relationship between the Mayor and West Yorkshire Police.• An employee policy for acceptance of gifts and hospitality.• Registers of Members' interests and records of gifts and hospitality are published on the Combined Authority's website. Registers of interest for LEP Board members are also <u>retained and published for voting members.</u>• Members' declaration of interests are a standing item on all agendas. Minutes show declarations of interest were sought and appropriate declarations made.
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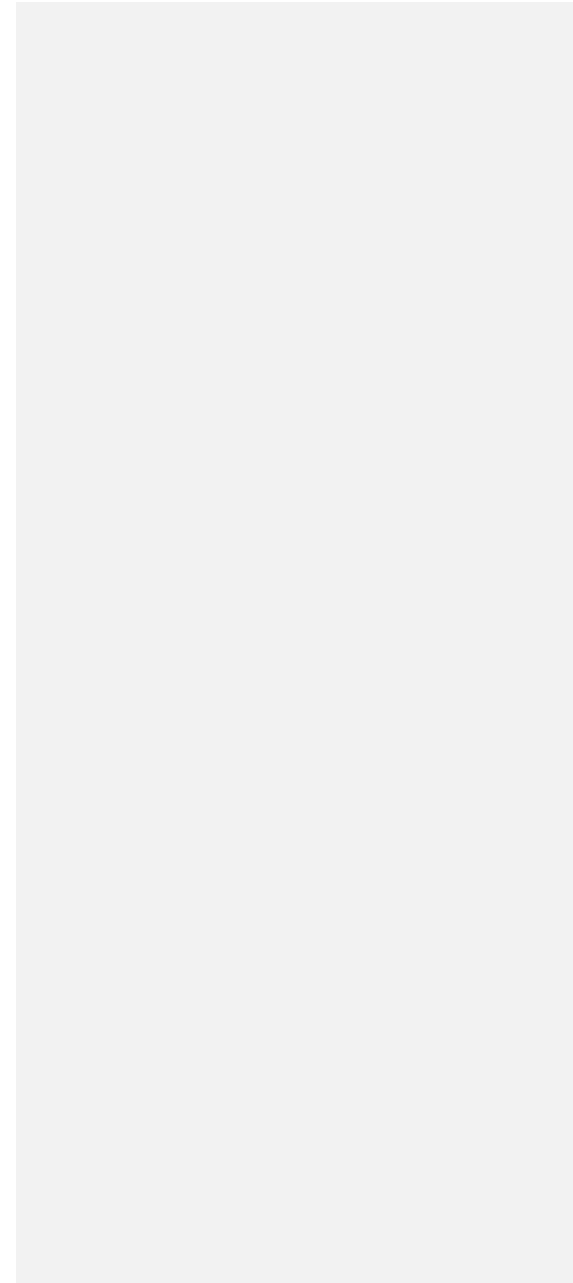


Item 11 - Appendix 1

		<ul style="list-style-type: none"> • A complaints policy that is published on the Combined Authority's website and is supported by an on-line form. A complaints policy has been developed for decisions of the LEP and published on the website. • A whistle blowing policy is on the website that also covers the staff within the Policing and Crime Team. • A confidential reporting policy is in place to enable police officers and police staff to report any concerns about malpractice or unlawful actions without fear of recrimination, via 'Anonymous Messenger system within West Yorkshire Police' that Staff in the Mayor's Policing and Crime Team have access who receive reports directly that refer to the conduct of the Chief Constable.
	<p>We will: Demonstrate strong commitment to ethical values</p>	<ul style="list-style-type: none"> • Policies and procedures that make up the Constitution of the Combined Authority set out delegations of the Combined Authority, to committees and senior officers, and the decision-making process to be applied. It also emphasises that the Combined Authority will act within the law. Similar processes



		<p>are in place for the activities of the LEP Board, and the Mayor's Policing and Crime functions.</p> <ul style="list-style-type: none"> • Terms of Reference that exists for all committees. • Organisational values continue to be developed and embedded to ensure they influence the required behaviours for employees for the new organisation. • Member Officer Protocol • Conflicts of Interest Policy and Protocol
	<p>We will: Respect the rule of the law</p>	<ul style="list-style-type: none"> • The Head of Deputy Director, Legal, Governance & Governance Compliance Services is designated as the Authority's Monitoring Officer and attends all Combined Authority and Governance & Audit and LEP Board meetings. • Anti-Fraud, Bribery & Corruption and Anti-Money Laundering Policies which is supported by a Whistleblowing Policy. There is a Whistleblowing hotline and procedure for employees and customers to report irregularity and fraud. • Maintenance of records of legal advice provided by officers.

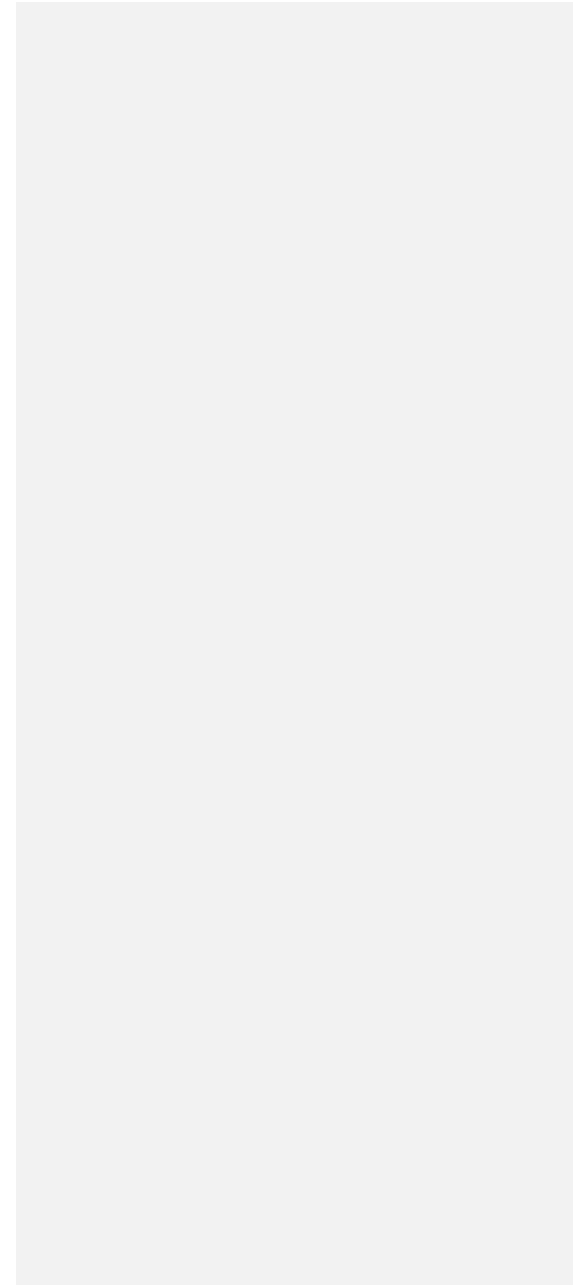


Item 11 - Appendix 1

65

Principle	Sub principles	Our actions and behaviours to achieve this:
<p>B. Ensuring openness and comprehensive stakeholder engagement.</p> <p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders. NB: institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.</p>	<p>We will: Be open</p>	<ul style="list-style-type: none"> • Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request. Details are on the Combined Authority's website. • Adoption of a standard reporting format in relation to all committee reports. Agendas, reports and minutes of all meetings are published on the Combined Authority's website. Meetings are open to the public unless in the case of exempt items and the Combined Authority's and all its committee meetings are live streamed. • Dates for submitting, publishing and distributing reports in accordance with statutory requirements are set and adhered to.
	<p>We will: Engage comprehensively with institutional stakeholders</p>	<ul style="list-style-type: none"> • Ongoing partnership arrangements with District authorities are in place and under continuing development. • A Memorandum of Understanding is in place with the West Yorkshire universities,

		<p>setting out areas of common interest.</p> <ul style="list-style-type: none">• The Combined Authority fosters close links with the local District Councils, facilitated by the appointment of senior politicians from these Districts to the Combined Authority. At the officer level, the Combined Authority and District Councils work closely in all areas and have made significant progress in strengthening relationships and ways of working through the transition to the Mayoral Combined Authority and beyond, to shape shared priorities and outcomes for West Yorkshire. The Chair of the Leeds City Region Enterprise Partnership (LEP) sits on the Combined Authority to assist in ensuring close working with local businesses.• The Mayor and Deputy Mayor for Policing and Crime fosters close links with the Partnership Executive Group (PEG), which is an important partnership which is well established to support the development and delivery of the Mayor's Police and Crime Plan.
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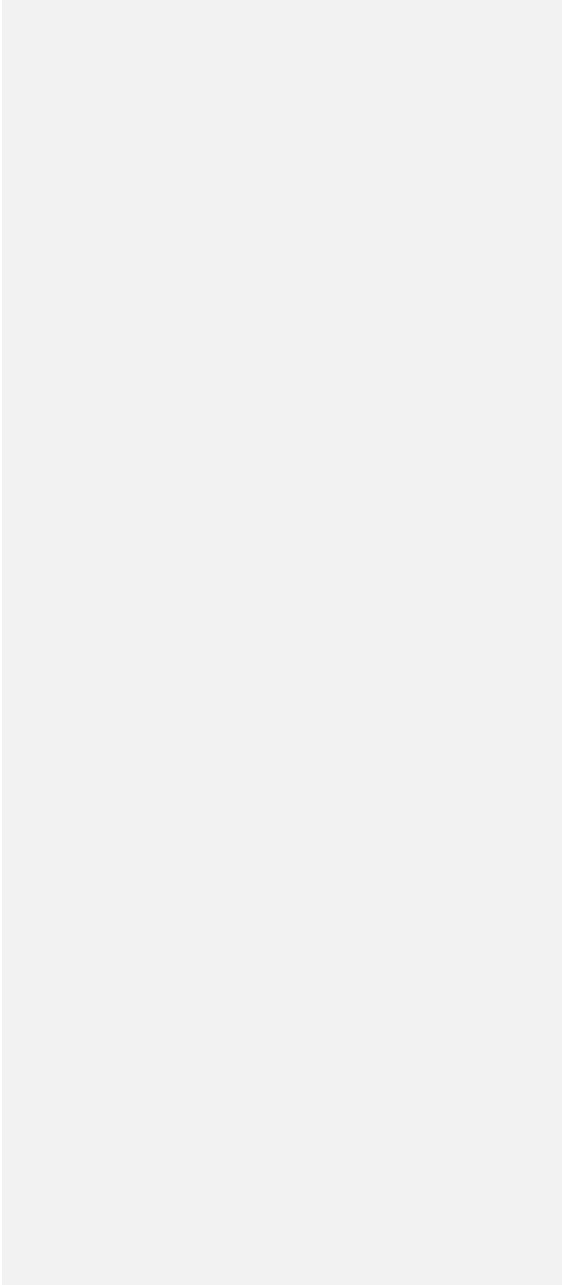


Principle	Sub principles	Our actions and behaviours to achieve this:
	<p>We will: Engage with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> • The Combined Authority seeks views from individuals, organisations and businesses on a number of areas including strategies, policies and detailed projects, including the development of the Mayor's Policing and Crime Plan, using a variety of means including face to face and online. Information on and links to current consultations are published on the website using the Your Voice portal. • The consultation team is part of the communications team to ensure its activity is linked with ongoing communications and ensure each consultation exercise can best meet its planned objectives. Consultation across the Combined Authority is increasingly managed using a calendar of planned activities. • The Combined Authority has arrangements to engage with all sections of the community including seldom-heard groups and businesses. District Consultation Sub-Committees and the youth forum consider transport matters and there is extensive engagement with

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Item 11 - Appendix 1

		<p>business through the Committees and other mechanisms. An inclusive engagement strategy is in development in 2023-24.</p> <ul style="list-style-type: none">• The annual tracker survey seeks views on satisfaction with public transport and highways matters.• The West Yorkshire business survey asks employers about a range of subjects including skills and recruitment.• The consultation arrangements cover much of the public facing operational roles.
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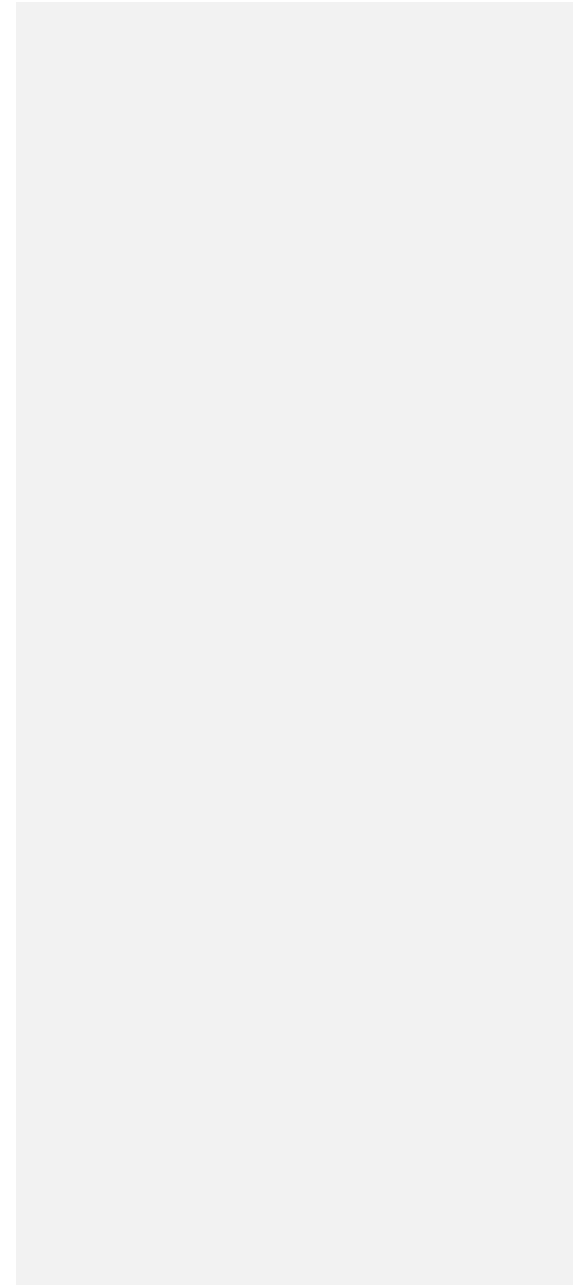


Principle	Sub principles	Our actions and behaviours to achieve this:
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p>The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	<p>We will: Define outcomes</p>	<ul style="list-style-type: none"> The organisation’s business plans have been developed in parallel with the Combined Authority’s budget for 2023/24. The budget was signed off at the Combined Authority meeting on 2 February 2023, where the draft Corporate Plan on a Page and Directorate Business Plans on a Page were also considered. Each plan on a page also has a more detailed document underpinning it which clearly sets out each directorate’s priorities and outputs for the year ahead. Programmes and projects are assessed against the assurance framework with outcomes set and confirmed when they are approved to progress. Following initial endorsement at the Combined Authority meeting, the business plans have been refined further to ensure that equity, diversity and inclusion (EDI) implications are fully embedded within the plans to achieve the best outcomes for the people, communities and businesses of West Yorkshire. This is in line with the Combined Authority’s EDI vision, statement and framework to meet the

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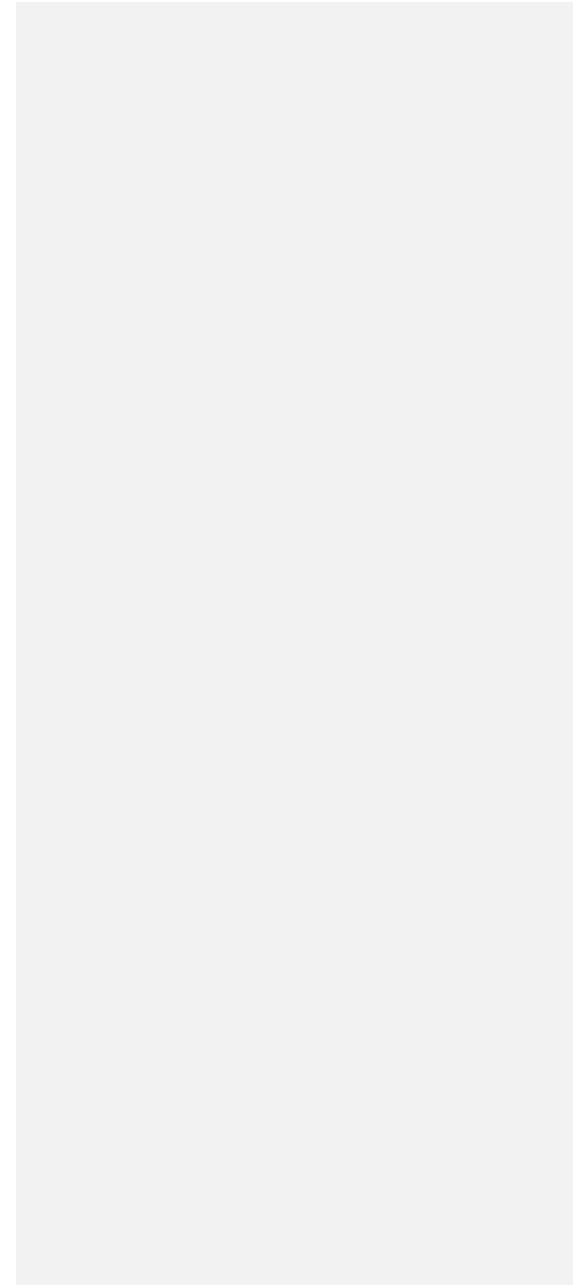
Item 11 - Appendix 1

		<p>standards set out in the Local Government Equality Framework.</p> <ul style="list-style-type: none"> • The Strategic Leadership Board, Internal Leadership Board, Senior Management Team-, Finance, Resources and Corporate Committee and, Combined Authority, and LEP Boards receive performance monitoring reports at regular intervals based on the corporate plan which sets out clear KPIs that are outcome focussed.
	<p>We will: Provide sustainable economic, social and environmental benefits</p>	<ul style="list-style-type: none"> • The West Yorkshire Plan sets out our ambitious vision for the ongoing transformation of West Yorkshire and establishes our investment and decision-making priorities for how we will achieve this. The Plan sets the trajectory for the long-term up to 2040 and reflects development in the region through the devolution deal and the accompanying new powers and funding. • The Plan includes five missions that are aspirational and represent long term ambitions for West Yorkshire: <ul style="list-style-type: none"> ○ A prosperous West Yorkshire – an inclusive economy with well paid jobs



Item 11 - Appendix 1

		<ul style="list-style-type: none">○ A happy West Yorkshire – great places and healthy communities○ A well-connected West Yorkshire – a strong transport system○ A sustainable West Yorkshire – making lives greener○ A safe West Yorkshire – a region where everyone can flourish● State of the Region reporting will continue to provide the monitoring framework underpinning the West Yorkshire Plan targets and wider policies and strategies of the Combined Authority.● The West Yorkshire Investment Strategy sets out the funding priorities for the Combined Authority and the next iteration of the Strategy will speak to the West Yorkshire Plan's ambitions. The Strategy is used to direct resources over an agreed 'investment period' building on policies and strategies agreed by the Combined Authority.
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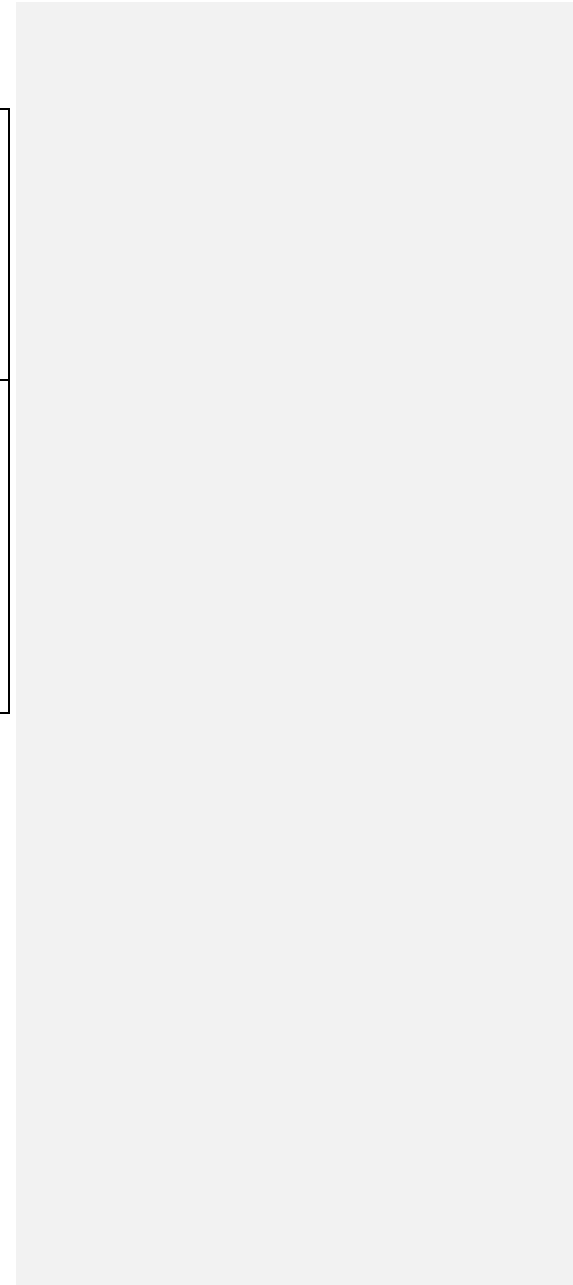


Principle	Sub principles	Our actions and behaviours to achieve this:
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.</p>	<p>We will: Determine interventions</p>	<ul style="list-style-type: none"> • The strategic priorities of the West Yorkshire Plan shape the decision making of the Combined Authority and ensure interventions are prioritised to deliver the aims and objectives of the organisation. • The statutory Local Transport Plan – the Transport Strategy - sets out specific transport interventions and the planned outcomes. The format of decision-making reports to ensure that all relevant information is considered such as analysis of options and resource implications. Options are clearly defined and analysed to ensure decisions are based on the best possible information. • Project appraisal processes seek to ensure maximum value for money from investments. The assurance framework is applied to these projects and ensure that they are effectively assessed (in terms of analysis of options, resource implications and strategic outcomes) and evaluated before approval is sought to proceed and that outcomes are achieved.
	<p>We will: Optimise achievement of intended outcomes</p>	<ul style="list-style-type: none"> • The annual budget is prepared for scrutiny and approval by Members and published in line with agreed

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Item 11 - Appendix 1

		<p>priorities and the medium-term financial strategy. Budget plans are shared in advance with partner local authorities.</p> <ul style="list-style-type: none"> • The assurance framework provides the means to assess projects in terms of outcomes to enable a prioritisation of interventions.
	<p>We will: Plan interventions</p>	<ul style="list-style-type: none"> • The corporate plan sets out the planned interventions for the coming year. Longer term plans are included in detailed strategies contained within the West Yorkshire Plan. • Leadership team and Combined Authority and LEP Boards receive performance monitoring reports at regular intervals based on agreed actions and targets for the year.



Item 11 - Appendix 1

Principle	Sub principles	Our actions and behaviours to achieve this:
<p>E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it.</p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p>We will: Develop the entity’s capacity</p>	<ul style="list-style-type: none"> • The Combined Authority has progressed a change programme designed to give greater transparency of senior accountability across key areas and a greater read across from job roles to key performance outcomes for West Yorkshire. It is anticipated that this process will be largely complete by end summer 2023 with the appropriate structures and leadership in place to lead the organisation effectively. • A training and development plan sets out how employees will be developed, and this is being progressed appropriately.
	<p>We will: Develop the capability of the entity’s leadership and other individuals</p>	<ul style="list-style-type: none"> • A Protocol on Member/Officer Relations assists both Members and officers achieve good working relationships in the conduct of Combined Authority business. • A Scheme of Delegation is in place and is reviewed annually in light of legal and organisational changes. • Officers are appointed using competency-based role profiles. Managers are required to set clear objectives including an equity, diversity and inclusion commitment, for each employee and to then measure their

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Item 11 - Appendix 1

		<p>performance against these competencies and objectives. Appropriate training and support is provided to assist in meeting these.</p> <ul style="list-style-type: none"> • There is a mandatory induction programmes for all employees and training for new members joining the Combined Authority. Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored.
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75

Principle	Sub principles	Our actions and behaviours to achieve this:
<p>F. Managing risks and performance through robust internal control and strong public financial management.</p> <p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision</p>	<p>We will: Manage risk</p>	<ul style="list-style-type: none"> • A risk strategy sets out risk management arrangements that are embedded across all service areas and help inform decision making. This includes the risk appetite statement and risk management policy. • Arrangements for risk are kept under review by <u>the Corporate Management Board chaired by the Chief Operating Officer a Regulatory and Compliance Board (with representation from all Directorates)</u> and the Member Governance and Audit Committee, with regular reporting to the Combined Authority and Finance,

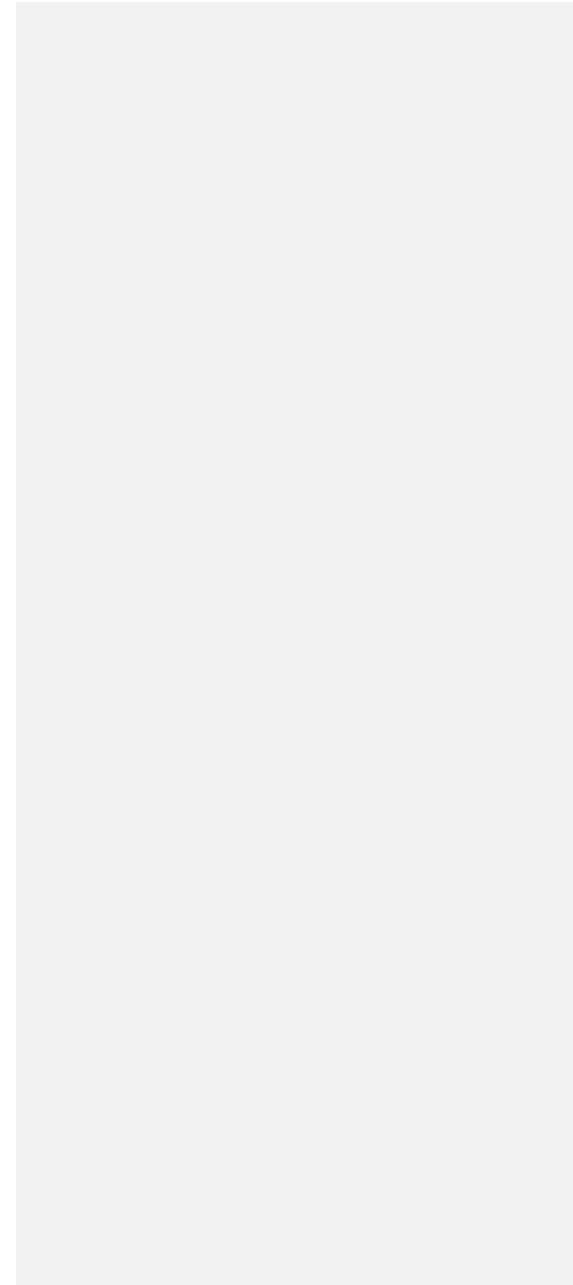
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Item 11 - Appendix 1

<p>making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>		<p>Resources and Corporate Committee.</p> <ul style="list-style-type: none"> • Risk registers are developed for all projects, with the assurance framework ensuring these are properly maintained. Directorate risk registers have also been developed that are linked to team level registers and which enable risks to be escalated to the corporate register as necessary. • Business continuity arrangements are in place and are refreshed and updated. Incident response arrangements are also kept updated and tested. • An officer Health and Safety Committee ensures compliance with the Health and Safety at Work Act (HSAWA) and ensures a system is in place for the management of health and safety risks. • An internal audit team undertakes an annual programme of risk based audits and reports back on these to the Governance and Audit Committee. • The Mayor maintains a risk register focused on key risks associated with delivery of the Police and Crime Plan, and the working of the Policing and Crime Team.
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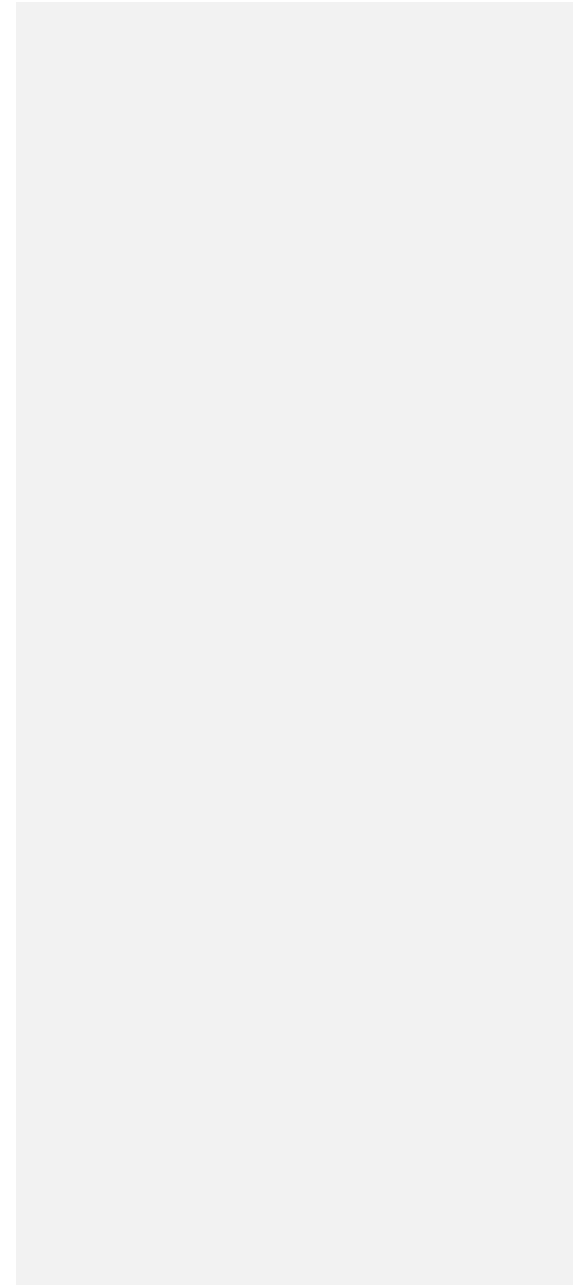
Item 11 - Appendix 1

		<ul style="list-style-type: none"> • Strategic risk is considered at the Mayor's Good Governance Group which is attended by senior risk owners and the chair of the Joint Independent Audit and Ethics Committee
	<p>We will: Have strong public financial management</p>	<ul style="list-style-type: none"> • The Director, Finance and Commercial Services is designated section 73 Officer and ensures compliance with matters of financial regulation and control. • The Chief Executive of the Combined Authority is the statutory Head of Paid Staff. Financial procedures are documented in the Financial Regulations and detailed procedures exist as required at an operational level within the central Finance team. Annual accounts are produced promptly and presented for external audit in accordance with statutory timescales.
	<p>We will: Manage performance</p>	<ul style="list-style-type: none"> • Key indicators have been identified which support the corporate plan which sets out the actions required in year to deliver the corporate objectives. These corporate KPIs will be set at the start of each year and provide the framework for performance management.



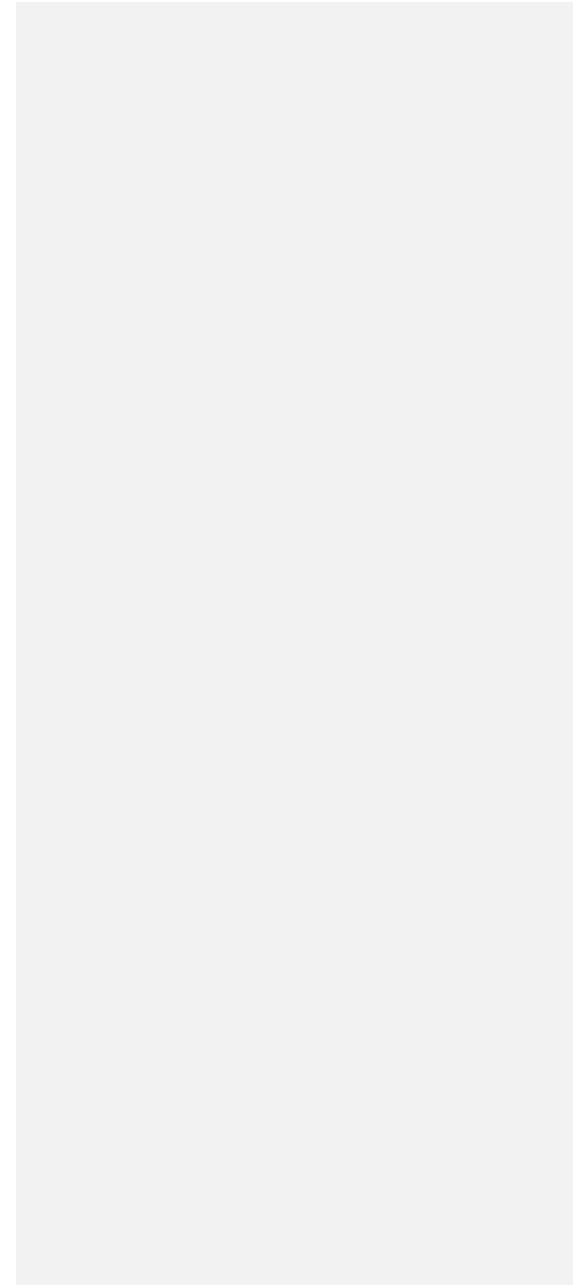
Item 11 - Appendix 1

		<ul style="list-style-type: none"> • The Scrutiny Standing Orders provide for Scrutiny Committees to call in any Combined Authority decision. Throughout the year the Overview and Scrutiny Committees have a programme that they define and that enables it to consider policy and objectives before, during and after decisions are made. A Scrutiny Officer has been appointed to provide full support to this Committee. Agendas, minutes of the various Scrutiny meetings and any associated reports with recommendations to the Combined Authority are published on the Combined Authority's website. • Contracts Standing Orders and Financial Regulations set out the Authority's arrangements and ensure that processes continue to operate consistently. These are updated annually.
	<p>We will: Have robust internal controls</p>	<ul style="list-style-type: none"> • An annual report is produced by Internal Audit which provides an opinion on the Combined Authority's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit.

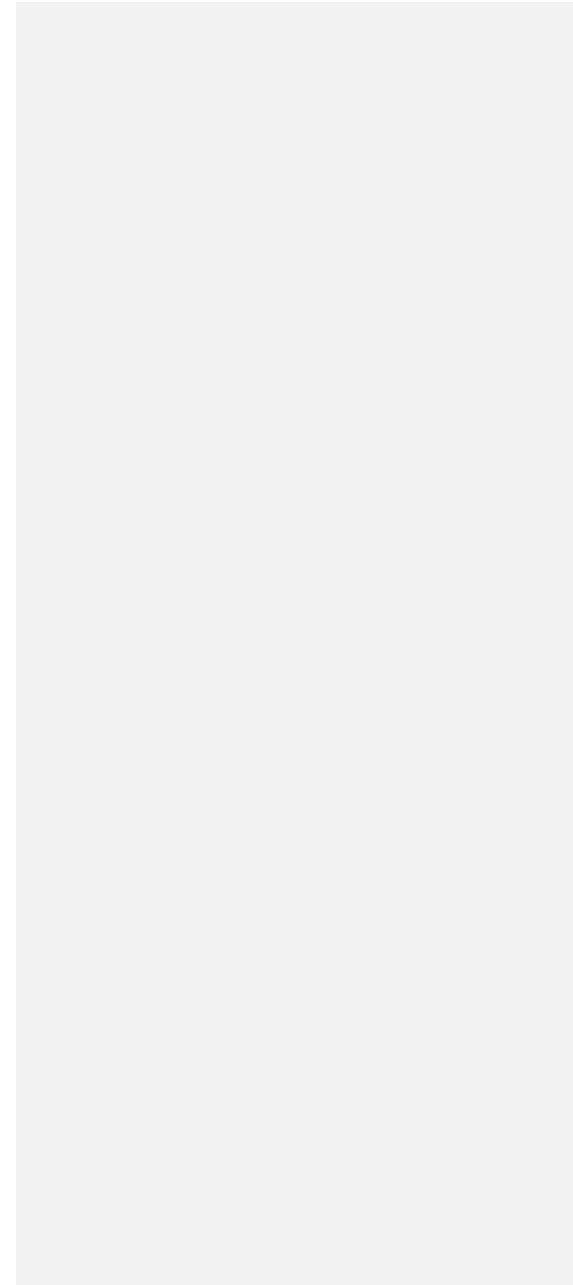


Item 11 - Appendix 1

		<ul style="list-style-type: none"> • Financial Regulations ensures responsibility and controls over expenditure are clearly assigned. • The Annual Governance Statement (AGS) is produced for inclusion in the annual accounts that are subject to review and approval by the Governance and Audit Committee. • The Governance and Audit Committee oversees the management of governance issues, internal controls, risk management and financial. • Reporting with the latter reported to every full Combined Authority meeting. • The Governance and Audit Committee Terms of Reference are reviewed annually and revised to reflect professional bodies 'expectations and best practice.
	<p>We will: Manage data</p>	<ul style="list-style-type: none"> • Procedures for the effective, fair and lawful processing of data are set out in the Data Protection Policy and supporting information governance framework. The Combined Authority will be compliant with the requirements of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 (Data Protection Legislation).



		<ul style="list-style-type: none">• The Combined Authority's ICT policies control access to the network and data held on it, with information regarding the use of passwords and sharing of data set out. These policies have recently been reviewed and updated.• Effective information sharing is undertaken in accordance with the Data Protection Legislation and the Combined Authority's Data Protection Policy.• Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the appropriate form of privacy notices. These processes have been updated in the light of the new requirements contained within the Data Protection Legislation.• Information Sharing Agreements are in place to document the sharing of information with other organisations.• Data verification and validation processes are integrated within systems and processes.
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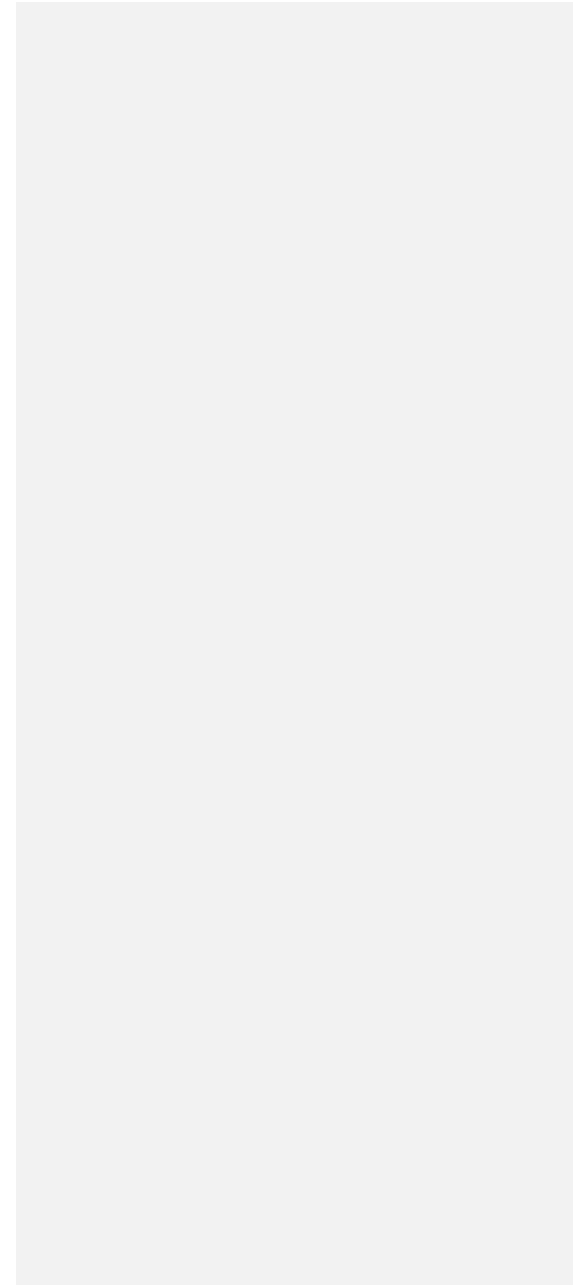
Principle	Sub principles	Our actions and behaviours to achieve this:
<p>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	<p>We will: Implement good practice in transparency</p>	<ul style="list-style-type: none"> • Agendas, reports and minutes for Combined Authority and LEP Board's and formal committees are published on the Combined Authority website in accordance with statutory deadlines. • Adoption of the Transparency Code and a Publication Scheme providing information on the website regarding Combined Authority business, expenditure, and governance. • The process for making Freedom of Information requests is clearly set out on the website. • The Combined Authority moved to the live streaming of Combined Authority meetings in 2017, and all committees are also streamed live. The LEP Board holds meetings in public with papers published online five days beforehand.
	<p>We will: Implement good practices in reporting</p>	<ul style="list-style-type: none"> • Annual Financial Statements are compiled, published to timetable and included on the Combined Authority's website. This includes the Annual Governance Statement (AGS)

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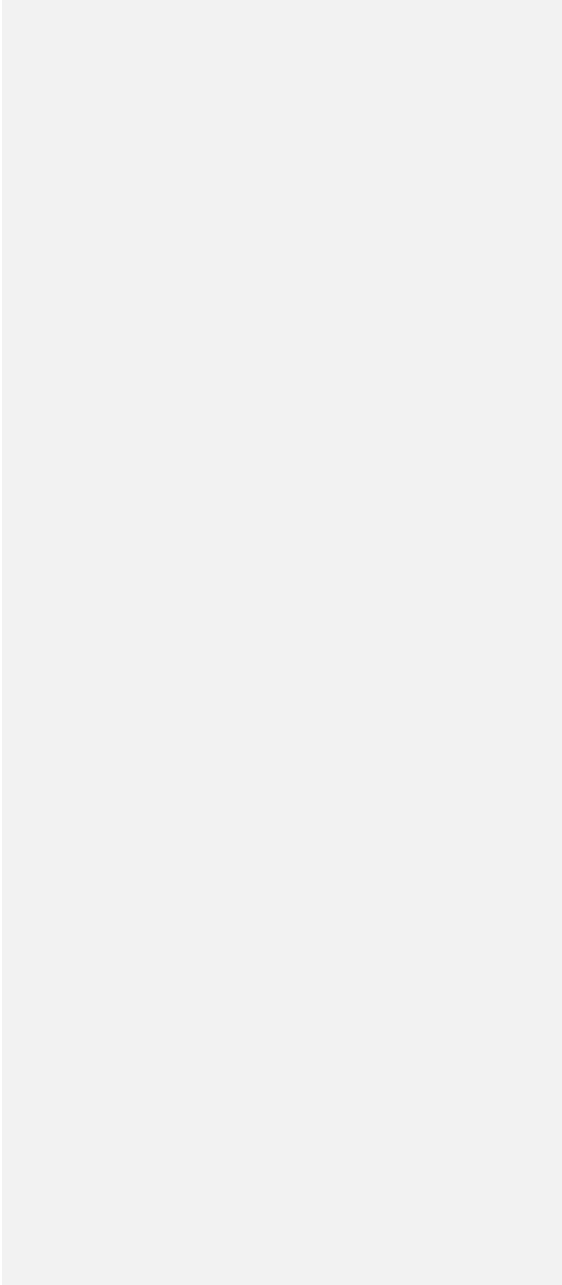
Item 11 - Appendix 1

		<ul style="list-style-type: none"> • The external auditor's report on the accounts is published on the website. • An annual business plan is published which also includes a review of achievements in the previous year.
	<p>We will: Provide assurance and effective accountability</p>	<ul style="list-style-type: none"> • The AGS sets out the Combined Authority's governance framework and the results of the annual review of the effectiveness of the Combined Authority's internal controls and governance arrangements. • An effective internal audit service is resourced and maintained. The team has direct access to members if required and provides assurance on governance arrangements via an annual report containing an opinion on the Combined Authority's internal control arrangements. • External Audit provides an annual opinion on the Combined Authority's financial statements and arrangements for securing value for money. • The assurance framework governing investment decisions is reviewed annually and compliance with official guidelines reported to government.



Item 11 - Appendix 1

		<ul style="list-style-type: none">• The Police & Crime Panel has oversight functions in relation to the Mayor's exercise of police and crime functions as the Police and Crime Commissioner (PCC), including reviewing the PCC's Police and Crime Plan, the Mayor's annual report on PCC Functions and the appointment of the Chief Constable.
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West Yorkshire Combined Authority

Annual Governance Statement 2022/23

This Annual Governance Statement reflects both the governance framework put in place for the West Yorkshire Combined Authority (Combined Authority) and the Combined Authority Group (the Group) for the year ended 31 March 2023.

1. Scope of Responsibility

The Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Combined Authority also has a duty under the Local Government Act 1999 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.

In discharging this overall responsibility, the Combined Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk. The Combined Authority annually approves a Code of Corporate Governance consistent with the principles of CIPFA Solace framework "Delivering good governance in Local Government".

In accordance with the Accounts and Audit Regulations 2015 this Annual Governance Statement (AGS) considers compliance with the Corporate Governance Code and Framework and sets out how the Combined Authority 'ensures that the financial management is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'

The Mayor is the Chair of the Combined Authority and also holds the policing and crime functions for West Yorkshire and has appointed the Deputy Mayor for Policing and Crime who has substantial delegated authority covering this area.

The functions of the West Yorkshire Police and Crime Commissioner transferred to the elected Mayor on 10 May 2021 and with regards to these functions the Mayor is held to account by the West Yorkshire Police and Crime Panel.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Combined Authority is directed and controlled and its activities through which it accounts to and engages with the community. The framework enables the Combined Authority to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services for its customers.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Combined Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

3. The governance framework

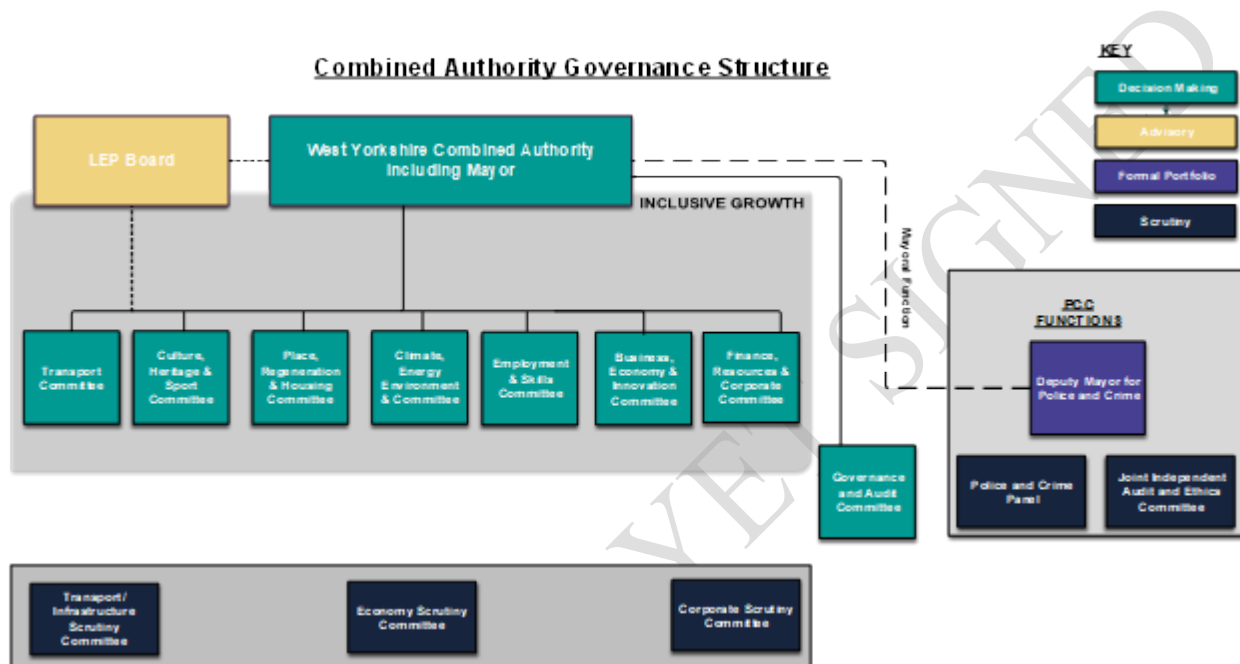
Our work is led by the Combined Authority. Corporate Policies and objectives are set and communicated by the Combined Authority. These are brought together in our business plans. The West Yorkshire Plan sets out our ambitions for West Yorkshire, through our vision, missions and range of policies and strategies.

The Mayor holds the statutory functions of the Police and Crime Commissioner (PCC) for West Yorkshire. Those functions can be delegated, with the exception of the duties to set a budget, prepare a Police and Crime Plan, and to appoint and remove a Chief Constable, which can only be exercised by the Mayor. The functions of determining police and crime objectives, attending the police and crime panel and preparing annual reports can only be delegated to the Deputy Mayor for Policing and Crime. The Mayor is held to account in respect of her police and crime functions by the Police and Crime Panel which consists of representatives from each district with crime and anti-social behaviour responsibilities plus independent members.

The Mayor has published her Police and Crime Plan, which reflects a shared vision with partners and has the overall aim of ensuring that communities in West Yorkshire are safe. Local priorities have been set in consultation with individuals, organisations and community safety partnerships that sit within the Plan.

A Partnership Executive Group (PEG) with a membership at strategic level from policing, community safety, the wider criminal justice system, victims and third sector organisations is in place. The PEG plays a key role in developing this strategic vision and the Police and Crime Panel (PCP) were also consulted on the Plan.

Governance Structure



- a) Corporate policies and objectives are set and communicated by the Combined Authority. The Combined Authority has clearly defined its ambitions to work with its partners across the region; these ambitions are set out in the West Yorkshire Plan, which was developed throughout 2022/23 and was launched in June 2023.

The West Yorkshire Plan sets out a shared vision, narrative, and ambitions for the region. The purpose of the West Yorkshire Plan is to:

- Explain who West Yorkshire is and what we want to achieve
- Set the trajectory for the longer-term up to 2040
- Ensure that government and wider local and national stakeholders are clear on the priorities and ambitions of the region
- Ensure that all regional partners speak with one strong voice

The WY Plan includes five missions, that are aspirational and represent long term ambitions for West Yorkshire. State of the Region reporting will continue to provide the monitoring framework underpinning the West Yorkshire Plan targets and wider policies and strategies of the Combined Authority.

The WY Plan strengthens our existing policy framework which includes a suite of policies and strategies aligned to areas of delivery.

The vision for West Yorkshire is

A brighter West Yorkshire - a place that works for all. An engine room of ideas and creativity, where anyone can make a home.

Five missions have been set to achieve this:

Mission One: A prosperous West Yorkshire – an inclusive economy with well paid jobs

Mission Two: A happy West Yorkshire – great places and healthy communities

Mission Three: A well-connected West Yorkshire - a strong transport system

Mission Four: A sustainable West Yorkshire – making lives greener

Mission Five: A safe West Yorkshire – a region where everyone can flourish.

All our policies and strategies work toward meeting at least one of these missions.

- b) A suite of supporting plans and strategies do and will set out further detail on a range of priority areas, including police and crime, economic strategy, climate and environment, housing and place, local area energy planning, local nature recovery, digital infrastructure, green infrastructure, skills and trade and investment. For details of the policies, strategies and priorities within the West Yorkshire Plan, please click [here](#).
- c) The Combined Authority publishes an annual State of the Region report, which provides information about the performance of West Yorkshire against key socio-economic and environmental indicators. The reports are available [here](#). The report provides a stock take of where West Yorkshire currently stands, using a basket of headline indicators. It highlights areas of strength and positive trends in the local economy but also flags key issues and challenges that are priorities for future action. The report aims to provide a balanced and objective view of economic performance in the region and gives some insight into the difference being made through the combined action of all partners in West Yorkshire.
- d) The Combined Authority itself has seven objectives from which outcomes are derived and performance measured. These are published as part of the Corporate Plan and inform the Combined Authority's annual business planning. Collectively, they help to ensure that everything the organisation delivers is centred around the goal of improving the lives of the people, businesses, and communities across West Yorkshire. They also support the delivery of the Mayor's ten pledges from her manifesto in 2021.

The seven corporate objectives are:

- Empowering our communities, towns and cities to thrive
- Building a sustainable, nature rich and carbon neutral region
- Creating an accessible, clean and customer focused transport system

- Supporting community safety and accountable, proactive policing
- Championing culture, sport and creativity
- Driving economic growth and innovation to enable good jobs
- Enabling a diverse, skilled workforce and accessible learning for all.

These objectives are used to support business planning and outcome setting for the organisation, and are used to aid reporting. The Corporate Plan is an annual document that sets out what the organisation will deliver over the coming year to achieve the overarching vision for the region as set out in the West Yorkshire Plan.

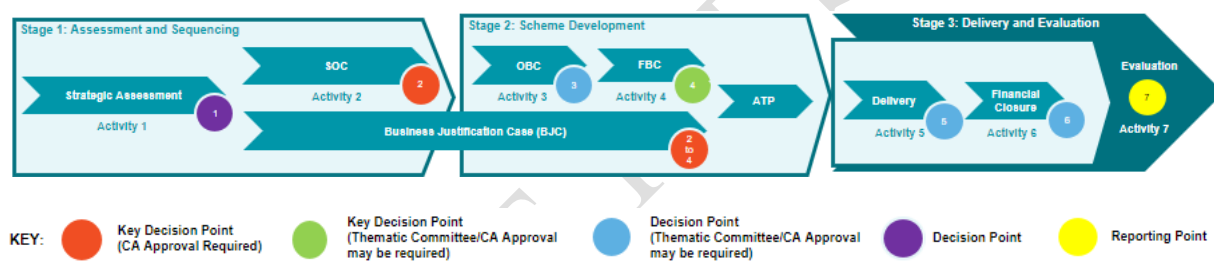
- e) The Combined Authority sets an annual business plan and budget. The business plan for 2023/24 was developed based around the outcomes that the organisation is seeking to achieve. At the heart of everything the Combined Authority does, including the outcomes it delivers on an annual or multi-year basis, are the seven corporate objectives.
- f) All Heads of Service across the organisation report progress against business plan outcomes, KPI and output delivery, as well as flagging risks. This reporting is fed into a central database and is analysed monthly. Senior officer Boards receive this analysis advising on progress against corporate objectives and business plan activities across the organisation. This allows oversight of delivery and any risks arising, so that these can be mitigated appropriately.

Through both officer boards and public committees targets are reviewed routinely in year. Where necessary, action is taken to mitigate risks to delivery and / or achievement of targets where these are off-track. Finance, Resources and Corporate Committee (FRCC) receive reports on progress against delivery of our annual business plan. Directorate business plans align with corporate objectives, and through this there are mechanisms to understand successes, progression and opportunities for improvement.

- g) Following the publication of the Levelling Up White Paper in February 2022, and consistent with the guidance from government, a LEP Integration Plan (IP) for West Yorkshire was submitted to government in July 2022 and a formal letter confirming that government endorsed the IP was received on 17 January 2023. At its meeting on 2 February 2023, the Combined Authority approved proposals to fully integrate the LEP into the Combined Authority including necessary governance changes. Work is continuing with the LEP Board to develop its evolving role with an emphasis on ensuring that the strong partnership between the public and private sector is further strengthened.
- h) The West Yorkshire Combined Authority Assurance Framework is in line with national best practice and is peer reviewed and has been updated on an annual basis building on existing good practice and reflecting any changes in both government guidance and improvements to the Combined Authority's procedures. The Assurance Framework was comprehensively reviewed during 2020/21 for February 2021, as part of the required preparations for becoming a Mayoral Combined Authority and to comply with the revised National Local Growth Assurance Framework Guidance. Minor changes were made for February 2022 and February 2023. In June 2023 the West Yorkshire Combined Authority Assurance Framework was revised to account for the changes to the LEP governance arrangements following the approval of the

LEP Integration Plan by the Combined Authority. All changes have been considered and approved through internal governance arrangements and submitted and approved by Central Government. A further comprehensive peer review is being undertaken during 2023 for approval by the Combined Authority and Central Government in February 2024.

- i) The Assurance Framework supports decision making on projects and guides investment decisions across the full portfolio of capital interventions. It sets out the appropriate safeguards and processes to be put in place to ensure the proper use of public funds and that value for money is secured and outcomes are clearly agreed when investing in schemes. This includes the prioritisation process for identifying the schemes that are included for funding with a three stage approval process, as set out in the diagram below, now in place to enable the prioritisation of schemes. The Combined Authority must approve all schemes at least once in their lifetime, usually decision point 2, with subsequent decisions delegated thereafter to one of the Combined Authority's thematic committees or Chief Executive, as set out in the Assurance Pathway and Route approved by the Combined Authority.



- j) The Combined Authority's scrutiny arrangements consist of opposition-led politically balanced Overview and Scrutiny committees. 2022/23 focussed on embedding an expanded Scrutiny function (implemented in 2021/22) consisting of three committees, each with 16 cross-party councillors from across West Yorkshire (and York). The three committees are: Corporate Scrutiny, Transport & Infrastructure Scrutiny and Economy Scrutiny. Scrutiny publishes an annual report providing an overview of all the issues and topics the committees considered during the year. This year they scrutinised, amongst other things, inflation and its effect on the budget and staffing, the Bus Service Improvement Plan and the CA's role in transport and planning applications, and Adult Education Budget and the new economic strategy and Enterprise Zones. The three committees also each hold Mayor's Question Times every year in which the Mayor is questioned on her direct and soft powers relating to each of the Committees' remit. The questioning mainly focused on the cost-of-living crisis and effects on the organisation's delivery and objectives.
- k) In addition, the Combined Authority continues to assist and advise local Council scrutiny enquiries where the topics affect its sphere of activity.
- l) The Combined Authority's Governance and Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk management, internal control (including internal audit) and treasury management. It has responsibility for the approval of the annual accounts. In accordance with changes in legislation there

has been an independent Chair for the Committee during 2022/23. An officer Regulatory and Compliance Board chaired during 2022/23 by the Director, Finance and Commercial Services, provides an operational level management and review of internal control, risk, health and safety, information security and governance arrangements in place. This is transitioning during 2023/24 to the Corporate Centre Management Board chaired by the Chief Operating Officer.

- m) Staff roles are defined and documented through role profiles. These set out clear competencies and accountabilities for each role and are key to making successful recruitment decisions. Appointments have been made to all the posts required by statute, including Head of Paid Service (which forms part of the Chief Executive's role), s73 Officer (Director, Finance and Commercial Services), and the Monitoring Officer (Deputy Director Legal, Governance & Compliance).
- n) Staff behaviours are guided by the Combined Authority's values and its Codes of Conduct and a similar Code exists for Members; both employees and Members are required to maintain a register of interests. Completed registers of interest are available for inspection on the Combined Authority website.
- o) The Combined Authority conforms to the requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2015)*. The Chief Financial Officer is the Director, Finance and Commercial Services who is a key member of the leadership team and is responsible for the proper administration of the Combined Authority's financial arrangements through a suitably qualified and resourced finance function.
- p) An internal team provide the internal audit service to the Combined Authority. Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of the internal audit activity to be defined in an internal audit charter, consistent with the definition of Internal Auditing, the Code of Ethics and the Standards. The Internal Audit Charter establishes internal audit's position within the organisation, including the mandatory nature of the Chief Audit Executive's role; functional reporting relationship with the management team; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- q) Compliance with established procedures, laws and regulations is ensured by a system that requires all decisions to set out all legal and financial implications. Schemes of officer delegation ensure that decisions are made at the appropriate level within the Combined Authority. This includes the Mayor's PCC Scheme of Delegation and Scheme of Consent to the Chief Constable. Procedures and policies are in place to ensure compliance with the Freedom of Information Act, Data Protection Act and Health and Safety requirements. A whistleblowing policy and guidance notes are available on the website. Regular reviews and exception reporting are conducted through the officer Regulatory and Compliance Board and through the Member Governance and Audit Committee, including arrangements for risk management.
- r) Risk management is embedded in the activities of the Combined Authority. A Corporate Risk Management Strategy, including a risk policy and risk appetite statement, has been endorsed by the Governance and Audit Committee and sets out the way in which risks are identified, recorded and monitored. Reviews of the key strategic risks are undertaken by the Combined Authority and the Governance and Audit Committee.

- s) In respect of the Mayor's PCC functions, the Mayor has also established a Joint Independent Audit Committee (JIAC) which oversees the control environment of the Chief Constable and the Police and Crime functions, undertaking the functionalities of an Audit Committee in line with CIPFA guidance. The Committee receives regular reports from both internal and external audit. It provides independent assurance to both the Mayor and the Chief Constable on the adequacy of the corporate governance and risk management arrangements and the associated control environment.
- t) A system of formal procedures, Contracts Standing Orders and Financial Regulations protect the organisation. These are reviewed and approved annually, with minor updates made as required during the year. A Procurement Strategy has been approved by the Combined Authority as well as the West Yorkshire Investment Strategy, which is updated annually.
- u) The Mayor's Police and Crime Plan 2021-2024 was launched on 10 March 2022, and sets out the strategic vision for policing, community safety and joint working with the wider criminal justice system across West Yorkshire over a three-year period. In doing so they had regard to the Strategic Policing Requirement and the West Yorkshire Police Strategic Assessment, and the Plan was developed in close consultation with the public of West Yorkshire as well as a wide range of key stakeholders and partners.
- v) The Police and Crime Plan puts the safety of women and girls at its centre. Substantial on-line and social media engagement has been generated during the development of the Plan. During 2021 the Mayor's public survey attracted 2,433 responses, 950 people were spoken to face-to-face, a call for evidence on the safety of women and girls was launched and extensive partner consultation took place, supplemented by a detailed needs assessment, to inform the Mayor's first Police and Crime Plan. Engagement with members of the public and partners has continued and the Mayor's Safety of Women and Girls Strategy was launched in November 2022 at the Mayor's second VCSE (Voluntary, Community and Social Enterprise) conference which brought together 110 people from a range of partner organisations.

4. Review of Effectiveness

The Combined Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by the work of the Internal Audit section and that of management within the Combined Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by external auditors.

The Combined Authority has in place a system based on a framework of contract standing orders, financial regulations and administrative controls including codes of conduct and administrative policies and procedures. All key administrative controls and financial instructions are reviewed on a regular basis by the Combined Authority's management with internal audit undertaking reviews based on risk. Contract standing orders and financial regulations are updated as required and re-approved annually by the Combined Authority at its Annual Meeting. In terms of financial accounting the Combined Authority utilises a core financial system which is tested and evaluated annually by internal and external audit. During the last year, the Chief Financial Officer has provided to the Governance and Audit Committee a regular confirmation that key controls have been operating in the period.

Regular reports are also provided to the Regulatory and Compliance Board that key controls have been operating in the period.

One of the key responsibilities within the Combined Authority is to determine, agree and monitor the annual budget. This responsibility involves setting an appropriate budget to fulfil the resource requirements of the Combined Authority in undertaking its transport, economic development and regeneration activities. This budget is an integrated one for the full breadth of the activities of the Combined Authority, including the bringing together of transport and economic policy funding. The Corporate directorate ensures that the most effective arrangements are in place to enable delivery of the Combined Authority's objectives and the budget is defined to follow these arrangements.

The budget setting process requires a comprehensive budget report to be presented to the full Combined Authority which gives a detailed forecast outturn for the current financial year and the proposed budget for the forthcoming financial year. The budget process is overseen and scrutinised by Members through the Member Budget Working Group, Overview and Scrutiny Committee, Governance and Audit Committee and the Combined Authority and is shared with the LEP Board.

Regular review of revenue and capital budgets is undertaken by senior management with regular updates to the Combined Authority and other committees presented through the year.

Within the Combined Authority budgetary responsibility is devolved to Budget Holders and Controllers who are responsible for monitoring and controlling their assigned budget. Regular budget performance reports are prepared by Finance for those charged with governance to ensure ongoing budgetary control is achieved.

The Treasury Management function for the Combined Authority is undertaken in conjunction with Leeds City Council. Reliance is placed on assurance from their internal audit section that appropriate controls and governance are in place

An internal team provides the internal audit resource for the Combined Authority. The work of Internal Audit is informed by an assessment of risk and a strategic audit plan is devised based on these assessments. This plan is submitted to the Combined Authority's Governance and Audit Committee for consideration and approval. Regular update reports are provided to the Governance and Audit Committee by the Head of Internal Audit on the outcome of the agreed audits and any audit recommendations made. Internal Audit also maintain their own systems to monitor progress in implementing audit recommendations which is also reported regularly to the Governance and Audit Committee and the officer Regulatory and Compliance Board.

From the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit has reached the opinion that, overall, the Combined Authority's framework of control and governance is operating adequately.

As mentioned previously, the Assurance Framework is reviewed annually in accordance with HM Government Local Growth National Assurance Framework guidance. The latest version was published on 28 February 2023 and revised in June 2023 to account for the changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan by the Combined Authority. The Assurance Framework was comprehensively reviewed during 2020/21 for February 2021, as part of the required

preparations for becoming a Mayoral Combined Authority and minor changes were made for February 2022 and February 2023. A further comprehensive peer review has been undertaken during 2023 for approval by the Combined Authority and Central Government in February 2024.

As part of the Strategy, Communications and Intelligence Directorate in the Corporate Centre, a Strategic Portfolio Office (SPO) manages a three stage pipeline approval process, designed to support the West Yorkshire Combined Authority Assurance Framework. All partner authorities delivering schemes funded by the Combined Authority follow this framework and close working with partner authorities is key to successful delivery of the wide ranging portfolio.

The SPO also provide regular reports to the Combined Authority, the thematic committees and the Finance, Resources and Corporate Committee on progress and performance of the many funding programmes that the Combined Authority is responsible for.

The Combined Authority has in place risk management arrangements that are continually reviewed and improved. An officer Regulatory and Compliance Board met during the year on a periodic basis to ensure consistency in the assessment and management of risk and to provide an overview of the process. The Combined Authority's corporate risk register is maintained and considered regularly by the Governance and Audit Committee with risk management comprising a standard item on the agenda for this committee.

Building on the work previously undertaken on risk management, work continued to consolidate all risk registers throughout the organisation and to ensure that risk is considered consistently in line with the principles set out in the revised Corporate Risk Management Strategy.

Internal Audit's Quality Assurance and Improvement Program ensures that activity is assessed against the requirements of professional standards, the definition of Internal Audit and the Code of Ethics as specified by the Institute of Internal Auditors.

An independent external quality review which assessed the Internal Audit function in relation to compliance with Public Sector Internal Auditing Standards (PSIAS) was considered by the Governance and Audit Committee in 2019/20. The conclusion was that the Internal Audit activity generally conforms to the definition of internal auditing, the Code of Ethics and the PSIAS. The action plan that arose from that review has been actioned and the next external review will be due in 2024.

The Combined Authority has reviewed its systems of internal control, including the internal audit function and concluded that it complies with the requirements of PSIAS and the Local Government Application Note.

A Value For Money self-assessment was undertaken by management and forms part of the overall opinion by the external auditors for the annual accounts.

Reviewing the effectiveness of the governance framework for the Policing Functions

The Mayor has overall responsibility for the discharge of all the powers and duties placed upon her and has a statutory duty 'to maintain an efficient and effective police force'. The JIAC considers the adequacy of the governance framework, referring matters to the Mayor and/or Chief Constable as appropriate.

The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within WYP at least annually. WYP's Internal Audit provided an independent opinion on the adequacy and effectiveness of the system of internal control and concluded that reasonable assurance can be given regarding the overall internal control environment in the last opinion provided.

In terms of the Mayor's Police and Crime Plan, governance arrangements to support the development and delivery of the Police and Crime Plan includes a range of partnership boards including the Local Criminal Justice Board, the Combatting Drugs Partnership, Vision Zero Board, Domestic and Sexual Abuse Board, Criminal Justice and Mental Health Forum and the West Yorkshire Anti-Slavery Partnership, all chaired by the Deputy Mayor for Policing and Crime. The Mayor held regular strategic meetings with the Chief Officer Team (COT) to look at how WYP could best deliver on the priorities in the Plan.

The Mayor maintains a risk register focused on key risks associated with delivery of the Police and Crime Plan, and the working of the Policing and Crime Team. The Mayor also maintains strategic oversight of risk management arrangements in WYP through reports to the Joint Independent Audit Committee (JIAC). A revised structure of regular governance and accountability meetings with the Chief Constable has been implemented by the Mayor with quarterly Governance, Performance Scrutiny and Community Outcomes meetings.

5. Programme of Improvement

As part of the Combined Authority's digital programme, a project of work is underway to fully implement and provide assurance against the Information Commissioner's Data Protection Accountability Framework.

During 2022/23 the Combined Authority underwent a programme of significant change to ensure it is fit for purpose for its changing role over the next five-plus years. This follows the change in scale and remit of the organisation as a result of the West Yorkshire devolution deal and arrival of the Mayor in May 2021.

Following an independent review of the organisation's strengths and capabilities, the recommendation was accepted to change the organisation's operating model from process driven to outcome focussed in order to enable greater read across from strategic ambitions to the outcomes delivered. In order to embed this, a restructure of the organisation was undertaken to create five thematic 'outcome directorates' supported by a strengthened Corporate Centre. A complementary set of activities focussed on culture change and embedding positive behaviours has also taken place and continues into 2023/24.

The Combined Authority's S73 Officer works closely with the Assistant Chief Officer in West Yorkshire Police to retain an oversight of financial governance and the Combined Authority's s.73 Officer and Monitoring Officer are represented on Mayor's Quarterly Governance meeting with the Chief Constable. A review of the Mayor's PCC delegations and consents to the Chief Constable will be undertaken to align with the disbanding of current regional procurement arrangements.

A proposal for a revised Joint Independent Ethics Committee will be considered by the Mayor and Chief Constable.

6. Significant Governance Issues

This section considers any significant issues that have arisen during the year. This is by exception only.

Policing and Crime Regional Procurement

Following a review by Chief Constables of the efficiency and effectiveness of the regional procurement collaboration for policing, a decision has been taken to exit the current collaboration arrangements hosted by South Yorkshire. Work is underway to transition procurement activity back to local forces and PCCs which will include a review of the Mayor's delegations and consents to the Chief Constable.

LEP Integration

The publication of the Levelling Up White Paper in February 2022 provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Following this, in July 2022 a LEP Integration Plan (IP) for West Yorkshire was submitted to government. A formal letter confirming that government endorsed the IP was received on 17 January 2023.

Following this the Combined Authority made governance changes to fully integrate the LEP into the Combined Authority.

Integration of the LEP into the Combined Authority meant that separate constitutions and governance models were no longer required or appropriate. Therefore, the LEP Constitution and documents were withdrawn as a suite of documents and replaced with a new Article within the Combined Authority's Constitution setting out the LEP governance arrangements. Thus, ensuring that the best practice elements were retained combined with integrating elements where appropriate into other existing parts of the Combined Authority's Constitution, providing greater consistency and clarity. This includes maintaining the following principles:

- The LEP Board remains private sector led.
- EDI principles around board members.
- Having roles such as SME champion and Diversity Champion.
- Adherence to the Members' Code of Conduct and Conflicts of Interest Policy.
- Transparency retained with published agendas and minutes and meetings held in public.

In addition, as part of these changes the LEP Chair became a mayoral appointment.

A number of further changes flow from the significant programme of organisational change that has been completed this year. This includes significant changes to the key elements of the Combined Authority's Corporate strategy and performance monitoring processes, including:

- Introduction of an integrated corporate system to provide improved efficiencies in budget management, HR management and business processes which will help to strengthen controls and provide better management information to support compliance.
- Shift to outcome-led Multi-Year Business Planning to ensure greater focus on long term outcomes for West Yorkshire, linked to the West Yorkshire Plan;

- Shift to an outcome-led in-year business plan approach, enabling focus on the specific activities for each directorate which will contribute to the multi-year outcomes;
- Refined corporate performance reporting enabling the senior leadership team and senior management (through Internal Leadership Board / Senior Management Team meetings) to have greater oversight and control over month-on-month progress, risks and issues against business plan objectives.

Success of the above is also contingent on the review and realignment of officer delegations and decision-making boards (set out in greater detail in section 7 below), which will ensure the information flows are working appropriately and that decisions are being made at the right level to enable outcomes to be achieved.

7. Governance Improvement Plan for 2023/24

Although no significant issues have been identified as a result of this year's evaluation, we are committed to continually strengthening and improving our governance arrangements and, during 2023/24, will particularly focus on the following key activities some of which may extend into 2024/25.

Area	Action to be taken
Officer decision making	An internal review of the current officer board structure has commenced in tandem with a review of the internal scheme of officer delegations. As a consequence of the organisational changes that have recently taken place and which are continuing (as set out in the earlier part of this report) there is a need to realign the decision making arrangements to ensure that there is effective and proportionate empowerment at the different levels of the officer structure. This will enable agile and informed decision making at the right level whilst ensuring sufficient safeguards and oversight are retained through a clear and transparent accountability framework.
Risk management/governance	Risk reporting is evolving in line with the move to outcome focussed directorates and given the level of change currently underway it is imperative that our processes are reviewed and revised where needed to ensure a comprehensive risk management strategy is maintained and that escalation routes are understood and adopted across an expanding workforce and set of directorates.

Compliance	<p>There is an opportunity within the new structural changes to review and revise how we currently monitor compliance and importantly how failures are addressed, targeting resources and activity on those areas of compliance that pose the greatest risk. It is intended to review and revise the Terms of Reference of the Regulatory & Compliance Board and membership again. Work is underway in conjunction with the Governance & Audit Committee to implement a compliance dashboard to provide the Committee with the information to allow them to effectively challenge and support good governance and accountability arrangements.</p>
Transparency	<p>There is a desire to increase our transparency, particularly in relation to delegated decisions taken by officers to enable the public to understand what decisions have been taken, why by officers and to increase their ability to hold the organisation to account. This is an area which will form part of a planned programme of implementing a revised officer delegation scheme.</p>
Policing and Crime	<p>In preparation for the disbandment of the regional procurement collaboration, local policing and crime procurement activity will be transitioned to the Combined Authority and West Yorkshire Police with supporting changes to governance procedures and resourcing.</p> <p>A proposal for a revised Joint Independent Ethics Committee will be considered by the Mayor and Chief Constable.</p>

8. Conclusion

We are satisfied that an effective system of internal control has been in place throughout the financial year and is ongoing.

Throughout 2022/23 the Combined Authority has demonstrated an ongoing commitment to best practice and good corporate governance consistent with the principles of the CIPFA/SOLACE Framework in Local Government and this is clearly demonstrated by the adoption of an updated Corporate Governance Code and Framework which captures and summarises these updated principles. We are also satisfied with the improvements that are continuing under the guidance of the Governance and Audit Committee.

Tracy Brabin

Ben Still

Mayor and Chair

Chief Executive

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Report to: Governance and Audit Committee

Date: 16 October 2023

Subject: **Bus Reform**

Director: Simon Warburton, Executive Director, Transport

Author: Alexander Clarke, Head of Bus Reform

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input 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:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 The purpose of this paper is to update the Governance and Audit Committee on developments of the bus reform programme, in particular the meeting of the Combined Authority on 28 September.

2. Information

Background Context

- 2.1 Buses are the most widely used form of public transport in West Yorkshire and therefore provide a vital public service which is integral to the West Yorkshire Combined Authority's economic, social and environmental ambitions for the region. However, the current commercially led system faces many challenges, including variable customer satisfaction levels, declining patronage (over the long-term and accelerated by the impacts of the Covid 19 pandemic) and a financial system increasingly dependent on public funding support to maintain current service levels.
- 2.2 The Combined Authority has worked with operators via the West Yorkshire Bus Alliance to address these challenges and deliver improvements for passengers, however it recognises changes need to go further and faster. In response to the Government's National Bus Strategy for England, the Authority set out its vision for a better bus system in its [Bus Service Improvement Plan](#) (BSIP), published in 2021. In line with line with Mayor Brabin's pledge to 'Bring buses back under public control, introduce simpler fares, contactless ticketing and greener buses', the BSIP was focussed on the

outcomes for passengers and acknowledged the Authority would explore different models for delivery – including Franchising and an Enhanced Partnership (which was established in April 2022). Any new model of delivery should explore ideas for innovation in the delivery of local bus services, and how these could be harnessed for wider economic and social benefits of West Yorkshire.

- 2.3 A Notice of Intent to conduct an assessment of a Franchising scheme was issued by the Combined Authority in June 2021 in accordance with 123C of the Transport Services Act 2000, as amended by the Bus Services Act 2017 (the 'Act'), which sets out the statutory process authorities must follow. Furthermore, an internal Bus Reform programme was established to manage this process following indicative approval of an £7m budget by the Finance, Resources and Corporate Committee in [January 2022](#). The programme has since been completing an assessment in line with 123B of the Act.
- 2.4 In March 2023, the Combined Authority [approved securing](#) the conditional availability and preliminary briefing of a suitably qualified independent audit organisation ("Auditor") so that after having prepared the assessment and should the Combined Authority wish to proceed, the Auditor may then be instructed to prepare a report in accordance with section 123D of the Act.
- 2.5 In May 2023, following a [report](#) and the provision of a draft version of the Assessment, the Combined Authority noted the Assessment's draft conclusions and recommendation including that:
- According to the assessment across all options including the reference case, the public sector will be increasingly relied on to support the bus sector over time – Franchising is identified as providing the greatest levels of control and direct influence to manage these risks.
 - The assessment concludes 'that Franchising is the preferred option for the Combined Authority to progress with subject to both the audit and the outcome of the statutory consultation, which will inform a report and recommendation to the Mayor'.
- 2.6 The Combined Authority also indicatively approved the Assessment for audit and delegated finalisation of the Assessment to the Chief Executive.

Updates and Finalisation of the Assessment

- 2.7 Since indicative approval of the Assessment in May, updates have been made, arising directly from:
- Ongoing discussions with local bus operators about what could be achieved under EP+.
 - Clarifications provided by the Auditor on review of the draft assessment.
- 2.8 The following sections summarise the activity that has taken place.

Operator Discussions on EP+

- 2.9 As part of the development of the Assessment, the Combined Authority has engaged with operators to understand what else would be achievable under the Enhanced Partnership (EP) governance model, above and beyond what has already been agreed as part of the existing Plan and Schemes.
- 2.10 To this end, an 'Enhanced Partnership Plus' (EP+) has been included as an option with this assessment, as an alternative to the existing Enhanced Partnership (reference case) and Franchising.
- 2.11 In August, the Combined Authority received a final EP+ proposal from West Yorkshire bus operators, alongside Letters of Support. This was provided to the Combined Authority meeting in September.
- 2.12 The Combined Authority has therefore updated the Assessment to incorporate commitments and aspirations set out by operators within their proposal, subject to the bounds of the methodology used within the Assessment including for the financial and economic modelling.
- 2.13 The Assessment makes clear that the EP+ offers significant improvements and advantages beyond the existing EP. However it also acknowledges that delivering it remains subject to further and ongoing operator agreement and establishment of delivery mechanisms. Furthermore, the EP+ as modelled does not negate against the increasing public sector funding needed to support the sector over time, a challenge which applies to all reform options.

Clarifications from the Auditor

- 2.14 Furthermore, following provision of the draft assessment to the auditors (Grant Thornton) in July, a range of clarification questions were raised, some of which informed further updates to the assessment.
- 2.15 These updates have been documented in the audit process, and have been further reviewed by the auditors in production of their Audit Report. The full outcome of the Audit is explained more below.

Final Conclusions of the Assessment

- 2.16 Following the updates to the Assessment summarised above, the Assessment has been finalised in line with previous delegations and was provided to Combined Authority members as an exempt appendix to their September report.
- 2.17 The Assessment's conclusion remains the same that Franchising is the preferred option for the Combined Authority to progress with subject to the outcome of the statutory consultation, which will inform a report and recommendation to the Mayor.

Outcome of the Audit of the Assessment

- 2.18 As outlined in para 2.4 the Combined Authority has engaged with an Independent Auditor, Grant Thornton, who have been instructed to prepare a report in accordance with section 123D of the Act.
- 2.19 To be in compliance with the Act, it is required that they provide a statement on whether in the opinion of the Auditor:
- the information relied on by the Authority in considering the matters referred to in section 123B(3)(d) or (e) of the Act is of sufficient quality;
 - the analysis of that information in the Assessment is of sufficient quality; and
 - the Authority had due regard to guidance issued under section 123B in preparing the Assessment.
- 2.20 An Auditor's Report on the Assessment has therefore been produced by Grant Thornton, in accordance with Section 123D of the Act. This was provided to the Combined Authority in September.
- 2.21 The report concludes that, in Grant Thornton's opinion, in all material respects:
- the information relied on by WYCA in considering the matters referred to in section 123B(3)(d) of the Act (the affordability of the scheme) or section 123B(3)(e) of the Act (the value for money of the proposed scheme) is of sufficient quality;
 - the analysis of that information in the Assessment is of sufficient quality;
 - WYCA had due regard to the Guidance issued under section 123B of the Act in preparing the Assessment.
- 2.22 In addition to the auditors unqualified opinion, they have also provided the Combined Authority with a number of observations. We have reviewed the observations and the impact on the assessment and the response of the Combined Authority to those. Both the observations and the response of the Combined Authority were provided to the Combined Authority in September. Whilst the observations are welcomed and recognised, the Combined Authority is satisfied that those observations, individually or together, do not contain any grounds to not proceed to consultation.

Consultation Proposal

- 2.23 Section 123E of the sets out that after obtaining an auditor's report, should the Combined Authority wish to proceed with the proposed Franchising scheme, it must:
- a) publish a consultation document relating to the proposed scheme (see section 123F),
 - b) publish the assessment of the proposed scheme,

- c) publish the auditor's report on that assessment, and
- d) give notice of the proposed scheme in such manner as the authority or authorities consider appropriate for bringing it to the attention of persons in the area to which it relates.

2.24 In order to prepare for the consultation, work has been undertaken by the Combined Authority to develop the required materials and approach that could be taken. These materials would include the final assessment of the scheme (provided as an exempt appendix to this report), presenting the EP+ and Franchising options for Bus Reform. Should the Combined Authority decide to proceed with the above, it is proposed to launch the Consultation on Tuesday 10th October 2023. This would run for 13 weeks up until to Tuesday 9th January 2024.

2.25 The Combined Authority has identified a number of organisations it must consult with in line with section 123E(4) of the Act. These are:

- All local bus operators
- Regional district councils (Bradford, Calderdale, Kirklees, Leeds, Wakefield)
- Neighbouring transport authorities (North Yorkshire, TfGM, East Riding, Lancashire, South Yorkshire).
- Yorkshire Dales and Peak District Park Authorities.
- Trade Unions (RMT, Unite, Unison).
- The Traffic Commissioner
- The Chief of Police for West Yorkshire
- The Competition and Markets Authority
- Transport Focus
- Bus Users UK
- Local bus users groups – including Action for Yorkshire Transport, Better Buses for West Yorkshire, Campaign for Better Transport, Friends of Dales Bus.
- West and North Yorkshire Chamber of Commerce

2.26 Furthermore, it is proposed that the Combined Authority would seek to consult widely with the general public, including regular, infrequent and non-bus users. It would do this via:

- Consultation brochure, with corresponding long and short surveys
- 24 bus station 'drop in' information events at locations region-wide.
- 10 'drop in' information events at non-transport locations.
- 5 public information events
- 10 drop in events for seldom heard groups
- 5 qualitative focus groups
- 5 town hall Q&A briefing sessions.
- Over 5 focus groups with community and interest groups.
- PR, media and digital promotional campaigns.

2.27 The Combined Authority would seek to ensure the Consultation is inclusive and engages a diverse range of West Yorkshire residents.

2.28 The finalisation of the Consultation brochure and other material, ready for publication at consultation launch, has been delegated by the Combined Authority to the Executive Director for Transport, in consultation with the Mayor and the Chair of the Transport Committee.

Next Steps on the Assessment

2.29 The September Combined Authority determined, in accordance with the Act:

- a) to give notice of the proposed bus franchising scheme, and to make copies of the proposed bus franchising scheme, consultation document, Bus Reform Assessment and Audit Report available for inspection.
- b) to consult all statutory consultees as listed in section 123E(4) of the Act, and set out in this report, as well as the general public more broadly.

2.30 The Combined Authority approved:

- c) the publication of the Bus Reform Assessment, the Audit Report and a consultation document relating to the bus franchising scheme (with finalisation of this delegated to the Executive Director of Transport).

2.31 Following consultation, responses will be analysed and a report prepared which, in accordance with section 123G of the Act, must set the authority's:

- response to the consultation;
- decision on whether to make a franchising scheme covering the whole or any part of their area or combined area.

2.32 As a Mayoral Combined Authority, the power to make a final decision on whether to make a franchising schemes sits with the Mayor of West Yorkshire. This decision is currently programmed for March 2024.

3. Tackling the Climate Emergency Implications

3.1 A key aim of bus reform is to support decarbonisation of the local bus network and provide improved sustainable travel options for the region, to support West Yorkshire's response to the Climate Emergency.

4. Inclusive Growth Implications

4.1 A key aim of bus reform is to ensure the local bus network better supports the Combined Authority's inclusive growth ambitions, including by ensuring better bus connectivity in areas of economic deprivation to major employment sites.

5. Equality and Diversity Implications

5.1 A key aim of bus reform is to enable the local bus system to better support Equality, Diversity and Inclusion across the region, including that it is safe and accessible for all and adapted to suit individual different needs.

5.2 An Equality Impact Assessment (EqIA) has been undertaken on the Bus Franchising Needs Assessment scheme as part of business case development. This will be kept under review as the assessment work is further developed.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report. External legal support has been procured to assist in the preparation of the assessment for bus franchising and will continue to input to the development of the programme.

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 note the update on the Bus Reform programme

11. Background Documents

11.1 The public agenda papers as issued for the Combined Authority Meeting on 28 September 2023: [WYCA - Modern Gov.](#)

12. Appendices

12.1 None

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