



<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	20 January 2025
<b>Subject:</b>	<b>Compliance and Monitoring Report</b>
<b>Director:</b>	Caroline Norreys, Assistant Director Legal, Governance and Compliance
<b>Author:</b>	Natalie Rotherham, Service Lead Governance, Risk 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 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 the report does contain exempt information, what is the reason for exemption: <i>(indicate in the adjacent box the relevant paragraph of Schedule 12A, Local Government Act 1972, Part 1 – see Access to Information Rules)</i>	

## 1. Purpose of this Report

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

## 2. Recommendations

- 2.1 That the Committee considers the information contained in this report.
- 2.2 That the Committee notes the Combined Authority's compliance with regulatory requirements and internal controls.

## 3. Information

- 3.1 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***

- 3.2 The Combined Authority's Corporate Centre Management Board (CCMB), chaired by the Chief Operating Officer (COO) has been replaced by the Performance Board. This is chaired by the COO and will continue to have responsibility for monitoring compliance with regulatory requirements and internal controls.
- 3.3. A dashboard is produced for internal use and the Governance & Audit Committee, providing a range of management information relating to compliance issues.
- 3.4 The latest version of the dashboard is published as part of the Combined Authority's publication scheme. An updated version of the dashboard for consideration of the Committee is provided at **Appendix 1**.
- 3.5 The dashboard has been populated with data where this is currently available, and work will continue to ensure that all data fields can be populated in future iterations.
- 3.6 The following key indicators can be drawn from the dashboard:

### **Digital and Technology Services**

- 3.6.1 The total number of attempted malware attacks has increased from 2023- 24. The Combined Authority has maintained its efforts to maintain cyber security and there have been zero successful attempts. However, Cyber Security remains a critical risk with a substantial number of vulnerabilities affecting server and desktop operating systems. Work is progressing to remediate these. This risk is tracked as item ICT-02 on the corporate risk register and details the action plan. The number of attempted Distributed Denial-of-Service (DDoS) Attacks is 1 and the number of Successful Distributed Denial-of-Service (DDoS) Attacks is 0.

### **Complaints, Correspondence and Casework**

- 3.6.2 The total number of Complaints, Correspondence and Casework has fallen in Q3 to 1084 (1603 in Q2). We currently have no cases with the Local Government Ombudsman. This data does not incorporate the Policing & Crime team, which is reported to the Police and Crime Panel.
- 3.6.3 Overall KPIs fell below the 85% target in Q2; however, it has risen for both Casework and Correspondence, which is at 89% and 84% respectively. Requesting a new or a changed service is now in the top 5 pieces of correspondence for 2024-25.

### **Health and Safety**

- 3.6.4 No RIDDORs have been reported over the last two years.



- 3.6.5 A review of the Health & Safety Policy and procedures for reporting of incidents is currently underway to ensure that the correct levels of data are being reported moving forwards, as reported elsewhere on the agenda. This has been delayed as the technology to make reporting easier has not yet been installed in the bus stations. Due to the approval of the Health and Safety Strategy it is hoped that this will be resolved as early in 2025 as possible.
- 3.6.6 There was a temporary introduction of infringement officers at Halifax Bus Station, to monitor infringements, deal with them, and ensure the safety of the public, staff and bus operators. Now that Halifax bus station is fully open, the number of infringements will reduce, and monitoring has reverted to the bus station manager and their teams. All operators have been briefed on all the new arrangements around stand allocations, layover areas, speed limits within the bus station, etc, so they are familiar with the final layout and operational requirements of the new bus station. The number of infringements / near misses did fall as expected. This will increase again when the Dewsbury project starts as we will have an infringements officer in place.
- 3.6.7 Bradford Interchange was closed in January 2024 on health and safety grounds. It has been reopened as of 5<sup>th</sup> January 2025 following remedial works, assessment and refurbishment. Bus services have returned to the upper concourse, though due to ongoing resurfacing works some services will remain on street until April 2025. Additional support staff will be on site to support customers returning to the Interchange, and a rigorous inspection process will be in place.

### **Internal Audit**

- 3.6.8 The number of fraud/whistleblowing/Anti Money Laundering referrals has remained at 12 in 23/24 compared to 7 in 22/23. Of the new referrals and those that carried over into 23/24, 5 are still under investigation. Fraud referrals remain at 3. 0 fraud referrals were upheld.
- 3.6.9 There were 5 overdue audit recommendations without agreed revised implementation dates for 23/24 which is reflected in the annual opinion. Two of those now have agreed dates so there is only 1 overdue action without a revised implementation date at the end of quarter one of 24/25. Internal audit has issued 10 limited/minimal assurance reports in 23/24 compared to 7 in 22/23, with only 1 so far in 2024-25.

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

- 3.6.10 The number of quorate meetings in 2024-25 is at 92%, which is an increase on both 2023-24 and 2022-23.
- 3.6.11 The percentage of Member declarations of interest returned within the 28 day deadline has dropped to 93%.

- 3.6.12 Compliance with deadlines for publication of committee agendas and key decisions remains on target (100%).
- 3.6.13 Response times to Freedom of Information requests (FOIs) have increased slightly, yet it remains below the Combined Authority's KPI of 100%. However, an internal process has been developed as well as communications to Officers to reemphasise the importance of meeting the legal deadline. At 94.6% compliance, this remains significantly above the Information Commissioner's Office (ICO) threshold of 85% which triggers enforcement action. Response times to and data subject access requests have fallen below KPI however the number of requests which have exceeded the deadline remains low in numbers.
- 3.6.14 129 were closed. 24 Data Subject Access Requests were closed. The number of Data Subject Access Requests responded to on time was 91.7%.
- 3.6.15 There has been 1 reportable data security incident in this period to the Information Commissioner's Office.

### **Human Resources**

- 3.6.16 Percentage of Black, Asian and Minority ethnic employees remains below proportionate representation of West Yorkshire working age adults (13% compared to 19%). For staff joining in the past 12 months, 11% of new starters are from a Black, Asian and Minority ethnic background, although as 32% of new starters during the period do not have a declared ethnicity this is likely to be an underestimated of a true figure. When considering the data from 2017 to 2024, there is a broad trend of closing gaps for both gender and ethnicity, which is positive and shows some level of success.

### **Finance and Commercial**

- 3.6.17 There has been a year-over-year increase in category-related waivers, with 50 granted in financial year 2023/24 compared to 40 in the previous year, and 27 in 2024-25 year to date.
- 3.6.18 The risk of a challenge is low for 49 waivers: 1 was judged as medium and was approved for the reason of time-constraints to run the tender, therefore an incumbent supplier was used as a short-term measure to avoid a gap in service, allowing time to run a compliant tender.
- 3.6.19 The risk of value for money is low for 43 waivers: 7 are medium due to their being no comparative quotations to benchmark against those projects.
- 3.6.20 The Commercial team are planning to revisit categorisation of waivers in future to ensure the team are refreshed on reasons where waivers would be required. Three Quote training and Contract Standing Order training are run monthly for officers.

3.6.21 Three of the waivers from financial year 2023/24 were retrospective.

3.6.22 There is currently one active challenge dating from February 2024.

3.6.23 The Category D Waivers relate to YorCard and are compliant with the Public Contract Regulations.

### Financial Update

3.7 The Combined Authority is reporting a quarter 2 overall revenue position of £4.7m net expenditure compared to a balanced budgeted position.

3.8 The variations in both income and expenditure are predominantly driven by the project portfolio, where the pattern of income and expenditure varies throughout the financial year. While budgets have been profiled to reflect expected timings of income and expenditure, some variances remain. These have been reviewed and all arise from residual timing differences, for example where expenditure is recovered from third parties, and this is only invoiced after expenditure occurs. Work is being undertaken with budget holders to further improve profiling.

	Actual to 30-Sep-24 £000s	Budget to 30-Sep-24 £000s	Difference 30-Sep-24 £000s	Difference 30-Sep-24 %	Glossary
<b>Income</b>					
Grants	76,317	78,414	(2,097)	(3%)	AEB, Gainshare, UKSPF, BSIP & other grant funding
Transport Levy	46,099	46,099	(0)	(0%)	Income from Transport Levy
Income - Transport	20,548	14,878	5,671	38%	Mcard income collected from all sales and redistributed below
Tendered Services	6,709	4,595	2,114	46%	Income from farebox, schools and local authorities
Income - Property	335	725	(390)	(54%)	Income from tenants and other property related income
Enterprise Zones	3,705	2,379	1,326	56%	Income from Enterprise Zones
Income - Operational	249	1,752	(1,503)	(86%)	Income from Bus Stations
Interest Receivable	5,035	2,551	2,484	97%	Bank interest
<b>Total Income</b>	<b>158,998</b>	<b>151,393</b>	<b>7,605</b>	<b>5%</b>	
<b>Expenditure</b>					
Financial Corporate Costs	837	3,348	2,512	(75%)	Interest payable and Minimum Revenue Provision (MRP)
Employee Costs	23,838	26,016	2,178	(8%)	Staff pay, Employers NI, Employers pension contribution
Indirect Employee Costs	440	485	45	(9%)	L&D, apprenticeship levy, staff wellbeing, recruitment
Concessions	26,000	24,337	(1,664)	7%	ENCTS, U19's
Prepaid Ticket Costs	16,859	14,000	(2,859)	20%	Distribution of Mcard income collected above
Tendered Services	26,990	18,510	(8,480)	46%	Access bus, schools transport, non schools operator payments
Property Costs	3,777	3,678	(99)	3%	Running costs of bus stations, Wellington House
ICT Costs	1,671	2,111	440	(21%)	Software licences, hardware
Insurance	364	271	(93)	35%	Insurance premiums
Grants	74,944	68,777	(6,167)	9%	AEB, Gainshare, UKSPF, BSIP & other grant funding
Supplies & Services	1,554	3,500	1,945	(56%)	Ticket printing, marketing costs, postage, printing and stationery
Members Allowances & Expenses	144	201	57	(28%)	Attendance payments to members, in line with the approved schedules
Consultancy & Professional Services	4,581	3,606	(975)	27%	External audit, treasury management, IT security operations
Research & Evaluation	90	100	10	(10%)	Intelligence gathering to support investment decisions
Travel Subsistence & Transport	105	106	1	(0%)	Out of pocket expenses incurred on WYCA business
<b>Total Expenditure</b>	<b>182,194</b>	<b>169,045</b>	<b>(13,149)</b>	<b>8%</b>	
<b>Indirect Contribution* (Capitalisation/ Internal recharges)</b>	<b>16,546</b>	<b>15,746</b>	<b>800</b>	<b>5%</b>	Recovery of staffing costs from capital
<b>Net Income / (Expenditure)</b>	<b>(6,650)</b>	<b>(1,906)</b>	<b>(4,744)</b>		
<b>Net Income / (Expenditure) as a % of Income</b>	<b>(4.18%)</b>	<b>(1.26%)</b>			
<b>Planned drawdown from Transport Reserves</b>					
2024/25 Drawdown to support Tendered Services	1,905	1,905	-	0%	
<b>Net Income / (Expenditure) Position after reserves</b>	<b>(4,744)</b>	<b>(0)</b>	<b>(4,744)</b>		

3.9 To further strengthen outcomes and improve the efficiency and robustness of financial reporting, and to provide timely financial data to support informed decision making, the Authority undertakes a detailed monthly review and assessment of financial performance.

In conjunction with a detailed understanding of key financial risks and opportunities. This month end process provides further support to the development of robust monthly financial statements and quarterly forecasts and drives further efficiencies in the production of year-end financial statements.

### **2024/25 Quarter 2 and Year End Forecast Capital Position**

- 3.10 The total capital forecast spend for 2024/25 is currently £396 million, funded through a combination of income streams but primarily grants from the Department for Transport and Ministry for Housing, Communities and Local Government (Brownfield Housing Fund). This forecast includes the City Region Sustainable Transport Settlement (CRSTS) spend totalling £154.2 million, the West Yorkshire Transport Fund forecast of £81.9 million and Transforming Cities programme spend of £58.0 million.
- 3.11 Overall, forecast spend compared to the Indicative Forecast for 2024/25 has reduced by £82.3m (17%). This is accounted for primarily by reductions in forecast spend on the main funding programmes with CRSTS reduced by £19.2m (11%), West Yorkshire Transport Fund reduced by £11.9m (12.6%), Transforming Cities Fund reduced by £27.3m (32%) and Brown Field Housing fund reduced by £21.7m (39.8%).
- 3.12 The table below summarises the total Q2 forecast expenditure on the Combined Authority's capital programme in 2024/25 against the forecast expenditure reported to the Combined Authority in February 2024. Actual Q2 spend stands at £114.6 million which is 29% of the total forecast spend for 2024/25. This compares to expenditure of £103.4m at the same point in 2023/24.

2024/25 Capital Programme Expenditure	Indicative Forecast Combined Authority February 2024	Revised In Year Forecast as at June 2024	Revised In Year Forecast as at September 2024	Expenditure at Q2 2024/24	% of Sept In year Forecast
	£	£	£	£	%
City Region Sustainable Transport Settlement	173,442,898	167,750,359	154,238,937	48,360,774	31.35%
West Yorkshire Transport Fund	93,853,588	93,853,588	81,948,211	21,709,278	26.49%
Transforming Cities Fund	85,361,951	73,378,160	58,022,710	30,641,938	52.81%
Zero Emissions Bus Regional Areas	16,666,109	16,666,109	9,798,186	4,727,662	48.25%
Integrated Transport Block	1,101,367	1,101,367	1,101,367	206,070	18.71%
Active Travel Fund	17,325,518	18,173,869	13,466,935	2,663,408	19.78%
New Station Fund	0	5,686,575	5,687,840	0	0.00%
Levelling Up Fund	9,317,148	7,452,697	7,133,618	475,522	6.67%
LEVI	877,780	138,970	654,958	169,633	25.90%
Gainshare Capital (Capital Flood Infrastructure Programme)	2,725,279	2,501,995	2,057,549	151,622	7.37%
Gainshare Capital (LUF2 match)	0	151,622	151,622	0	0.00%
Defra - Air Quality Grant Fund	0	0	220,457	155,000	70.31%
CCAG Topup	0	0	54,076	0	0.00%
Getting Building Fund	0	0	485,898	0	0.00%
Brownfield Housing Fund	54,516,689	38,754,209	32,808,456	156,558	0.48%
Social Housing Decarbonisation Fund	8,763,764	9,879,196	7,933,221	2,479,029	31.25%
British Library North	7,592,790	4,934,817	653,020	2,375	0.36%
Growth Deal - Economic Development	65,000	65,000	65,000	0	0.00%
Business Accelerator Fund	3,765,031	3,765,031	3,765,031		0.00%
Corporate Projects	2,941,272	1,477,137	1,180,999	321,358	27.21%
Investment Zones	0	0	5,486,396	0	0.00%
Langthwaite Enterprise Zone - Wakefield	0	0	9,071,553	2,403,747	26.50%
<b>Total</b>	<b>478,316,184</b>	<b>445,730,701</b>	<b>395,986,040</b>	<b>114,623,974</b>	<b>28.95%</b>

3.13 The majority of Combined Authority's capital spend continues to be on the transport related activity, with 85% of the total on the transport funding programmes. Actual expenditure in 2024/25 is concentrated on four major programmes: City Region Sustainable Transport Settlement (CRSTS), the Transforming Cities Fund (TCF), the West Yorkshire plus Transport Fund and the Brownfield Housing Fund (BHF).

#### **4. Risks and Mitigations**

4.1 All risks and mitigations are set out in the report.

#### **5. Tackling the Climate Emergency Implications**

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

#### **6. Inclusive Growth Implications**

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

#### **7. Equity and Diversity Implications**

7.1 There are no equity and diversity implications directly arising from this report.

#### **8. Financial Implications**



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

## **9. Legal Implications**

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

## **10. External Consultees**

10.1 No external consultations have been undertaken in the preparation of this report.

## **11. Background Documents**

11.1 There are no background documents referenced in this report.

## **12. Appendices**

List your appendices in a bullet pointed list as below or state.

- Appendix 1 – Compliance and Monitoring Dashboard