

**Report to:** West Yorkshire Combined Authority

**Date:** 25 April 2019

**Subject:** **Corporate matters**

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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:	N/A

## 1. Purpose of this report

- 1.1 To consider the gender pay report for 2018.
- 1.2 To endorse the draft capital strategy.
- 1.3 To note the intention to review the Combined Authority's current scrutiny arrangements to ensure scrutiny arrangements are in line with best practice nationally and to ensure compliance with new statutory scrutiny guidance expected this year.
- 1.4 To approve a conflicts of interest protocol and policy.
- 1.5 To consider a delegation to the Head of Legal and Governance Services to confirm local authority nominated appointments to committees ahead of the annual meeting.

## 2. Information

### Gender pay gap

- 2.1 The requirement to publish a gender pay gap report was introduced to all organisations with a workforce over 250. The gender pay gap is the difference in the average hourly wage of all men and women across a workforce. If women do more of the less well paid jobs within an organisation than men, the gender pay gap is usually bigger.
- 2.2 The requirement is to publish information for the previous year by 31 March each year. This means that the report issued in 2019 reflects the position at the end of March 2018.
- 2.3 The Combined Authority employs a total of 535 people (Full Time Equivalent: 469.54). The gender make up of our organisation remains relatively even, with 53% of the workforce identifying as female and 47% identifying as male.
- 2.4 The measurement used is the mean and median position which are defined as follows:  
Mean pay gap: compares the average pay of female employees against the average pay of male employees and calculates the percentage difference.  
Median pay gap: takes the mid earning point of female employees and compares it to the mid earning point of male employees, calculating the percentage difference.
- 2.5 This mean figure shows that when looking at the Combined Authority as a whole, female employees earn on average 11.60% less than male employees. This median figure shows that when looking at the organisation as a whole, the middle point for female employees is 12.10% lower than that of male employees.
- 2.6 Figures published for 2018 show that the median national gender pay gap for all employees stands at 17.9%. At 11.6% the Combined Authority is better than this national average but there is clearly still a need to improve further - the Combined Authority remains committed to providing a workplace that encourages and welcomes diversity and equal opportunities.
- 2.7 The report attached as **Appendix 1** highlights the summary position and actions proposed to address the gap. These include focussing on how recruitment practices can be improved to attract a wider field of applicants and ensure shortlisting decisions are made without knowledge of the person's gender. Work will also be done to review flexible working patterns and ensure new technology facilitates these options.

### Capital strategy

- 2.8 A draft Capital strategy was considered and endorsed by the Governance and Audit Committee at its March 2019 meeting. The strategy is attached at **Appendix 2**.

- 2.9 Determining a capital strategy for the Combined Authority is a requirement of the Prudential Code that require all local authorities to have one in place for the 2019/20 financial year. It is required in order to demonstrate that the Combined Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy, in a high level view, sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The capital strategy will form part of the authority's revenue, capital and balance sheet planning. The strategy is tailored to the authority's circumstances and includes or signposts information on capital expenditure, investments and liabilities and treasury management.
- 2.10 The strategy has been developed using the following guidance provided by CIPFA and by benchmarking with other local authorities:
- apply a long-term approach ie 20-30 years;
  - explore external influences (eg government funding / policy);
  - explore internal influences (eg corporate plan, local plan etc);
  - ensure corporate plan priorities drive capital investment ambition;
  - determine implications of any Investment Strategy;
  - examine commercial activity / ambition;
  - examine available resources and capacity to deliver;
  - assess affordability against ambition and identify any gap;
  - identify capital financing principles;
  - demonstrate integration with other strategies / plans;
  - produce a 10 year capital investment plan;
  - capture risks and mitigating factors;
  - outline governance and monitoring processes.
- 2.11 Members are asked to approve the Capital Strategy and to note that it will continue to be developed and reviewed during the coming year.

### **Scrutiny guidance and review of scrutiny arrangements**

- 2.12 On 15 December 2017 the House of Commons' Communities and Local Government Committee published a report entitled '[Effectiveness of local authority overview and scrutiny committees](#)' concluding an investigation into scrutiny nationwide and making recommendations to the government. The [government responded in March 2018](#) accepting most of the recommendations and pledging to issue new, updated scrutiny guidance to local authorities (last issued in 2006) by the end of 2018.
- 2.13 The publication of the new scrutiny guidance was delayed by national political developments in late 2018 but it is still currently expected by early/mid 2019. Following conversations with colleagues at the Ministry of Housing, Communities and Local Government (MHCLG), the Centre for Public Scrutiny (CfPS) and other sectoral stakeholders, the current understanding is that the guidance will cover the following principal areas:
- Culture and mind-set
  - Resourcing for scrutiny

- Selecting committee members
  - Powers to access information
  - Work planning and engaging the public
  - Evidence sessions
- 2.14 The guidance will explicitly apply to combined authorities and be issued under relevant legislation. Combined authorities are obligated to “have regard to” guidance in the way that they work and the decisions they make and any combined authority subject to the guidance must have a clear justifiable reason for departing from it. Scrutiny Standing Order 14 also obligates the Overview and Scrutiny Committee and the Combined Authority to have regard to any guidance issued by the Secretary of State.
- 2.15 Consequently, the Overview and Scrutiny Committee agreed<sup>1</sup> that as the Combined Authority and LEP have changed noticeably in the last four years, and now that a dedicated statutory scrutiny officer has been appointed, the time was right to revisit and conduct a review of scrutiny arrangements and their effectiveness – with a particular focus on the following areas:
- Resources and capacity
  - Governance and working group arrangements
  - Strategic work planning
  - Public involvement in scrutiny
  - Methods of scrutiny (Eg 'scrutiny in the community' site visits)
  - Involvement of external experts and stakeholders
- 2.16 Following the publication of guidance, a series of workshops with scrutiny members will be arranged to discuss the contents of the government's new guidance and the Centre for Public Scrutiny's planned refreshed 'good scrutiny guide' of national best practice and make recommendations to the Overview and Scrutiny Committee, Combined Authority, the LEP and partner authorities as appropriate.

### **Conflicts of interest protocol and policy**

- 2.17 In addition to the existing Code of Conduct for Members of the Combined Authority, it is also now proposed to adopt an overarching Conflicts of Interest Policy, which is attached as **Appendix 3** to this report. This provides an overview of conduct-related provisions applying to Members and officers, with a particular focus on conflicts of interest arising in respect of applications for loans or grants to business which is addressed by way of a Conflicts of Interest Protocol (**Appendix 4**). It is proposed that the policy and protocol are jointly approved by the Combined Authority and the LEP Board, for consistency and completeness. The LEP Board at its meeting on 26 March 2019 delegated authority to the LEP Chair to approve the Policy and Protocol further to their consideration by the Combined Authority at today’s meeting. To facilitate the joint adoption of these documents, it is proposed that the Combined Authority delegates authority to the Managing Director to approve

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<sup>1</sup> Minute 5, 13 July 2018 – Overview and Scrutiny Committee

the Conflicts of Interest Policy and Protocol, subject to consultation with the Chair of the Combined Authority and the LEP Chair.

- 2.18 It is proposed that the provisions within the Protocol replace the current provision within the Officer Delegation Scheme which requires applications for loans or grants from members to be referred to the Chair of the Overview and Scrutiny Committee, before approval.

### **Appointments to Combined Authority committees**

- 2.19 To facilitate achieving quorate meetings of those Combined Authority committees with a scheduled meeting after the local elections and before the Combined Authority's annual meeting, it is proposed that the Head of Legal and Governance Services is given delegated authority to confirm any appointment (made in accordance with a nomination by the relevant partner council) to fill any vacancy for a local authority representative on any committee of the Combined Authority arising after the local elections and before the Combined Authority's annual meeting.

## **3. Inclusive Growth Implications**

- 3.1 Actions to address the gender pay gap will assist in achieving inclusive growth objectives.

## **4. Financial Implications**

- 4.1 None arising directly from this report.

## **5. Legal Implications**

- 5.1 The Combined Authority has published its gender pay gap in line with the required timescales.

## **6. Staffing Implications**

- 6.1 As set out in the report – a number of actions to continue to promote gender diversity will be undertaken in the coming year within existing resources.

## **7. External Consultees**

- 7.1 No external consultations have been undertaken.

## **8. Recommendations**

- 8.1 That the Combined Authority notes the gender pay gap and the actions identified to further reduce the gap.
- 8.2 That the Combined Authority approves the capital strategy at Appendix 2.
- 8.3 That the Combined Authority supports the intention to review the Combined Authority's current scrutiny arrangements to ensure scrutiny arrangements are

in line with best practice nationally and to ensure compliance with new statutory scrutiny guidance expected this year.

- 8.4 That the Combined Authority delegates authority to the Combined Authority's Managing Director to approve the Conflicts of Interest Policy and Protocol attached as Appendices 3 and 4 to this report, subject to consultation with the Chair of the Combined Authority and the LEP Chair, and deletes the requirement in the Officer Delegation scheme that the Managing Director consult with the Chair of Overview and Scrutiny Committee before determining any application for a grant or loan where a potential conflict of interest arises.
- 8.5 That the Combined Authority delegates authority to the Head of Legal and Governance Services to confirm any appointment (made in accordance with a nomination by the relevant partner council) to fill any vacancy for a local authority representative on any committee of the Combined Authority arising after the local elections and before the Combined Authority's annual meeting.

## **9. Background Documents**

['Effectiveness of local authority overview and scrutiny committees' – first report of the Communities and Local Government Committee in the Session 2017-19 \(15 December 2017\).](#)

[Government Response to the Communities and Local Government Committee's First Report of 2017-19 \(6 March 2018\).](#)

## **10. Appendices**

Appendix 1 – Gender pay gap

Appendix 2 – Capital strategy

Appendix 3 – Conflicts of Interest Policy

Appendix 4 – Conflicts of Interest Protocol