

Report to: West Yorkshire Combined Authority

Date: 22 June 2023

Subject: **Corporate Governance Code and Framework**

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

1. Purpose of this Report

- 1.1 To advise the Combined Authority on necessary revisions to the Code of Corporate Governance and an associated timeline for this work.

2. Information

- 2.1. West Yorkshire Combined Authority has previously approved each year a Code of Corporate Governance ('the Code'). This follows the guidance set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) with regard to the governance principles that all public authorities should define and against which they should then hold themselves to account.
- 2.2. Following the creation of the mayoral combined authority, amendments were made to the existing guidance to reflect the extent of governance changes arising. This was approved at the Combined Authority Annual Meeting in June 2022.
- 2.3. The Combined Authority is committed to meeting the principles set out in the Code, and it is the responsibility of the Governance and Audit Committee to keep corporate governance matters under review. As part of this process the Committee undertakes regular reviews throughout the year with a formal review at the year end of the processes and systems in place during the year.

- 2.4. The organisation has undergone an evolution programme to shift away from a 'process' based model towards an 'outcome/mission' based model, giving greater transparency of senior accountability across key areas and a greater read across from job roles to key performance outcomes for West Yorkshire. These missions are set out in the West Yorkshire Plan which was adopted by the Combined Authority in May 2023. There are therefore clear links to corporate governance, accountability, transparency and delivery of value for money in public spend.
- 2.5. The Code has been revised to take into account changes in organisational arrangements made so far. This is included as **Appendix 1**. These changes are:
- To reflect the change from LEP Panels to Combined Authority Committees.
 - To reflect the integration of the LEP into the Mayoral Combined Authority, and private sector representatives on decision-making committees.
 - To reflect the expansion of our inclusive engagement activity beyond YourVoice to ensure we listen to diverse communities
 - To take into account the adoption of the West Yorkshire Plan and the annual State of the Region.
- 2.6. The Organisational Evolution work to review the organisation's structure, operating model and ways of working will continue, particularly with regard to ensuring the organisation is ready for the delivery of mass transit, bus reforms, and potentially a deeper devolution deal. There will now be a further review of the Code to ensure it is kept up to date with these changes, and this will be reported in the Autumn.
- 2.7. The Combined Authority is asked to note and approve the changes to the current Code of Governance, and to endorse the plan to continue to review the Code over the summer, with findings brought to the Governance and Audit Committee and Combined Authority for consideration in Autumn 2023.

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 Equity, 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 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 Combined Authority endorses the proposed revisions to the Code of Corporate Governance and the proposal to review it further and receive a report in the Autumn.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Corporate Governance Code and Framework