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Date: Wednesday, 04 February 2026

Dear Member,

HEY Combined Authority

The next meeting of the **HEY Combined Authority** will be held at **09:30** on **Thursday, 12 February 2026** in **Ergo, Bridgehead Business Park, Hessle.**

The Agenda for the meeting is attached and reports are enclosed where relevant.

Please Note: It is likely that the public, (including the Press) will be excluded from the meeting during discussions of exempt items since they involve the possible disclosure of exempt information as describe in Schedule 12A of the Local Government Act 1972.

Yours faithfully,



Democratic Services Officer

Hull and East Yorkshire Combined Authority

To: **Membership:**

Luke Campbell, Mayor of Hull and East Yorkshire
Councillors Ross (Hull City Council)
Councillor Dad (Hull City Council)
Councillors Handley (East Riding of Yorkshire Council)
Councillor Tucker (East Riding of Yorkshire Council)
Jonathan Evison, Humberside Police and Crime Commissioner
Jason Speedy, Chair of HEY Business Board
Jayne Adamson, Chair of HEY Skills Board

Officers:

HEY Combined Authority

Alan Menzies, Interim Chief Executive
Tony Maione, Interim Monitoring Officer
Julian Neilson, Interim Finance Director
Louise Hawkins, Democratic Services Officer (x3)

For Information:

Reference Library (public set)

HEY Combined Authority

09:30 on Thursday, 12 February 2026

Ergo, Bridgehead Business Park, Hessle

A G E N D A

PROCEDURAL ITEMS

1 Apologies

To receive apologies for those Members who are unable to attend the meeting.

2 Declarations of Interest

To remind Members of the need to record the existence and nature of any Personal and Discloseable Pecuniary interest in items on the agenda.

3 Announcements from the Mayor

To receive announcements from the Mayor.

4 Public Questions

There will be a period of up to 30 minutes during which members of the Authority will answer questions put by members of the public on matters for which the Combined Authority has a responsibility. Any person or organisation wishing to submit a question should contact Louise Hawkins, Democratic Services Officer for guidance on the procedure.

5 Reports from Committees of the Combined Authority

To receive reports from other committees of the Authority.

NON-EXEMPT ITEMS

6 Financial Plan 2026-27 to 2029-30

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This report presents the Authority's proposed revenue budget and medium term financial plan for the period 2026-27 to 2029-30, alongside a forecast capital investment programme budget, for approval by the Executive Board.

7 HEYCA Gameplan

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This report provides an update on the development of the HEYCA Gameplan and includes a final draft version for adoption (at Annex A).

EXEMPT ITEMS

8 No Exempt Items

THERE ARE NO EXEMPT ITEMS ON THIS AGENDA



Report to: Hull & East Yorkshire Combined Authority

Date: 12 February 2026

Financial Plan 2026-27 to 2029-30

Report of the interim Director of Finance (Section 73 Officer)

1. Purpose of the Report and Summary

- 1.1 This report presents the Authority's proposed revenue budget and medium term financial plan for the period 2026-27 to 2029-30, alongside a forecast capital investment programme budget, for approval by the Executive Board. Each year, Hull & East Yorkshire Combined Authority (HEYCA) must set a balanced budget for the following financial year, by 1 March of the preceding year.
- 1.2 The proposed revenue budget for 2026-27 totals £37.0m, inclusive of operating costs of £6.7m. The proposed capital budget for 2026-27 totals £65.5m. There are additional grants expected during 2026-27 which are not included in the budget proposals where funding allocations have yet to be published and there is no reasonable estimate of the expected allocation. The direct costs associated with delivery of these grants is also excluded from the plan. Any grant funding streams not represented in the budget will be added as supplementary budgets once they have been confirmed, in accordance with HEYCA's financial regulations.
- 1.3 As Section 73 Officer, in accordance with my statutory responsibilities, I have reviewed the robustness of the estimates and the adequacy of the Authority's reserves and cash balances to manage the financial risks it faces, and I have concluded that these are sufficient to sustain the continuing operation of the Authority over the medium term whilst managing known financial risks.

2. Recommendations

- 2.1 It is recommended that the Executive Board approves:
- i. the proposed revenue budget, inclusive of a council tax precept of zero, for the 2026-27 financial year
 - ii. the capital investment programme budget for 2026-27 to 2029-30
 - iii. the medium term financial plan for the period 2026-27 to 2029-30
 - iv. the capital strategy for 2026-27, inclusive of the treasury management policy, treasury management strategy, MRP policy and prudential indicators.

3. Reasons for Recommendations

- 3.1 In common with other public bodies and local partners, the Combined Authority is required to set a balanced revenue budget every financial year. This budget must be approved by the Executive Board by 1 March of the preceding financial year. In addition, it is best practice to produce a medium term financial plan that takes account of forecast future expenditure, funding, and the requirements for use of reserves, alongside a budget for deployment of capital funding due to the Authority.
- 3.2 In accordance with statutory guidance, HEYCA is required to identify a capital strategy, treasury management policy, treasury management strategy, MRP policy and prudential indicators as part of its budget setting process.

4. 2026-27 Revenue Budget and Medium Term Financial Plan

4.1 The medium term financial plan at Table 1 contains the proposed revenue budget for 2026-27 and projected annual revenue budgets for the following three financial years.

	2025/26 Base Budget £m	2026-27 Proposed Base Budget £m	2027-28 Projected Base Budget £m	2028-29 Projected Base Budget £m	2029-30 Projected Base Budget £m
Operational Costs					
Employee Costs	2.198	5.181	6.243	6.369	6.497
Members Allowances and Expenses	0.191	0.197	0.201	0.205	0.209
Travel & Subsistence	0.043	0.100	0.102	0.104	0.106
Corporate Services via SLAs	0.626	0.646	0.659	0.672	0.686
Mayoral Election	1.352	-	-	-	1.500
Supplies & Services	0.351	0.500	0.510	0.520	0.531
Premises	0.110	0.113	0.116	0.118	0.120
Total Operational Costs	4.871	6.737	7.831	7.988	9.649
Investment Programme					
Investment Fund	5.708	5.223	4.898	4.745	3.084
UK Shared Prosperity Fund	7.022	-	-	-	-
Local Growth Fund	-	4.750	3.750	3.750	3.750
Adult Skills Fund	-	12.253	17.590	17.590	17.590
Free Courses For Jobs	-	0.850	1.304	1.304	1.304
Bus Services Fund	-	6.724	6.724	6.724	6.724
Consolidated Active Travel Fund	0.449	0.449	0.449	0.449	0.449
Rural England Shared Prosperity Fund	0.540	-	-	-	-
Community Investment Fund	1.000	-	-	-	-
Total Investment Programme	14.719	30.249	34.715	34.562	32.901
TOTAL REQUIREMENTS	19.590	36.986	42.546	42.550	42.550
Capacity Fund	- 2.000	- 1.640	- 1.640	- 1.640	- 1.640
NI Contributions Grant	- 0.140	-	-	-	-
Local Transport Resource Funding	- 0.634	- 0.634	- 1.403	- 1.407	- 1.407
Investment Fund	- 8.670	- 8.670	- 8.670	- 8.670	- 8.670
UK Shared Prosperity Fund	- 6.534	-	-	-	-
Local Growth Fund	-	- 5.000	- 4.000	- 4.000	- 4.000
Consolidated Active Travel Fund	- 0.449	- 0.449	- 0.449	- 0.449	- 0.449
Get Britain Working	- 0.100	- 0.100	- 0.100	- 0.100	- 0.100
Rural England Shared Prosperity Fund	- 0.540	-	-	-	-
Adult Skills	-	- 12.669	- 18.006	- 18.006	- 18.006
Free Courses For Jobs	-	- 0.850	- 1.304	- 1.304	- 1.304
Local Authority Bus Grant	-	- 6.724	- 6.724	- 6.724	- 6.724
Investment Income	- 0.523	- 0.250	- 0.250	- 0.250	- 0.250
TOTAL RESOURCES	- 19.590	- 36.986	- 42.546	- 42.550	- 42.550
Budget Surplus (-) / Deficit (+)	-	-	-	-	-

Table 1: Revenue budget - medium term financial plan 2026-27 to 2029-30

4.2 The revenue budget comprises projected operational costs (the costs of running the organisation including staffing, premises, contracted services, etc) and an investment programme which reflects projected grant funding available for investment after operational costs have been deducted. It proposes that associated operational costs will be top-sliced from specific grants.

- 4.3 It must be emphasised that the financial plan represents income and expenditure estimates which will be subject to change and refinement as they become more certain. The degree of change in estimates can be particularly volatile at this early stage of the organisation's life cycle, whilst the required size and scope of the organisation is developed alongside transition of responsibilities from the constituent councils and emerging funding streams with associated requirements. The following paragraphs explain the key assumptions on which estimates are based.
- 4.4 **Employee costs** are based on the senior leadership structure approved by the board plus assumptions on posts required below senior leadership level as the organisation establishes operational teams of staff reporting to directors. This has been informed by views from HEYCA's current senior leadership team, taking account of professional experience and resources in place at other combined authorities. The detail behind the estimates includes projected start dates for appointments to posts throughout 2026-27 and potential grades using the approved pay and grading framework. The forecast 2027-28 represents full year costs once all appointments have been made less a 5% assumed vacancy rate. At this early stage, the assumed posts below the approved senior leadership structure are purely a basis for making an informed cost estimate and will evolve as permanent appointments are made to senior posts within the organisation.
- 4.5 The national framework for pay and terms of conditions of employment for local government workers is determined by the National Joint Council (NJC) for Local Government Services. HEYCA's approved pay and grading framework is aligned to the National Joint Council (NJC) pay rates. All job roles will subject to full job evaluation against this pay and grading framework, and resulting grades and salaries will accord with job evaluation principles to ensure fairness, transparency and equal pay for equal value. Each grade has 5 defined pay points for pay progression. For budgeting purposes, the mid-point of each grade has been used.
- 4.6 The annual pay award (uplift) for local government workers is determined by the NJC and this has been assumed to be 3.2% for 2026-27, which reflects the national pay award applied for 2025-26. A pay award of 2% per annum is assumed for the remainder of the plan, aligned with the Bank of England's medium term inflation target.
- 4.7 **Members' allowances and expenses** are forecast to increase in accordance with the above staff pay award assumptions.
- 4.8 **Travel and subsistence** will increase from its 2025-26 budgeted level of £0.043m as the organisation grows. An assumption of £0.100m has been made for 2026-26, inflated at 2% per annum thereafter.
- 4.9 **Corporate services via Service Level Agreements (SLAs)** with constituent councils are based on current year estimates, inflated in accordance with the pay award assumption for future years. These costs are subject to potential change as arrangements evolve and HEYCA establishes its own staffing resources.
- 4.10 **Mayoral election costs** will need to be funded by HEYCA when the next mayoral election takes place in 2029 and these are estimated to be £1.5m.
- 4.11 **Supplies and services** will increase from their 2025-26 budgeted level of £0.351m as the organisation grows. An assumption of £0.500m has been made for 2026-26, inflated at 2% per annum thereafter.

- 4.12 **Premises** costs are assumed to remain at their current level plus an inflationary uplift.
- 4.13 **Investment income** – it is forecast that cash balances available to invest will reduce once agreements are in place with the constituent authorities to passport funding, reducing the returns. Additionally, the Bank of England has forecast that, if inflationary pressures continue to ease, the bank rate is likely to continue on a gradual downward path which will reduce rates of return. A prudent estimate of £0.250m per annum is included at this stage.

4.14 The budget includes a number of projected grant funding streams, as follows:

- **Capacity Fund** – The provisional local government finance settlement confirmed a minimum of £33m of capacity funding to support combined authorities' staffing and administrative costs, and central corporate functions. This includes £1.5m for every combined authority plus an allocation to fund the impact of the 2025 increase to employer's national insurance contributions. HEYCA's total allocation is £1.640m and this is expected to continue on an annual basis.
- **Local Transport Resource Funding** – The Spending Review 2025 confirmed £104 million resource funding between 2026 to 2027 and 2028 to 2029 for local transport authorities (LTAs) outside London. This 3-year resource funding is intended to help to build the authorities' capability and capacity, including:
 - developing and updating local transport plans
 - to effectively deliver local transport infrastructure priorities - working with regional partners.

It should not be used to subsidise the day-to-day delivery of transport services. HEYCA's allocation is £0.634m for 2026-27, £1.403m for 2027-28 and £1.407m for 2028-29. It is assumed that this funding will continue in 2029-30.

- **Local Growth Fund** – this has replaced UK Shared Prosperity Fund and introduces a long-term, flexible settlement for selected mayoral strategic authorities, consolidating fragmented funding into a single, locally-led pot aligned with Local Growth Plan. It is designed to equip mayors in the North and Midlands to boost regional productivity, focusing on three interconnected areas:
 - **Infrastructure investment:** expanding labour market reach and enabling agglomeration benefits across functional economic areas.
 - **Business support:** strengthening regional clusters and increasing innovation and investment to drive firm-level competitiveness and sectoral growth.
 - **Skills development:** providing the human capital aligned to priority sectors and emerging technologies.

The fund has been designed to operate within the landscape of wider funding and complement other sources of finance to get projects off the ground.

Final revenue grant allocations to HEYCA (rounded to the nearest £m) have been confirmed as £5m for 2026-27, £4m for 2027-28 and £4m for 2028-29. It is assumed that this funding will continue in 2029-30.

- **Investment Fund** – this was included in the Hull and East Yorkshire devolution deal as a flexible investment fund to invest in local priorities across skills, innovation and business support, as well as to invest in capital projects on a strategic and long-term basis across our connectivity and place-based priorities. It

is worth £400m over 30 years, 35% capital and 65% revenue. The annual revenue funding allocation is £8.670m.

- **Get Britain Working** – Get Britain Working is a government policy initiative intended to tackle economic inactivity by reforming employment, health, and skills support, aiming for an 80% employment rate by integrating services, empowering local areas to create their own plans, and improving support for those with long-term health conditions and young people. HEYCA received an allocation of £0.100m in 2025-26 for the development of local Get Britain Working plans. Future funding allocations are yet to be confirmed. The financial plan assumes that this funding will continue in future years.
- **Adult Skills** – this funding replaces what was previously known as the Adult Education Budget. Its purpose is to engage and support adult learners to gain skills which will lead them to meaningful and sustained employment, enable them to progress to further learning or support their wellbeing. HEYCA will take on responsibility for Adults Skills, which comprises the Adult Skills Fund (ASF) and Skills Bootcamps, for the 2026-27 academic year funding with confirmed funding of £18.006m, £12.669m of which will be received in financial year 2026-27 with the remainder received in 2027-28. The financial plan assumes that this level of annual funding will continue in future years.
- **Free Courses for Jobs (FCFJ)** – it has been confirmed that HEYCA will receive £1.304m for the 2026-27 academic year, £0.850m of which will be received in financial year 2026-27 with the remainder received in 2027-28. The financial plan assumes that this level of annual funding will continue in future years
- **Local Authority Bus Grant (LABG)** – The Local Authority Bus Grant (LABG) is a consolidated grant for local transport authorities to maintain and improve bus services, comprising both capital and revenue funding. It combines the previously separate allocations of funding for Bus Service Improvement Plans and Local Authority Bus Grant (LABSOG) previously paid to the constituent councils. The 2025 Spending Review confirmed more than £1 billion per year in funding for buses in England outside of London. This includes multi-year allocations for local authorities under the Local Authority Bus Grant (LABG) ending the short-term approach to bus funding and giving councils the certainty they need to plan ahead:
 - £481 million of revenue funding per year allocated to local transport authorities via the LABG up to 2028 to 2029
 - around £200 million of capital funding per year allocated to local transport authorities via the LABG up to 2029 to 2030
 - more than £240 million of revenue funding per year to bus operators
 - over £150 million of revenue funding per year to maintain the £3 bus fare cap until March 2027

Local transport authorities will have the flexibility to use LABG funding to meet local needs, whether by reducing fares, introducing new routes, investing in zero-emission buses or improving bus stops and stations.

HEYCA revenue allocation of this funding has been confirmed as £6.724m per annum for the next three financial years. The financial plan assumes that this funding will continue at the same level in 2029-30.

- 4.15 Other grant funding is expected by HEYCA during the financial planning period but have not been included in the plan where funding allocations have yet to be published and there is no reasonable estimate of the expected allocation, e.g.

Connect to Work. The direct costs associated with delivery of these grants is also excluded from the plan. Any grant funding streams not represented in the budget will be added as supplementary budgets once they have been confirmed, in accordance with HEYCA's financial regulations.

5. Capital Investment Programme

5.1 Table 2 contains the proposed capital budget for 2026-27 and projected capital budgets for the following three financial years.

	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m
Capital Programme:				
Deployment of Investment Fund	4.690	4.690	4.690	4.690
Deployment of Local Transport Grant	19.895	22.879	25.538	28.197
Deployment of Highways Maintenance Block	27.432	31.988	34.540	39.485
Deployment of Bus Services Grant	6.407	6.536	6.665	6.794
Deployment of Local Growth Fund	2.000	2.000	5.000	7.000
Deployment of Post-16 Capacity	5.100	-	-	-
	65.524	68.093	76.433	86.166
Financing:				
Investment Fund	- 4.690	- 4.690	- 4.690	- 4.690
Local Transport Grant	- 19.895	- 22.879	- 25.538	- 28.197
Highways Maintenance Block	- 27.432	- 31.988	- 34.540	- 39.485
Bus Services Grant	- 6.407	- 6.536	- 6.665	- 6.794
Local Growth Fund	- 2.000	- 2.000	- 5.000	- 7.000
Post-16 Capacity	- 5.100	-	-	-
	- 65.524	- 68.093	- 76.433	- 86.166

Table 2: Capital budget - medium term financial plan 2026-27 to 2029-30

5.2 The capital budget is based on projected grant funding available for capital investment, as follows:

- **Investment Fund** – this is worth £400m over 30 years, 35% capital and 65% revenue. The annual capital funding allocation is £4.690m.
- **Local Transport Grant** – Spending Review 2025 confirmed a £2.3 billion national investment in local transport through the Local Transport Grant (LTG). LTG comprises £2.2 billion of capital funding, spread over 4 years, and over £100 million resource funding, spread over 3 years. It brings together the Integrated Transport Block and Local Transport Grant. Local leaders can choose to support schemes in line with local priorities for transport maintenance and enhancements, including improving public transport, funding new zero emission buses, improving accessibility, addressing congestion, and making streets safer for pedestrians and cyclists. Capital funding allocations are based on all local authorities receiving a rollover of their 2025/26 funding, with capital allocations thereafter calculated by a formula based on population (70%) and deprivation (30%). HEYCA's confirmed funding allocations are £19.895m for 2026-27, £22.879m for 2027-28, £25.538m for 2028-29, and £28.197m for 2029-30.
- **Highways Maintenance Block** – The government has announced £7.3 billion of capital funding for local highway maintenance between 2026 to 2027 and 2029 to 2030 to maintain and improve local roads across the country. The Department for Transport (DfT) allocates capital funding to local highway authorities so they can maintain and improve their respective networks based upon their local knowledge

and circumstances. Under section 41 of the Highways Act 1980, local highway authorities have a duty to maintain the highway network in their area. Local highway authorities are responsible for the maintenance of all parts of the highway network, including carriageways, footways, cycleways and lighting columns. DfT strongly advocates a risk-based, whole lifecycle asset management approach to local authority highways maintenance programmes. This considers all parts of the highway network, such as bridges, cycleways and lighting columns – not just the fixing of potholes.

As was the case in 2025 to 2026, a portion of this funding will be designated as incentive funding. This funding will be subject to local highway authorities demonstrating that they comply with best practice in highways maintenance, for example, by spending all the Department for Transport’s capital grant on highways maintenance and adopting more preventative maintenance.

In all 4 years, at least 25% of the annual incentive funding will be dependent on local highway authorities publishing transparency reports. All incentive funding will be withheld if reports are not published.

In 2026 to 2027, 50% of the incentive funding will be subject to local highways authorities’ performance. Further details on the performance-based measure will be confirmed in due course.

HEYCA’s confirmed funding allocations are:

Funding pot	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m
Baseline	20.116	22.431	24.933	29.716
Incentive	7.316	9.557	9.607	9.769
Total	27.432	31.988	34.540	39.485

- **Local Authority Bus Grant (LABG)** – HEYCA’s capital allocation of this funding has been confirmed as £6.407m for 2026-27, £6.536m for 2027-28, £6.665m for 2028-29 and £6.794m for 2029-30. The capital allocations were determined using a formula that considered the needs of each local transport authority, taking into account population size, levels of deprivation and accessibility (measured by concessionary travel).
- **Local Growth Fund** – Final capital grant allocations to HEYCA (rounded to the nearest £m) have been confirmed as £2m for 2026-27, £2m for 2027-28, £5m for 2028-29, and £7m for 2029-30.
- **Post-16 Capacity Funding** – All mayoral combined authorities have been given control over post-16 capacity funding through a new £283m capital fund. The expected allocation for 2026-27 is £5.1m. It is expected that there will be further allocations in future years but these have not yet been announced.

5.3 Any other capital grant funding to be received by HEYCA during the financial planning period will be added to the capital programme as supplementary budgets once they have been confirmed, in accordance with HEYCA’s financial regulations.

6. Other Sources of Funding

6.1 In accordance with the Hull & East Yorkshire devolution deal, HEYCA has powers to:

- set a precept on council tax to fund Mayoral functions
- to charge business rate supplement (subject to ballot).

6.2 The proposed budget for 2026-27 does not include proposals to set a council tax precept or charge a business rate supplement for 2026-27.

7. Treasury Management and Capital Strategy

7.1 Treasury management is defined as the management of the Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

7.2 Local authorities are required to report on specific elements of treasury management as determined by the Code of Practice for Treasury Management in the Public Services (the Treasury Management Code) and the Prudential Code for Capital Finance in Local Authorities (both published by the Chartered Institute of Public Finance and Accountancy), alongside relevant statutory investment guidance.

7.3 The Prudential Code requires local authorities to produce a capital strategy that includes specific requirements in respect of debt and borrowing and treasury management:

- a projection of external debt and use of internal borrowing to support capital expenditure
- provision for the repayment of debt over the life of the underlying debt
- authorised limit and operational boundary for the following year
- the Authority's approach to treasury management, including processes, due diligence and defining the Authority's risk appetite.

7.4 The Prudential Code requires local authorities to set and revise the prudential indicators in respect of debt. It requires the prudential indicators to be approved and revised by the same body that sanctions the Authority's budget. The Treasury Management Code recommends that local authorities should report annually to their decision making body on their treasury management strategy and plan before the start of the year. The treasury management indicators must be considered together with the indicators in the Prudential Code as part of the budget approval process.

7.5 HEYCA's power to borrow to raise funding for its functions is expected to be confirmed by the passing of the English Devolution and Community Empowerment Bill. When local authorities undertake borrowing, there is a statutory requirement to set aside an amount from the revenue budget for the repayment of debt, known as Minimum Revenue Provision (MRP). Regulations require the Authority to annually determine a principle by which MRP will be determined, and MHCLG guidance requires that, before the start of each financial year, a local authority ratifies a statement of its policy on making MRP in respect of that year. Although there are no current plans for HEYCA to undertake borrowing in 2026-27, it is prudent to ensure that a policy is in place.

7.6 From HEYCA's inception on 4 February 2025, the interim Director of Finance established arrangements with his team at East Riding of Yorkshire Council to operate HEYCA's treasury management arrangements.

- 7.7 In summary, HEYCA should identify a capital strategy, treasury management policy, treasury management strategy, MRP policy and prudential indicators as part of its budget setting process. It is recommended that HEYCA continues to adopt East Riding of Yorkshire Council's treasury management policy, treasury management strategy and MRP policy. This allows time for HEYCA to develop the capacity and capability on these matters as it appoints to its structure during 2026 and minimises costs by allowing treasury investments to be managed within the same policy as East Riding of Yorkshire Council by the same team.
- 7.8 The Authority's proposed capital strategy for 2026-27, inclusive of the treasury management policy, treasury management strategy, MRP policy and prudential indicators, is included as Annex A to this report.

8. **Risks**

- 8.1 It is important to recognise that there are a number of key risks to the financial plan, as follows:
- Organisational growth and development: forecasts of future staffing and associated costs are highly uncertain at this time as the Authority determines how it will operate to fulfil its duties and responsibilities.
 - National pay awards: these may be greater than that anticipated within the plan.
 - Inflation: may be greater than that anticipated within the plan.
 - Government grants: funding may be less than forecast. In addition, HEYCA is heavily reliant on delivery partners to fulfil the conditions of a significant value of its grant funding. Robust funding agreements and governance arrangements are critical to ensure that HEYCA can provide assurance on the fulfilment of these conditions.
- 8.2 These risks will be closely monitored and both the Governance and Audit Committee and the Executive Board will be regularly updated on management of these risks within financial reporting arrangements.

9. **Reserves**

- 9.1 HEYCA has a general reserve balance of £0.324m, following approval by the Executive Board on 26 September 2026. In addition, the latest budget monitoring report for 2025-26 forecasts that HEYCA will transfer £5.708m of unallocated revenue Investment Fund to reserves at the year-end, alongside £4.670m of capital Investment Fund, for use in future years.
- 9.2 As Section 73 Officer, in accordance with my statutory responsibilities under Section 25 of the Local Government Act 2003, I have reviewed the robustness of the estimates included within the Council's proposed budget for 2026-27 and the medium term financial plan covering the period to 2029-30, and the adequacy of the Authority's reserves and cash balances to manage the financial risks it faces. I have concluded that the estimates are sufficiently robust and the Authority's reserves and cash balances are adequate to sustain the continuing operation of the Authority over the medium term whilst managing known financial risks.

10. **Equalities Implications**

10.1 It is not expected that the budget outlined in this report will have any adverse impacts on people with protected characteristics. Future investment decisions will be underpinned by an Equality Impact Assessment.

11. Legal Implications

11.1 This report fulfils the Authority's legal obligation to set a balanced budget for 2026-27 by 1 March 2026 and the Section 73 Officer's legal obligation to report on the robustness of estimates made for the purposes of the calculations and the adequacy of proposed financial reserves.

12. Financial Implications

12.1 All financial implications are contained within this report.

Julian Neilson
Interim Director of Finance (S73 Officer)

Contact Officers:

Julian Neilson, Interim Director of Finance (S73 Officer)

Background Papers:

None

Hull and East Yorkshire Combined Authority
Capital Strategy 2026-27

Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2026-27, the Combined Authority is planning capital expenditure of £65.52m as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2025/26 Forecast	2026/27 Budget	2027/28 Budget
Capital investments	56.37	65.52	68.09
TOTAL	56.37	65.52	68.09

The figures for 2026/27 and 2027/28 are taken from the Capital Expenditure Programme as set out and described in the Medium Term Financial Plan. The 2025/26 forecast figure is from the Authority's latest budget outlook report for 2025-26.

Governance:

The Combined Authority has a suite of key governance and policy documents within its Assurance Framework which is the primary governance document in relation to investment processes including:

- a) How the Combined Authority adheres to the requirements of the English Devolution Accountability Framework and Nolan principals shaping the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Hull and East Riding Investment Fund. This culture is

developed and underpinned by processes, practices and procedures including a code of conduct for both Members and Officers.

- b) The Combined Authority’s Constitution sets out respective roles and responsibilities across the Combined Authority including the Mayor, its Boards and Committees, and Statutory Officers.
- c) The key processes for ensuring accountability including public engagement, probity, transparency, legal compliance and value for money.
- d) How potential investments to be funded through the Hull and East Yorkshire Medium Term Financial Plan will be appraised, prioritised, approved, signed off and delivered.
- e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £millions

	2025/26 Forecast	2026/27 Budget	2027/28 Budget
Grant Funding	56.37	65.52	68.09
Capital Reserves	0	0	0
Debt	0	0	0
TOTAL	56.37	65.52	68.09

Debt is only a temporary source of finance, since loans and leases must be repaid. This is therefore replaced over time by other financing, usually from revenue in the form of a statutory annual requirement to set aside an amount for repayment of debt, known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority’s power to borrow to raise funding for its functions is expected to be confirmed by the passing of the English Devolution and Community Empowerment Bill. The Combined Authority currently does not have any borrowing debt. There are no current projects within the MTFP which fund delivery via borrowing.

The Combined Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR.

The Combined Authority expects that its capital financing requirement will be nil on 31 March 2026 and, in line with the MHCLG Guidance, expects to charge no MRP in 2026/27.

For any capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.

Full details of the MRP policy statement can be found in section 8 of the treasury management strategy at appendix B.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by temporary borrowing to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as grant income is often received before it is spent.

As at 31 January 2026, the Combined Authority had no borrowing and £64.7m treasury investments at an average rate of 4.30%

The Combined Authority has an agreement with East Riding of Yorkshire Council to provide Financial Services including the treasury management function. To facilitate the arrangement, it has adopted East Riding of Yorkshire Council’s treasury management policy (appendix A), treasury management strategy inclusive of the MRP policy (appendix B).

Borrowing strategy: If the Authority were to borrow to fund capital expenditure in the future, the strategy aims to minimise both the revenue cost of debt and the potential volatility of these costs which can arise from changes to interest rates. Further details on the approach taken to borrowing can be found in section 8 of the treasury management strategy at appendix B.

The Authority does not intend to borrow to invest for the primary purpose of financial return.

Projected levels of the Authority’s total outstanding debt (which comprises borrowing and leases) are shown in Table 3, compared with the capital financing requirement (see above).

Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31/03/2026 Forecast	31/03/2027 Budget	31/03/2028 Budget
Debt (incl. PFI & leases)	0	0	0
Capital Financing Requirement	0	0	0

Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. The Authority expects to comply with this in both the short and medium term.

Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. This is a requirement of the Treasury Management Code. Given that there are no current plans to borrow, this calculation shows an asset benchmark for comparing against investment levels but will be kept under review.

Table 4: Borrowing and the Liability Benchmark in £ millions

	31/03/2026 Forecast	31/03/2027 Budget	31/03/2028 Budget
Forecast Borrowing	0	0	0
Liability (Asset) Benchmark	(26)	(30)	(30)

Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. The Authority has not currently requested a maximum borrowing limit from MHCLG and, therefore, these indicators are both set at zero.

Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2025/26 Limit	2026/27 Limit	2027/28 Limit
Authorised Limit – total external debt	0	0	0
Operational Boundary – total external debt	0	0	0

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The prime objective of the combined authority's investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to carry out its business. Within these constraints, the strategy aims to maximise returns. Further details on the approach taken to treasury investments can be found in the treasury management strategy at appendix B.

Risk management: Investment risk cannot be entirely eliminated but is managed through the credit and counterparty framework set out in the Treasury Management Policy at appendix A.

In the CIPFA Treasury Management Guidance Notes for Local Authorities, a number of treasury indicators are identified within the Code. These are:

- Upper and lower limits for the maturity structure of the Authority's debt for the forthcoming year.
- Annual upper limits over three years for amounts that the Authority can invest for periods of longer than one year.

The first treasury indicator is not necessary at this time, as the combined authority has no outstanding borrowing and the MTFP does not include plans to borrow.

Table 6: Prudential Indicators: Total investment for periods longer than a year for 2025/26 to 2027/28

	£m
Limit on the amount invested for periods longer than a year:	30.000

The Treasury Management Strategy aims to protect the Council from market-related risks by monitoring interest rates, economic indicators and UK and overseas government finances and reacting accordingly. A range of information sources are used to inform economic analysis and forecasts.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy and policy approved by the Board. Regular reports on treasury management activity are presented to the Governance and Audit Committee which is responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

Investments for Service Purposes

The Authority may make investments to assist local public services, including making loans to or buying shares of wholly owned companies or associates, joint ventures, or third parties as part of a wider strategy for local economic growth.

The Combined Authority does not currently hold any non-treasury investments.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Section 73 Officer and must meet limits set out in the treasury policy. Non-treasury investments, including non-financial investments which are not held as a financial instrument e.g. a property holding investments will be subjected to a rigorous risk assessment process, including option appraisal and scenario analysis, and the reasons for these investment decisions shall be clearly explained.

Most loans and shares are capital project expenditure and will therefore follow the business case approval route appropriate for their value set out within the Constitution. The Chief Officer for the relevant service is responsible for ensuring that adequate due diligence is carried out before any investment is made.

Commercial Activities

The Combined County Authority currently does not hold any commercial investments.

Other Liabilities

The Authority is committed to making future payments to cover any pension fund deficit. There are currently no commitments to make future payments in relation to debt or other major liabilities.

There is currently no known requirement to cover risks of any provisions, financial guarantees or major contingent liabilities.

Governance: Decisions on incurring new discretionary liabilities are taken by Chief Officers in consultation with the Section 73 Officer. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to both the relevant Thematic Committee and the Investment Committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants. There are no current plans to borrow, and therefore no budgeted financing costs.

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2025/26 Forecast	2026/27 Budget	2027/28 Budget
Financing costs (£m)	0	0	0
Proportion of net revenue stream	0%	0%	0%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

Knowledge and Skills

The Combined Authority engages professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Authority ensures that all qualified staff keep up to date with relevant 'continuing professional development'.

Where the Authority's staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority has an agreement with East Riding of Yorkshire Council to provide the treasury management function. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

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Appendix A: Treasury Management Policy

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1. Introduction

- 1.1 This Treasury Management Policy has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in Local Authorities and Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) under section 15(1) of the Local Government Act 2003.
- 1.2 Under the guidance, certain policy matters are expanded or determined as part of the annual Treasury Management Strategy which is approved by Council.
- 1.3 The Code has particular significance to local authorities in England and Wales. Adoption of its recommendations, by an individual local authority as part of standing orders or financial regulations, gives it the status of "...a code of practice made or approved by or under any enactment", and hence proper practice.
- 1.4 The Local Government Act 2003 sets the framework for a borrowing system relying on the prudential code produced by CIPFA. The prudential code recommends that the local authority have regard to the CIPFA treasury management code.
- 1.5 The Council's Constitution requires that Treasury Management decisions and transactions are carried out in accordance with the code. It also designates Section 151 (Chief Finance Officer) responsibilities to the Director of Finance.
- 1.6 The Treasury Management Policy comprises four main sections –
- Clauses formally adopted by the Council
 - Treasury Management Policy Statement
 - Treasury Management Practices
 - Management Practices for Non-Treasury Investments

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2. Key Principles

2.1 The Code identifies three key principles

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

3. Clauses Formally Adopted

3.1 CIPFA recommends that all public service organisations adopt, as part of their standing orders, financial procedure rules, or other formal policy documents appropriate to their circumstances, the following four clauses –

- I This organisation will create and maintain, as the cornerstones for effective treasury management –
- a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
 - investment management practices (IMPs) for investments that are not for treasury management purposes

The content of the policy statement TMPs and IMPs will follow the recommendations contained in sections 6, 7 and 8 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key recommendations.

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- II This organisation (i.e. full board/council) will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs and IMPs.
- III This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to (note 1), and for the execution and administration of treasury management decisions to (note 2), who will act in accordance with the Council's policy statement and TMPs and IMPs, if he/she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
- IV This organisation nominates (note 3) to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Note 1: name of responsible body (for example, committee, board or council) or nominated group of individuals or relevant committee such as cabinet or executive. Where a capital strategy is produced by a local authority this may include the setting of detailed treasury management policies, while being clear that overall responsibility remains with full council.

Note 2: title of responsible officer (for the purposes of this Code, the term 'responsible officer' has been used, although it is recognised that, in practice, many different terms exist). For example, in higher education, the vice-chancellor/principal or equivalent is the 'designated officer' who will ensure that the governing body complies with all terms and conditions of funding provided by the funding body. However, it is usual for day-to-day financial management to be delegated to a director of finance who will take professional responsibility for such areas of an institution's work and this is the officer who is referred to here.

Note 3: name of responsible body (for example, committee, board or council) or nominated group of individuals or relevant committee such as audit committee or relevant scrutiny committee.

For the purposes of notes 1 and 3, the Council has delegated responsibility to its Audit Committee to review the Treasury Management Policy and Strategy and gain assurance that the controls and procedures in place within the Treasury Management function are effective. In order to fulfil this responsibility, the Audit Committee receives regular monitoring reports on Treasury Management activities and it reviews Treasury Management Policy and Strategy ahead of approval by full Council.

For the purposes of note 2, the constitution identifies the Chief Finance Officer to be responsible for the execution of Treasury Management decisions.

4. Treasury Management Policy Statement

4.1 The following paragraphs define the policies and objectives of the Council's treasury management activities –

- I East Riding of Yorkshire Council defines its treasury management activities as:

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The management of the council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- II East Riding of Yorkshire Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- III East Riding of Yorkshire Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- IV The Council's prime objective is capital security and ensuring the required level of portfolio liquidity when investing treasury management funds, recognising that public money should not be put at risk, but returns cannot be overlooked.

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5. Treasury Management Practices

5.1 Local authorities are permitted to use a wide range of borrowing instruments. In respect of the investment of surplus cash, guidance has been issued by the Government pursuant to the Local Government Act 2003 allowing significant freedom in the use of investment instruments.

5.2 Good practice requires parameters to be set within which the treasury management function can be operated. The following Treasury Management Practices (TMP) comprise the Council's treasury management systems framework, defining the operation and highlighting specific details of systems, routines employed and records kept –

TMP1	Risk management
TMP2	Performance measurement
TMP3	Decision-making and analysis
TMP4	Approved instruments, methods and techniques
TMP5	Organisation, clarity and segregation of responsibilities, and dealing arrangements
TMP6	Reporting requirements and management information arrangements
TMP7	Budgeting, accounting and audit arrangements
TMP8	Cash and cash flow management
TMP9	Money laundering
TMP10	Training and qualifications
TMP11	Use of external service providers
TMP12	Corporate governance

5.3 Each TMP is followed by a schedule containing additional detail regarding working practices adopted by the Council.

6. East Riding Pension Fund

6.1 East Riding of Yorkshire Council is also responsible for the management of the East Riding Pension Fund. Whilst the basic principles are similar, the investment powers of the Pension Fund are governed by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, as amended. The East Riding Pension Fund has adopted the East Riding of Yorkshire Council's pre-existing Treasury Management Policy which is subject to approval by the Pensions Committee.

7. Management Practices for Non-Treasury Investments

7.1 The guidance expands its definition of 'investments' to cover all of the financial assets a local authority may hold as well as other non-financial assets which are held primarily or partially for financial returns e.g. investment property portfolios. The final section of this policy provides an overview of the management practices for these service-led investments and directs the reader to the Council's Capital Strategy which provides more detail.

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TMP1

RISK MANAGEMENT

- 1.1 East Riding of Yorkshire Council regards the prime objective of its treasury management activities to be the security of the principle sums it invests. Accordingly, it will ensure robust due diligence procedures cover all external investment.
- 1.2 The Section 151 officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually to the Audit Committee and the Cabinet on the adequacy or suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. In respect of each of the following risks, the arrangements that seek to ensure compliance with these objectives are set out in the schedule to this document.

Credit and Counterparty Risk Management

- 1.3 East Riding of Yorkshire Council regards the prime objective of its treasury management activities to be the security of the principal sum it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in *TMP4 Approved instruments, methods and techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of organisations from which it may borrow, or with whom it may enter into other financing arrangements.

Liquidity Risk Management

- 1.4 East Riding of Yorkshire Council will ensure that it has adequate though not excessive cash resources; borrowing arrangements; overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business and service objectives.
- 1.5 The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the approved capital programme or to finance future debt maturities, as permitted by the guidance.

Interest Rate Risk Management

- 1.6 East Riding of Yorkshire Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP 6 Reporting requirements and management information arrangements*.
- 1.7 The Council will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility

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to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

- 1.8 The Council will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

Exchange Rate Risk Management

- 1.9 East Riding of Yorkshire Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income and expenditure levels.

Inflation Risk Management

- 1.10 East Riding of Yorkshire Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisations inflation exposures.

Refinancing Risk Management

- 1.11 East Riding of Yorkshire Council will ensure that its borrowing, private finance and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.
- 1.12 It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

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Legal and Regulatory Risk Management

- 1.13 East Riding of Yorkshire Council will ensure that all of its treasury activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 *Credit and Counterparty Risk Management* (1.2 above), it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.
- 1.14 The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Fraud, Error and Corruption, and Contingency Management

- 1.15 East Riding of Yorkshire Council will ensure that it has identified the circumstances that may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Price Risk Management

- 1.16 East Riding of Yorkshire Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

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SCHEDULE TO TMP1

RISK MANAGEMENT

- 1.1 The Council is a local authority as defined by The Local Government Act 1972, and primarily provides statutory services to its population on a not-for-profit basis. As such, few financial instruments are used by way of commercial business. However, the funding mechanism means that, during the year, the Council may hold substantial assets and liabilities. The Council uses financial instruments to manage the risks arising from holding assets and liabilities; it does not undertake financial instruments for trading or speculative purposes.
- 1.2 Instruments commonly used to hedge financial and treasury type risks include derivative securities, such as an option, future or swap, of which the criteria and value are determined by those of an underlying asset. Any use of derivative financial instruments will be subject to a separate business case and approved by the Section 151 officer.
- 1.3 The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services. It maintains and operates a Treasury Management Policy comprising an overview of the principles and practices to which the activity will comply. Alongside this policy, the Ministry of Housing Communities and Local Government has issued guidance, under section 15(1)(a) of the Local Government Act 2003, to which local authorities must have regard. Annually, the Council approves a Treasury Management Strategy and a Capital Strategy for the forthcoming year. Taken together, these documents form the structure for managing risk.
- 1.4 The main financial risks arising from the Council's activities are credit risk, liquidity risk and interest rate risk. Other risks include insurance risk, price risk and foreign exchange risk, although the Council has little or no exposure to those instruments. The way these risks are managed is summarised below.
- 1.5 In respect of each of the risks detailed in TMP1, the arrangements, which seek to manage risk to a reasonable level rather than to eliminate all risk of failure, are set out below.

Credit and Counterparty Risk Management

- 1.6 *Definition:* The risk of failure by a third party to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or revenue resources.
- 1.7 In line with the Prudential Code, the Ministry for Housing Communities and Local Government guidance provides for each authority to determine its own controls within the given framework.
- 1.8 The guidance defines three types of financial investment – loans, specified and non-specified. Loans are those investments made to wholly owned

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companies or associates, a joint venture, or to a third party as part of a wider strategy for local economic growth. Specified investments are those investments denominated in sterling, which are due or may be required to be repaid within 12 months of the date the transaction was made and the organisation or scheme with which the investment is made is *of high credit quality*. Non-specified investments are all other investments.

- 1.9 The guidance leaves it to each local authority to determine what it considers high credit quality. East Riding of Yorkshire Council demands security of capital as a prime objective. It is considered that those institutions and instruments with a long-term rating of A- or higher and a short-term rating of A2 or higher are commensurate with a low level of risk. These levels constitute the top three (of four) investment grade categories.
- 1.10 Credit ratings alone are not enough. In addition to and complementing credit ratings, the use of other relevant data such as Bloomberg and quality financial press is used to gain further market intelligence and determine those organisations of high credit quality.
- 1.11 Unlike specified investments, where the existence of high credit quality would automatically permit the council to treat the organisation as a counterparty, non-specified investments and loans are risk-assessed at the time an investment is made. Non-specified instruments include investments with a remaining duration greater than one year and institutions and instruments rated below A-.
- 1.12 Diversification is also important in managing credit risk. By setting limits appropriate to all counterparties, investments will be spread across a number of different institutions.
- 1.13 It is not appropriate to limit the value of any investment with the UK Government since default is unlikely to occur. Therefore, deposits with the UK Debt Management Office and investment in UK sovereign debt are unlimited.
- 1.14 Nat West, which is the Council's bank has a higher maximum limit in this Policy than the other specified investments, although an operational limit of £20 million will be applied. The higher Policy limit of £30 million is to allow for unexpected cash inflows, which occasionally occur, and would otherwise lead to a breach of the counterparty limit.
- 1.15 For specified investments, an institution or instrument must be rated by at least two of the three reference agencies and, if these are different, the lowest rating will apply.
- 1.16 Credit ratings are 'live' and therefore subject to change. New ratings may be issued and existing ratings may go up or down. As such, it is not appropriate to include in this statement a list of counterparties meeting the above criteria since it would only be valid at a point in time, although in practice a list is maintained.
- 1.17 Similarly, non-specified investments will be assessed on their merits at the time of investment, having regard to the counterparty, size and duration of the investment, which will not typically exceed five years. The aggregate of non-specified investments is limited to £30 million at any one time.

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- 1.18 Loans will also be assessed on their merits at the time of investment, having regard to the counterparty, size, security or guarantee offered and duration of the investment and how it will contribute to achieving the Council's strategic aims. The term of a loan will not exceed 20 years. The aggregate of loans is limited to £20m at any one time.
- 1.19 The counterparty limits will apply to the Council and the Pension Fund separately.
- 1.20 See also TMP4 *Approved instruments, methods and techniques*.
- 1.21 Applying the principles detailed above provides the following framework, within which counterparties and investment transactions will be made.

	Maximum Limit
1. Specified Investments (limit per counterparty) ¹	
UK Government	Unlimited
Nat West	£30.0m
Local Authorities	£20.0m
Money Market Funds with a minimum rating AAA ²	£20.0m
Banks and Building Societies with a minimum rating of A-/A2 ²	£20.0m
2. Non-specified Investments (limit per counterparty)	
All non-specified investments	£10.0m
3. Loans (limit per counterparty)	
Other Public Bodies and educational establishments	£5.0m
Wholly owned companies or associates	£10.0m
Partnership Arrangements	£10.0m
Charities	£0.5m
4. Other Limits (on day of investment)	
Aggregate value of Non-specified Investments	£30.0m
Aggregate value of Loans	£20.0m

Notes: ¹ Ratings and limits are for guidance only, other information will also be taken into account in determining whether to use a counterparty.

- 1.22 Counterparty creditworthiness does not apply to organisations from which it borrows – the risk is with the lender. However, where borrowing *facilities* need to be in place and failure of those facilities might jeopardise a project, the Council will use credit judgements including, where appropriate, reference agencies in order to be satisfied as to the counterparty's creditworthiness and therefore the future availability of those facilities.
- 1.23 With regard to leasing, advice will be taken from the broker, who will make recommendations concerning financial and non-financial matters. However, as leases are usually arranged for each drawdown there is minimal risk that the Council will lose the facility.

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Liquidity Risk Management

- 1.24 *Definition:* The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business or service objectives will be thereby compromised.
- 1.25 East Riding of Yorkshire Council maintains a cash flow calculation to establish precise cash requirements and ensures its loan portfolio closely matches that requirement. Together with fixed duration investments, cash is placed on deposit in accounts and in saleable instruments that can be accessed immediately.
- 1.26 Where deficits arise, liquidity may be obtained through the money market. Emergency arrangements are available in the form of an agreed overdraft facility with the Council's bankers.
- 1.27 The prudential code requires, as a specific treasury management indicator, upper and lower limits for the maturity structure of the authority's debt. This essentially is normal commercial practice and ensures that no single year will cause refinancing problems.
- 1.28 Borrowing more than or in advance of an authority's needs purely in order to profit from the investment of the extra sums borrowed is prohibited by both the prudential code and MHCLG guidance. East Riding of Yorkshire Council will not borrow in advance of need for this purpose.

Interest Rate Risk Management

- 1.29 *Definition:* The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.
- 1.30 The prudential code requires local authorities to explain their approach to managing interest rate risks. East Riding of Yorkshire Council has set a local treasury management prudential indicator that places limits on its fixed and variable interest rate exposure.
- 1.31 The Council principally uses fixed rate loan instruments and as such locks into known interest rates, thus protecting against fluctuations. Where floating rate instruments are used, these are continuously monitored against expected and actual market rates.

Exchange Rate Risk Management

- 1.32 *Definition:* The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.
- 1.33 Local authorities are statutorily barred from holding foreign currency or transacting loans other than in sterling.

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Inflation Risk Management

- 1.34 *Definition:* The risk that prevailing levels of inflation cause an unexpected or unbudgeted burden on the Council's finances, against which the organisation has failed to protect itself adequately.
- 1.35 East Riding of Yorkshire Council actively monitors actual and expected inflation levels. The Bank of England's Monetary Policy Committee is statutorily obliged to target the consumer prices index measure of inflation (CPI) at 2% (plus or minus 1%), thus expectations are that inflation will be stable.

Refinancing Risk Management

- 1.36 *Definition:* The risk that maturing borrowings, capital, project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation for that refinancing, both capital and revenue, and / or that the terms are inconsistent with prevailing market conditions at the time.
- 1.37 East Riding of Yorkshire Council aims to ensure that, over the medium term, no single year is subject to an excessive repayment of debt. This could be achieved by applying a limit on debt to be repaid in the year, but this is not considered necessary. The profile of the Council's debt portfolio means that around 4% of non-housing debt outstanding is repaid annually.
- 1.38 Following housing finance reform, the Housing Revenue Account business plan drives housing-specific debt repayment. It is planned that this debt will be repaid at 5-yearly intervals with amounts between 5% and 25% of the portfolio in line with cash flow.
- 1.39 The prudential code requires, as a specific treasury management indicator, upper and lower limits for the maturity structure of the authority's debt. This essentially is normal commercial practice and ensures that no single year will cause refinancing problems.

Legal and Regulatory Risk Management

- 1.40 *Definition:* The risk that the organisation itself, or a third party with whom it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.
- 1.41 Sections 1 and 12 of the Local Government Act 2003 empower local authorities to undertake treasury management. The Chief Finance Officer is responsible for this function as set out in the Council's Constitution under section 11, subsection 5 and in section 2.6 of the Council's Financial Procedure Rules.
- 1.42 By using known counterparties and limited instruments the Council can be assured that legal powers and regulatory requirements are met.

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Fraud, Error and Corruption, and Contingency Management

- 1.43 *Definition:* The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.
- 1.44 East Riding of Yorkshire Council operates robust systems in all its treasury management activities. Audit review is conducted, by both internal and external audit, on systems and procedures within the operation. Internal control and internal check are exercised through a segregation of duties involving a restricted number of senior finance staff. The risk of fraud is actively considered as part of the Finance service's operational risk register.
- 1.45 Business continuity and disaster recovery is dealt with in the Finance Business Continuity Plan.

Market Risk Management

- 1.46 *Definition:* The risk that, through adverse market fluctuations in the value of the principal sums an organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.
- 1.47 Permitted instruments include loans, time deposits, money market funds, Certificates of Deposit, Floating Rate Notes, Treasury bills, gilt edged securities, supranational, sub-sovereign and corporate bonds, commercial paper and repurchase agreements as the buyer, provided the collateral is UK government debt.
- 1.48 With the exception of loans, time deposits and repurchase agreements, the instruments are all saleable on the open market and, therefore, subject to fluctuations in capital value. All such assets are purchased with the intention to hold to maturity, thus eliminating market fluctuations. However, premature disposal will be considered where opportunities for capital gain materialise or when there are indications that a counterparty's credit quality has deteriorated.

Risk Management and Review

- 1.49 This Treasury Management Policy and TMPs allow for *normal* market and economic conditions and represents the maximum latitude permitted under delegation to the Section 151 officer.
- 1.50 It is for the Section 151 officer to determine tighter controls or limits in light of unusual market conditions. This may include such things as reduced counterparty limits, duration limits or excluding counterparties or countries/regions.
- 1.51 Such decisions will be agreed and suitably minuted by the Operational Treasury Management Board at its regular meeting.

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- 1.52 Any temporary changes or restrictions will be reported to Council, The Cabinet or the Audit Committee in accordance with *TMP6 Reporting Requirements and Management Information Arrangements*.

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TMP2

PERFORMANCE MEASUREMENT

- 2.1 East Riding of Yorkshire Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.
- 2.2 Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.
- 2.3 The Council recognises however that performance is subordinate to the security of capital and effective control of risk.

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SCHEDULE TO TMP2

PERFORMANCE MEASUREMENT

- 2.1 Performance measurement techniques are kept under regular review.
- 2.2 Where necessary, third party contracts such as banking, leasing brokerage and lessors are tendered, either for a contracted period or for a single contract. For example, the bank contract is awarded by open tender complying with European Union (EU) rules, the leasing broker is renewed annually by informal review on the basis of cost and number of market participants and lessors are appointed by tender for specific drawdowns.
- 2.3 East Riding of Yorkshire Council uses of a variety of information sources in its pursuit of optimum performance, such as Bloomberg, broker research, government and sector benchmarking data, financial newspapers etc.
- 2.4 In the context of best value, the Council strives to meet its obligations by –
- complying with this Code, which has been widely consulted throughout government, industry, local government and other interested users
 - making use of brokers, as well as dealing direct, in order to ensure maximum competition in the marketplace
 - regularly challenging the instruments and counterparties used and considering whether to extend or consolidate arrangements
 - comparing performance, both against others by analysing sector specific statistical information and internally against targets agreed within the service plan.
- 2.5 Performance is measured against agreed targets within the context of the policy statement – performance is subordinate to security of capital and the effective control of risk – and other local authorities by means of statistical data. The treasury management activity **is not a profit centre**.
- 2.6 Internally, investment performance is measured against average Bank Rate, whilst bank balances are expected to be within +£150,000 & –£100,000 on 80% of occasions throughout the year. Debt performance is measured against budgeted expenditure
- 2.7 Whilst not a performance measure, the prudential code requires a specific indicator of “Capital financing costs as a percentage of Net Revenue Stream.” This indicator demonstrates the proportion of the Council’s budget being used to finance debt as opposed to service delivery.

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TMP3

DECISION-MAKING AND ANALYSIS

- 3.1 East Riding of Yorkshire Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

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SCHEDULE TO TMP3

DECISION-MAKING AND ANALYSIS

- 3.1 The Operational Treasury Management Board meets bi-monthly to consider risk, current events and current investment criteria. Its meetings are fully minuted.
- 3.2 For investment, a daily record is kept of prevailing interest rates, cash requirements and subsequent action. More generally, a cash flow is maintained to indicate likely demand over time. For loans and non-specified investments, decisions are considered on an individual basis with reasons clearly recorded.
- 3.3 Borrowing decisions are considered on an individual basis, with reasons for the decision clearly recorded, including details of capital financing requirement and other funding matters.
- 3.4 Leasing of assets is subjected to competition, on the Council's behalf, by the leasing broker who submits a detailed report that compares bids and recommends a lessor. The recommendation is made after considering return conditions, knowledge of the lessor and whole of life costs in addition to headline price. A full option appraisal is carried out to determine whether leasing (operating or finance) or borrowing is the appropriate method of acquisition.
- 3.5 Investment and borrowing decisions will only be made by suitably trained and experienced individuals (TMP10).

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TMP4

APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 4.1 East Riding of Yorkshire Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 *Risk Management*.
- 4.2 Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.
- 4.3 East Riding of Yorkshire Council has reviewed its classification with financial institutions under the Markets in Financial Instruments Directive II (MiFID II) and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client. However, the list can be changed by the Section 151 officer at any time.

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SCHEDULE TO TMP4

APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 4.1 The prime objective of capital security recognises that public money should not be put at risk but returns should not be overlooked. The Council's treasury management strategy for investments seeks to maintain both capital security and financial flexibility (liquidity). Within these constraints the strategy aims to maximise returns.
- 4.2 Ministry for Housing, Communities and Local Government issued guidance, under section 15(1)(a) of the 2003 Act, to which local authorities must have regard. In line with the prudential code, the guidance merely provides for each authority to determine its own controls within the given framework.
- 4.3 The prudential code and guidance make wide-ranging instruments and techniques available to the Council in its treasury management activities. Except for speculative type investments (e.g. equities), local authorities are free to invest money widely. The guidance provides three definitions for investments – loans, specified and non-specified investments.
- 4.4 Loans are those made to investments made to wholly owned companies or associates, a joint venture, or to a third party as part of a wider strategy for local economic growth. Specified investments are those investments denominated in sterling, which are due or may be required to be repaid within 12 months of the date the transaction was made and the organisation or scheme with which the investment is made is *of high credit quality*. Non-specified investments are all other investments.
- 4.5 Permitted instruments include time deposits or loans, money market funds, reverse repurchase agreements with UK Government debt as collateral (REPO), certificates of deposit, Floating Rate Notes, Treasury bills, gilt edged securities, supranational, sub-sovereign and corporate bonds and commercial paper. Investments must be in sterling.
- 4.6 With the exception of cash deposits, loans and REPO, the instruments are all saleable on the open market and, therefore, subject to fluctuations in capital value. All such assets are purchased with the intention to hold to maturity, thus eliminating market fluctuations. However premature disposal will be considered where opportunities for capital gain materialise.
- 4.7 When making loan investments the Council has restricted the type of counterparties to the following categories of borrower: as per the counterparty framework defined in TMP1.
- Other Public Bodies and Educational Establishments
 - Wholly Owned Companies or Associates
 - Partnership Arrangements
 - Charities
- 4.8 Derivative instruments used for hedging purposes will only be used subject to a business case and approval of the Section 151 officer. Forward rate agreements may be used providing that the duration of any such investment commences on the date of agreement, not date of settlement, and such

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duration complies with the limits above. Where market convention is for one or three day settlement (T+1 or T+3) duration is calculated from date of settlement.

- 4.9 The Council does not invest in non-financial assets for treasury management purposes.
- 4.10 Local Authorities were reclassified as retail investors following the introduction of Markets in Financial Instruments Directive II (MiFID II) on 3 January 2018. Prior to this date, financial counterparties had classified the Council as a professional investor and following the change a number of money market funds, brokers and large international banks confirmed they would not provide their services to retail investors and would terminate their relationship with the Council.
- 4.11 The regulation provides an option for a Council with a large treasury management function to request re-classification as an elective professional investor, subject to demonstrating it has significant experience and knowledge. The Operational Treasury Management Board agreed that it was appropriate and necessary for the Council to request re-classification as an elective professional investor, should a financial counterparty require this, to ensure the effective functioning of its treasury management activities.
- 4.12 The organisations with which the Council has registered as a professional client is listed below. However, the list can be changed by the Section 151 officer at any time
- Commonwealth Bank of Australia
 - National Australia Bank Limited
 - Bank of Montreal
 - National Bank of Canada
 - Toronto Dominion
 - Rabobank London
 - Coventry Building Society
 - Blackrock Asset Management (Ireland) Ltd
 - Standard Life Investments
 - JPMorgan Liquidity Fund
 - Morgan Stanley Liquidity Funds
 - Federated Investors (UK) LLP
 - State Street Global Advisors Limited
 - King & Shaxson Limited
 - Tullett Prebon ICAP
 - BGC Brokers LP
 - Tradition (UK) Ltd
 - Institutional Cash Distributors Ltd
- 4.13 Sources of borrowing are unrestricted except that it must be in sterling. Bank loans, including any with a lender's or borrower's option (LOBO) and stock issues are examples of types of borrowing. The Council's main source of borrowing is the Public Works Loan Board. This organisation is part of the Debt Management Office; an executive agency of Her Majesty's Treasury

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tasked with offering loans to public bodies at a cost marginally above government funding rates. These funds are normally always accessible. All borrowing decisions will be reviewed and approved by the Section 151 Officer

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TMP5

ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 5.1 East Riding of Yorkshire Council considers it essential, for the purposes of effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 5.2 The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.
- 5.3 If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 officer will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.
- 5.4 The Section 151 officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.
- 5.5 The Section 151 officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.
- 5.6 The delegations to the Section 151 officer in respect of treasury management are set out in the schedule to this document. The Section 151 officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the *Standard of Professional Practice on Treasury Management*.

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SCHEDULE TO TMP5

ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 5.1 The Council is responsible for approving and amending policies, including the Treasury Management Policy, in accordance with its constitution. The Council is also responsible for budget consideration and approval. The Cabinet receives and reviews reports on treasury management policies, practices and activities and makes recommendations to Council as it considers necessary. The Audit Committee is charged with scrutiny and review of the Treasury Management Policy, procedures and management of risk.
- 5.2 Section 11 of the constitution, together with the financial procedure rules, provide the necessary delegations to the Section 151 officer, who is required to ensure effective arrangements for treasury management.
- 5.3 The following summarises the organisation of treasury activities –

Council/The Cabinet

- Approval of Treasury Policy Statement
- Approval of annual Treasury Management Strategy
- Receiving and reviewing reports on treasury management policies, practices and activities

Audit Committee

- Review and scrutiny of Treasury Management Policy
- Review and scrutiny of treasury activity

Section 151 officer

- Executive responsibility for treasury activities
- Monitoring compliance with the Treasury Management Policy
- Management of risk within the boundaries of the Treasury Management Policy
- Report to those charged with governance on treasury policy and activity

Operational Treasury Management Board (OTMB)

- Consider operational treasury matters
- Monitor risk and set or ease additional restrictions within the boundaries of the Treasury Management Policy
- An OTMB member must authorise the daily investment & borrowing transactions confirming they are within the approved policy framework.

Treasury Manager/Officer

- Execution of transactions within approved framework
- Management of counterparties
- Monitoring risk and opportunity and reporting to Section 151 officer and OTMB

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Back Office Support

- Administrative assistance to provide internal check on documentation used to support executed transactions
- 5.4 Treasury management procedures are maintained, providing detailed working arrangements and practices employed on a day-to-day basis.

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TMP6

**REPORTING REQUIREMENTS AND
MANAGEMENT INFORMATION ARRANGEMENTS**

- 6.1 East Riding of Yorkshire Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.
- 6.2 As a minimum, the Council will receive:
- an annual report on the strategy and plan to be pursued in the coming year
 - a mid-year review
 - an annual report on the performance of the treasury management function, on the effects of decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's Treasury Management Policy and TMPs.
- 6.3 The Audit Committee will receive regular monitoring reports on treasury management activities and risks.
- 6.4 The Audit Committee will have responsibility for the scrutiny of treasury management policies and practices.
- 6.5 Treasury management indicators will be reported in a suitable manner to the Council.
- 6.6 The present arrangements and the form of these reports are detailed in the schedule to this document.

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SCHEDULE TO TMP6

**REPORTING REQUIREMENTS AND
MANAGEMENT INFORMATION ARRANGEMENTS**

- 6.1 The Council has delegated to The Cabinet all matters within policy. As a minimum, The Cabinet will receive a report –
- On or before the first working day of the financial year to set a strategy for treasury management activities for that financial year
 - A mid-year review detailing treasury management activities undertaken during the current financial year
 - Before 30 September, The Cabinet will receive an annual report detailing the treasury management activities undertaken during the preceding financial year.
- 6.2 The Council receives a report detailing prudential indicators alongside the review of its capital programme at least twice a year.
- 6.3 The Cabinet will receive a report at any time during the year concerning matters that may arise of an urgent nature or fall outside the Treasury Management Policy or strategy for treasury management.
- 6.4 The Audit Committee will receive regular reports at its meetings on treasury management activities and compliance with the Treasury Management Policy and Strategy during the preceding period
- 6.5 Executive decisions regarding treasury management are delegated to the Section 151 officer. A report covering the activity of the treasury management function is submitted weekly to the officers involved in the treasury management function. The report consists of a note of loans outstanding, daily transactions, bank account balances and a summarised cash flow for the previous week, together with explanations for unusual or unexpected results. The report also provides a forecast of investments at the end of the following week, an overview of money market fund exposures and a brief note of market issues affecting treasury management.
- 6.6 As necessary, reports will be prepared for the Operational Treasury Management Board, an executive group chaired by the Section 151 officer. The Board considers matters concerning risk.

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TMP7

BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 7.1 The Section 151 officer will prepare, and Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with the associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement*, and TMP4 *Approved instruments, methods and techniques*. The Section 151 officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.
- 7.2 East Riding of Yorkshire Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

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SCHEDULE TO TMP7

BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 7.1 The treasury management activity **is not a profit centre**. The Service Reporting Code of Practice defines Corporate Management to include “the costs of treasury management and bank charges...” The products of treasury management – investment income, interest costs and leasing rentals – are accounted for in accordance with CIPFA’s Code of Practice on Local Authority Accounting in the Council’s annual statement of accounts.
- 7.2 Internal audit carry out procedures on an annual basis to provide management with the assurance of controls operating within the activity under review and the exposure to risks that control weaknesses may cause.. .
- 7.3 External audit review a sample of treasury management transactions and balances in the course of the statutory audit of statement of accounts on an annual basis.

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TMP8

CASH AND CASH FLOW MANAGEMENT

- 8.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of East Riding of Yorkshire Council will be under the control of the Section 151 officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 *liquidity risk management, and for the purpose of identifying future borrowing needs (using a liability benchmark where appropriate)*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

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SCHEDULE TO TMP8

CASH AND CASH FLOW MANAGEMENT

- 8.1 The council's cash flow is relatively consistent throughout the year. Two cash flow forecasts are maintained: a three-year forecast at a high level and a more detailed, short-term cash flow.
- 8.2 Of its £1.1 billion income, some £450 million is received from Government (received on a fortnightly, monthly or quarterly basis). A further £345 million is collected from council tax and business rates, mostly by monthly direct debit. Of the remaining £355 million, the majority is received on a daily basis.
- 8.3 On the expenditure side, significant payments include salaries of £250 million, Tax, National Insurance and pension contributions of £49 million, and fire and police precepts totalling £49 million per annum, paid on a monthly basis. Debt and interest payments of £7 million are made half yearly. The remainder is paid out on a regular, daily basis with no significant peaks or troughs.
- 8.4 A short cash flow forecast, highlighting the significant numbers referred to above, is kept by the dealer. This provides a quick reference guide to specific cash needs. A nominal sum is retained in a call account (iceberg) or money market fund to meet uncovered demands for funds, although there is no defined minimum or maximum.
- 8.5 The Section 151 officer and other officers involved in the treasury management function receive, as part of the weekly information report, a summarised cash flow for the preceding week together with a brief forecast of the coming week.

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TMP9

MONEY LAUNDERING

- 9.1 East Riding of Yorkshire Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

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SCHEDULE TO TMP9

MONEY LAUNDERING

- 9.1 The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering & Terrorist Financing and Transfer of Funds Regulations 2017 and amendment in 2019 together impose a duty on regulated business and its employees to report suspicions of money laundering and criminal sanctions can be brought against individuals for failure to do so. Whilst the Council is not a regulated business for the purpose of the regulations it needs to ensure that it takes steps to comply with the spirit of the legislation which imposes criminal penalties upon individuals who are involved in money laundering activities and who fail to report their suspicions of dishonesty.
- 9.2 Disclosures are made to the National Crime Agency (NCA) which evaluates them, filtering out bogus, spurious and unhelpful disclosures, then passing on valid useful disclosures to the appropriate police force or Her Majesty's Revenue and Customs. Each police force has its own financial intelligence section to deal with referrals.
- 9.3 The money laundering guidelines are incorporated into the Council's Counter Fraud Policy. Any suspicion of money laundering is required to be reported to the Council's Money Laundering Reporting Officer (MLRO), the Audit and Technical Manager.
- 9.4 To ensure, as far as possible, that the individuals involved in treasury management can be satisfied as to the authenticity of the lender or borrower, the Council will only deal with known counterparties whose credentials can be verified independently. In practice, this will mean dealing with organisations authorised under banking or financial services legislation or who are listed on the London Stock Exchange and whose bona fides can be confirmed by, inter alia, reference to Bloomberg or credit reference agencies.

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TMP10

TRAINING AND QUALIFICATIONS

- 10.1 East Riding of Yorkshire Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 officer will recommend and implement the necessary arrangements.
- 10.2 The Section 151 officer will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 10.3 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 10.4 The present arrangements are detailed in the schedule to this document.

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SCHEDULE TO TMP10

TRAINING AND QUALIFICATIONS

- 10.1 East Riding of Yorkshire Council is committed to employing appropriately qualified and experienced staff.
- 10.2 Those involved in day-to-day treasury management operations will be expected to hold, as a minimum, Association of Accounting Technicians qualification or be part qualified members of one of the main Consultative Committee Of Accountancy Bodies (CCAB). Treasury management specific qualifications, such as those issued by the Association of Corporate Treasurers are also acceptable.
- 10.3 Suitable resources are made available to enable staff to fully understand the operation. This may include appropriate external training courses where necessary. On-going skills and experience updates will include seminars or other market-sponsored events.
- 10.4 The Section 151 officer will ensure that those charged with governance have access to the skills and knowledge they require to carry out their role effectively with regard to treasury management. Suitable seminars will be provided as part of the regular training provided to Members.

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TMP11

USE OF EXTERNAL SERVICE PROVIDERS

- 11.1 East Riding of Yorkshire Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons that will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed.

The monitoring of such arrangements rests with the Section 151 officer and details of the current arrangements are set out in the schedule to this document.

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SCHEDULE TO TMP11

USE OF EXTERNAL SERVICE PROVIDERS

- 11.1 A number of services to aid the treasury management function are available to the Council and include banking, brokerage, consultancy and advisory.
- 11.2 The Council's main banker is appointed by open tender.
- 11.3 To promote competition and as far as possible ensure the best available terms, the Council uses a number of money market brokers whose role is to match bids and offers.
- 11.4 External advisors are available to provide advice on such things as treasury policy, strategy and counterparty risk, together with debt restructuring opportunities. Where such appointments are made they will be by open tender. Where advisers are used, it is recognised that responsibility for decisions rests with the Council. Any external advice commissioned will therefore be additional information to aid that decision making. Other sources of information are available and are regularly used by the Council.
- 11.5 External managers may be appointed to manage such part of the Council's surplus monies as may be agreed by Council from time to time. Where such appointments are made, the managers must act within this Treasury Management Policy and in accordance with a lending list approved by the Section 151 officer.
- 11.6 Leasing is a complex area. Whilst the process can be managed in-house, the detailed knowledge of a broker means that the ultimate lessor is likely to be known in terms of past performance and non-financial competitiveness.

OFFICIAL
TREASURY MANAGEMENT POLICY

TMP12

CORPORATE GOVERNANCE

- 12.1 East Riding of Yorkshire Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 12.2 East Riding of Yorkshire Council has adopted and has implemented the key principles of the CIPFA's Code of Practice on Treasury Management in the Public Services. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

SCHEDULE TO TMP12

CORPORATE GOVERNANCE

- 13.1 The Council is committed to embracing the principles of corporate governance in its treasury management activities, notably openness and transparency. This Treasury Management Policy, together with the adoption of the Treasury Management in the Public Services Code of Practice, provides a clear framework for demonstrating the integrity of the operation.
- 13.2 Reports to The Cabinet and the Audit Committee are public documents. The robust treasury management organisational structure together with its well-defined responsibilities and separation of duties and arrangements for audit enhance the accountability of the activity.
- 13.3 The Council's code of corporate governance deals with the fundamental principles that underpin good corporate governance and is applicable to all Council activity, including treasury management.

OFFICIAL
TREASURY MANAGEMENT POLICY

INVESTMENT MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS

- 14.1 East Riding of Yorkshire Council recognises that investment in other financial assets and property for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios. The Section 151 officer must be consulted and approve all non-treasury management investments.
- 14.2 East Riding of Yorkshire Council will ensure that all the Council's investments are covered in the Treasury Management Strategy for treasury management investments or the Capital Strategy, for non-treasury investments, and will set out, where relevant, the Council's risk appetite and specific policies and arrangements for non-treasury investments (referred to as investment management practices (IMPs) in CIPFA's Treasury Management code). It will be recognised that the risk appetite for non-treasury investments may differ from that for treasury management investments.
- 14.3 East Riding of Yorkshire Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisations risk exposure.
- 14.4 The Council's Capital Strategy will set out the detailed approach towards non-treasury investments held fully or partially for financial return, along with the summary of investments referred to above and the prudential and other quantitative indicators.

Appendix B: Treasury Management Strategy

Treasury Management Strategy 2026-27

1. Treasury Management Strategy

- 1.1 The prime objective of the Authority's investment strategy is to maintain capital security whilst ensuring that there is the necessary liquidity to carry out its business. Within these constraints, the strategy aims to maximise returns.
- 1.2 The borrowing strategy aims to minimise both the revenue cost of debt and the potential volatility of these costs which can arise from changes to interest rates.
- 1.3 One revenue consequence of borrowing is the statutory requirement to set aside an amount for repayment of debt, known as Minimum Revenue Provision (MRP). Regulations require the Authority to determine annually a principle by which MRP will be determined.
- 1.4 The Treasury Management Strategy aims to protect the Authority from market-related risks by monitoring interest rates, economic indicators and UK and overseas government finances and reacting accordingly. A range of information sources are used to inform economic analysis and forecasts.
- 1.5 The Authority has established arrangements with the Finance team at East Riding of Yorkshire Council to operate its treasury management arrangements.
- 1.6 The following paragraphs represent the detailed strategy to be followed during 2026-27.

2. Investment

- 2.1 Except for speculative type investments (e.g. stock market), local authorities are free to invest money widely. The Ministry of Housing, Communities and Local Government (MHCLG) guidance defines three types of financial investment, these are loans, specified investments and non-specified investments.
- 2.2 Loans are those investments made to wholly owned companies or associates, joint ventures, or to third parties as part of a wider strategy for local economic growth. Specified investments are those investments denominated in sterling, which are due or may be required to be repaid within 12 months of the date the transaction was made and the organisation or scheme with which the investment is made is of "high credit quality". Non-specified investments are all other investments.
- 2.3 The guidance leaves it to each local authority to determine what it considers to be "high credit quality". The authority demands security of capital as a prime objective. It is considered that those institutions with a long-term rating of A- or higher combined with a short-term rating of A2 or higher are commensurate with a low level of risk. These levels constitute the top three (of four) credit ratings considered to be "investment grade". An investment grade credit rating indicates the risk of default is low and is considered a benchmark of quality for investment managers. The fourth level of investment grade is also referred to as "speculative grade" as the investment would be vulnerable to changing economic conditions. Below this level ratings are classified as "junk" indicating the investment could quickly run into difficulties.

- 2.4 In addition to and complementing credit ratings, real-time market data monitoring and quality financial press are used to gain further market intelligence and verify organisations of high credit quality. Non-specified investments are risk-assessed at the time an investment is made.
- 2.5 Loans will also be assessed on their merits at the time of investment, having regard to the counterparty, size and duration of the investment and how it will contribute to achieving the authority's strategic aims.
- 2.6 Investment risk cannot be entirely eliminated but is managed through the credit and counterparty framework set out in the Treasury Management Policy. An extract from the Treasury Management Policy is included at Appendix 1, which sets out the limits that apply to each counter party and the portfolio as a whole.
- 2.7 East Riding of Yorkshire Council's Operational Treasury Management Board (OTMB) considers risks within treasury management operations. The OTMB is an officer group that meets on a bi-monthly basis and is chaired by the Director of Finance. It considers operational treasury matters, monitors treasury risks and market conditions, and formally reviews and amends investment criteria within the Treasury Management Policy as appropriate. One of the two senior officers who authorise the daily investment and borrowing transactions must be an OTMB member, confirming the transactions are within the approved policy framework.
- 2.8 The OTMB has continuously reviewed the treasury risk environment and its impact on investment returns. In light of the prime objective of capital security, the restriction to the investment criteria in the Treasury Management Policy preventing investment in banks domiciled in the Middle East remains in place, in view of the ongoing conflict and political instability in the region.
- 2.9 CIPFA's Code of Practice on Treasury Management in the Public Services requires the Authority to set out its approach to non-financial and non-treasury investments. Non-financial investments are investments which are not held as a financial instrument, e.g. a property holding rather than a bond. Non-treasury investments are investments which are held for purposes other than treasury management, e.g. to generate a long-term return. The Authority's treasury management function does not invest in non-financial assets. In accordance with guidance, any non-treasury investment decisions are subjected to a rigorous risk assessment process, including option appraisal and scenario analysis, and the reasons for these investment decisions are clearly explained. The authority does not currently hold any non-treasury investments.
- 2.10 As with treasury investments, the Authority will give priority to security and then liquidity over yield. The Authority will ensure that the level of any related debt taken on and the aggregate risk is proportional to the size of the authority. It will also be clear about the contribution made from non-core investments towards core functions and disclose any dependence on commercial income to deliver statutory services. If the specialist expert knowledge required to evaluate and make the investment decision is not available within the Authority, external advice and training will be sought. The Authority's Capital Strategy sets out the approach to managing capital investment, including the governance and decision-making process.

3. Borrowing

- 3.1 The Combined Authority's power to borrow to raise funding for its functions is expected to be confirmed by the passing of the English Devolution and Community

Empowerment Bill. In general, the local authorities can borrow for one of two purposes – to finance cash flow in the short term or to fund capital investment over the longer term. It is anticipated that it will be necessary to borrow during 2026-27 to fund the capital investment plans for 2026-27 and replace internal cash balances that have been used to defer the borrowing required to fund past capital expenditure. This is currently projected to be up to £123m by the end of the current financial year. Economic market conditions and expectations will be closely monitored and a 'trigger point' of 4.5% will be used for active consideration to be given to taking borrowing if the 25-year Public Works Loan Board (PWLB) fixed rate falls below this level. Active consideration of borrowing may also take place if short-term forecasts of cash and cash equivalent balances fall to a level which sufficiently increases liquidity risk, i.e. risk to the level of funds available which are necessary for the achievement of the Authority's business and service objectives. The OTMB will be consulted when determining the timing and amount of external borrowing required for 2026-27.

- 3.2 Local authorities are able to borrow from the Public Works Loan Board (PWLB), a lending facility for local authorities operated by the UK Debt Management Office on behalf of HM Treasury, and would expect to be able to meet its needs from that source. However, loans are also available from other sources and these will also be considered if the costs/terms of such loans are favourable. The PWLB will not lend to any local authority that plans to buy investment assets primarily for yield anywhere in their capital plans, regardless of whether the transaction would be financed from a source other than PWLB. The Section 73 Officer (Director of Finance) must confirm that there is no intention to buy investment assets primarily for yield at any time in the next 3 years and must submit a high-level description of the capital expenditure for this period.
- 3.3 The Prudential Code supports the current PWLB lending terms to reduce the risks taken by some local authorities in their investment activity. All investments and investment income must be attributed to a primary purpose of Treasury Management, Service Delivery or Commercial Return activity.
- 3.4 Local authority investments (including commercial property) may be categorised in accordance with the **primary purpose** of the investment, requiring Chief Finance Officers to make a judgement as to the primary purpose of investments.
- 3.5 The Code states that authorities "must not borrow to invest primarily for financial return". It also says that it is not prudent for them to make any investment or spending decision that could increase the need for borrowing, unless related to the functions of the authority and where financial returns are "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".
- 3.6 Authorities which have an expected need to borrow should review options for exiting their financial investments for commercial purposes, and summarise the review in their annual treasury management or investment strategies. The options should include using the sale proceeds to repay debt or reduce new borrowing requirements. The reviews should evaluate whether to meet planned borrowing needs by taking new borrowing or by repaying investments, based on a financial appraisal which takes account of financial implications and risk reduction benefits. To avoid confusion, CIPFA have clarified in the code that authorities with existing commercial investments (including property) are not required to sell those investments.
- 3.7 The Code does not impose any restrictions on local authorities' borrowing for purposes core to their core aims, such as for housing and regeneration projects, or

for treasury management purposes. The Authority holds investments under the treasury management category.

- 3.8 The Authority's debt portfolio will be managed to ensure that the maturity profile will not leave any one future year with a high level of repayments that could present difficulties in refinancing. In line with this, long term borrowing will generally be taken on the basis of equal instalment of principal or annuity, rather than maturity, thereby spreading repayments over future years. Fixed rate loans are usually taken to lock into known interest rates, thus protecting against fluctuations and providing certainty when managing and setting the budget.
- 3.9 Whilst the current interest rate structure means it is not currently cost effective to refinance, the Authority will actively consider opportunities to refinance the borrowing portfolio should they arise.

4. Management of Risk

- 4.1 Credit and counterparty risk and market risk (the risks associated with the core principles of security, liquidity and yield) are managed within and monitored against the framework approved in the Treasury Management Policy.
- 4.2 Investment is mainly by cash deposits with financial institutions. However, in order to increase diversification, it is possible to purchase financial assets issued by banks, non-financial companies, sovereigns and sub-sovereign organisations. These assets, such as Certificates of Deposit and bonds, are bought with a view to accessing counterparties not normally available to the Authority.
- 4.3 Investment may be made in pooled investment funds such as money market funds or other regulated UCITS (Undertakings for the Collective Investment in Transferable Securities) funds. These are professionally managed funds which can provide greater levels of diversification than are available to East Riding of Yorkshire Council as an individual investor. During 2026-27, the Council will be continuing to enhance the diversification and returns that are offered by such funds.
- 4.4 Limited use of derivatives to manage risk appears to be permitted by the Localism Act 2011 and the latest CIPFA Code of Practice on Treasury Management. However, Government has been silent on this matter and it is likely that it will be left for the courts to determine. Consequently, the use of derivatives will not be considered until the situation becomes clarified.
- 4.5 The OTMB continues to meet bi-monthly, chaired by the Director of Finance, to consider issues of best practice, market conditions and intelligence and formally review the restrictions in place over investment and borrowing within the limits set out in the Treasury Management Policy.
- 4.6 The Treasury Management Policy permits East Riding of Yorkshire Council to request re-classification as an elective professional investor under the Markets in Financial Instruments Directive II (MiFID II) directive, should a financial counterparty require this, to ensure the effective functioning of its treasury management activities. The Council has considerable experience and knowledge of the risks involved in investing in a range of financial instruments and as such is not exposed to unmanageable risk as a result of the non-application of regulatory protections offered to retail investors.

5. MRP Statement

- 5.1 A revenue consequence of borrowing is the statutory requirement to set aside an amount for the repayment of debt, known as Minimum Revenue Provision (MRP). Regulations require the authority to annually determine a principle by which MRP will be determined.
- 5.2 MHCLG guidance requires that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that year and submits it to the Executive.
- 5.3 Regulations require the amount of MRP charged to be a prudent amount. The broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government funding, reasonably commensurate with the period implicit in the determination of that funding.
- 5.4 MHCLG guidance states the maximum useful life of an asset should not normally exceed 50 years when calculating MRP using an asset life method. However, where a local authority has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50 years, it can use the life suggested by its professional advisor. For a lease or PFI asset, the length of the contract should be used.
- 5.5 It is recommended that the Authority continues to apply the following policy to determine its MRP for 2026-27:
- The asset life method is to be used to calculate MRP for the remaining Capital Financing Requirement (CFR) relating to capital expenditure incurred before 1 April 2007. An average asset life of 51 years has been determined for the pre-2007-08 assets on the Balance Sheet.
 - The asset life method is to be used to calculate MRP for all debt-financed General Fund capital expenditure incurred from 1 April 2007 reflected within the CFR, with the asset life determined from the outset and MRP charged in the year following the one in which the expenditure is incurred, with the exception of:
 - a) Where expenditure is incurred over more than one year, then the asset life and MRP shall commence in the year the asset becomes operational in accordance with proper accounting practice,
 - b) Deemed capital expenditure financed by borrowing which will have an asset life as prescribed in the guidance,
 - c) Finance leases and PFI assets which will have a life determined by the life of the financial instrument as a proxy for asset life. Use of the financial instrument life to determine MRP is similar to the prescribed life in respect of deemed capital and associates the charge to revenue with cash flows, and
 - d) In the case of non-commercial service-driven capital loans and leases-out financed by borrowing, where the third party is contractually obliged to repay in full and the arrangement has been assessed with no material expected credit losses identified, no MRP will be charged. In these instances, the annual repayment includes a capital receipt which will be used to reduce the CFR (repay the associated debt) in lieu of MRP.

EXTRACT FROM THE TREASURY MANAGEMENT POLICY

Credit and Counterparty Risk Management

For specified investments, an institution or instrument must be rated by at least two of three reference agencies and, if these are different, the lowest rating will apply.

Credit ratings are 'live' and therefore subject to change. New ratings may be issued and existing ratings may go up or down. As such it is not appropriate to include in this statement a list of counterparties meeting the above criteria since it would only be valid at a point in time, although in practice a list is maintained.

Similarly, non-specified investments will be assessed on their merits at the time of investment, having regard to the counterparty, size and duration of the investment, which will not typically exceed five years. The aggregate of non-specified investments is limited to £30 million at any one time.

Loans will also be assessed on their merits at the time of investment, having regard to the counterparty, size and duration of the investment and how it will contribute to achieving the Authority's strategic aims. The term of a loan will not exceed 20 years. The aggregate of loans is limited to £20m at any one time.

Applying the principles detailed above provides the following framework, within which counterparties and investment transactions will be made.

	Maximum Limit
1. Specified Investments (<i>limit per counterparty</i>)	
UK Government	Unlimited
Nat West	£30.0m
Local Authorities	£20.0m
Money Market Funds with a minimum rating AAA ²	£20.0m
Banks and Building Societies with a minimum rating of A-/A2 ²	£20.0m
2. Non-specified Investments (<i>limit per counterparty</i>)	
All non-specified investments	£10.0m
3. Loans (<i>limit per counterparty</i>)	
Other Public Bodies and educational establishments	£5.0m
Wholly owned companies or associates	£10.0m
Partnership Arrangements	£10.0m
Charities	£0.5m
4. Other Limits (<i>on day of investment</i>)	
Aggregate value of Non-specified Investments	£30.0m
Aggregate value of Loans	£20.0m

Notes: ¹Ratings and limits are for guidance only, other information will also be taken into account in determining whether to use a counterparty.



Report to the Hull and East Yorkshire Combined Authority

12 February 2026

The HEYCA Gameplan – Prosperity and opportunity for all

Report of the Interim Chief Executive

Report Status:

This item is not exempt

Therefore exempt reasons are not applicable

This is a non-key decision.

1. Purpose of the Report and Summary

- 1.1 This report provides an update on the development of the HEYCA Gameplan and includes a final draft version for adoption (at Annex A).

2. Recommendations

2.1 The Board is asked to:

- Adopt the HEYCA Gameplan (Annex A) as the keystone document in the Combined Authority's strategic framework.
- Delegate authority to the Chief Executive to make any necessary drafting amendments.
- Agree to provide an update on progress against identified outcomes once a year.

- Give due regard to the issues considered in the accompanying Equalities Analysis (Annex B).

3. **Reasons for Recommendations**

- 3.1 The Gameplan is an important first step in establishing a clear strategic framework to guide policy and investment decision making. It describes the role of the Combined Authority and its organisational priorities, governance arrangements and ways of working; acts as an early statement of what the CA will do, through statements of policy aspiration and initial Portfolio delivery plans that commit to near-term and medium-term actions; and establishes a framework of outcomes across the range of HEYCA activity, against which future progress can be assessed.

4. **Background**

- 4.1 Following the May election, Mayor Campbell established a framework of strategic priorities for the Combined Authority. These are set out in **appendix 1**, below. The Mayoral priorities informed the design of the Portfolio arrangements adopted by the HEYCA Board in July. The alignment of priorities and Portfolios is shown in the diagram at **appendix 2**.

- 4.2 A draft Gameplan document was published in September that was focused on the Mayor's priorities and incorporated commitments from the devolution deal, which had been extensively consulted on, with over 4,000 responses to an online survey and an aligned programme of focus groups to ensure boosted samples for key groups.

- 4.3 The draft Gameplan document was discussed in a range of stakeholder groups, including at a full-day policy sprint in November. It was also formally considered by the Business Board in October. The Overview and Scrutiny Committee discussed the Gameplan at length with the Mayor in November and comments on the key points raised in at that session – including reference to a number of changes made as a result – are included at Appendix 1 below.

5. Progress and refinements

- 5.1 Since the draft Gameplan was published for consultation, the Hull and East Yorkshire Combined Authority and its partners have made notable progress across our strategic priorities. These achievements demonstrate early momentum and help build confidence in what the Gameplan can deliver when backed by sustained partnership working.
- 5.2 One of the most visible milestones has been the **launch of the Community Investment Fund** and the allocation of the first rounds of funding to local projects. This has begun to channel resource into neighbourhood-level initiatives that support community-led activity that contributes to Gameplan outcomes.
- 5.3 HEYCA secured a significant allocation from the new **Local Growth Fund**, with around £30 million earmarked to support infrastructure, business growth and inclusive opportunities over the coming years. This reflects confidence from government in our plans and aligns with our objectives to back key enablers of prosperity in all parts of the region.
- 5.4 On the Fit and Healthy priority, the initial **Get Hull and East Yorkshire Working Plan** has been formally approved. This integrated strategy tackles economic inactivity by linking work and health support, backed by partners across the NHS, employment services and local organisations. Its endorsement and next steps mark a significant step towards joined-up outcomes in work, wellbeing and earnings.
- 5.5 The Combined Authority's engagement at national events has also reinforced the region's visibility. Attendance at the **Regional Investment Summit in Birmingham** provided an opportunity to showcase our economic potential, make connections with investors, and underline our intent to attract capital into sectors such as energy, logistics and advanced manufacturing. At the same time, ongoing work on the **Local Growth Plan** continues to secure input from business and community stakeholders, and progress has been recorded towards a final strategy that will underpin future investment decisions.
- 5.6 Taken together, these developments illustrate how the Gameplan's priorities – good jobs, better connected, fit and healthy, and affordable homes – are already shaping real programmes and influencing funding flows.

Responding to consultation – how the Gameplan has been strengthened

5.7 Feedback from a range of stakeholders has directly informed changes to the final Gameplan. This responsiveness underscores our commitment to co-design and accountability.

5.8 A key improvement in the final Plan is the addition of **baselines and direction-of-travel indicators within the outcomes framework**, supporting clearer tracking of progress over time. This gives residents and partners a way to see how the region is moving against shared priorities. The Executive Board are recommended to provide an annual update on outcomes to aid transparency and scrutiny of their work.

5.9 We have also **added deadlines for key deliverables**, making the timetable for delivery more explicit and support planning and accountability across portfolios.

5.10 Respondents highlighted specific local concerns, and the narrative has been updated to reflect these. This includes an explicit reference to broader age significance of **NEET** (not in education, employment or training) issues, and strengthened references to the importance of **rural transport**, reflecting the distinct connectivity needs outside urban centres.

5.11 Additionally, we strengthened the emphasis on **isolation and deprivation** in the narrative, acknowledging how geography, access and social factors influence opportunity and wellbeing across Hull and East Yorkshire.

5.12 These refinements have made the final Gameplan more transparent, reflective of significant local priorities, and attuned to the lives of people in our region.

6. Equalities Impact Information

6.1 An updated Equalities Analysis is enclosed at Annex B and should be considered in discussing this item.

7. Options and Risk Assessment

7.1 Adopting a clear statement of shared priorities serves to mitigate a range of risks linked to performance and resources management.

- 7.2 The consultation undertaken, including with key advisory bodies, mitigates the risk that shared priorities are developed that do not reflect the views of Board members and key partners.

8. **Legal Implications and Statutory Officer Comments**

- 8.1 The Gameplan is a non-statutory statement of priorities and there are no legal implications arising out of this report.

9. **Financial Implications and Statutory Officer comments**

- 9.1 There are no current financial implications arising from the recommendations within this report. Financial implications will arise from future decisions made within the recommended framework, if adopted, which will be guided by statutory officer advice at that time

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Officer Interests:

None

Appendices:

Appendix 1: Mayoral priorities framework

Appendix 2: Mayoral priorities and portfolios

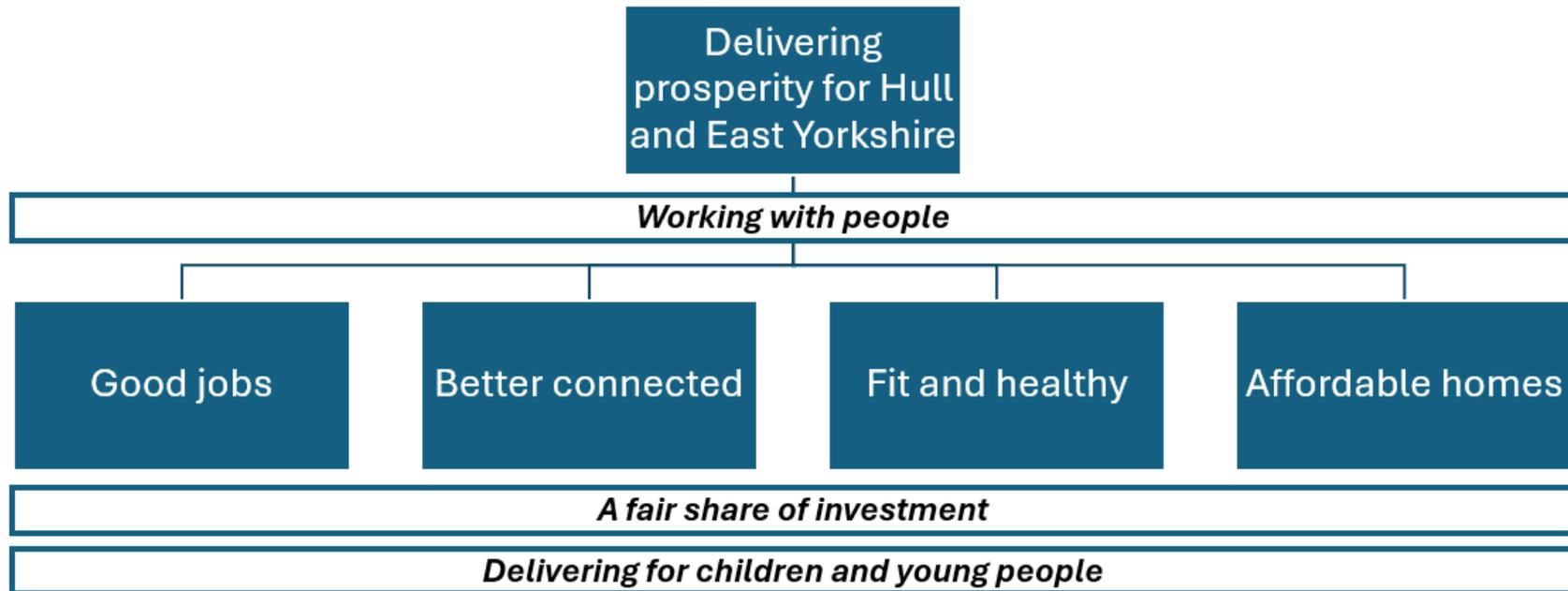
Appendix 3: Comments on issues raised at Advisory Committees

Annex A: The HEYCA Gameplan

Annex B: Equalities Analysis

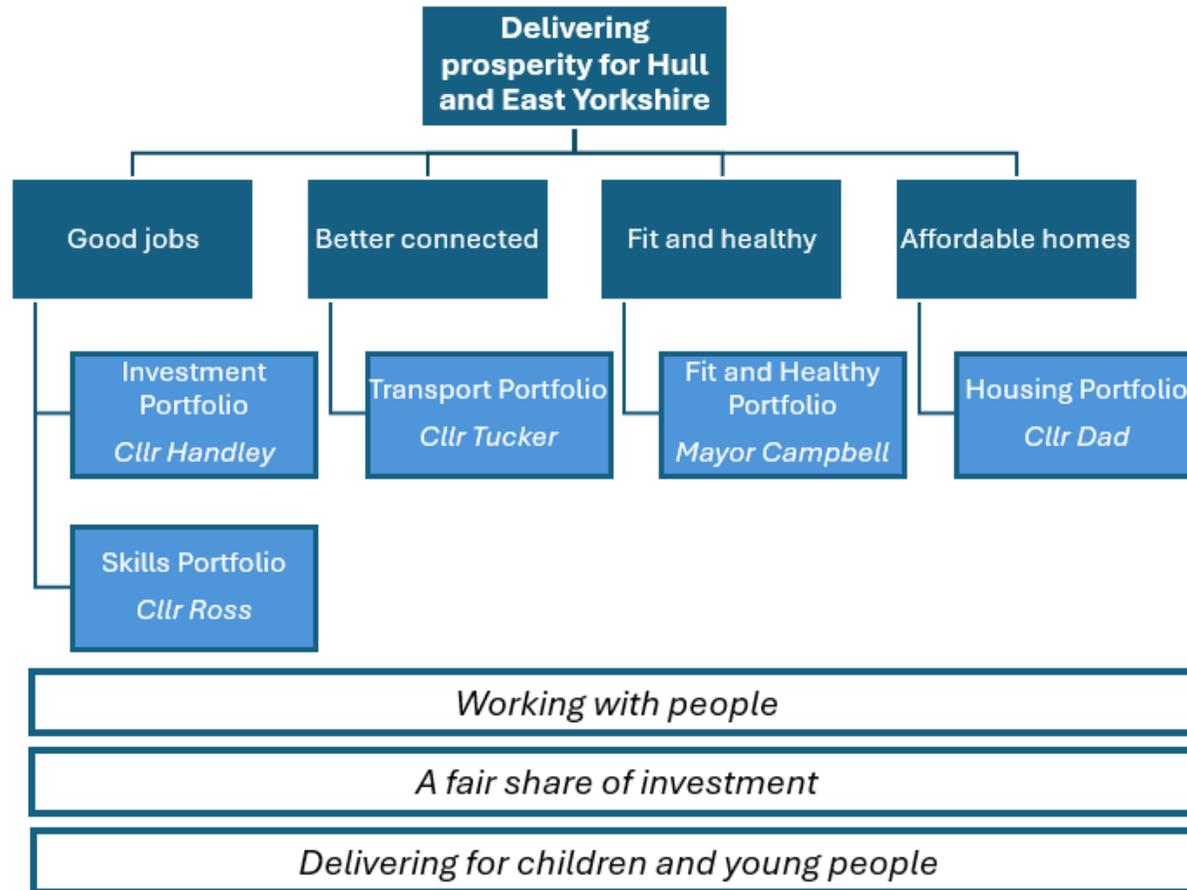
Appendix 1

Mayoral priorities framework



Appendix 2

Mayoral priorities and Portfolios



Appendix 1 - Comments on issues raised by Overview and Scrutiny Committee (19 November 2025)

Area	Issue raised by Committee	Comments
Data & Measurement	Include relevant KPIs to monitor and track change.	The Gameplan now includes up to date baseline data against the identified KPIs. Direction of travel indications are also provided.
	Populate outcomes with baseline data and provide annual updates.	
	Provide regular progress reporting against key priorities.	The Executive Board are recommended to provide an annual update on progress.
Youth Engagement	Amend Not in Education, Employment and Training (NEET) age bracket to 14–24 as it affects deprivation.	It is recognised and accepted that NEET issues are of concern for a broader age cohort, and reference to this has been added to the Gameplan. The age distinction (16-17) is only used for the formal indicator of NEET as this is the information captured in national data sets.
	Explore ways to engage young people, including an option of creating a Youth Advisory Board or similar.	The Mayor and Combined Authority are currently actively exploring options in this area.
	Strengthen Further Education/Higher Education (FE/HE) partnerships with employers and explore tangible ways to address graduate retention.	These issues are being explored in the development of the Local Growth Plan, which is better placed to give them full consideration.
Sector Issues	Recognise the fishing industry within the agri-food sector and address challenges attracting new entrants.	These issues are being explored in the development of the Local Growth Plan, which is better placed to give them full consideration.
	Address rural transport issues that may affect delivery, accessibility and access.	The Gameplan makes several commitments to tackling rural transport challenges. Where appropriate these have been strengthened in the final draft.

Resolutions	Isolation and deprivation strategies become key priorities across education, employment, skills, transport, housing, as well as health & wellbeing and captured accordingly in the Gameplan.	The Committee's clear focus on the significance of both isolation and deprivation in Hull and East Yorkshire is heard and understood. These issues are now clearly framed and addressed in the final version of the Gameplan, with additional heightened references where appropriate throughout.
	Representations be considered by HEYCA to Government on how data is captured and particularly what measures are applied to youth provision and pathways into employment.	This is noted (in relation to definition of NEET) and will be fed in through appropriate channels.
	Populate the outcomes timetable with baseline data and periodic progress reports against key priorities highlighting options, opportunities and obstacles be provided.	These steps have been suggestions are accepted, as noted above.
	Develop strategic and tangible targets, including delivery targets, to evidence progress in a periodic update to the Committee.	Target delivery dates are included in the updated Gameplan. Given the complex nature of changes at population / place / economy outcome level, direction of travel indications are included rather than specific targets (which are not within the scope of any one agency to confidently secure).
	Explore the most effective ways of engaging with young people, including an option of forming a Youth Advisory Board.	This work is underway as noted above.
	Subject to recommendations outlined above, the Overview and Scrutiny Committee, commends the roadmap that is the Gameplan, recognise statutory requirements, and stress that delivery must pass the "so what?" test	Having addressed the points as outlined here the Committee's commendation of the Gameplan is welcomed.

- ✓ *Good jobs*
- ✓ *Better connected*
- ✓ *Fit and healthy*
- ✓ *Affordable homes*

The HEYCA Gameplan

Prosperity and opportunity for all

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Mayor's Foreword

It's a privilege to present this plan for Hull and East Yorkshire – a plan grounded in the belief that prosperity should be shared by everyone in our region. From our port city to the towns and villages that span our coastline and countryside, we have a history to be proud of and an opportunity to shape our future. We can build an economy that works for all, while strengthening the communities that make this place unique.

I was born here, and I am proud to be the first elected Mayor of Hull and East Yorkshire. My vision for our region is straightforward. Jobs that match the skills and ambitions of all our people. Better transport links between our communities and the wider country. A healthier region where everyone can live longer, fuller lives. Affordable homes in neighbourhoods people are proud to call home. These are the priorities we need to build on.

No single organisation can make this happen. Let's work together – councils, businesses, public services and, above all, the people who live and work here. If we build on what we are already good at and unlock new opportunities, we can make sure everyone benefits from our growth. By working together, we can create lasting opportunities and prosperity for this generation and the next.

Luke Campbell MBE
Mayor of Hull and East Yorkshire

Executive Board Introduction

With confidence, hard work and a warm welcome, Hull and East Yorkshire meets the future head on. We're makers, builders and innovators by nature, whose work reaches far beyond our shores.

Our Humber ports form the UK's busiest trading estuary: a global gateway moving people and products at scale. Pioneers like Amy Johnson and Philip Larkin helped us all see life from a different angle.

Our skills and our spirit are grounded in proud traditions, from generations of hard graft and seafaring talent in our coastal communities; a deep connection to the land that still sustains our place as a national food security asset; and the mix of craft and construction expertise that gifted us the gothic beauty of Beverley Minster.

Those skills and that same spirit are alive today:

- In the blades we build at Alexandra Dock to power our region forward and increase energy security for the whole country
- In the trains we build at Goole Rail Village, delivering over 1,000 skilled jobs and new rolling stock to keep our capital moving
- And in the brighter futures we want to build at Saltend, where investment in hydrogen technologies can drive new technical skills, apprenticeships and early-career roles for young people across our region.

If you look at what's already underway – when we've had to fight to be heard and to get our fair share of investment, just think about what we can achieve now we have the chance to shape our future together.

Leaders across Hull and East Yorkshire have worked for many years to secure devolution and take control of our future. Now our task is clear: to work together and make it a success for every part of our region.

This is our gameplan for delivery. It sets out the first steps our Combined Authority will take and how we will work as one team.

Our vision is simple and ambitious: **Hull and East Yorkshire will be recognised as a region where confidence, connections and creativity bring prosperity and opportunity for all.**

That means better jobs, homes people can afford, transport that brings people and places together, strong centres in city and towns, and opportunities that keep talent here. It means pride in our places, security for families and confidence for our young people.

We know that success comes when we work together, across political boundaries and local interests, for the benefit of the whole. Each of our roles bring a distinct focus, but is interdependent. Investment fuels growth across sectors. Transport links people and opportunities. Skills, housing and community safety provide the foundations of our shared prosperity. Health and wellbeing give people the chance to participate fully in society. Only by aligning these priorities can we achieve lasting change.

We all recognise that the Combined Authority is new, still building its capacity and ways of working. But we also recognise that people want to understand our priorities and how they can work with us.

This gameplan is an initial set of commitments made at an early stage and while we are still forming our organisation. This means our plans may need to change and evolve as we go; but it is better to set a clear path at an early stage than wait until we have a perfect plan.

Our early stage of development also makes partnership working crucial. Our councils, businesses, colleges, voluntary groups and residents add strength and depth to our Combined Authority and can help drive real progress. Our role is to bring those voices together and focus our collective efforts.

The truth is we have all the ingredients. World-leading energy industries. Ports that connect us to the world. Universities and colleges that spark innovation and train the next generation. Communities with creativity and determination in equal measure.

This gameplan gives us the framework to focus our efforts, work in partnership and channel our shared belief that Hull and East Yorkshire can stand tall on the national stage.

- Luke Campbell, Mayor of Hull and East Yorkshire
- Cllr Anne Handley, Investment Portfolio Lead and Leader of East Riding Council
- Cllr David Tucker, Transport Portfolio Lead and Deputy Leader of East Riding Council
- Cllr Mike Ross, Skills Portfolio Lead and Leader of Hull City Council
- Cllr Jackie Dad, Housing Portfolio Lead and Deputy Leader of Hull City Council
- Jonathan Evison, Humberside Police and Crime Commissioner
- Jason Speedy, Chair of the HEY Business Board
- Jayne Adamson, Chair of the HEY Skills Board

Section 1: Introduction

This section frames and explains our Gameplan. It sets a clear vision of prosperity and opportunity for all. It explains what we mean by this, how we'll work together and what success looks like.

Our priorities for Hull and East Yorkshire

This plan is built on the belief that prosperity must be shared.

Growth needs to be felt in our everyday lives and in every town, city and village – from the Humber ports to Beverley, Bridlington and the Wolds.

But prosperity in Hull and East Yorkshire is about more than just economic growth. It is about the security, opportunities and connections that people feel.

On taking office, the Mayor established a framework of priorities that form our definition of prosperity and provide the structure for this plan:

- **Good jobs** that match the skills and ambitions of our people.
- **Better connected:** with transport and digital skills and infrastructure that connect places, reduce isolation, and link us into the wider North.
- **Fit and healthy** lifestyles so people the freedom to participate fully in work, family and their local community.
- **Affordable homes** in safe neighbourhoods where people are proud to live.

These priorities are underpinned by consistent focus on ensuring we secure **a fair share of investment** for our region, **working with people** to develop and deliver our plans, and ensuring our **children and young people** have a role in building a future for themselves in our region.

The HEYCA Outcomes Framework

For each of our priorities we have selected a small number of measurable outcomes that describe the things it is most vital that we improve if we're to deliver lasting prosperity.

The Outcomes Framework is intended to provide a clear and accessible picture of prosperity and wellbeing across the Hull and East Yorkshire area. It helps us understand how the place is changing over time rather than how the Combined Authority is

performing as an organisation (more information on the development and use of the Framework is included in the technical appendix at the end of the Gameplan).

Many of the outcomes included in the Framework are shaped by long-term economic, social and environmental factors, and by the actions of a wide range of partners, including local authorities, government departments, public services, businesses and communities. The Framework therefore provides context for decision-making and discussion, rather than a direct measure of the impact of individual programmes or investments.

National government is increasingly using outcomes frameworks to inform the design, allocation and oversight of consolidated funding arrangements, including the Integrated Settlement and the new approach to consolidated transport funding. These arrangements place greater emphasis on understanding outcomes at a place level, rather than monitoring activity through multiple, programme-specific inputs and outputs.

By establishing a clear and credible Outcomes Framework now, the Mayor and the Combined Authority are preparing to work effectively within this emerging approach to place-based funding and accountability.

Transparency, scrutiny and review

The Mayor and the Combined Authority will publish an annual update of the Outcomes Framework. This update will bring together the latest available data and commentary on trends across the agreed outcomes, and will be used to inform public scrutiny, partner discussion and ongoing strategic development.

Some indicators within the Framework rely on national datasets that are updated only every two years or at irregular intervals. Annual updates will therefore focus on reporting new data where it is available and explaining emerging issues, policy developments and delivery activity that may be influencing longer-term trends.

Over time, the Outcomes Framework will provide an increasingly robust evidence base to help us talk about the region's progress, priorities and future opportunities.

Our place, our economy, our Combined Authority

Hull and East Yorkshire, and the wider Humber region, is a vital trading gateway for the UK.

Our ports link a city that makes and moves things, and a rural and coastal economy that grows and supplies things, with national and international markets.

More than 600,000 people and around 20,000 businesses share one functional economy that ties Hull to Beverley, Bridlington, the Wolds and to ports and communities on both sides of the estuary. We have strong links north to Leeds and York, along the M62 to Manchester and Liverpool, and south to Sheffield, the East Midlands and the wider national economy. These links shape our labour market, supply chains and visitor flows.

Our sector mix is distinctive. Production industries account for a large share of output. Manufacturing contributes strongly, as do engineering, process industries, agri-food, logistics and the port estates that power our gateway role.

Hull and Goole handle significant volumes within a wider Humber complex that is the UK's busiest trading estuary by tonnage, and host designated Humber Freeport tax sites that support investment in energy generation, chemicals, logistics and advanced manufacturing.

Our region is an energy powerhouse, from manufacturing roles in Hull, to chemicals and hydrogen at Saltend, grid and pipeline assets, and a maturing carbon capture proposition that can anchor skilled jobs locally.

Our rural and coastal economy adds range and resilience, from high-performing agriculture and food processing to fisheries and a visitor economy centred on Bridlington and seaside towns, but also means transport plays a critical role in enabling access to employment, education, healthcare and everyday services, particularly for young people, older residents and those without access to a car.

Our economy trades east to west. The A63 and M62 carry freight from port to market and connect people to higher-skilled work. Spatial priorities focus employment land and investment along this corridor and around key centres.

Although employment has been resilient across our two authorities in recent periods, on pay and productivity we have ground to make up. We need to grow higher-

productivity roles in energy, chemicals and health technologies linked to clinical and care innovation, and to improve labour market connectivity.

We also need to support and develop our foundational sectors in-hospitality, tourism, retail and social care; create better pathways for pay and progression; and make sustained progress on a range of economic, social and place outcomes at the same time.

This sort of transformational change takes time and can only be built through constant partnership working that is rooted in place and guided by our strengths.

Deprivation, isolation and inequality across the region

Hull and East Yorkshire experiences deprivation in different ways, shaped by both its urban centre and its rural and coastal geography.

The most concentrated deprivation is found in Hull, where many neighbourhoods face long-standing challenges linked to low incomes, poorer health and lower levels of skills and opportunity. These issues are deeply rooted and continue to affect life chances for many residents.

At the same time, deprivation is not limited to urban areas. Across the East Riding there are smaller pockets of disadvantage within an otherwise more prosperous area, particularly in some coastal communities, market towns and rural settlements. In these places, poverty can be less visible but still persistent.

In rural and coastal areas, isolation often plays a key role. Longer distances, limited transport options and reduced access to services can make it harder for people to reach work, education, healthcare and social support. These pressures can be compounded by lower wages, seasonal employment and an ageing population.

Together, these patterns highlight a dual challenge for the region: tackling deep-rooted deprivation in the city, while also responding to isolation and pockets of poverty across rural and coastal communities. Recognising and understanding these differences is essential to shaping an inclusive approach to growth and opportunity across Hull and East Yorkshire.

What only a Combined Authority can do

Our Combined Authority exists to work across boundaries and in partnership to reflect the scale at which our economy actually functions.

People live in one place and work in another. Freight moves from quayside to corridor to customer. Investment decisions cross council lines. We bring that system together so transport, skills, housing, energy and business support line up. No single organisation can join those pieces as cleanly as a mayoral combined authority with the mandate to act across the footprint.

We give investors and government a single front door. That means one clear proposition, one pipeline, one set of contacts and one timetable, all set in and coordinated with the wider Humber context.

We align land use, enabling infrastructure, skills and supply chains, so projects move from interest to delivery with fewer hand-offs. We secure and join-up funding to de-risk investments, crowd in private capital and anchor good jobs here.

We integrate movement and place. Local transport powers allow us to shape bus reform choices, station improvements and corridor improvements, then sequence them with housing and town-centre renewal. A regional view lets us tackle cross-boundary pinch points and work with other mayors to make sustained improvements across the north.

We lead the labour market. With devolved adult skills funding and a direct commissioning role, we can align provision to real demand in engineering, logistics, construction, health and digital. We convene colleges, the university and employers to design pathways from school to higher technical routes and apprenticeships, and we back in-work progression so people can move up.

We enable the right homes in the right places. A spatial framework at combined authority scale will provide long-term certainty and can link city-centre living, sensitive town extensions and transport-gateway sites to the locations of future jobs. We bring the capacity at a more strategic level with councils, Homes England and developers to assemble and service sites, test innovative approaches to construction and align funding and financing.

We steward key markets and services. By coordinating with utilities, Network Rail, DfTO, National Highways and the Environment Agency, we can influence the timing of upgrades to support our investment pipeline. We bring the capacity to shape digital connectivity and improve data-sharing so businesses and public services can more easily and safely adopt modern software and AI, and residents can access services and training. Through procurement and commercial practice we will grow local supply

chains, set clear expectations on wider value, and manage contracts so delivery stays on track.

We will work closely with the Police and Crime Commissioner (PCC) for Humberside. As a member of the HEYCA Board the PCC provides strong assurance on policing and access to a network of mature partnerships, linking the Combined Authority to our existing Community Safety Partnerships, the Humberside Criminal Justice Board, Humber Violence Prevention Partnership and Safer Roads Humber in ways that will help us act across the whole system. We have set out shared commitments in each of our delivery plans below and will develop working relationships over time that ensure we share evidence, insights and aligned planning and decision making that improves safety, confidence and opportunity across city, towns and coast.

We speak with one voice for our area. The Mayor provides visible leadership and democratic accountability, while our partnerships across the Humber and the wider north lets us act at scale where it's needed. Government expects a strategic partner it can trust with multi-year settlements. A combined authority fills that role and turns national opportunities into local projects people can see.

Above all, the Combined Authority will keep people at the centre. Resident and business voice and open reporting are built into how we work. That combination of scale, powers and public mandate is what makes a combined authority different. It is how we turn our strengths into prosperity and opportunity for all.

Section 2: The HEYCA Gameplan

This section explains how we will deliver each against each of the mayoral priorities, and where the Leadership Board portfolios make their most direct contribution.

For each priority, we sketch out our context and aspirations, define key measures of success, and set out our first steps for delivery and the major projects we will target over the coming years.

✓ **Good jobs**

Context and aspirations

Our economic strengths run from energy generation and advanced manufacturing to digital and creative work, and across a large base of food production, visitor economy and public services. Our production industries already account for a nationally high share of output, reflecting our role in energy, manufacturing and ports.

This mix matters because it gives more residents a route into work and a path to progress. Our task is to turn these strengths into more secure, better paid roles across our city, towns and coast.

Energy and engineering anchor many of the best opportunities. At Alexandra Dock, offshore wind blade production shows how making at scale can lift pay and skills across supply chains. On the Humber, chemicals and energy projects are creating demand for technicians, process operators and engineers, with new apprenticeships and early-career roles for young people. Our ports and Freeport sites strengthen this by drawing in logistics, fabrication and component manufacturing, supported by land and infrastructure along the A63 and M62 corridor.

Digital capability now runs through every sector. Factories use sensors, data and automation to improve quality. Logistics firms optimise routing and warehouse flows. Health and care providers use digital tools to plan services and support people, patients and staff. We will help businesses adopt modern software and AI so they can design better, sell more and run smarter operations. That means practical support for smaller firms, peer learning between employers, and access to the right facilities and kit.

Foundational sectors create a large share of local jobs and deserve the same focus on quality and progression. Our area leads the country in static caravan and lodge manufacturing, which supports design, joinery and supply-chain jobs. Fisheries and the wider agri-food system link farms and food businesses into local and export markets. Retail, social care and public services provide work in every community and can offer real careers with the right training and management pathways. Steadier hours and higher skills are key to better visitor experiences in our tourism and hospitality sectors.

Skills and training turn opportunities into good careers. We will back clear routes from school to higher technical qualifications and apprenticeships, aligned with employer demand and insight into what's needed. This will include support and traineeship pathways for young people leaving school and routes for older people to re-engage in learning pathways to secure jobs. Devolved adult skills and local commissioning will raise attainment and support people to retrain. Colleges, the university and independent providers already offer strong foundations in engineering, energy, health and applied sciences. We will build on this with employers, so courses fit shift patterns and real jobs.

Good jobs here means access to fair pay, security and the chance to progress. They exist in factories and labs, in care settings and in classrooms, on farms and in kitchens, in studios and server rooms, on the quayside and in our town centres.

We will build on our economic strengths – leveraging investment in plant, digital technology and AI, and supporting better transport and strong local training routes. This is our route to a stronger economy and more opportunity for local people - an energy powerhouse for the UK and beyond; a centre of digital and mechanical engineering excellence; a global maritime and logistics gateway; and the place where businesses come to secure quality of life, the space to expand and a seat at the table.

Investment Portfolio delivery plan

Our Investment portfolio turns our strengths into jobs, productivity and higher wages. It leads our propositions to government and investors, shapes our Investment Framework, and coordinates programmes that unlock sites, infrastructure and growth.

The scope includes inward investment, trade readiness, sector development, the Freeport offer, our capital pipeline, planning facilitation and investor aftercare. It works with Transport, Skills and Housing so land, people and connectivity line up.

Our first steps will be to -

- Commission an updated regional economic assessment to identify our strengths and areas where more can be done to drive growth and create good jobs.
(Regional economic assessment completed Q1 26/27)
- Develop a ten-year plan for growth that identifies our top investment opportunities and guides regional prosperity, and work with investors to lever in

additional funding wherever possible.

(Local Growth Plan to be adopted in Q1 26/27)

- Create a new Investment Board to advise on how to use Combined Authority resources to best support the highest priority opportunities for growth in the region.
(Investment Board established Q4 25/26)
- Become the Accountable Body for the Humber Freeport and work with partners to streamline governance of the Humber to unlock investment and speed up and join up decision making.
(HEYCA to hold Accountable Body status before end FY 26/27)
- Lead commissioning and delivery of support businesses with access to effective programmes, expert advice and action.
(New arrangements in place by Q3 26/27)
- Continue to lobby government for a fair share of national investment in our people, our economy and our infrastructure.
(Ongoing)
- Attend national and international investment summits, conferences and trade missions, including in partnership with other northern Mayors.
(Regional Investment Summit – Q3 25/26; Northern Investment Summit – Q1 26/27)
- Prepare a business case for Local Innovation Partnerships funding, working closely with the University of Hull and other Yorkshire Universities.
(Expression of Interest submitted Q4 25/26)
- Confirm how best to work closely with the Hull and East Yorkshire Local Visitor Economy Partnership.
(Confirmed by Q3 26/27)

The big steps we will take in the coming years are to -

- Identify key growth locations across the region that can provide the focus for sustained investment activity.

- Develop a funding and financing strategy that leverages Combined Authority resources to their fullest effect, working with public, private and institutional investors.

Working with the PCC for the duration of their term of office, we will also support safe town and city centres and a vibrant night-time economy, reducing crime and antisocial behaviour that undermine growth and confidence.

Skills Portfolio delivery plan

Our Skills portfolio will build a talent pipeline that matches our economy. It leads on the devolved Adult Education Fund, works with the Chamber of Commerce to produce improve skills provision in key sectors, and coordinates programmes for young people and adults.

To ensure we deliver on our priority for good jobs, the portfolio will focus on higher technical pathways, apprenticeships, basic and digital skills, and in-work progression.

Our first steps will be to -

- Take on the responsibility for the strategic direction, commissioning and accountability for the Adult Skills Fund, and Free Courses for Jobs. Directing over £16m of funding to transform Adult Skills and training across the region and preparing for the future introduction of the Lifelong Learning Entitlement. (From Q4 25/26, with commissioned delivery from Q2 26/27)
- Collaborate with the post 16 sector to deliver the devolved Post 16 Capacity Fund which will mean local decision-making ensuring investments and service offers meet the needs of local young people. (Delivery from Q1 26/27)
- Work with the Hull and Humber Chamber of Commerce to co-develop a new Local Skills Improvement Plan that is business-led and addresses the skills gaps holding our key sectors back. (Plan developed by Q3 26/27)
- Scope the role that a Good Work Charter could play to support residents with improved employment and training opportunities across our economy. (Scoping work completed by Q4 26/27)
- Develop our evidence base and data insights using the information from the delivery of the Local Skills Improvement Plan, Adult Skills Fund, Skills Bootcamps, and the Get Britain Working/Connect to Work to shape commissioning decisions and future strategic planning. (Ongoing)
- Ensure new employment support programmes remove barriers to in-work progression and support the delivery of Connect to Work and the wider development of healthy workplaces in the region. (TBC)

- Continue lobbying for greater influence on 16-19 education so we can respond to what businesses need and help young people start planning and realising a successful career at the earliest opportunity.
(Ongoing)

The big steps we will take in the coming years are to -

- Fully align skills investments and priorities so people of all ages in Hull and East Yorkshire benefit from new, higher value jobs through training and in-work progression.
- Design and launch consolidated youth skills, training and careers programme that brings together what is already working with targeted additional provision.

Working with the PCC for the duration of their term of office, we will also develop training and employment pathways for people at risk of offending or reoffending, and work to embed cyber security and awareness of online harms within entry-level routes and apprenticeships.

✓ **Better connected**

Context and aspirations

Being connected will unlock work, learning, healthcare and culture. Our ambition is for clean, inclusive and digitally enabled mobility that makes everyday life simpler and places feel closer together.

Travel patterns will remain similar, with major flows east to west along strategic corridors, through the port estate and along city-to-town routes that link Hull with Beverley, Bridlington, Goole and elsewhere. Rail stations at Hull, Beverley, Goole and Bridlington will continue to connect the region to wider city networks.

Buses will carry large numbers in urban areas and provide vital links for towns and villages. Walking and cycling will keep growing for short trips where routes feel direct and safe, supported by secure parking and, where appropriate, convenient charging for e-bikes and other personal light electric vehicles. Rural transport will also be a priority, recognising that low population density, longer travel distances and variable service provision mean that transport connectivity can be a decisive factor in whether people are able to access work, learning, healthcare and social networks.

Freight will remain central to prosperity. Efficient port access, reliable rail paths and resilient highway links will shape delivery times and business confidence. As energy and manufacturing grow, and visitor numbers increase, dependable connections to centres, employment sites and the coast will become even more important. We will also support improvements that make freight movement cleaner, more efficient and better integrated with ports, railheads and last-mile logistics.

Digital connectivity will sit alongside transport as essential infrastructure. Full-fibre coverage, strong mobile networks and reliable backhaul will support firms that design and trade online and help residents access services, training and flexible work. We will champion digital tools that improve travel, including contactless ticketing, real-time information and journey planning, and data platforms that help plan, time and maintain the network more intelligently.

We will secure investment and work with operators, councils and infrastructure planners to make everyday journeys simpler, faster and more reliable. We will explore

innovative services where they add value, including on-demand links for rural and coastal communities, mobility hubs that bring modes together, and safe, convenient options for micromobility. We will consider how new and enhanced light and heavy rail connections could support growth where evidence shows a strong case, and we will safeguard potential alignments where appropriate.

Our Local Transport Plan will set a clear pipeline that sequences bus, rail and active travel so people feel improvements year by year. It will focus on dependable bus services on priority corridors, simpler and integrated fares, and information that is easy to use. Stations will work as gateways and as interchanges that support growth in surrounding areas. Walking and cycling links will connect homes to schools, colleges, health services and centres through direct routes and safer junctions. We will treat digital connectivity as part of the network, supporting 5G along key corridors and open data so services can respond to demand.

We will make the case for major cross-North enhancements that improve reliability, capacity and journey times on strategic rail and highway corridors linking Hull and the East Riding with Leeds, York, Sheffield, Manchester and beyond. Our asks will be backed by clear economic, social and environmental evidence, including better freight paths to and from the ports.

We will support investment in digital infrastructure to expand full fibre across urban, coastal and rural areas and improve mobile connectivity at known pinch points, including transport corridors and visitor hotspots. We will use data platforms to provide live travel information, guide network planning and target maintenance, and we will support digital skills so residents can confidently use online services and tools at work.

Together these steps will create a connected region. People will reach work, learning and services more easily. Businesses will move goods and welcome visitors with confidence. Digital networks and skills will support every sector. The result will be places that feel closer together and better linked to opportunity across Hull, the East Riding and the wider North.

Transport portfolio delivery plan

Our Transport portfolio connects people to work, learning and services, and connects freight and visitors to our places. It leads our Local Transport Plan; bus improvements, rail and station work with partners; active travel; and integration of transport with land use and regeneration.

To ensure we deliver on our priority to be better connected, the portfolio will focus reliability, affordability and accessibility that supports growth.

Our first steps will be to -

- Develop a clear plan of practical upgrades and improvements to passenger and freight rail routes, services and capacity; and build a coalition of support for these across local, regional and national partners that is capable to of influencing and securing the necessary investment to plan and deliver these. (Initial plan developed Q1 26/27; full plan and further detail by Q4 26/27)
- Put in place a statutory Local Transport Plan that provides a rich picture of our transport future and can unlock, guide and sequence major investment over the long-term.
(Local Transport Delivery Plan presented to DfT in Q4 25/26 to unlock 26/27 funding; full Local Transport Plan developed by Q1 27/28, with interim updates in advance of this)
- Publish our Bus Service Improvement Plan and lead the creation of a combined Enhanced Bus Partnership to deliver noticeable improvements to services across the region.
(Plan adopted Q2 26/27)
- Work with our rail and bus operators to highlight and address consistent underperformance and to identify priority improvements for fleet age, service delivery and stations.
(Initial investment pipeline developed by Q2 26/27)
- Provide support to improve community transport, including considering the potential for a targeted seed funding programme.
(Targeted investment from Q1 26/27)
- Put in place an active travel plan to direct investment to the right locations and in line with our strategic priorities.
(Plan developed by Q4 26/27)
- Agree a Key Route Network that will benefit from Mayoral powers and oversight, with a strategic approach to investment, and put in place a Transport Advisory Group to guide its development.
(Key Route Network adopted Q3 25/26)

- Secure funding for charging infrastructure for vehicles, to support quieter roads and cleaner air in our towns and villages.
(Targeting investment Q4 26/27)
- Begin the process of driving a strategic approach to a true integrated public transport infrastructure, improving journey times between our city, towns and villages (e.g. Hull rapid transit corridor, rural mobility hubs and smart ticketing), supporting economic growth and supporting our communities.
(Transport platform optimisation studies ongoing)
- Play a full role in the regional resilience forum to help respond to prepare for and respond to emergencies and help keep people safe.
(Ongoing)

The big steps we will take in the coming years are to -

- Connect people to economic opportunity - employment hubs, core inter-urban routes health and community services
- Develop the Combined Authority to become a fully established Transport Authority.
- Move to a simple integrated ticketing offer across operators in Hull and East Yorkshire.
- Ensure inclusive transport links – move towards ensuring no area or group is left behind by maintaining vital community and social lifeline transport links.
- Increase annual investment – make an evidence based case for consistent year on year growth in transport funding to support long term improvements and resilience and improve outcomes.

We will also work with the PCC, for the duration of their term of office, on casualty reduction and safety for all road users, and to tackle crime and antisocial behaviour on public transport.

✓ **Fit and healthy**

Context and aspirations

Good health underpins everything – we need to feel well to work, study, care for family and take part in community life.

We know that health is heavily shaped by place and the pattern of our demographics, with a younger, urban city and an older, rural and coastal county.

Safe streets help children walk to school. Good homes reduce illness and bills. Bus and rail links are needed to access health services, jobs and college. Access to nature – whether that's in parks, at the coast or across the Wolds – supports everyday activity and good mental health.

In Hull, life expectancy and healthy life expectancy are below the England average, with large gaps between the most and least deprived neighbourhoods. Deprivation in inner-city neighbourhoods is linked to higher rates of COPD and diabetes and, while smoking has fallen strongly over the last decade, it remains higher than average which drives respiratory disease and earlier ill health.

Our population across the East Riding is older, which brings more dementia, musculoskeletal problems and falls. Longer travel distances – particularly for those living in coastal and rural communities – can also make it harder to access vital services.

Workplaces across the region can influence health through shift patterns and stable employment, and training and environmental measures to address health and safety risks, especially musculoskeletal strain and stress. Culture, sport and heritage groups also act as preventative factors, building social capital and reaching people that formal services often cannot.

Working with our partners in the NHS, councils and across the public, private and third sectors, we will use our increased influence and forthcoming public health duty to firmly put prevention first, and closer to home.

We will strengthen the link between health and work, forging closer links between employers, Jobcentre Plus, the NHS and local authorities and skills providers so

residents get timely help that keeps them in work or helps them return sooner. Support will focus on what matters most for attendance and productivity, including mental health, early access to occupational health, and simple workplace adjustments. Employers will have clear routes to advice, and residents will see pathways that connect condition management, training and good jobs.

The Mayor and Combined Authority will support engagement with young people aged 14 to 24, recognising that the factors which lead to disengagement from education, employment or training often emerge before the end of compulsory schooling and can persist into early adulthood. The aim will be to reduce the risk of young people becoming not in education, employment or training, and to support those who are disengaged to re-enter learning or work in ways that are appropriate to their needs and circumstances.

Sport and physical activity will be part of daily life, and we will back a culture of movement by working with clubs, schools, councils and event organisers so that grassroots sport grows and more fixtures come to our city, towns and coast. Big moments will inspire young people and first-time participants, while better walking, cycling and wheeling links between pitches, parks, shops and schools will make active travel part of everyday life.

We will use our planning powers to ensure developers build healthy places for future generations. New homes and renewals will meet clear standards for warmth and ventilation, and public realm in towns and on the coast will invite people to spend time outdoors.

The Mayor's Community Investment Fund is growing community capacity, and we will work strategically with umbrella agencies and anchor institutions across the region to complement their missions and our vital public services.

We will use data well, working with our NHS and local authority partners to ensure integrated dashboards can track healthy life expectancy, physical activity, smoking prevalence and other practical measures. Over time we will codify our approach into a regional health inequalities strategy that will drive major change to improve peoples' lives and address one of our regions most sustained barriers to growth.

To deliver meaningful and sustained change in population health outcomes we will take a collaborative and movement making approach to our work, in partnership with our local NHS colleagues, local authorities and other public services, employers, training providers and, crucially, the voluntary, community, faith and social enterprise organisations and the people of Hull and East Yorkshire.

Fit and healthy portfolio delivery plan

Our Fit and Healthy portfolio improves the conditions that allow people to participate in work, education and community life. It focuses on prevention, healthy lifestyles, mental health, healthy ageing, and the links between health, housing, transport and work. This will include working with schools and youth groups to reach children early with positive messages, support and new opportunities.

To ensure we deliver on our priorities we will work with the NHS, public health, local public services, schools, employers and the VCSE to close health gaps and extend healthy life years.

The first steps we will take are -

- Create a £1m Mayoral Community Investment Fund to support the people of Hull and East Yorkshire.
(In place – first grants awarded in Q4 25/26)
- Publish a plan for getting more people playing sport and being physically active in our region and attracting more sports and cultural events to our venues.
(Plan developed by Q2 26/27)
- Publish and deliver our Get Hull and East Yorkshire working plan to give residents the support they need to ensure health is no longer a barrier to work, working with our NHS, voluntary and community sector, businesses and public service partners.
(Plan published Q4 25/26 – delivery from Q1 26/27)
- Work with our local authorities to design and deliver a new Connect to Work service.
(Delivery commences Q1 26/27)
- Support our serving and ex-service members by signing up to the Armed Forces Covenant.
(Achieved – Q3 25/26)
- Help our care experienced children and young people have the best start in life by signing up to the Care Leavers Covenant.
(Achieved – Q3 25/26)

- Design a programme of work to ensure health improvement is considered in everything the Combined Authority does, including taking a lead role on the NHS Integrated Commissioning Board and holding in a major Health Summit to galvanise action and impact.
(Health Summit to be held during Q2 26/27)
- Prepare a business case to secure funding from government for the Youth Guarantee Programme to support local young people into work.
(Business Case complete Q2 26/27)
- Prepare a business case to develop a Hull and East Yorkshire Health Innovation Zone that builds on our existing business and academic strengths in advanced wound care, digitally enabled clinical trials and applied digital health/AI.
(Business Case complete Q4 26/27)

The big steps we will take in the coming years are -

- Develop an evidence based regional health inequalities strategy to guide service integration and prevention over the long-term, and to integrate reporting on health across partners.

We will also work with the PCC, for the duration of their term of office, to reduce the harms from drug and alcohol use, supporting efforts to tackle drug-related crime to support people, families and communities; and implement whole-system approaches to preventing violence and domestic abuse in line with our forthcoming health improvement duty.

✓ **Affordable homes**

Context and aspirations

The landscape setting of Hull and East Yorkshire is special. The Wolds, the Humber estuary, river corridors, streams and coastal landscapes give our region a distinctive feel and a rich natural environment. Our homes sit within a landscape that runs from a compact city core to market towns, villages and a long stretch of open coastland and throughout the region green and blue spaces support wildlife, provide places to play, cool our streets in summer and make daily life better. Planning for growth and caring for these assets needs to go hand in hand.

We will set a clear spatial framework that brings certainty to residents, developers and investors. Our new regional plan will show where growth goes first and how it connects to everyday life. Increasing city-centre living in Hull will add homes close to work, culture and transport, and support local businesses. Strategic growth locations will guide public and private investment, help us assemble and service sites, and give developers the confidence to build well and at pace.

We will work to secure funding to enable more brownfield regeneration and to improve the energy performance of older homes, tackling damp and cold, reducing bills and supporting healthy living. We will promote construction innovation and the supply chain opportunities this presents across our manufacturing base.

Alongside this, we will help increase the supply of homes people can afford, working with the councils and registered providers to ensure access to social rent, affordable rent and shared ownership in the locations that need them most. We explore how best to support first time buyers, key workers and community led development where there is local appetite.

In the private rented sector we will work to raise standards and improve security, and we will work with local partners to ensure there is targeted support that prevents homelessness and helps people move on from temporary accommodation. Working with councils, the PCC, landlords and community partners, we will use local insight to develop safe, secure homes and neighbourhoods, and focus on what builds trust, cohesion and pride in every community. Specialist and supported housing for older

residents and people with additional needs will be planned into new neighbourhoods and renewal schemes so that the right home is available at the right time.

We will plan and act at Humber scale where it makes sense, including to ensure long-term resilience and improved management of flood risk and coastal change. The estuary is a single system for environment, energy and trade, and we will take a strategic approach to assessing and managing environmental impacts, so infrastructure, housing and employment land can come forward with certainty while habitats are protected and improved.

Together these choices will create more homes in the right places, closer connections between homes and work, stronger centres, and neighbourhoods that feel part of the landscape they sit in.

Affordable homes portfolio delivery plan

Our Housing portfolio supports growth, renewal and sustainable development. It works with our local authorities to bring forward sites, accelerate affordable homes, support town-centre and coastal regeneration, and improves the quality and energy efficiency of our homes.

To ensure we can deliver priorities it will focus on ensuring that housing is aligned with transport and employment and enables good health and wellbeing.

The first steps we will take are -

- Make a strategic assessment of our new powers in respect of land assembly, compulsory purchase, development orders, infrastructure levy and the creation of new Mayoral Development Corporations, to determine where these can best help unlock stalled sites, speed up planning consents and get homes built.
(Review complete by Q3 26/27)
- Drive forward the development of new homes on brownfield sites using existing capital resources and make the necessary arrangements to secure devolution of further Brownfield Land Funding in the future years.
(On-going)
- Create a single pipeline of priority housing sites and working with Homes England and Registered Providers.
(Pipeline developed Q3 26/27)

- Establish a Strategic Place Partnership to sequence and govern investment and wider housing activity.
(Strategic Place Partnership to be established by Q4 26/27)
- Work with our local authorities and partners to conclude and publish the Hull and East Yorkshire Nature Recovery Strategy.
(Strategy adopted Q4 25/26)
- Develop a plan to support residents to cut energy bills and ensure their homes are warm and well insulated.
(Strategy developed by Q4 26/27)
- Convene a regional construction and development industry forum and work with business leaders to hold a regional construction innovation summit.
(First forum held by Q4 26/27)
- Explore a regional approach to addressing homelessness, building on and enhancing the statutory work of the exiting Local Authorities.
(Regional approach to be explored by Q2 26/27)
- Undertake an audit of all publicly owned land in the region and work with partners to unlock the highest priority opportunities.
(Audit to be completed by Q4 26/27)
- Convene partners to ensure action to address flood risk remains a strategic priority and is integrated into investment and delivery plans across all relevant agencies.
(Discussions Q2-Q3 26/27)

The big steps we will take in the coming years are -

- Prepare a regional Spatial Development Strategy to guide investment across our region, allocating broad areas for housing and employment land growth over the long-term, planning for the necessary infrastructure, protecting nature and addressing flood risk.
- Explore the potential to develop a different funding and financing methods to leverage Combined Authority resources and align with private and institutional investment funds to unlock the delivery of more homes across the region.

We will also work with the PCC, for the duration of their term of office, to design out crime in new and renewed neighbourhoods, using hotspot insight to guide investment and regeneration decisions.

Section 3. How we will deliver

Working at scale

The Hull and East Yorkshire Combined Authority works as part of a wider Humber system, and with national reach. We will play an active role in regional and national forums that give our area a stronger voice and a clear route to government.

We will:

- Establish strong joint Humber governance arrangements with local authorities, business leaders and the Greater Lincolnshire County Combined Authority.
- Take full advantage of our membership of the Council of Nations and Regions, Council of Mayors, UK Mayors and The Great North to press the case for Hull and East Yorkshire.
- Work with Transport for the North and DfT to secure investment in key travel corridors, stations and across our network.
- Where appropriate, share evidence, align pipelines and present joined-up propositions with other Combined Authorities where that is the right spatial scale to secure investment.

A strategic approach to investment

The Combined Authority has undertaken an initial long-listing of investment opportunities across Hull and East Yorkshire to inform the development of an Investment Framework. Work is also underway to identify and prioritise a smaller number of game-changing investments that will be a key focus of the Local Growth Plan.

To support this process, the HEYCA Board has established an Investment Board, bringing together private sector leaders and expertise to advise on investment priorities, opportunities and delivery considerations. As this work progresses, the Combined Authority will publish updates and further information on its website to support transparency and engagement.

Working with the people of Hull and East Yorkshire

Residents will be able to see, understand and influence what we do. We will explain decisions clearly, invite people to shape options early, and report outcomes in ways that build trust.

We will:

- Work transparently with, open board papers, public questions and regular updates published on our website.
- Use simple language and presentations so people can follow projects, give feedback and see “you said, we did.”
- Consult formally on key issues, including the development of a number of key strategic plans set out in this Gameplan.
- Support citizen and youth voice to shape policy and delivery.

Technical appendix: Outcomes Framework

Introduction and role of the Outcomes Framework

The Outcomes Framework provides a consistent way of understanding prosperity and wellbeing across Hull and East Yorkshire. It brings together a focused set of indicators to describe conditions in the place and how these are changing over time.

As set out above, many of the outcomes described are shaped by long-term trends and by the actions of a wide range of partners, including local authorities, public services, government departments, businesses and communities. The Framework therefore provides context for strategic decision-making, investment discussions and public scrutiny, rather than a direct measure of programme delivery or Combined Authority performance.

The Outcomes Framework also reflects the direction of travel in national policy. Government is increasingly using outcomes frameworks to inform the design and oversight of consolidated funding arrangements, including the Integrated Settlement and the new approach to transport funding.

By establishing a clear and credible Outcomes Framework now, the Mayor and the Combined Authority are preparing to work effectively within this emerging approach to place-based funding and accountability.

Indicator selection and use

Indicators in the Outcomes Framework have been selected to provide a clear picture of conditions and trends across Hull and East Yorkshire. They are drawn primarily from published national datasets with established methodologies and are intended to be stable over time.

Within the Gameplan, these indicators are used to set direction of travel, rather than to establish fixed targets. As HEYCA's role and ambition are confirmed through the development of key strategies and investment programmes, the Outcomes Framework can be supplemented with clearer statements of intended changes to outcomes and related matters, and more specific expectations about the scale and pace of change that could reasonably be achieved.

Data sources and update frequency

The Outcomes Framework draws on a range of national and administrative data sources with different publication cycles. This affects how often individual indicators can be updated and how trends should be interpreted.

- **Infrequent and structural data:** Some indicators rely on Census-based or Census-derived datasets, including measures of population characteristics, housing conditions, skills and qualifications, and journey-to-work patterns. These datasets are highly robust but are updated infrequently, typically every ten years, with limited interim refresh. They are therefore best used to understand long-term structural conditions rather than short-term change.
- **Biennial and survey-based data:** Several indicators draw on large national surveys that are not always published annually at combined authority level. This includes personal wellbeing measures produced by the Office for National Statistics and participation or activity measures drawn from surveys such as Sport England's Active Lives Survey. These indicators are important for understanding quality of life and inclusion, but new data may only be available every two years or may be subject to statistical limitations at smaller geographies.
- **Environmental indicators:** Environmental outcomes often depend on monitoring regimes that operate over multi-year cycles. Indicators relating to biodiversity, habitat condition or certain aspects of environmental quality may therefore change slowly and may not be updated every year. These measures provide insight into long-term risks and resilience rather than immediate performance.
- **Lagged economic data:** Some economic and labour market indicators are published annually but with a time lag. Examples include earnings data from the Annual Survey of Hours and Earnings and some business and skills datasets. While these indicators are essential for understanding prosperity and inclusion, the most recent published data may reflect conditions from the previous year.

Changes since consultation

The Outcomes Framework has undergone further technical review during the consultation period and a number of changes have been made.

A number of new indicators have been added to track and consider a small number of further matters. These are:

- Good Jobs portfolio: New enterprises 1-year survival rate (GJ4)
- Better Connected portfolio: Passenger journeys on local bus services per head (BC1)
- Better Connected portfolio: Total freight (tonnes, millions) passing through ports (BC4)
- Affordable Homes portfolio: Permanent dwellings completed (H4)

The previous indicator, *Access to services by public transport, walking and cycling* has been removed. This was intended to be a composite indicator derived from a series of DfT data sets that are now understood to be discontinued. A new Transport Outcomes Framework is being developed by DfT to support governance of a new consolidated transport funding pot for Strategic Authorities from April 2026. Details will be set out in subsequent Transport Plans and related documents.

Previous indicator BC3, *Freight modal shift*, has already been removed as a reliable baseline and comparator data could not be established. It is replaced with indicator BC4, *Total freight (tonnes, millions) passing through ports* at Hull and Goole.

NEET age coverage and data availability

While national statistics on young people who are not in education, employment or training (NEET) are published for the 16–24 age group, these data are not currently available on a consistent or robust basis at local authority or combined authority level.

As a result, the Outcomes Framework uses the 16–17 NEET measure, for which reliable local data are available, reflecting statutory participation responsibilities at this stage. This does not imply that disengagement is limited to this age group but reflects current limitations in sub-regional data availability.

Annual updates and interpretation

The Mayor and the Combined Authority will publish an annual update of the Outcomes Framework, drawing together the latest available data and commentary on trends across the agreed outcomes. Annual updates will:

- incorporate new data where it is available,
- clearly identify indicators that have not been refreshed due to publication cycles, and

- provide narrative commentary on emerging policy, investment and delivery activity that may influence longer-term trends.

This approach ensures that the Outcomes Framework remains transparent and informative, while avoiding over-interpretation of short-term movements or data gaps.

Priority	Lead portfolio	Type	Indicator	Ref #	Why this matters for HEY	HEY Baseline	Comparator baselines	Update Frequency	Direction of travel
Good jobs	Investment	Headline	GVA per hour worked	GJ1	Lift productivity through growth in high value sectors and businesses; improvements in infrastructure and skills; and broad-based technology adoption.	£37.5	Y&H £36.8 Eng £42.4	Annual (last available 2023)	Aim to increase
Good jobs	Investment	Supporting	Gross median weekly pay	GJ2	Resident-facing prosperity measure that complements productivity and tracks rising living standards.	£593	Y&H £600 Eng £648	Annual	Aim to increase
Good jobs	Investment	Supporting	Business births (new enterprise registrations)	GJ3	Signals firm creation and local entrepreneurship.	2,295	Y&H 4.0 per 1,000 Eng 4.8 per 1,000	Annual (last avail. 2024)	Aim to increase
Good jobs	Investment	Supporting	New enterprises 1-year survival rate	GJ4		91.8%	Y&H 92.5 Eng 93.4	Annual (last avail. 2023)	Aim to increase
Good jobs	Skills	Headline	Working-age population qualified to at least Level 3	GJ5	Assesses skill level required for progression, particularly in key sectors	59.7%	Eng 67.3	Annual (last avail. 2024)	Aim to increase
Good jobs	Skills	Supporting	16-17 year-olds NEET	GJ6	Keeps young people connected to opportunity in coastal, rural and urban communities.	5.3%	Eng 3.4%	Annual (last avail. 2023)	Aim to reduce
Good jobs	Skills	Supporting	Employment rate (16-64)	GJ7	Whole-economy signal of opportunity creation across city, towns and coast.	74.1%	Eng 75.8%	Quarterly (last avail. Jun-25)	Aim to increase
Better connected	Transport	Supporting	Passenger journeys on local bus services per head	BC1	Practical test of a network that connects settlements and opens access to opportunity.	35.6	Eng 62.0	Annual	Aim to increase

Better connected	Transport	Supporting	Adults who walk or cycle for travel at least once per week	BC2	Tracks short-trip connectivity and low-cost access for smaller towns and rural areas.	33.2%	Eng 39.2	Annual	Aim to increase
Better connected	Transport	Supporting	Total freight (tonnes) inwards & outwards through Hull & Goole ports	BC4	Tracks scale of freight movement	10.5m	Y&H total 65.1m	Annual (last avail. 2024)	Aim to increase
Fit and healthy	Fit and healthy	Headline	Healthy life expectancy at birth	FH1	Single, public-friendly outcome that captures the health gap and progress on prevention.	M – 57.8 F – 58.1	Eng M – 61.5 Eng F – 61.9	TBC - Every 2 years (last avail. 2021-23)	Aim to increase
Fit and healthy	Fit and healthy	Supporting	Inequality in life expectancy at birth	FH2	Keeps equity central for inner-city, coastal and rural communities.	M – 10 F – 8.4	Eng M – 10.5 Eng F – 8.3	TBC - Every 2 years (last avail. 2021-23)	Aim to reduce
Fit and healthy	Fit and healthy	Supporting	Adults physically inactive	FH3	Practical prevention lever via active travel, parks and community sport.	24.5%	Eng 22%	2 years	Aim to increase
Affordable homes	Housing	Headline	Affordable homes delivered (gross)	H1	Supports city, towns and coast; helps first-time buyers and retains local talent.	769	Eng 1.1 per 1,000	Annual	Aim to increase
Affordable homes	Housing	Supporting	Net additional dwellings	H2	Core signal of supply.	2,635	Eng 3.6 per 1,000	Annual	Aim to increase
Affordable homes	Housing	Supporting	Permanent dwellings started	H3	Tracks changes in rate of new building.	1,740	Eng 1.9 per 1,000	Annual	Aim to increase
Affordable homes	Housing	Supporting	Permanent dwellings completed	H4		1,880	Eng 2.6 per 1,000	Annual	Aim to increase
Affordable homes	Housing	Supporting	Homes EPC C or above	H5	Links quality to lower energy costs.	50.8%	Eng 53.3%	Annual	Aim to increase

- ✓ *Good jobs*
- ✓ *Better connected*
- ✓ *Fit and healthy*
- ✓ *Affordable homes*

**EXECUTIVE BOARD REPORT
ANNEX B**

Equality Analysis

HEYCA Gameplan – Prosperity and opportunity for all

I. Purpose and scope

This Equality Analysis supports consultation on the HEYCA Gameplan. It helps decision-makers demonstrate due regard to the Public Sector Equality Duty and covers the Gameplan's four priorities (Good Jobs; Better Connected; Fit and Healthy; Affordable Homes).

The Gameplan is whole-place and will affect residents, workers, businesses and visitors across a mixed urban, rural and coastal geography, with important differences between Hull and the East Riding in age profile, health and access to services that shape equality risks and opportunities.

The Gameplan is a high-level strategic document. It sets direction and priorities rather than detailed schemes, so the assessment at this stage is proportionate and focuses on likely impacts and areas to watch. As proposals move into detailed policy, commissioning, investment and programme design, the Combined Authority and partners will complete full Equality Impact Assessments.

A. Good Jobs

Positive opportunities: A clearer pipeline of higher-value roles in areas such as energy, manufacturing, logistics, digital and health technologies could broaden access to secure, better-paid work, if pathways are correctly designed.

Equality risks to consider:

Disability and long-term conditions: access to training, reasonable adjustments, and travel-to-train support.

Sex, pregnancy/maternity and carers: course timing, part-time/flexible options and childcare barriers.

Age: young people's transitions and re-entry/upskilling for older residents.

Rural/coastal residents (place-based disadvantage): transport and digital access to provision.

Early mitigations to test through consultation: flexible learning routes; accessible venues and materials; targeted outreach via providers and employers; and consistent disaggregation of core outcomes by sex, disability and age to track inclusion.

Outline of economic statistics relating to Good jobs as a priority (Economic Base: Hull and East Yorkshire 2025):

A1. Overall Economy

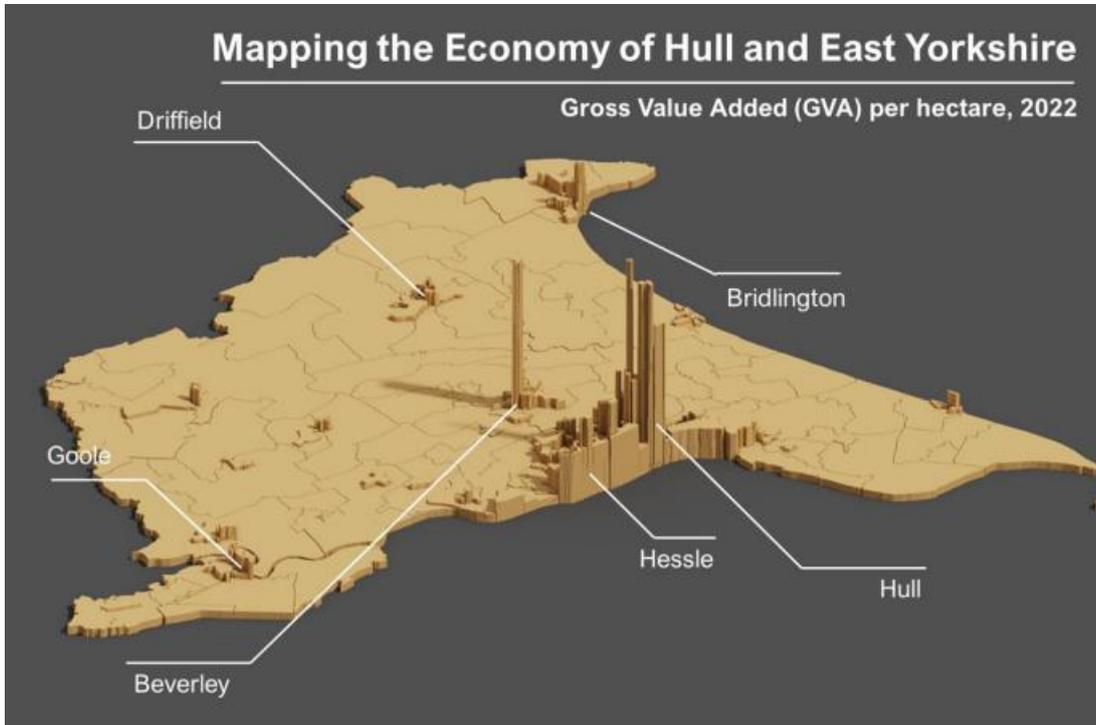
The smallest of the MCAs in England in population terms, Hull and East Yorkshire is a small economy, around one tenth of the regional total.

While low in national terms productivity performance is broadly in line with the regional average. However median wages are lower and GVA per capita, a broad measure of the overall prosperity of a place is significantly lower than the regional average. The economic activity rate is higher than the regional average (and the national average of 75.4), which is due to a combination of a higher percentage in employment, and a higher unemployment rate. Among those who are inactive there is a higher share inactive due to long term illness (over one third), with fewer students as a share of this cohort.

	Hull and East Yorkshire	Greater Lincolnshire	York and North Yorkshire	Tees Valley	Yorkshire and the Humber
Total GVA	£15,446	£26,937	£26,104	£15,486	£150,896
Population	631,285	1,120,749	844,571	712,858	5,672,962
GVA per Capita	£24,468	£24,035	£30,908	£21,724	£26,599
GVA per hour worked	£35.7	£35.5	£35.6	£34.8	£35.9
Median Earnings (workplace)	£580.5	£579.1	£575.0	£584.5	£588.1
Economic Activity rate	80.2%	75.2%	80.0%	75.1%	76.0%
Unemployment Rate	4.8%	3.4%	1.7%	4.3%	3.3%

Source: METRODYNAMICS, 2026,

Figure A1a. Overall Economic Statistics table for HEYCA

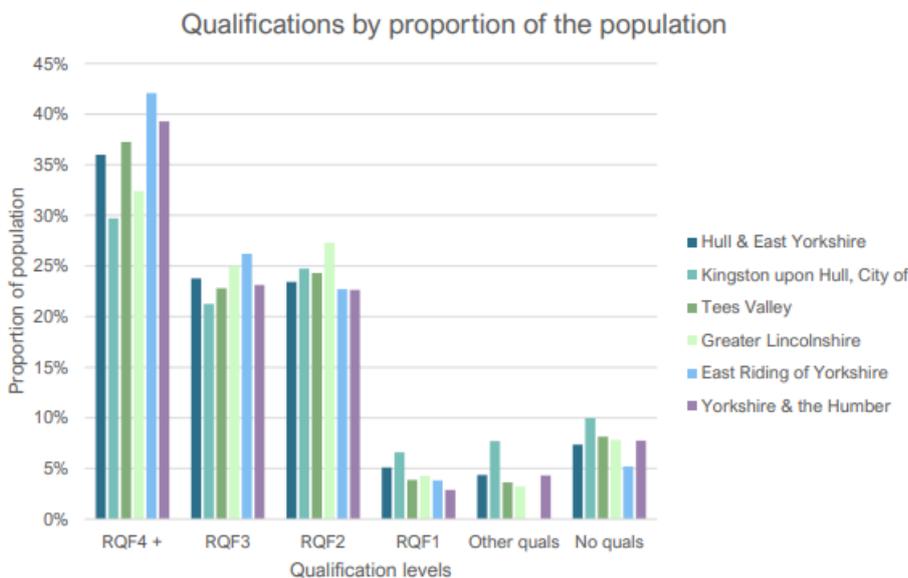


Source: Metro Dynamics analysis of ONS Small area gross value added estimates

Figure A1b. Mapping the Economy of Hull and East Yorkshire, 2022

A2. Qualifications

Patterns of qualifications across Hull and East Yorkshire show marked differences between Hull and the East Riding, with implications for skills supply and labour market performance. Hull and East Yorkshire shows a mixed picture of qualification levels compared with other nearby economies. Hull and East Yorkshire performs broadly in line with Tees Valley and Greater Lincolnshire, with a relatively high share of residents holding lower-level or no qualifications and a smaller proportion educated to higher levels. Hull has a lower proportion of residents with higher-level qualifications (RQF4+) and a larger share with no or low qualifications, reflecting lower educational attainment compared with both the East Riding and regional averages. In contrast, the East Riding has a stronger skills base, with higher proportions of residents holding RQF4+ qualifications and fewer with no qualifications.



Source: ONS annual population survey

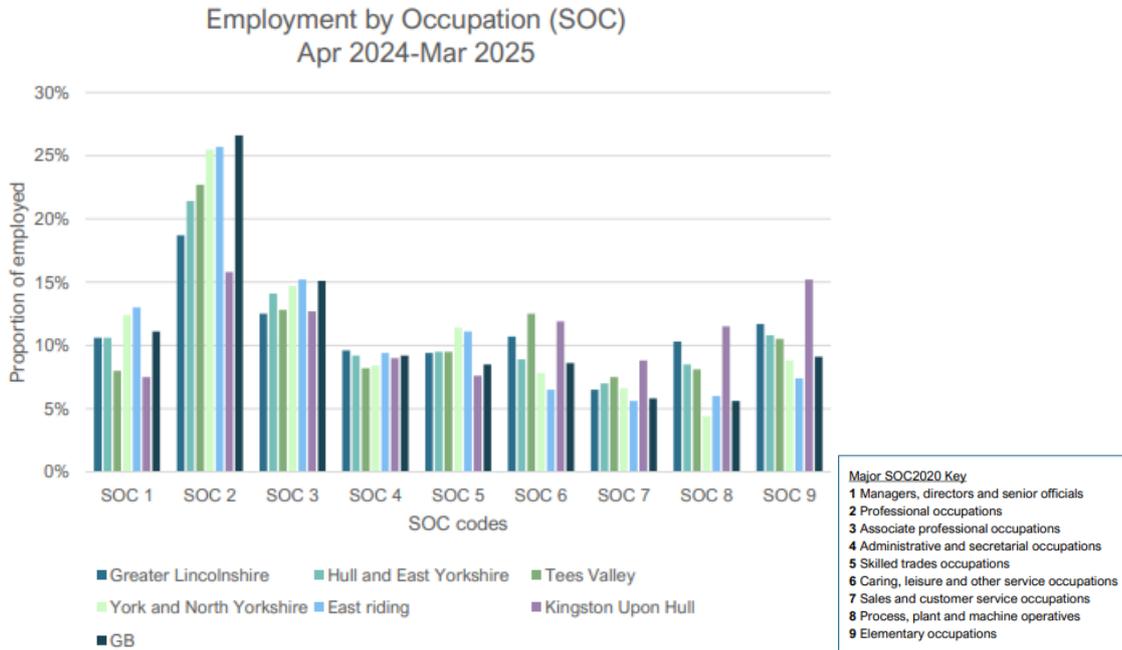
Figure A2a. Qualifications by proportions of the population

A3. Occupations

The occupational profile of Hull and East Yorkshire highlights a workforce concentrated in lower and mid-level occupations, with fewer residents in higher-skilled roles compared with national averages.

Employment in professional and managerial roles (SOC1–3) is lower than the national benchmark, particularly in Hull where the share of residents in these higher-skilled occupations is notably smaller. By contrast, employment in elementary and process, plant and machine operative roles (SOC8–9) is higher, reflecting the area’s industrial and

logistics base. East Riding display stronger representation in professional and associate professional occupations, closer to the national and regional picture.



Source: ONS, Annual Population Survey (April 2024-March 2025)

Figure A2b. Employment by occupation Apr 2024-Mar 2025

Additional equality implications arising from updated economic inactivity and qualifications data

The updated evidence on economic inactivity and qualifications reinforces the scale of inequality associated with long-term sickness and lower skills attainment in Hull and parts of East Yorkshire. The high proportion of economically inactive residents citing long-term illness, alongside a relatively large share of residents with low or no qualifications, indicates a heightened risk that growth in higher-value sectors may not be evenly accessible without targeted support.

This has particular implications for disabled people, older working-age residents and those with long-term health conditions, who may face compounding barriers linked to health, skills and confidence. There is also a risk of place-based inequality if residents in areas with lower qualification levels are less able to access new employment opportunities. These factors underline the importance of inclusive skills pathways, flexible progression routes and employer practices that support adjustments and re-entry to work.

Information also relevant to the Good Jobs priority:

- Transport (B1)

- Digital Connectivity (B2)
- Economic Activity (C1)
- Population (C2)

B. Better connected

Positive opportunities: A system approach to bus, rail and active travel, stations as gateways, and inclusion of digital skills and connectivity should improve access to work, education and health for groups who rely on public transport or local services.

Equality risks to consider:

Affordability and access: integrated ticketing that is digital-first may disadvantage cash-reliant, unbanked or digitally excluded residents; understanding how network changes might risk reducing coverage for low-income, disabled and rural users.

Accessibility and safety: vehicles, interchanges and public realm must work for disabled and older people and feel safe for women and girls and young people.

Micromobility adoption: potential conflict risks for pedestrians, wheelchair users and blind/partially sighted people if infrastructure and behaviours are not managed.

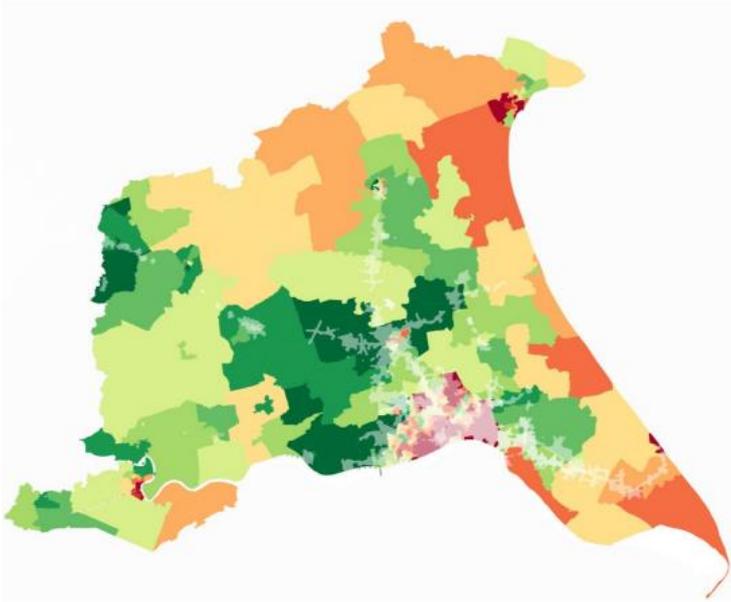
Early mitigations to test through consultation: inclusive design reviews for schemes; retain cash and retail purchase channels and assisted digital for ticketing; equality impact checks for service changes; accessible real-time information; and safety-by-design at stops and stations and in public spaces.

Outline of statistics relating to Better Connected as a priority (Economic Base: Hull and East Yorkshire 2025):

B1. Transport

Transport and employment patterns highlight the importance of connectivity in addressing deprivation and improving access to opportunity. To understand public transport access to areas in relation to their relative level of deprivation, we have overlaid the travel time isochrones for a 45-minute public transport journey to the 3 areas in Hull and East Yorkshire with highest level of employment and York, with the 2019 IMD map.

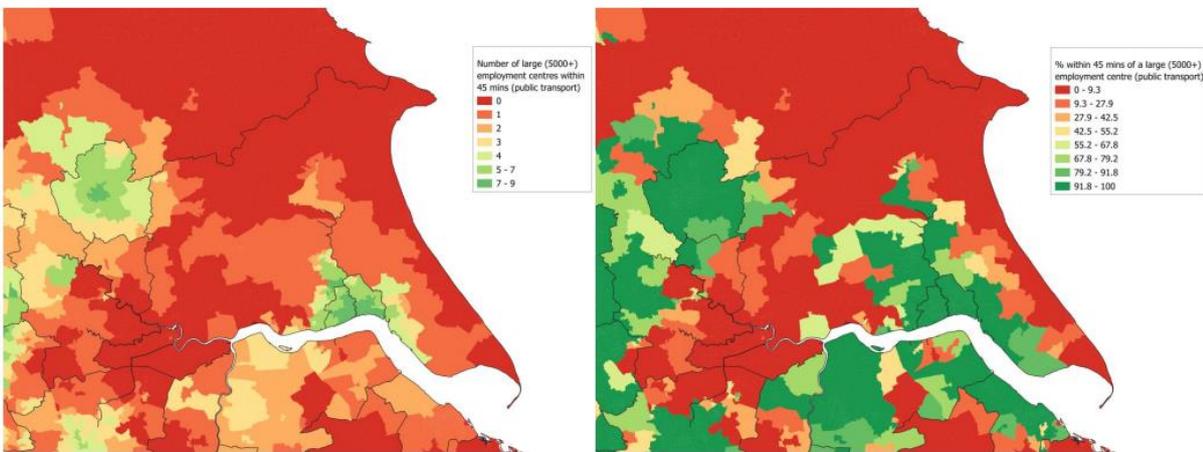
Transport connectivity to highest activity areas, and deprivation



Source: METRODYNAMICS, 2026,

Figure B1a. Transport connectivity

Access to large employment centres by public transport is highly uneven across Hull and East Yorkshire. Whilst Hull has strong accessibility to large employment centres in 45 minutes, the maps shows that only limited parts of East Riding achieve high levels of accessibility within 45 minutes of a centre with 5,000 or more jobs.



Source: METRODYNAMICS, 2026,

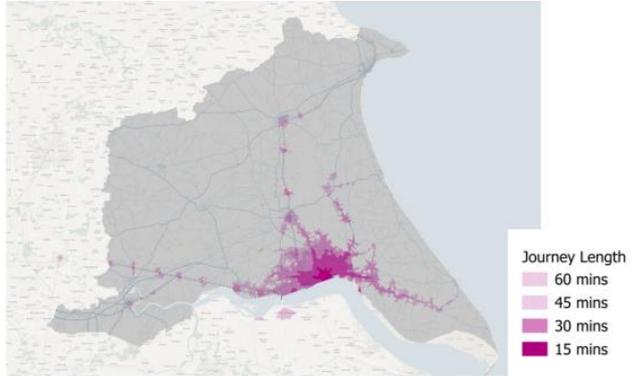
Figure B1b. Access to large employment centres, 5000+, National comparison (A), CA comparison (B)

The maps below show public transport connectivity from two key employment areas in Hull and East Yorkshire, Beverly and Hull City Centre. Hull City Centre is accessible in 60 minutes for all areas of Hull, but only accessible to places with train stations in East Riding. Beverly displays a similar pattern, with access largely confined to the local area and main transport corridors.

Public Transport connectivity from Beverly



Public Transport connectivity from Hull City Centre

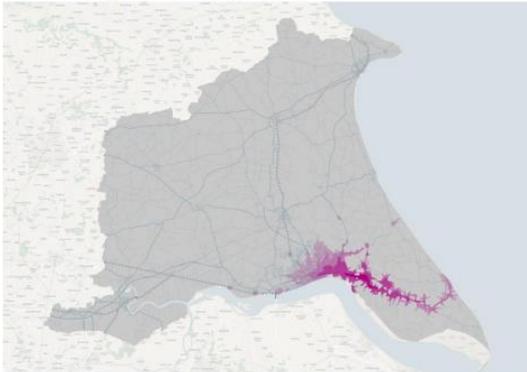


Source: METRODYNAMICS, 2026,

B1c. Public transport connectivity to Beverley (A) and Hull City Centre (B)

The maps below show public transport connectivity from two key employment areas in Hull and East Yorkshire, Hull Waterside and York. From Hull Waterside, public transport reach is covered east-west but leaving large areas of East Yorkshire outside effective commuting range. By contrast, connectivity from York demonstrates a far wider reach for residents in Hull, with limited connectivity in 60 minutes to some areas of East Riding

Public Transport connectivity from Hull Waterside



Public Transport connectivity from York



Source: METRODYNAMICS, 2026,

B1d. Public transport connectivity to Hull Waterside (A) and York (B)

Additional equality implications arising from transport accessibility mapping

The new transport accessibility mapping highlights clear spatial differences in access to major employment centres within a 45-minute public transport journey, particularly when overlaid with deprivation data. This reinforces the risk that residents in more deprived, coastal or rural areas may experience reduced access to employment, education and services if connectivity improvements are not designed inclusively.

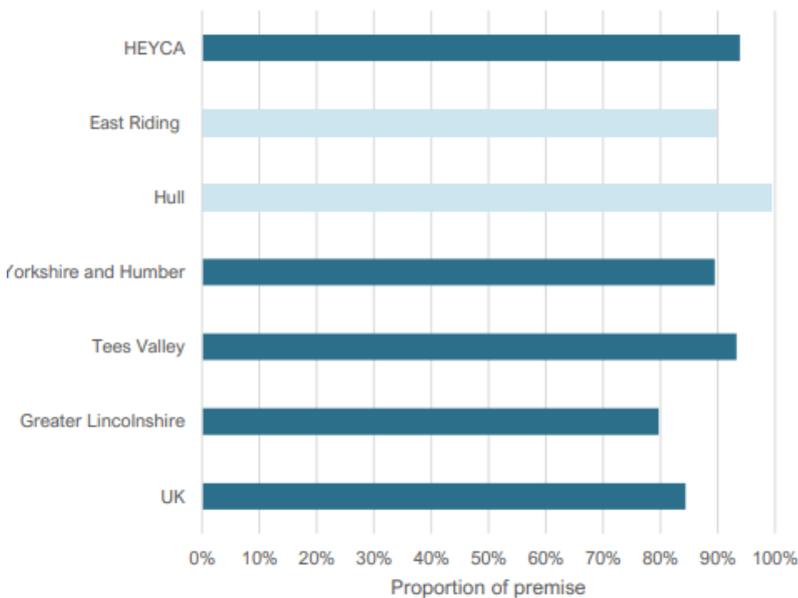
Groups more likely to rely on public transport, including lower-income households, young people, disabled residents and older people, may be disproportionately affected by gaps in coverage or service frequency. The evidence strengthens the case for equality impact checks when reviewing network changes, ensuring that service improvements do not unintentionally widen existing inequalities between places or population groups.

B2. Digital exclusion

Digital Exclusion is a limited risk in Hull and East Yorkshire, with only Bridlington highlighted as high risk. The Digital Exclusion Risk Index highlights that the risk of digital exclusion across Hull and East Yorkshire is generally low. Most of the geography records strong digital inclusion, reflecting widespread gigabit availability and adoption. The main exception is Bridlington, which stands out as the only area with a high risk of digital exclusion, reflective of low average earnings and high levels of deprivation.

Across HEYCA, coverage exceeds 90% of premises, with Hull itself close to universal availability. This is well above the UK average of just over 80% and places the region ahead of many comparator areas. For example, availability in Greater Lincolnshire is closer to the national figure, while Tees Valley also falls below Hull’s near-complete coverage. East Riding also performs strongly, with levels broadly in line with HEYCA overall.

Gigabit Availability as a proportion of premises



Source: METRODYNAMICS, 2026,

B2a. Gigabit Availability

Additional equality implications arising from updated digital exclusion evidence

While overall gigabit coverage across Hull and East Yorkshire is strong, the evidence suggests that availability alone does not remove barriers linked to affordability, skills and confidence. This presents potential risks for older residents, low-income households and

people with lower digital skills, particularly where access to transport, services or employment opportunities increasingly relies on digital platforms. These findings reinforce the need for assisted digital approaches, non-digital alternatives and targeted digital inclusion activity in areas identified as higher risk.

Information also relevant to Better Connected as priority:

- Overall Economy (A1)
- Economic Activity (C1)

C. Fit and healthy

Positive opportunities: A prevention-first approach targeted to local need should narrow healthy life expectancy gaps and support participation in work and community life.

Equality risks to consider:

Deprivation and long-term conditions: interventions must be proportionate to need; coastal and rural distances can hinder access to services for older people.

Digital exclusion: shift to online tools could miss people with low confidence or access.

Sport and physical activity: a risk that opportunities may not be fully inclusive, for example if facilities, programmes or communication methods do not meet the needs of people with physical, sensory or learning disabilities, limiting equal access and participation.

Early mitigations to test through consultation: targeted outreach through VCSE and employers; accessible venues and formats; transport links to health-promoting activities; routine monitoring of healthy Life Expectancy and inequality with breakdowns by sex, disability and geography; reduced long term sickness through economic activity encouragement; and increased mental health awareness with employers.

Outline of statistics relating to fit and healthy as a priority (Economic Base: Hull and East Yorkshire 2025):

C1. Economic Activity

Hull and East Yorkshire has high levels of economic inactivity, with a particular concentration among those recorded as long-term sick, which is significantly above the national average.

In total, 26,300 people in the subregion are economically inactive due to long-term sickness. This group accounts for 37% of the inactive population, compared with 28% nationally, and has increased by 26% since 2018, broadly in line with national trends. This represents a major constraint on labour supply.

Type of economic inactivity	Number in HEYCA	Proportion of economic inactive in HEYCA	Proportion in UK	Annual Growth	UK	Long term growth (2018-2025)	UK
Students	12,900	18%	27%	-27%	2%	-27%	3%
Looking after family/home	11,100	15%	18%	-23%	-3%	-38%	-20%
Temporary sick	1,100	2%	2%	-76%	21%	-39%	19%
Long-term sick	26,300	37%	28%	-15%	4%	26%	26%
Retired	12,900	18%	13%	9%	-5%	11%	0%
Other	7,500	10%	11%	-36%	2%	-5%	3%

Source: ONS, Annual Population Survey (April 2024-March 2025)

C1a. Economic Inactivity table

C2. Population

The population of Hull and East Yorkshire is just over 631,000 in 2024, with a structure that shows both a relatively young profile in Hull and an older population in the East Riding.

Across Hull and East Yorkshire, 18% of residents are aged 0–15, 9% are aged 16–24, 60% fall within the working-age group, and 22% are over 65. Hull has a younger profile, with 20% aged 0–15, compared to 16% in the wider region, and a higher proportion of working-age residents at 64% compared to 60% in York and North Yorkshire. In contrast, the East Riding has an older population, with 27% aged 65 and over compared with 16% in Hull.

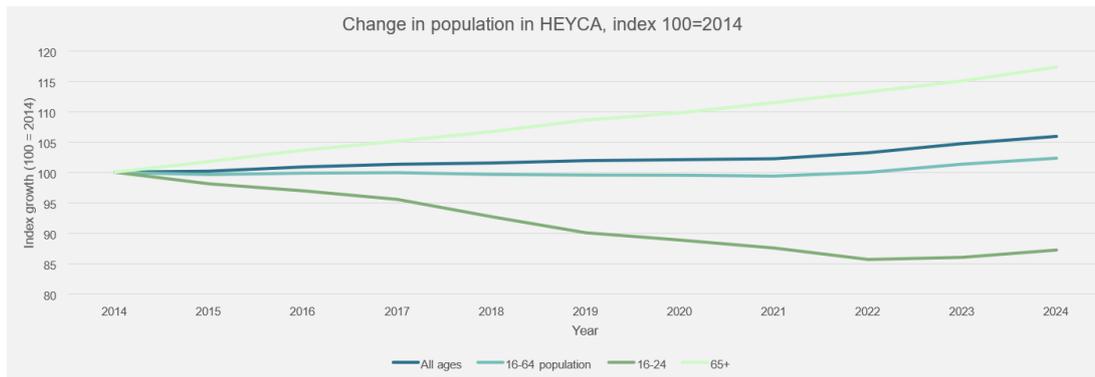
		0-15	16-24	16-64 population	65+	All ages
HEYCA	2024	110,746	59,272	381,436	139,103	631,285
	Proportion of population	18%	9%	60%	22%	
Hull	2024	55,396	31,541	177,306	42,699	275,401
	Proportion of population	20%	11%	64%	16%	
East Riding	2024	55,350	27,731	204,130	96,404	355,884
	Proportion of population	16%	8%	57%	27%	
York and North Yorkshire	2024	130,982	90,866	508,168	205,421	844,571
	Proportion of population	16%	11%	60%	24%	

Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

C2a. Population table

Population growth in Hull and East Yorkshire over the past decade has been modest overall, but with marked differences between age groups. Since 2014, the total population has increased by around 6%, with growth largely driven by older age groups. The number of residents aged 65 and over has risen steadily, growing by almost 18%. In contrast, the working-age population has remained broadly stable, showing only limited growth of around 3%.

Population Growth in HEYCA



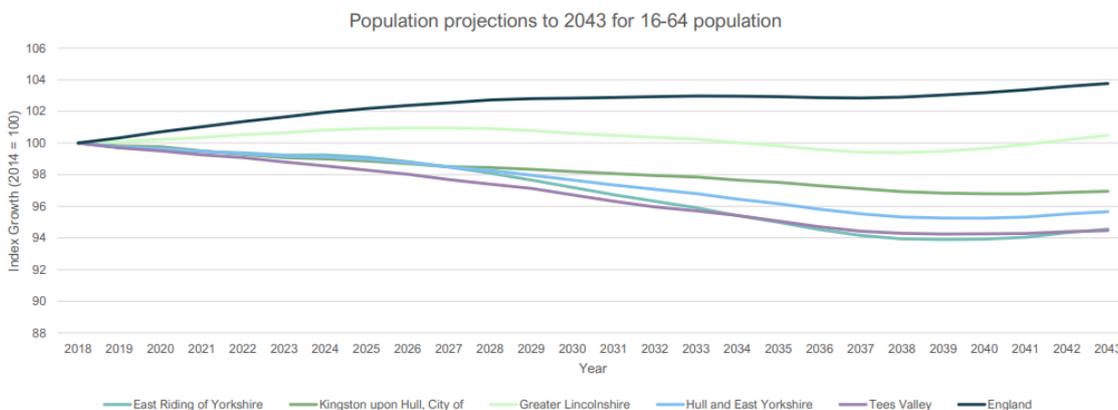
Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

C2b. Population Growth graph

The working-age population (16–64) in Hull and East Yorkshire has shown steady growth over the past decade, with recent increases bringing it closer to the trends seen across comparator areas. Since 2014, the working-age population in the Hull and East Yorkshire has grown by around 3%, broadly in line with Greater Lincolnshire and York and North Yorkshire. Hull itself has seen some fluctuations but has ended the period on an upward trajectory.

16-64 population projections

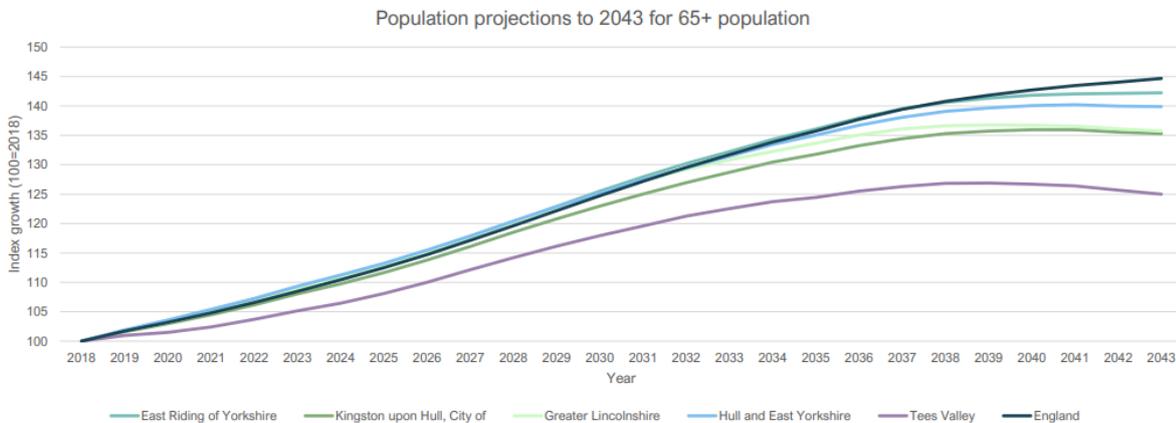
Hull and East Yorkshire's working-age population is projected to decline over the next two decades, falling by around 4% by 2043.



Source: ONS,

Population projections for local authorities by single year of age and sex (June 2025)

C2c. Population Projection 16-64 graph



Source: ONS, Population projections for local authorities by single year of age and sex (June 2025)

C2d. Population Projection 65+ graph

Additional equality implications arising from updated population structure and projections

The expanded population data and projections highlight a continuing increase in the older population across Hull and East Yorkshire, alongside relatively limited growth in the working-age population. This demographic shift has direct equality implications for health, access to services and participation in the labour market.

Older residents are more likely to experience long-term health conditions, mobility issues and digital exclusion, particularly in rural and coastal areas where distances to services are greater. The data reinforces the importance of ensuring that prevention, physical activity and wellbeing interventions are accessible, age-friendly and supported by appropriate transport and community-based provision, to avoid widening health inequalities as the population ages.

Information also relevant to fit and healthy as a priority:

- Deprivation (D1)

D. Affordable Homes

Positive opportunities: A clearer spatial framework, town-centre renewal and more affordable, warmer (EPC C+) can reduce bills and illness, benefiting low-income, older and disabled residents, and families.

Equality risks to consider:

Accessible or specialist housing supply: risk of under-provision if viability challenges squeeze inclusive design.

Private rented sector quality and security: disproportionate impacts on low-income households, lone parents and disabled residents.

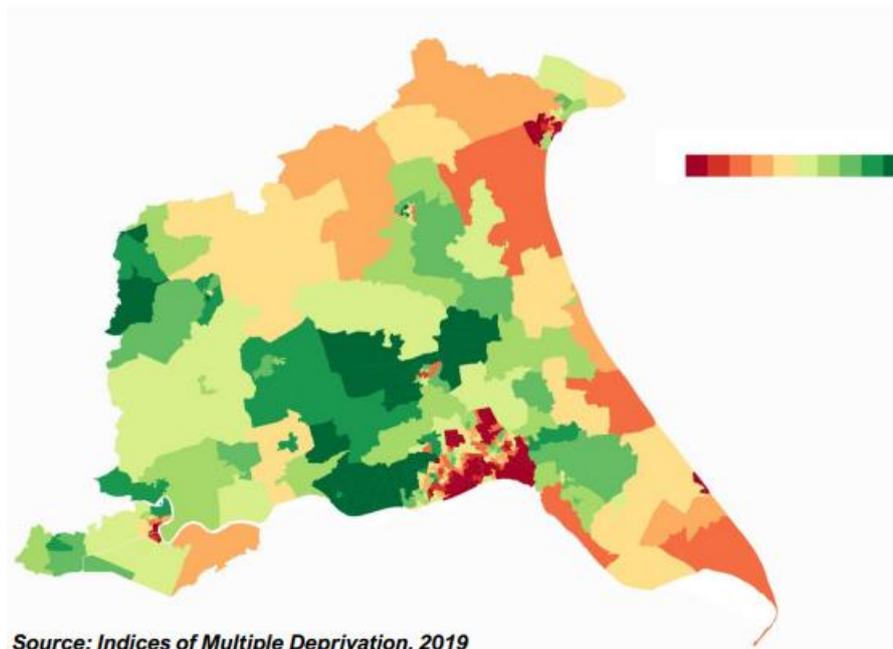
Homelessness: need for targeted support and suitable homes.

Early mitigations to test through consultation: maintain accessible and adaptable design expectations; align retrofit and PRS quality work with health objectives; integrate homelessness and move-on pathways within housing pipelines.

Outline of statistics relating to Affordable homes as a priority (Economic Base: Hull and East Yorkshire 2025):

D1. Deprivation and economic inequality

In the 2019 Indices of Multiple Deprivation Hull was ranked as the 4th most deprived local authority in England with 54% of LSOAs in Hull among the most deprived 20% in England (and 45% are in the most deprived 10%). East Riding is the 189th most deprived local authority, with 6% of LSOAs in the most deprived 10% nationally. Within the authority deprivation is greatest along the coast, to the North and around the larger urban centres, while there are also areas of very low deprivation, with a fifth of the LSOA in the least deprived 10% nationally.



D1a. Indices of multiple deprivation, 2019

Additional equality implications arising from deprivation evidence

The supported deprivation profile, particularly the concentration of deprivation within Hull and coastal areas of the East Riding, strengthens the equality case for prioritising affordable, secure and good-quality housing as a determinant of health and economic participation.

Residents in more deprived areas are more likely to experience fuel poverty, poor housing conditions and housing insecurity, with disproportionate impacts on disabled people, older residents, lone parents and low-income households. The evidence highlights the need for housing interventions to be aligned with health and inclusion objectives, ensuring that regeneration and investment activity contributes to reducing, rather than reinforcing, existing inequalities.

Information also relevant to Affordable Homes as a priority:

- Overall Economy (A1)
- Transport (B1)
- Economic Activity (C1)
- Population (C2)

