

## **Annual Governance Statement 2023/24**

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 2024.

### **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

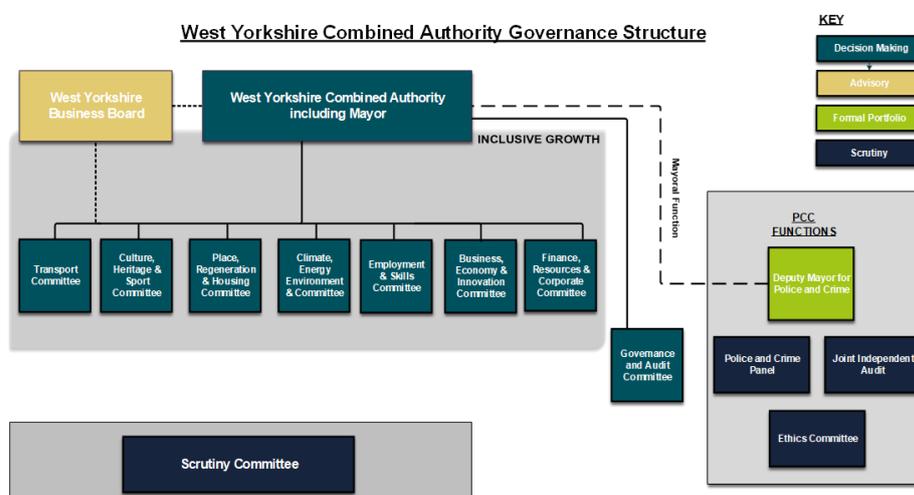
Our work is led by the Combined Authority. Corporate Policies and objectives are set and communicated by the Combined Authority. These are brought together in our business plans. The West Yorkshire Plan sets out our ambitions for West Yorkshire, through our vision, missions and range of policies and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

The Mayor published her Police and Crime Plan in March 2022, 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. Following the Mayoral election in May 2024 a new Police and Crime Plan for the period 2024 – 2028 will be published based on a comprehensive needs assessment and following extensive public and partner engagement.

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 West Yorkshire 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 interrelationship between the West Yorkshire Plan and corporate objectives is shown here:

**Strapline:** *Working for a better West Yorkshire*

**Mission:** *We develop and deliver policies, programmes and services which directly benefit the people of West Yorkshire*

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



The West Yorkshire Plan 2040 is shared between the Combined Authority and the five Local Authorities. It is a shared endeavour. And we are only one player in its delivery.

**Cross-cutting themes**

- Equity, Diversity and Inclusion
- Inclusive Economy
- Climate Emergency
- Customer Service



The Corporate Plan is what we will do to deliver our part of the West Yorkshire Plan this year. It comes from the business plan. In future it will become multi-year as well.

The West Yorkshire 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, local growth plan, 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 were published as part of the Corporate Plan 2023/24 to 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 were 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. The Corporate Plan for 2024/25 will use five West Yorkshire Plan missions to set its objectives rather than the seven corporate objectives.

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) In early 2023, the Combined Authority approved proposals to fully integrate the LEP into the Combined Authority including necessary governance changes. The functions of the LEP have now been fully integrated into the Combined Authority. The Mayor has appointed a Business Adviser, and to ensure continued strong partnership we've created the West Yorkshire Business Board, chaired by the Mayor's Business Adviser, who is also a member of the Combined Authority.

h) The West Yorkshire Combined Authority Assurance Framework ensures that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the West Yorkshire Plan and West Yorkshire Investment Strategy (WYIS) ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, the Combined Authority and local partners with assurance that decisions over

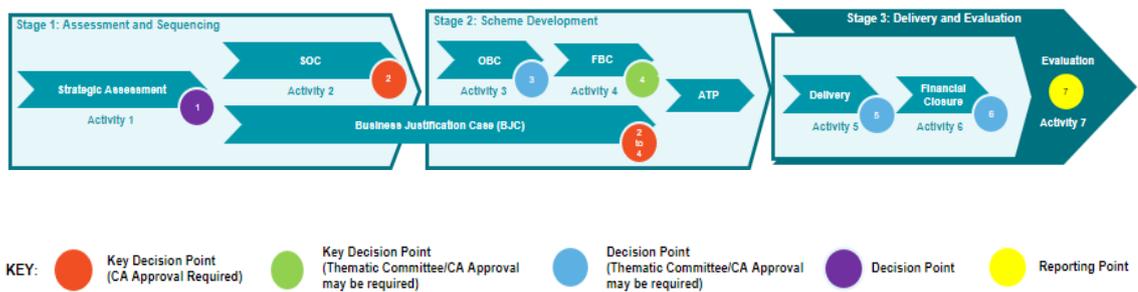
funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded (revenue and capital) from Government or local sources that flow through the Combined Authority.

The Assurance Framework was developed in 2015 as part of the Growth Deal with Government and complies with national best practice and the Local Growth National Assurance Framework guidance. It has been peer reviewed and 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 (no further update has been published by DLUHC with regards the Local Growth National Assurance Framework guidance since September 2021). A comprehensive review was undertaken during 2020/21, as part of the required preparations for becoming a Mayoral Combined Authority and minor changes were made for February 2022 and February 2023. 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. All changes have been considered and approved through internal governance arrangements and submitted and approved by Central Government. A further comprehensive peer review was undertaken during 2023 for approval by the Combined Authority and Central Government in 2024/25.

In March 2023 the Department for Levelling Up, Housing and Communities published the English Devolution Accountability Framework. This first edition of the English Devolution Accountability Framework sets out how the mayoral combined authorities and the Greater London Authority (GLA) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

The Assurance Framework is now required as part of the English Devolution Accountability Framework to provide assurance to the Departmental Accounting Officer, Government and the public that there are robust systems in place so that resources are spent with regularity, propriety, and value for money. An annual review is still required but this can now be a date set by the Combined Authority and DLUHC (& DfT / DfE) only need to approve significant changes.

- 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. The Combined Authority must approve all schemes at least once in their lifetime, usually decision point 2, with subsequent decisions delegated thereafter to the Chief Executive, as set out in the Assurance Pathway and Route approved by the Combined Authority.



- j) In 2023/24, the Combined Authority's scrutiny arrangements consisted of three opposition-led politically balanced scrutiny committees, each with 16 cross-party councillors from West Yorkshire and York. The three committees were Corporate Scrutiny, Economy Scrutiny & Transport & Infrastructure Scrutiny. This year focused on reviewing the Scrutiny Protocol, advising the Combined Authority how this could be implemented as well as embedding the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Regulations 2024. In addition to Mayors Questions sessions, the committees also scrutinised: corporate performance, budget finance and resources, deeper devolution, bus services and bus reform, Mass Transit, the Local Transport Plan, housing, economic strategy development, Adult Education Budget and school engagement. Over the coming year recommendations from the Scrutiny Protocol Review will be embedded into a new scrutiny system, which will now consist of a single scrutiny committee of 16 cross-party councillors (from West Yorkshire and York) to oversee and scrutinise all Combined Authority activity in a joined up overarching way.
- 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 2023/24. An officer Corporate Centre Management Board chaired by the Chief Operating Officer, provides an operational level management and review of internal control, risk, health and safety, information security and governance arrangements in place.
- 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 (Assistant 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. The employees' Code of Conduct is in the final stages of a comprehensive review to

update it in line with best practice and the capabilities of the Combined Authority's corporate system, CiAnywhere.

- 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 Corporate Centre Management Board and through the Member Governance and Audit Committee, including arrangements for risk management. An Assurance Statement for Directors and Executive Directors is being developed for introduction in 2024, to ensure senior accountability for compliance in all areas of the organisation.
- 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. A new Service Lead for governance, risk and compliance has been appointed along with a Risk Manager to review process and procedure.
- 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. These documents will undergo review in the Autumn of 2024 to reflect the statutory changes being brought in by the Procurement Act 2023, which has an anticipated go-live date of 28 October 2024.
- 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. A new Police and Crime Plan will be issued for the period 2024-2028, based on a comprehensive needs assessment and following extensive partner and public engagement. The current Police and Crime Plan continues to provide strategic direction until this point.

#### **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.

##### **Contract Standing Orders**

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 Corporate Centre Management Board through a compliance dashboard that highlights any areas of concern.

##### **Annual Budget Setting**

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, bringing

together available funding into the Single Investment Fund, taking advantage of the flexibilities and freedoms this provides. Further devolution of funding is being pursued and improved management arrangements to simplify the use of capital funding to support the revenue budget, as well as more clearly linking the activities of the corporate teams to the outcomes they are co-delivering. 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. A move to multi year budgeting is taking place during 2024/25, accompanied by a refreshed medium term financial strategy.

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. The new finance system CiA is being further developed to improve self-service and drive improved budget monitoring and forecasting. 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

## **Internal Audit**

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 Corporate Centre Management Board.

From the work undertaken during the financial year 2023/24 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, and a further comprehensive peer review has been undertaken during 2023 for approval by the Combined Authority and Central Government in 2024/25.

### **Strategic Portfolio Office**

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.

### **Risk Management Arrangements**

The Combined Authority has in place risk management arrangements that are continually reviewed and improved. An officer Corporate Centre Management 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.

### **Quality Assurance and Improvement Program**

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 Policing and Crime 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 public Community Outcomes meetings.

### **5. Programme of Improvement**

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. Following on from the initial outcome directorate restructure a programme of transformation was set up in 2023/24 to deliver enhancements to the Corporate Centre functions to ensure organisational readiness to deliver the ambitions of the large-scale change programmes such as Bus Reform, Mass Transit and Better Homes Hub over the coming years. The programme covers four themes: Finance and Commercial; People and Culture; Governance and Assurance; and Data and Systems. Workstreams within these themes will be mobilised to ensure the Corporate Centre is able to pivot to support delivery at pace.

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.

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 is being undertaken to align with the disbanding of current regional procurement collaboration arrangements.

- The Mayor and Chief Constable have agreed to establish a new Joint Independent Ethics Committee to provide independent expert advice to the Mayor and Chief Constable on significant ethical issues and considerations in current and planned work and a referral mechanism for ethical issues from other accountability or scrutiny boards. The Committee will begin work in autumn 2024.

## 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 has been undertaken to transition procurement activity back to local forces and PCCs/Mayors which came into effect from 1 July 2024. This work included a review of the Mayor’s delegations and consents to the Chief Constable.

## 7. Governance Improvement Plan for 2024/25

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 2024/25, will particularly focus on the following key activities some of which may extend into 2025/26.

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. Amendments have been made to the Officer Delegation Scheme 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

Area	Action to be taken
	<p>informed decision making at the right level whilst ensuring sufficient safeguards and oversight are retained through a clear and transparent accountability framework. Further work is underway with officer sub-delegation scheme to strengthen this work.</p> <p>A Directors and Executive Directors' Assurance Statement will be introduced, which will intersect with, and strengthen the Accountability Framework.</p>
Risk management/governance	<p>Risk management will continue to be an area of increased focus and priority in 2024/25 and a new Service Lead for governance, risk and compliance has been appointed along with a dedicated Risk Manager to work alongside the organisation and integrate risk more effectively as a driver to shape effective decision making.</p>
Compliance	<p>A compliance dashboard has been implemented by Combined Authority, which is presented to internal governance boards and published for the Governance &amp; Audit Committee to provide the Committee with the information to allow them to effectively challenge and support good governance and accountability arrangements. Work will continue to expand the information reported on in 2024/2025.</p> <p>The Contract Standing Orders will undergo a comprehensive review to ensure compliance with the Procurement Act 2023, which comes into force on 28 October 2024.</p> <p>The Officer Code of Conduct is in the process of being reviewed to update it to reflect best practice and the capabilities of the Combined Authority's new corporate system, CiAnywhere.</p>
Transparency	<p>There is a desire to increase our transparency, particularly in relation to</p>

Area	Action to be taken
	<p>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. A revised officer delegation scheme has been introduced and work has begun on revising officer sub-delegation scheme to allow decisions to be made transparently and at pace.</p>
Policing and Crime	<p>In preparation for the disbandment of the regional procurement collaboration, local policing and crime procurement activity has transitioned to the Combined Authority and will be transitioned to West Yorkshire Police on 1 July 2024 with supporting changes to governance procedures and resourcing.</p> <p>A new Joint Independent Ethics Committee is being established by the Mayor and Chief Constable.</p>
Productivity and efficiency metrics	<p>At its meeting on the 1 February 2024, the Combined Authority agreed proposals to build on existing performance metrics by developing an enhanced set of productivity measures. Establishing a more explicit set of performance and efficiency metrics across the organisation will enable the Combined Authority to baseline and demonstrate increasing value for money.</p> <p>Work is underway to produce a set of measures, and this dashboard will be published as part of the Combined Authority's regular performance reporting to the Finance, Resources and Corporate Committee. This will complement the existing data already presented to both FRCC and Governance and Audit Committee.</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 2023/24 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

**Mayor and Chair**



Ben Still

**Chief Executive**