



**HULL AND EAST YORKSHIRE COMBINED AUTHORITY**

**9.30AM ON 5<sup>TH</sup> MARCH 2025**

**ERGO BUILDING, BRIDGEHEAD BUSINESS PARK**

**AGENDA**

	<b>Item</b>
<b>1.</b>	<b>Appointment of Co-Chairs</b>
<b>2.</b>	<b>Appointment of Vice Chair for this meeting</b>
<b>3.</b>	<b>Declarations of Interest</b>  To receive any declarations of interest in relation to the items that follow below.
<b>4.</b>	<b>Minutes of the Hull and East Riding Unitary Leaders Board held on 29<sup>th</sup> January 2025</b>  To note the minutes.
<b>Non-Key Decisions</b>	
<b>5.</b>	<b>Adoption of Constitution and Appointment of</b> <ul style="list-style-type: none"> <li>• <b>Interim Statutory Officers</b></li> <li>• <b>Non-Constituent Bodies and Associate Members</b></li> </ul>
<b>6.</b>	<b>Combined Authority Budget 2024/25 and 2025/26</b>
<b>7.</b>	<b>Appointment of External Auditor</b>
<b>8.</b>	<b>Draft Strategic Skills Framework</b>
<b>9.</b>	<b>Assurance Framework Final</b>
<b>10.</b>	<b>UKSPF Allocations – To follow</b>
<b>11.</b>	<b>Schedule of Future Meetings / Work Programme</b>

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Hull and East Riding Unitary Leaders' Board29<sup>th</sup> January 2025Room 50, The GuildhallPRESENT:-

Councillors Ross (Chair), Dad, Handley and Tucker.

IN ATTENDANCE:-

M. Jukes (Chief Executive, HCC), A. Menzies (Chief Executive, ERYC), A. Codd (Assistant Director Economic Development and Regeneration, HCC), L. Dixon (Assistant Director Legal Services and Governance, HCC), L. Nicholson (Director of Legal Services, ERYC), A. Holgate (Head of Governance), S. Toze (External Funding and Policy Manager, ERYC), M. Turner (Democratic Services Officer, ERYC), N. Turner (Head of Strategy and Policy, HCC) and L. Hawkins (Senior Democratic Services Officer, HCC).

APOLOGIES:-

None.

Minute No.	Description/Decision	Action By/Deadline
<b>PROCEDURAL ITEMS</b>		
26.	<b>DECLARATIONS OF INTEREST</b>  Councillor Ross declared an interest in minute 30 insofar as he was a Director of the Fruit Market LLP.	
27.	<b>MINUTES OF THE MEETING HELD ON 19<sup>th</sup> DECEMBER 2024</b>  <b>Agreed</b> – that the minutes of the meeting held on 19 <sup>th</sup> December 2024, having been printed and circulated, be taken and read and correctly recorded.	
28.	<b>HULL AND EAST YORKSHIRE DEVOLUTION UPDATE</b>  The Chief Executives of Hull and East Riding of Yorkshire Councils submitted a report which provided the Leader's with an update on the work of the Task and Finish Groups and other workstreams	

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	<p>as work continued on the implementation of the Hull and East Yorkshire Devolution Deal.</p> <p>The Assistant Director Economic Development and Regeneration confirmed that the English Devolution White Paper had now been published; that the paper outlined the Government’s approach to devolution which included the introduction of ‘strategic authorities’ which was a new term that encompassed combined authorities; that Hull and East Yorkshire was in a good position as its deal was progressing; that work was ongoing across the Humber regions in relation to the development of the Humber Industrial Strategy; the Energy and Freeport Boards would have an opportunity to feed into the Industrial Strategy however the Humber Leader’s Board would be responsible for approving the strategy.</p> <p><b>Agreed – that the report be noted.</b></p> <p><u>Reasons for Recommendations</u> This report provides an update on policy developments and the ongoing work of the Task and Finish Groups and other workstreams. It is important to note that progress continues to be made to support the implementation of the Hull and East Yorkshire Combined Authority.</p>	
<p>29.</p>	<p><b>HULL AND EAST YORKSHIRE UK SHARED PROSPERITY FUND FOR 2025/26</b></p> <p>The Assistant Director for Economic Development and Regeneration (HCC) and the Director of Economic Development and Communications (ERYC) submitted a report which provided an overview of the Government’s announcement of UK Shared Prosperity Fund (UKSPF) for 2025/26, made on 13<sup>th</sup> December 2024.</p> <p>The Head of Strategy and Policy (HCC) explained that the Government had announced an addition year of funding through the UK Shared Prosperity Fund; that previously the funding had been allocated to the individual local authorities; that future funding would be allocated to the HEY Combined Authority once it was established, and that it had been suggested that the programmes</p>	<p>Chief Executives</p>

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	<p>were progressed, at risk, as the funding had been confirmed.</p> <p>The External Funding and Policy Manager explained that the Government had not yet published the relevant guidance however assurance had been provided to confirm that similar projects to those funded previously would meet the criteria; that there would be less revenue funding available than previous years, and that the Government had not yet confirmed whether any additional Rural Shared Prosperity funds would be made available.</p> <p><b>Agreed –</b></p> <ol style="list-style-type: none"> <li>a. That, subject to the formal establishment of the HEYCA through legislation, it takes on the lead role for management and administration of the UKSPF programme accepting the grant, ensuring compliance, and producing relevant reports to Government, delegating delivery of programmes and projects to the constituent councils;</li> <li>b. That Hull and East Riding of Yorkshire Councils take on the individual roles for their areas using the architecture of the previous UKSPF programme to ensure delivery, working with local stakeholders to ensure appropriate involvement and achievement of the UKSPF's missions and objectives;</li> <li>c. That Hull and East Riding of Yorkshire Councils are authorised to proceed at risk with the development of programmes and projects supporting the delivery of the Government's Plan for Change ahead of a formal decision by HEYCA once established, with all executive decisions being made in line with their respective constitutions, and</li> <li>d. That, subject to formal decision by the HEYCA on the overall approach and allocation of funding, the Directors of Regeneration and Finance for Hull and East Riding of Yorkshire, in consultation with their</li> </ol>	
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	<p>respective Cabinet Portfolio Holders, are delegated to enter into funding agreements with appropriate providers meeting the terms of the grant for the UKSPF.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> <li>• In the Autumn 2024 Budget, the Government announced that the UKSPF funding would be continued for one further year, into 2025/26, but at a reduced rate. Funding details were announced on 13<sup>th</sup> December 2024, making clear that the funding would be provided to Hull and East Yorkshire Mayoral Combined Authority, once established, for use across its area in line with the priorities and objectives set out in the previous investment plans for the areas. Funding for Hull and East Yorkshire was announced at a total of £9.4m, made up of £2.9m capital and £6.5m revenue funding. This represents a reduction of £3m across the two authorities compared to 2024/25 funding equivalent to an overall reduction of 24%.</li> <li>• Due to HEYCA not being legally established, it clearly is not able to directly make decisions about allocating the funding and awarding grants to individual organisations. This potentially raises risks to ongoing delivery of key services coupled with a risk to loss of capacity in the VCSE sector as well as within the Council due to the need to issue risk of redundancy letters if action is not taken in sufficient time.</li> <li>• Similar to the ending of European Union Funding and the transition to UKSPF, a number of projects and organisations are at risk if UKSPF does not continue into 2025/26. Services provided to local people will be closed down if further funding is not available, which will lead to a loss of capacity going forward. Sufficient time is, therefore,</li> </ul>	
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	<p>needed to prepare and issue funding agreements with delivery organisations ahead of the 1 April 2025, to ensure the ability to provide continued delivery of services and delivery capacity is maintained.</p> <ul style="list-style-type: none"> <li>• Funding is only available for expenditure between the 1 April 2025 and the 31 March 2026. It is therefore imperative that only programmes and projects that are able to deliver within this time period are awarded funding. Failure to spend the grant allocation will result in HEYCA having to return funding to MHCLG at the end of the programme. Early decisions on the awarding funding agreements will support HEYCA being able to minimise the risk of any underspend.</li> <li>• The recommendations contained in this report, therefore, seek to minimise the risks to ongoing delivery of key services to residents, businesses, and communities by enabling progression ahead of the legal establishment of HEYCA and formal decisions in relation to this funding programme.</li> </ul>	
30.	<p><b>GROWING PLACES LOAN FRUIT MARKET LLP – LOAN REPAYMENT DEFERRAL</b></p> <p><b>(Councillor Ross declared an interest in the item that follows below insofar as he was a Director of the Fruit Market LLP.)</b></p> <p>The Chief Executives submitted a report which updated the Hull and East Riding Unitary Leaders' Board ("ULB") of a change to one of the loans, namely that the repayment period had been extended.</p> <p>The Assistant Director Economic Development (HCC) and Regeneration explained that the extension had been scrutinised independently by the Investment Board.</p> <p><b>Agreed</b> - that the Board notes the loan repayment extension.</p>	

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	<p><u>Reasons for Recommendations</u> The report updates the Board on changes to a loan.</p>	
31.	<p><b>COMBINED AUTHORITY ORGANISATIONAL ARRANGEMENTS</b></p> <p>The Assistant Director OD &amp; HR (HCC) submitted a report which set out the initial proposals pending the election of the Combined Authority Mayor.</p> <p>The Chief Executive (HCC) explained that the Assistant Director (Legal, Capital Delivery and Governance) had recused herself from this item as it referred to her appointment as interim Monitoring Officer to the new Combined Authority. He noted that the report set out proposals for the provision of the functions that would be required by the Combined Authority; that it was suggested that, once appointed, the Interim Programme Development Officer would review the proposed arrangements; that the Mayor could commission the required functions through Service Level Agreements, and that there was flexibility for the Interim Programme Development Officer to continue in post following the election of a Mayor.</p> <p>A discussion took place around whether it was possible to begin an expression of interest process for the role of Chief Executive of the Combined Authority so that Mayor had a selection of possible candidates. There had been feedback from other Combined Authorities which suggested that it would provide efficiencies. It was confirmed that an interim budget and staffing structure would be submitted to the inaugural meeting of the Combined Authority which could include options for an expression of interest process.</p> <p>A discussion took place around the level of resources that would be required from both local authorities in delivering the functions that had been allocated to them.</p> <p><b>Agreed –</b></p> <p>a. To confirm the appointment of Mark Rogers as Interim Programme Development Officer,</p>	Chief Executives

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	<p>engaged through IRG Advisors Ltd (trading as Odgers Berndtson) commissioned through a compliant framework contract to lead the work necessary to transition to a Combined Authority through to the election of the Mayor and further until the appointment is terminated in accordance with recommendation 2.2 below;</p> <p>b. That Mark Rogers will hold the office of Interim Head of Paid Service from the point that the Combined Authority comes into existence until the contract with IRG Advisors Ltd terminates whether by service of notice or effluxion of time;</p> <p>c. That the statutory role of interim Monitoring Officer be fulfilled by the Assistant Director (Legal, Capital Delivery and Governance) of Hull City Council and the statutory role of Interim Finance (s73) Officer be fulfilled by the Chief Financial Officer of East Riding of Yorkshire Council through service level agreements between the relevant Council and the Combined Authority.</p> <p>d. That the administration of the Combined Authority be undertaken by Hull City Council pending the election of a Mayor and the financial accounts be managed by East Riding of Yorkshire Council;</p> <p>e. That authority be given to initiate the recruitment of an officer to fulfil the role of Scrutiny Officer for the Combined Authority through a process that allows for input from the proposed Scrutiny Appointees of the Overview and Scrutiny Management Committees of Hull and East Riding of Yorkshire Councils;</p> <p>f. That the Board notes that the Chief Executive of East Riding of Yorkshire Council has agreed to undertake the role of Combined Authority Returning Officer (CARO) for the Combined Authority election in May 2025</p>	
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	<p>with the support of the Chief Executive of Hull City Council, and</p> <p>g. That the estimated resources required by each local authority to deliver the functions delegated to them is provided to members of the Board outside of the meeting.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> <li>• The Joint Committee arrangements through which the Executives of the two constituent Councils have operated since April 2021 will transition to a Combined Authority as a statutory body with a separate legal status and separate accounts in early 2025.</li> <li>• In order to ensure a smooth transition the Combined Authority needs to have in place an individual who can lead the work necessary to ensure that the immediate obligations of the Combined Authority are fulfilled and that the Combined Authority is in a state of readiness for its status as a Mayoral Combined Authority in advance of the election of a Mayor in May 2025 with statutory officers who can fulfil the roles of Monitoring Officer and Financial Officer for the Combined Authority and a Scrutiny Officer.</li> <li>• It is proposed that the s73 Chief Finance Officer role and Monitoring Officer role are undertaken by officers from each council, with the s73 Officer role being undertaken by the East Riding of Yorkshire s151 officer, and the Monitoring Officer Role being undertaken by Hull City Council's Monitoring Officer. It is appropriate to transition the responsibility for these roles, to establish the financial accounts of the Combined Authority and the administration of the same to East Riding of Yorkshire Council, and the legal and constitutional arrangements to Hull City Council.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• To ensure that the Mayor of the Combined Authority has a key role in the appointment of the officer to lead the authority it is proposed that a consultant be appointed to fulfil the role on an interim basis pending the election of the Mayor to lead the Combined Authority in consultation with the Chief Executives of Hull and East Riding of Yorkshire Council, but that the recruitment of Head of Paid Service be initiated alongside the election to enable a swift appointment to the position of Head of Paid Service following the election.</li> <li>• There is a statutory requirement that the Combined Authority has in place a Scrutiny Officer who is employed by the Combined Authority . It is consequently necessary to progress that recruitment to ensure that this requirement is met.</li> <li>• The appointment of a Combined Authority Returning Officer is a personal appointment for each election requiring the agreement of the individual who will fulfil that role. The Chief Executives of the two authorities are in agreement that for the election in 2025 the East Riding of Yorkshire Chief Executive is the best position to undertake the role.</li> </ul>	
32.	<p><b>HULL AND EAST RIDING COMBINED MAYORAL AUTHORITY – MAYORAL ELECTION</b></p> <p>The Chief Executives submitted a report which set out the proposed arrangements for HEY Combined Authority Mayoral election.</p> <p>The Director of Legal Services explained that is had been proposed to use the same principles of the Mayoral election as had been used for the Police and Crime Commissioner election. It was confirmed that the costs of delivering the election would be recouped from the Combined Authority.</p> <p>Members queried whether it was possible to undertake the election count on the evening of 1<sup>st</sup> May 2025. The Chief Executive (ERYC) explained</p>	

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	<p>that there were logistical issues in counting on the election night in the East Riding due to the geographical distances between the polling stations and the count centre however options would be explored.</p> <p><b>Agreed – That the Board –</b></p> <ul style="list-style-type: none"> <li>(i) Appoints the Interim Chief Executive of East Riding of Yorkshire Council as Combined Authority Returning Officer (CARO);</li> <li>(ii) Notes the election will be carried out in line with the arrangements for the recent Humberside Police and Crime Commissioner election in 2024;</li> <li>(iii) Agrees that the constituent councils will cash flow any election costs incurred prior to funds being made available for the creation of Hull &amp; East Riding Combined Authority. The CARO and Local Returning Office (LRO) will commence planning for the election and recover any costs they incur from the Hull and East Riding Combined Authority as outlined within this report.</li> </ul> <p><u>Reasons for recommendations</u> The recommendations will ensure that the Mayoral election is conducted in line with relevant legislation.</p>	Chief Executives
33.	<p><b>HULL AND EAST RIDING COMBINED MAYORAL AUTHORITY – INDEPENDENT REMUNERATION PANEL (IRP)</b></p> <p>The Assistant Director Legal Services and Governance (HCC) submitted a report which sought agreement for the appointment of an IRP established in line with relevant legislation to enable the Authority to adopt a Scheme following consideration of any recommendations from the IRP.</p> <p>A discussion took place around the timing of meetings of the IRP and when allowances were</p>	

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	<p>expected to be agreed. The Democratic Services Manager (ERYC) explained that the agreement of allowances could be undertaken in a staged process with a focus on key roles.</p> <p><b>Agreed</b> – that those members appointed to the East Riding of Yorkshire Council IRP are utilised to form the Authority’s IRP.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> <li>• The appointment of an IRP will ensure that robust recommendations are developed allowing the consideration of an appropriate Scheme to be adopted by the Authority.</li> <li>• The East Riding of Yorkshire Council IRP has recently been established following the processes outlined within this report and is fully compliant with relevant legislation and also reviews the Allowance Scheme in relation to the Humberside Fire Authority.</li> </ul>	Assistant Director Legal Services and Governance (HCC)
34.	<p><b>WORK PROGRAMME 2024/25</b></p> <p>The Chief Executives submitted a report which presented the work programme for the review and noting.</p> <p><b>Agreed –</b></p> <ol style="list-style-type: none"> <li>a. That the work programme be noted, and</li> <li>b. That the meeting scheduled for 27<sup>th</sup> March 2025 is cancelled.</li> </ol>	Chief Executives

The above Executive Decisions will come into force and may be implemented on expiry of five working days after the publication of the decisions i.e. 10<sup>th</sup> February 2025, unless called in by the Overview and Scrutiny Management Committees of the two Councils.

Published – 31<sup>st</sup> January 2025

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**Report to the Combined Authority**

5 March 2025

**Hull and East Yorkshire Combined Authority Governance Arrangements**

**Report of the Interim Monitoring Officer**

**Report Status:**

This item is not exempt

**1. Purpose of the Report and Summary**

- 1.1. The [Hull and East Yorkshire Combined Authority Order 2025](#) (the Order) created the Hull & East Yorkshire Combined Authority (the **Authority**). It is a requirement of the Order that the Authority adopts a Constitution which sets out the roles and responsibilities of members and officers within the governance framework, as well as the procedural rules, membership and voting arrangements for committees and advisory boards that make up the Combined Authority.
- 1.2. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (the 2017 Order) sets out the required arrangements for the establishment of a Scrutiny and an Audit Committee for the Authority and the framework within which members of those Committees are to be appointed.
- 1.3. It is necessary for each of the two Constituent Councils (the **Councils**) of the Authority (Hull City Council and East Riding of Yorkshire Council) to propose members of the two Councils for appointment to the Scrutiny and Audit Committees.
- 1.4. The report recommends that the Interim Monitoring Officer be provided with initial delegations to ensure the Authority is able to appoint the required independent positions in respect of the Independent Person for standards

matters and the Independent Person to sit on, and support the work of, the Audit and Governance Committee.

1.5. The Authority is also required to appoint to certain statutory roles within the new organisation, including the Head of Paid Service, the s73 Chief Finance Officer and Monitoring Officer. The report confirms interim appointments to these posts, pending the conclusion of formal recruitment processes to each permanent position.

## **2. Recommendations**

2.1. To adopt the draft Constitution at Appendix 1 as the Constitution of the Hull and East Yorkshire Combined Authority.

2.2. To authorise the Interim Monitoring Officer to keep the Constitution under review and to make amendments as necessary to the Constitution to reflect the functions, actions and needs of the Authority and any changes to legislation consistent with the provisions of the 2025 Order.

2.3. To note the establishment of the Committees as required by the Order and their membership as set out at Appendix 2 and to request the Constituent Councils to make their nominations before the end of March 2025, utilising their existing appointments processes to enable the Authority to establish its governance arrangements.

2.4. To authorise the Interim Monitoring Officer to advertise and make recommendations to the Authority on the appointment of relevant Independent Persons in respect of the Independent Remuneration Panel (where necessary), the vacancy on the Audit and Governance Committee and under Section 28 of the Localism Act 2011.

2.5. To approve the designation of the Hull and East Yorkshire Business Board and the Hull and East Yorkshire Skills Board as advisory boards to assist the Authority in developing policy and to provide advice within the existing remit and terms of reference of both Boards, subject to periodic review as the Authority progresses following the appointment of the Mayor.

2.6 To note the appointment of the Leader and Deputy Leader of Hull City Council and East Riding of Yorkshire Councils as Combined Authority Members and the designation of the Leader of each Council as Lead Member for that Council; and the appointment of named substitute Members.

2.7 To appoint

- i. the Humberside Police and Crime Commissioner as a Non-Constituent Member of the Authority;

- ii. the Chair of the Hull and East Yorkshire Skills Board and the Chair of the Hull and East Yorkshire Business Board as Associate Members of the Combined Authority, and
- iii. request that each nominate a named substitute to act as a Combined Authority Member in their absence.

2.8 To confirm appointment of the following Interim Statutory Officers as part of the interim structure for the Authority;

- a. Mark Rogers as the Interim Chief Executive and Head of Paid Service
- b. Julian Neilson, Chief Finance Officer of the East Riding of Yorkshire Council, as the Interim Section 73 Officer for the Authority
- c. Lisa Dixon, Assistant Director Legal and Governance of Hull City Council, as the Interim Monitoring Officer for the Authority

noting that recruitment processes to appoint to these positions on a permanent basis will be undertaken directly by the Authority.

2.9 To appoint a member of the Authority as the Authority's interim representative on the Board of Transport for the North until such time as a Mayor is elected for the Combined Authority Area.

### **3 Reasons for Recommendations**

3.1 To ensure the Authority has a governance framework in place to facilitate its operation in accordance with the 2025 order and other legal requirements.

3.2 The Authority is required to establish a Scrutiny Committee and an Audit Committee.

3.3 The 2017 Order provides that the members of each of the Overview and Scrutiny and Audit and Governance Committees (the **Scrutiny and Audit Committees**) taken as a whole must reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together. Section 15(5) of the Local Government and Housing Act 1989 sets out the normal hierarchy of principles that are applied when determining the membership of Committees. These principles have been applied in arriving at the proposed allocations.

3.4 Statutory officers to the Authority must be appointed in accordance with relevant legislation.

3.5 To ensure the Authority is represented at the next Board meeting of Transport for the North.

## 4 **Background**

- 4.1 The Secretary of State for Levelling Up, Housing and Communities announced that the Government was minded to enter into a Devolution Deal with the two Councils on the 22 November 2023. The Deal set out significant new Government investment funds for the area to spend on local priorities to produce growth, together with a range of other devolved powers and responsibilities. The full detail of the Deal can be found here: <https://www.gov.uk/government/publications/hull-and-east-yorkshire-devolution-deal>.
- 4.2 Following the Government's publication of the Deal, the two Councils agreed on the 21 December 2023 to publish their Proposals for devolution and complete a statutory consultation. On 27 March 2024, at the Hull and East Riding Unitary Leaders' Board, the Leaders considered the responses to the consultation and agreed to submit the final Proposal to the Secretary of State (SoS) for their consideration and agreement so that the necessary legislation could be put in place.
- 4.3 Under the primary legislation allowing the formation of Mayoral Combined Authorities contained within the Local Democracy, Economic Development and Construction Act 2009, as amended by the Levelling-up and Regeneration Act 2023, secondary legislation in the form of a Statutory Instrument, is required to establish a new combined authority.
- 4.4 The Authority was created in February 2025. One of the first actions of the Authority must be to approve its Constitution in order to establish and make public its governance arrangements. This puts in place the framework of how the Authority is to operate, how decisions are to be made and the procedures to be followed to ensure that decisions are transparent. It also sets out such matters as committee membership, the role of advisory boards and delegated authorities and contains procedural rules for financial matters and contracts.
- 4.5 The 2025 Order makes provision for the appointment of members of the Authority and the 2017 Order sets out the membership arrangements for the establishment of the Scrutiny and Audit Committees. The two Councils need to formally nominate its constituent members to the Authority. One of these must be designated the Lead Member for their Council. Each Constituent Council also needs to recommend members to the Authority for the Overview and Scrutiny and Audit and Governance Committees, recognising that the decision upon the final arrangements for Scrutiny and Audit will be a decision for the Authority based upon its Constitutional requirements and the statutory framework.
- 4.6 Both Councils have nominated their Leader and Deputy Leader as their appointees to the Executive Board of the Authority. The Leader of each Council is designated as the Lead Member for that Council.



## **5 Issues for consideration**

### **Constitution, functions and voting**

- 5.1 The draft Constitution (Appendix 1) is submitted for approval by the Authority. Members should note that the Constitution will be developed further following the election of the Mayor and the possible devolution or transfer of further functions to the Authority. The Interim Monitoring Officer and subsequently the Monitoring Officer when appointed will be responsible for periodic review and further iterations of the Constitution will be brought to the Authority for approval. The draft Constitution is in six Parts as follows:

#### Part 1 – Introduction

General introduction to the Authority and the Authority's Constitution, including how the Constitution is arranged and an index of definitions used in the Constitution.

#### Part 2 - Articles

Sets out the underpinning legal framework of the Authority.

#### Part 3 - Responsibility for Functions

Sets out who is responsible for exercising each function of the Authority.

#### Part 4 - Procedure Rules

Details how the Authority, and its decision-makers operate, including:

- formal meetings of the Authority and its committees,
- how to access information, and
- procedures relating to finance and contracts.

#### Part 5 - Ethical Standards

Establishes the Codes of Conduct for Members and officers of the Authority, and protocols relating to conduct, conflicts of interest and relationships between officers and members.

#### Part 6 - Members' allowances scheme

Sets out the allowances and any other payments which can be made to Members of the Authority.

- 5.2 The Mayor, once elected, will act as chair of the Authority and provide overall leadership. The Authority's remit is strategic economic development, housing, skills, public transport infrastructure and strategic and operational transport functions. The Mayor may also establish Mayoral Development Areas within the boundaries of each constituent Council. The Mayor can choose to delegate certain functions to members and/or committees of the Authority. The Mayor can appoint portfolio leads from the Authority Members.

5.3 The Mayor can exercise certain of their functions autonomously as these have been devolved directly from Central Government to that post, namely:

- Section 17(3) of the Housing Act 1985 (compulsory acquisition of land for housing purposes);
- Acquisition of land by CPO under Section 9(2) of the Housing and Regeneration Act 2008;
- Power to levy a supplement on business rates under the Business Rates Supplements Act 2009;
- Develop the Local Transport Plan (Section 108, 109 and 112 of the Transport Act 2000);
- Provision of grants to bus service operators (under Section 154 Transport Act 2000);
- Power to pay grants under Section 31 of the Local Government Act 2003;
- Power to give a direction about the exercise of a highways power to the Constituent Councils on the Key Route Network

The following powers under the Localism Act 2011:

- Designation of Mayoral development areas and to keep them under review (sections 197, 199 and 215);
- Transfers of property etc to a Mayoral development corporation (section 200);
- Power to designate the Mayoral Development Corporation as the Local Planning Authority for that area (section 202 and 204);
- Power to grant discretionary relief from non-domestic rates for the Mayoral development area (section 214);

The Mayor may create joint arrangements (joint committees) with the Authority, other Combined Authorities, the Constituent Councils, and other councils for the exercise of their powers jointly.

5.4 The Authority will be responsible for any function of the Authority which is not the responsibility of the Mayor. Proposed decisions can be put forward by the Mayor or any Authority Member. The Mayor will have one vote as will other voting Members. The 2025 Order sets out those functions and the mechanism through which they can be exercised and is included at Appendix 3.

5.5 Matters that are to be determined by the Authority are to be determined by a simple majority and that majority must include the vote of the Mayor. When approving the Authority's budget (but not the Mayor's budget) and setting a levy, the Lead Member from each Constituent Council must be in the majority vote.

5.6 The Mayor will be required to consult the Authority on their strategies and the Authority will be able to amend the Mayor's budget and the Mayor's Local

Transport Plan if three out of the four Constituent Council Members agree to do so.

5.7 The Mayor and the Authority will be supported by Committees, the Business Board and the Skills Board and the Senior Management Team, including the Statutory Officers.

### **Committees and Membership**

5.8 Schedule 1 of the Order provides that the membership of the Authority will be:

- i. The Mayor (who will Chair the Authority)
- ii. Each Constituent Council must appoint two of its elected members to be members of the Combined Authority and to designate one of those members as Lead Member.
- iii. Each Constituent Council will appoint a named substitute for each of the members.
- iv. Up to four non-constituent (non voting unless the voting members of the Authority unanimously resolve otherwise.) or associate members (non-voting).

5.9 It is proposed that the Chairs of the Hull and East Yorkshire Business Board and Skills Board are appointed as Associate Members (non-voting) of the Authority. These positions are non-voting as required by the 2025 Order.

5.10 The Humberside Police and Crime Commissioner is to be appointed as a Non-Constituent Member of the Authority. This position is non-voting unless the voting members of the Authority unanimously resolve to give the Non-Constituent Member a vote on a specific issue.

5.11 [Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009](#) (the 2009 Act) sets out the primary legal framework within which the Authority is required to establish an Overview and Scrutiny Committee to:

- a. review or scrutinise decisions taken, including the power to direct that a decision is not implemented while it is under review and the power to recommend that the decision be reconsidered;
- b. require members or officers of the Authority to attend before it to answer questions (and to invite others to attend and answer questions);
- c. make reports or recommendations to the Authority, and
- d. make reports or recommendations to the Authority on matters that affect the Authority's area or the inhabitants of the area.

and to establish an Audit Committee to:

- a. review and scrutinise the Authority's financial affairs;
- b. review and assess the Authority's risk management, internal control and corporate governance arrangements;
- c. review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Authority's functions; and
- d. make reports and recommendations to the Authority in relation to reviews conducted under (a) to (c).

5.12 Other than setting out the number of members on the Authority itself, the 2025 Order does not specify the number of members on any other Committee, leaving this as a matter to be decided by the Authority. The proposal submitted to central government requesting the establishment of a mayoral combined authority for Hull and East Riding proposed an Audit Committee of nine members (including one independent member) and twelve overview and scrutiny members. This proposal was the subject of consultation across the Authority area prior to submission to government. In deciding whether the statutory tests had been met, the Secretary of State had to take into account the consultation and proposal submitted by the two Councils. However, the government has chosen not to include the numbers proposed by the two Councils in the 2025 Order.

5.13 The Audit and Governance Committee and Scrutiny Committee are appointed by the Authority following nominations by the Constituent Councils. The 2017 Order provides that the members of the Scrutiny Committees taken as a whole must reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the Constituent Councils **when taken together**. Section 15(5) of the Local Government and Housing Act 1989 sets out the normal hierarchy of principles that are applied when determining the membership of Committees.

5.14 The 2009 Act prescribes that the majority of members of an overview and scrutiny committee must comprise members of the Authority's Constituent Councils and that the chair must be either an independent person or an "appropriate" person. An "appropriate person" is a member of one of the Constituent Councils who is not a member of a registered political party of which the Mayor is a member, where the Mayor is not a member of a registered political party an 'appropriate person is a member who is not a member of the registered political party which has the most representatives among the members of the Constituent Councils on the Authority(s3).

5.15 In addition, the [2017](#) Order provides that:

- c. Members of the committees who are not members of a Constituent Council do not have voting rights unless given such rights by formal resolution of the Authority;
- d. The quorum for a meeting requires that at least two thirds of the membership are present;

- e. No member of the committee has a casting vote and a vote that is tied is deemed as not carried;
- f. The Audit Committee must include at least one **independent person**;
- g. The Authority may not designate as the scrutiny officer any officer of a Constituent Council (s9) and no officer of a Constituent Council may be appointed to sit on the Audit Committee.

5.16 The Localism Act 2011 provides that any authority (including the Authority) must also have at least one Independent Person who has a statutory duty to be consulted when complaints against councillors are made. This Independent Person must be appointed after the vacancy has been advertised in such manner as the Authority considers is likely to bring it to the attention of the public. Therefore, it is recommended that delegation is given to the Interim Monitoring Officer to publicise the vacancy/vacancies and to make a recommendation for appointment at a future Authority meeting. Consideration should be given in appointing potentially two Independent Persons to provide appropriate cover for the Authority. An independent person is defined as a person who:

- (a) is not a member, co-opted member or officer of the Authority;
- (b) is not a member, co-opted member or officer of a parish council for which the authority is the principal Authority;
- (c) is not a relative, or close friend, of a person within sub-paragraph (a) or (b); and
- (d) was not at any time during the 5 years ending with their appointment to the Audit and Governance Committee a member, substituted member, co- opted member or officer of the authority. (s5)

5.17 The Authority can establish an Independent Remuneration Panel to advise it on its Members Allowance Scheme. A Panel has been appointed with agreement of the Hull and East Riding Leader's Board.

5.18 The Authority is able to appoint a representative for the Board of Transport for the North. This representative is usually either the Mayor for the Combined Authority Area or a member of the Authority with responsibility for transport functions. Pending the election of a Mayor for the Combined Authority Area, it is proposed that one member should be appointed as the Authority's interim representative to ensure that the Authority is represented at the next Board meeting on 17 March 2025. The permanent representative can then be appointed after the Mayoral election.

## 6 Equalities Impact Information

6.1 An Equality Impact Analysis was undertaken a part of the statutory consultation upon the creation of a Combined Authority. It concluded that:

*“Considering that underlying programming/projects led by the proposed HEYCA will be subject to the Public Sector Equality Duty and must consider the impact of individual projects on protected characteristic groups, it is believed unlikely that the Proposal will result in adverse impact or any type of prohibited conduct upon people with this protected characteristic. However, it is acknowledged that proactive and targeted approaches at times may be necessary to reach particular groups to address specific challenges, and this active intervention should be encouraged where disadvantage exists in any respect within Hull and East Yorkshire.”*

6.2 This report seeks to confirm the governance arrangements to facilitate the operation of the Authority and as such there are no direct equality impacts.

## 7 **Options and Risk Assessment**

**7.1 Option 1 – Agree the proposed governance arrangements. This is the recommended option.**

There are no inherent governance risks in the proposed option and adoption of the recommended option seeks to ensure the effective operation of the Authority. Any potential risks are mitigated by the continued ability to review the Constitution and make necessary changes.

**7.2 Option 2 - Do not approve the proposed governance arrangements.**

The Authority is required to adopt a Constitution and appoint members to its Committees, and appoint statutory officers. In not doing so, or in adopting an alternative approach may result in the Combined Authority being unable to operate or operating under governance arrangements which are not in accordance with the legislative framework.

## **8. Legal Implications and Monitoring Officer Comments**

8.1 The main legal implications are set out within the body of this report.

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

9.1 The main financial implications are set out within the body of this report and the Constitution.

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# Hull and East Yorkshire Combined Authority Constitution - DRAFT



## Contents

## To follow

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# Part 1

## Introduction

### Background

- 1.1 The Hull and East Yorkshire Combined Authority (the Combined Authority) was established by Order in 2025 (the **Order**) to bring together local councils and businesses to champion the region's interests nationally and internationally, securing investment from Government and other sources to drive the economy forward, by carrying out **economic regeneration and development functions** as well as acting as the **local transport authority** for Hull and East Yorkshire. The Combined Authority was established for the **Combined Authority's Area**, which is the area consisting of the areas of the Constituent Councils.
- 1.2 The **Constituent Councils** of the Combined Authority are:
- Kingston upon Hull City Council
  - East Riding of Yorkshire Council.
- 1.3 The **Non-Constituent Bodies** of the Combined Authority are those bodies designated by the Combined Authority as such in accordance with Schedule 1 of the Hull and East Yorkshire Combined Authority Order 2025 (the **Order**).
- 1.4 In November 2023, Kingston upon Hull City and East Riding of Yorkshire Councils agreed a "minded to" devolution deal with Government. The deal included a £400m investment fund over 30 years and other funding, to be subject to local influence and decision making (enabling spend on local priorities), together with a range of new devolved functions. The devolution deal was subject to the Combined Authority adopting the model of a directly elected mayor (the Mayor) over the Combined Authority's Area (Hull and East Yorkshire), that is becoming a **mayoral combined authority**.
- 1.5 The Combined Authority has now been established by the **Order** as a mayoral combined authority, with the first election of a **Hull and East Yorkshire Mayor** taking place in May 2025. The Mayor is directly elected by the local Government electors in Hull and East Yorkshire.
- 1.6 The functions exercised by the Combined Authority as a mayoral combined authority include:
- **Transport functions**, including responsibility for an area-wide Local Transport Plan; and to set up and coordinate a Key Route Network (KRN) on behalf of the Mayor.
  - **Adult education and skills functions**, new powers to shape local skills provision to better meet the needs of the local economy and local people.
  - **Housing supply, regeneration and place-making functions**, along with provision of housing and land, land acquisition and disposal and the development and regeneration of land functions.

- **Economic development and regeneration functions**

1.7 Functions of the Combined Authority are:

- **Non-Mayoral Functions** (functions which are not the responsibility of the Mayor) which are exercisable by the Combined Authority, or
- **Mayoral Functions** (functions which are the responsibility of the Mayor).

## The Constitution

2.1 This Constitution sets out the governance arrangements for the Hull and East Yorkshire Combined Authority, including for Non-Mayoral and Mayoral Functions. It sets out how decisions are made and the procedures that are followed to ensure that the Combined Authority operates efficiently, effectively and is transparent and accountable.

2.2 The Constitution has six parts:

Part 1: **Introduction** to the Combined Authority and the Combined Authority's Constitution, including how the Constitution is arranged and an index of definitions used in the Constitution.

Part 2: **Articles** of the Constitution which set out the underpinning legal framework of the Combined Authority and signpost readers to relevant aspects throughout the Constitution.

Part 3: **Responsibility for Functions** setting out who is responsible for exercising each function of the Combined Authority.

Part 4: **Procedure Rules** which govern how the Combined Authority, and its decision-makers operate, including:

- formal meetings of the Combined Authority and its committees,
- how to access information, and
- procedures relating to finance and contracts.

Part 5: **Ethical Standards** including codes of conduct for Members and officers of the Combined Authority, and protocols relating to conduct, conflicts of interest and relationships between officers and members.

Part 6: **Members' allowances** scheme

## Definitions

3.1 Throughout the Constitution, unless otherwise expressly stated, the following definitions shall apply:

Reference	Meaning
"Associate Member"	A member of the Combined Authority appointed under section 104B of the 2009 Act
"2009 Act"	Local Democracy, Economic Development and Construction Act 2009
"2025 Order"	Hull and East Yorkshire Combined Authority Order 2025 (SI 2025/---)
"Combined Authority"	Hull and East Yorkshire Combined Authority
"Combined Authority's Area"	Area of the Combined Authority consisting of the areas of the Constituent Councils – see below
"Combined Authority Member"	A member of the Combined Authority
"Concurrent Function"	Any function of the Combined Authority (including a function exercisable by the Mayor) conferred by the 2025 Order which is exercisable concurrently with the Constituent Councils. That is, both the Combined Authority and Constituent Councils may exercise the function.
"Constituent Councils"	Kingston-upon-Hull City Council and East Riding of Yorkshire Council.
"Constituent Council Combined Authority Member"	Combined Authority Member appointed by a Constituent Council under paragraph 1 of Schedule 1 of the 2025 Order
"Constitution"	Parts 1 - 6 of this document
"Co-optee"	Person who is not a Combined Authority Member but is a member of a committee of the Combined Authority.

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“Deputy Mayor”	The person appointed by the Mayor as the Mayor’s deputy, under Section 107C of 2009 Act
“Function”	A power or duty; any reference to a Function is to be taken as including a reference to doing anything which is calculated to facilitate or is conducive or incidental to the discharge of the function, except where the context requires otherwise.
“Head of Paid Service”	The officer designated by the Combined Authority as the Head of Paid Service under Section 4 of the Local Government and Housing Act 1989
“Key Decision”	A Key Decision within the meaning of Article 11 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017/68
“Lead Member”	The Constituent Council Member designated as such by the relevant Constituent Council
“Local Auditor”	Local Auditor appointed under Section 7 of the Local Audit and Accountability Act 2014 or provision made under the 2014 Act
“Local Authority Co-optee”	Co-optee who has been nominated by a Constituent Council
“Mayor”	Person elected as the Hull and East Yorkshire Mayor under Article 4 of Part 2 of the 2025 Order
“Mayoral Function”	Function of the Combined Authority exercisable only by the Mayor - Section 107G(7) of the 2009 Act
“Mayoral General Function”	Mayoral Function other than any Function - Section 107D(2) of the 2009 Act
“Monitoring Officer”	Officer designated by the Combined Authority under Section 5 of the Local Government and Housing Act 1989
“Non-Constituent Body “	A body which is asked to nominate a member to the Combined Authority under paragraph 2 (2) of Schedule 1 of the 2025 Order

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"Non-Constituent Body Combined Authority Member"	Combined Authority Member appointed by a Non-Constituent Body under paragraph 2(2) of Schedule 1 of the 2025 Order
"Non-Mayoral Function"	Function of the Combined Authority which is not a Mayoral Function
"the Offices of the Combined Authority"	The Guildhall, Alfred Gelder Street, Kingston upon Hull, HU1 2AA
"the Order"	The Hull and East Yorkshire Combined Authority Order 2025
"Section 73 Chief Finance Officer"	Officer responsible for the administration of the Combined Authority's financial affairs under Section 73 of the Local Government Act 1985
"Statutory Officer"	Head of Paid Service, Section 73 Chief Finance Officer, and Monitoring Officer
"Substitute Combined Authority Member"	Person appointed under Schedule 1 of the 2025 Order to act in the absence of a Combined Authority Member

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## Part 2 - Articles

### Article 1 - The Constitution

- 1.1 The Constitution of the Combined Authority comprises of Parts 1 - 6.
- 1.2 The Combined Authority will exercise all its functions (powers and duties) in accordance with the law and this Constitution. If the Constitution conflicts with the law, the law shall prevail.
- 1.3 The purpose of the Constitution is to:
- enable the Combined Authority to provide leadership to the community in partnership with councils, citizens, businesses and other organisations,
  - support the involvement of citizens in the process of local decision-making,
  - enable decisions to be taken efficiently and effectively,
  - provide ways to hold decision-makers to public account,
  - ensure that no one reviews or scrutinises a decision in which they have been directly involved,
  - clarify who takes decisions and ensure that decision-makers explain the reasons for decisions, and
  - help deliver the Combined Authority's vision of a more prosperous Hull and East Yorkshire.
- 1.4 Where the Constitution permits the Combined Authority to choose between different courses of action, the Combined Authority will choose the option which it considers closest to the purpose set out above.

#### Interpretation

- 1.5 The Monitoring Officer shall make any final decision regarding the application of the Constitution. In making any such decision, the Monitoring Officer shall consult with the Head of Paid Service and/or the s73 Chief Finance Officer as appropriate.

#### Reviewing and Approving the Constitution

- 1.6 The Monitoring Officer will annually review the Constitution to ensure that it is fit for purpose.
- 1.7 Any document in the Constitution will be approved as follows:
- by the **Combined Authority** (where arrangements are the Combined Authority's responsibility),
  - by the **Mayor** (where arrangements are the Mayor's responsibility),
  - by both **the Combined Authority and the Mayor** (where arrangements are the responsibility of both),



- 1.8 The s 73 Chief Finance Officer has delegated authority under the Officer Delegation Scheme in Part 3 of the Constitution to amend the Combined Authority's Financial Regulations on behalf of the Combined Authority.
- 1.9 The Monitoring Officer is authorised to make the following changes to the Constitution:
- (a) a minor variation
  - (b) legal or technical amendments that do not materially affect the Constitution
  - (c) required to be made to remove any inconsistency, ambiguity, or typographical error
  - (d) required to be made so as to put into effect any decision of the Mayor or Committee, sub-Committee or officer exercising delegated powers; or
  - (e) required to reflect any changes to job or role titles.
- Any such amendments must be reported retrospectively to the Combined Authority for noting.
- 1.10 The Monitoring Officer also has delegated authority under the Officer Delegation Scheme in Part 3 of the Constitution to amend the Combined Authority's Contracts Standing Orders on behalf of the Combined Authority.
- 1.11 Any amendment to the Constitution must be recorded and published.

### Access to the Constitution

- 1.11 The Monitoring Officer will make the Constitution available for inspection by the public:
- at the Offices of the Combined Authority at any reasonable hour, and
  - on the Combined Authority's website.

## Article 2 - The Combined Authority

### General

- 2.1 The Hull and East Yorkshire Combined Authority (the Combined Authority) is a body corporate.
- 2.2 The **Constituent Councils** of the Combined Authority are:
- Kingston upon Hull City Council; and
  - East Riding of Yorkshire Council
- 2.3 The Combined Authority was established for the **Combined Authority's Area**, which is the area consisting of the areas of the Constituent Councils.
- 2.4 The **Non-Constituent** Bodies of the Combined Authority are the bodies designated as such by the Combined Authority in accordance with Paragraph 2 of Schedule 1 of the Order.
- 2.5 The Hull and East Yorkshire Mayor (the **Mayor**) is elected by the local government electors for the Combined Authority's Area.

### Membership

- 2.6 The Combined Authority comprises no more than eight members in addition to the Mayor, who is a member of the Combined Authority by virtue of that office. See further Article 3 (Membership of the Combined Authority).

### Chair

- 2.7 The Mayor is the Chair of the Combined Authority.

### Deputy Mayors

- 2.8 The Mayor must appoint one of the Combined Authority Members to be the Mayor's deputy (the **Deputy Mayor**). Article 4 (the Mayor) sets out the appointment process and terms of office for the Deputy Mayor.
- 2.9 The Deputy Mayor must act in place of the Mayor if for any reason
- the Mayor is unable to act, or
  - the office of Mayor is vacant.

## Functions

- 2.11 The functions of the Combined Authority are:
- conferred or imposed upon the Combined Authority by the Order or other enactment, or
  - delegated to the Combined Authority by the Order or other enactment.
- 2.12 The functions of the Combined Authority comprise:
- **Mayoral Functions** (exercisable only by the Mayor), and
  - **Non-Mayoral Functions** (exercisable by the Combined Authority).
- 2.13 Mayoral and Non-Mayoral functions are set out in more detail in Part 3 of the Constitution.

## Delegations

- 2.14 Mayoral Functions are exercised by the Mayor acting individually, or in accordance with arrangements made by the Mayor – see further Article 4 (the Mayor).
- 2.15 Non-Mayoral Functions are exercised by the Combined Authority at a meeting of the Combined Authority or under arrangements agreed by the Combined Authority, as follows:
- by a **committee or sub-committee** of the Combined Authority,
  - by an **officer** with delegated authority,
  - by **another local authority**, or
  - under **joint arrangements** with one or more other local authorities.
- 2.16 Part 3 of the Constitution sets out the arrangements agreed by the Combined Authority.

## Functions Reserved to the Combined Authority

- 2.17 The Combined Authority's functions with respect to levying shall be discharged only by the Combined Authority.
- 2.18 Non-Mayoral Functions which are reserved to the Combined Authority, (that is, are not delegated), are set out in Section 2 Part 3 of the Constitution.

## Standing Orders of the Combined Authority

- 2.19 The Combined Authority may make standing orders to regulate its proceedings and business and may vary or revoke any such orders.

2.20 The standing orders of the Combined Authority are set out in Part 4 of the Constitution, and include:

- **Combined Authority Procedure Standing Orders** which set out the procedure for meetings of the Combined Authority
- **Mayoral Procedure Rules** which set out how the Mayor makes decisions
- **Budget and Policy Procedure Rules** which set out the steps required in relation to approving the budget and policies and strategies. Policies and strategies provide a framework for decision-making
- **Financial Regulations** which set out how the Combined Authority manages its finance, and
- **Contracts Standing Orders** which set out how the Combined Authority enters into contracts.

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## Article 3 - Membership of the Combined Authority

### Membership

- 3.1 The Combined Authority comprises no more than eight members in addition to the Mayor. The Combined Authority Members are:
- the **Mayor** (by virtue of that office),
  - Four elected members, two appointed by each Constituent Council from its elected members (a **Constituent Council Combined Authority Member**),
  - Up to four additional members in total appointed by the Combined Authority being members appointed by a body designated as a Non-Constituent Body of the Combined Authority (the **Non-Constituent Body Combined Authority Members**) and/or any **Associate Members**

### Lead Members

- 3.2 Each Constituent Council must designate one of the two members appointed by that Constituent Council under paragraph 3.1 as the lead member for that Constituent Council (the **Lead Member**).

### Substitute Members

- 3.3 Each Constituent Council must appoint one named elected Member for each of their Constituent Council Combined Authority Members either of whom may act as a Combined Authority Member in the absence of either of their members appointed under paragraph 3.1 above (the **Substitute Constituent Council Member**).
- Each Non-Constituent Body Combined Authority Member must nominate one other person to act as the Non-Constituent Body Combined Authority Member in their absence (the **Non-Constituent Body Combined Authority Member Substitute Member**).
  - Each Associate Member must nominate one other person to act as the Associate Member in their absence (the **Associate Substitute Member**).

### Terms of Office - Combined Authority Members other than the Mayor

- 3.4 A **Constituent Council Combined Authority Member** or **Substitute Constituent Council Member** ceases to be a Combined Authority Member or Substitute Member if:
- they **cease to be an elected member** of the Constituent Council that appointed them,
  - they **resign** by written notice, or
  - the **Constituent Council terminates the appointment**.

- 3.5 Where a **Constituent Council Combined Authority Member** or **Substitute Constituent Council Member** ceases to be an elected member or resigns, the Constituent Council shall notify the Combined Authority in writing as soon as practicable and appoint a replacement. A Constituent Council must give written notice to the Combined Authority of any termination and new appointment.
- 3.6 The **Non-Constituent Body Combined Authority Member** or **Substitute Non-Constituent Body Combined Authority Member** ceases to be a **Combined Authority Member** or **Substitute Member** if:
- they **cease to act** in any way for, or represent, the Non-Constituent Body
  - they **resign** by written notice,
  - the **Non-Constituent Body terminates the appointment**,
  - the Combined Authority terminates the appointment, or
  - the Non-Constituent Body is no longer a Non-Constituent Body of the Combined Authority
- 3.7 Where the Non-Constituent Body Combined Authority Member or Substitute Member ceases to act in any way for, or represent, the relevant Non-Constituent Body or resigns, the Non-Constituent Body must give written notice to the Combined Authority as soon as practicable and appoint a replacement.
- 3.8 The Non-Constituent Body must give written notice to the Combined Authority of any termination and new appointment.
- 3.9 Any **Associate Member** or **Substitute Associate Member** ceases to be a **Combined Authority Member** or **Substitute Member** if:
- they **resign** by written notice, or
  - the Combined Authority **terminates the appointment**.

## Voting

- 3.10 Except as provided in 3.11 below, each Combined Authority Member (or Substitute Member acting in their place) has one vote.
- 3.11 The following are non-voting Combined Authority Members:
- the Non-Constituent Body Combined Authority Members, unless the voting members of the Combined Authority unanimously resolve that this provision is not to apply on a specific issue subject to any restriction in the 2009 Act.; and
  - any Associate Members
- 3.12 No Combined Authority Member has a casting vote.
- 3.13 Any question will be decided in accordance with the **voting arrangements** set out in the Combined Authority Procedure Standing Orders - see further Part 4 of the Constitution.

## General

- 3.14 The Monitoring Officer will report any change to the membership of the Combined Authority to the next meeting of the Combined Authority.
- 3.15 The proceedings of the Combined Authority shall not be invalidated by any vacancy among the Combined Authority Members or by any defect in the appointment or qualifications of any Member.

## Conduct

- 3.16 Each Combined Authority Member and Substitute Member must comply with any applicable Code or Protocol set out in Part 5 of the Constitution including the Members' Code of Conduct.

## Remuneration

- 3.17 Subject to 3.18– 3.21 below, no remuneration is to be payable by the Combined Authority to any Combined Authority Member, other than allowances for travel and subsistence paid in accordance with a scheme approved by the Combined Authority.
- 3.18 The Combined Authority may establish an Independent Remuneration Panel who may make recommendations to the Combined Authority regarding the allowances payable to:
- the Mayor, and
  - the Deputy Mayor (provided that the Deputy Mayor is not a leader or elected mayor of a Constituent Council)
  - Local Authority Co-Optees appointed to any Overview and Scrutiny Committee of the Combined Authority
  - Local Authority Co-Optees appointed to any Audit and Governance Committee of the Combined Authority
- 3.19 The Combined Authority may only pay an allowance under paragraph 3.18 if:
- the Combined Authority has considered a report published by the independent remuneration panel which contains recommendations for such an allowance, and
  - the allowance paid by the Combined Authority does not exceed the amount specified in any recommendation made by the independent remuneration panel.
- 3.20 The Combined Authority must consider a report from the independent remuneration panel before approving a scheme under 3.20 above.
- 3.21 The Combined Authority's Members' Allowances Scheme is set out in Part 6 of the Constitution.

## Article 4 - The Mayor

### Election of the Mayor

- 4.1 The Mayor is elected by the local government electors for the Combined Authority's Area.
- 4.2 The first election of the Mayor will take place on 1 May 2025. The subsequent election of the Mayor thereafter will take place in every fourth year after that on the same day as the ordinary day of election.
- 4.3 The term of office for a Mayor returned at an election for the return of a mayor for the Combined Authority Area in 2025, begins with 6 May 2025 and ends, subject to paragraph 4 (8) of the Order, with the third day after the day of the poll at the next election for the return of the Mayor for the Combined Authority Area.
- 4.4 The term of office for a Mayor returned at an election for the return of a mayor for the Combined Authority Area in each subsequent fourth year begins, subject to paragraph 4 (7) of the Order, with the fourth day after the day of the poll at the election of the Mayor; and ends, subject to paragraph 4 (8) of the Order, with the third day after the day of the poll at the next election for the return of the Mayor for the Combined Authority Area.

### General

- 4.5 The Mayor is the Chair of the Combined Authority.

### Deputy Mayor - Appointment and Term of Office

- 4.6 The Mayor must appoint one of the Combined Authority Members to be the Mayor's deputy (the Deputy Mayor).
- 4.7 The Mayor must notify the Monitoring Officer of any such appointment in writing. The Monitoring Officer shall report the appointment to the next meeting of the Combined Authority.
- 4.8 A person appointed as Deputy Mayor holds the office until the end of the Mayor's term of office, unless:
- the Mayor removes the person from office,
  - the person resigns as Deputy Mayor, or
  - the person ceases to be a Combined Authority Member.
- 4.9 The Mayor may remove a person from the office of Deputy Mayor at any time, subject to 4.12 below.



- 4.10 If a vacancy occurs in the office of Deputy Mayor, the Mayor must appoint another Combined Authority Member to be Deputy Mayor.
- 4.11 The Mayor must give written notice to the Monitoring Officer of any removal.

### Incapacity or Vacancy in the Office of the Mayor

- 4.12 The Deputy Mayor must act in place of the Mayor if for any reason:
- the Mayor is unable to act, or
  - the office of Mayor is vacant.
- 4.13 If for any reason:
- the Mayor is unable to act, or the office of Mayor is vacant, and
  - the Deputy Mayor is unable to act or the office of Deputy Mayor is vacant,
- the other Combined Authority Members must act together in place of the Mayor, taking decisions by a simple majority.

### Mayoral Functions

- 4.14 The **Mayoral Functions** of the Combined Authority are functions of the Combined Authority exercisable only by the Mayor.
- 4.15 Mayoral Functions comprise the **Mayoral Functions**, see further Part 3 of the Constitution (responsibility for functions).

### Mayoral Functions - Mayor's Arrangements

- 4.16 **Mayoral Functions** of the Combined Authority are exercised by the Mayor acting individually, or in accordance with arrangements made by the Mayor.
- 4.17 With the exception of any function reserved by law to the Mayor, the Mayor may arrange for any of the following to exercise any Mayoral Function:
- the Deputy Mayor,
  - another Combined Authority Member, or
  - an officer of the Combined Authority.
- 4.18 The Mayor may enter arrangements jointly with the Combined Authority, the Constituent Councils and other councils for the discharge of the Mayoral Functions.
- 4.19 The Mayor is **not** authorised by law to delegate a Mayoral Function to a committee of the Combined Authority.
- 4.20 Part 3 of the Constitution sets out the arrangements made by the Mayor in relation to Mayoral Functions.

- 4.21 The Mayor may make or amend the Mayor's arrangements for Mayoral Functions at any time. The Mayor must notify the Monitoring Officer of any arrangements or amendment in writing. The Monitoring Officer shall report any amendment to the next meeting of the Combined Authority.

### **Mayoral Decision-Making**

- 4.22 The Mayor must comply with the Mayoral Procedure Rules in Part 4 and make decisions in accordance with the principles of decision-making set out in Article 13 (Decision-making).
- 4.23 Combined Authority Members and officers may assist the Mayor in the exercise of specified Mayoral General Functions.

### **Working Groups**

- 4.24 The Mayor may appoint a working group to inform the development of strategic and policy matters which relate to any Mayoral Function. The Mayor cannot delegate authority to any working group to act on behalf of the Mayor nor on behalf of the Combined Authority.
- 4.25 The Mayor must provide details of the membership and terms of reference of any working group set up by the Mayor to the Monitoring Officer.

### **Conduct**

- 4.26 The Mayor must comply with any applicable Code or Protocol set out in Part 5 of the Constitution, including the Members' Code of Conduct.

### **Remuneration**

- 4.27 Any allowance payable to the Mayor shall not exceed a sum determined by the Independent Remuneration Panel - see further Article 3 (Membership of the Combined Authority). The Mayor's allowance is set out in the Members' Allowances Scheme in Part 6 of this Constitution.

### **Budget and Finance**

- 4.28 The Mayor must comply with Part 4 of this Constitution including Budget and Policy Procedure Rules, Contracts Standing Orders and Financial Regulations; see further also Article 14 (Finance, Contracts and Legal matters).

### **Mayor's Political Adviser**

- 4.29 The Mayor may appoint one person as the Mayor's Political Adviser.
- 4.30 The Mayor's Political Adviser shall be an employee of the Combined Authority and be regarded as holding a politically restricted post.

## Article 5 - Citizens and the Combined Authority

### Voting

5.1 Local government electors for the Combined Authority's Area have the right to vote directly for the Mayor on the ordinary polling day every fourth year from 2025.

### Information

5.2 The Access to Information Rules in Part 4 of the Constitution set out the

- public's rights to information held by the Combined Authority, including in relation to meetings of the Combined Authority and its committees and sub-committees, (subject to exceptions including in relation to confidential or information information), rights:
  - to attend meetings,
  - to inspect agendas of and reports to meetings and background documents,
  - to access documents after a meeting including minutes, and
  - to report on and record a meeting.
- to inspect the Forward Plan to find out about:
  - any Key Decision to be made by the Combined Authority, the Mayor, or an officer of the Combined Authority, and
  - any request to be made a Constituent Council for a Statutory Consent to exercise a concurrent function or in respect of a decision of the Mayor which gives rise to a financial liability,
- to inspect written records of decisions made by the Mayor and others authorised to make decisions under arrangements agreed by the Mayor,
- to inspect written records of decisions made by officers,
- to access information generally held by the Combined Authority, and
- to inspect a list of Combined Authority Members.

5.3 Citizens also have the right to inspect and make copies of the Combined Authority's accounting records and related records, and local government electors for the Combined Authority's Area may question or make objections to the Local Auditor – see further Article 8 (Audit and Ethical Arrangements).

### Consultation

5.4 The Combined Authority must consult with citizens in accordance with any statutory requirement to do so.

## Complaints

- 5.5 Citizens have the right to complain to the Combined Authority under its complaints scheme, or the Local Government and Social Care Ombudsman (after using the Combined Authority's complaints scheme).
- 5.6 Citizens may submit any complaint about the conduct of a Combined Authority Member to the Combined Authority's Monitoring Officer in writing, in accordance with the Procedure for considering complaints alleging a failure to comply with the Members' Code of Conduct in Part 5 of this Constitution. This includes complaints about the conduct of the Mayor.

## Citizen's Responsibilities

- 5.7 Citizens must not be violent, abusive or threatening to Combined Authority Members, Co-optees or officers, and must not willfully harm the property of the Combined Authority, any Combined Authority Member, Co-optee or officer.

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## Article 6 - Ordinary (Non-Statutory) Committees

### Decision-Making Committees

- 6.1 The Combined Authority is required to appoint an audit committee and one or more overview and scrutiny committees. These are **statutory committees** - see further Articles 7 (Overview and Scrutiny) and 8 (Audit and Ethical Standards).
- 6.2 The Combined Authority may also appoint an **ordinary** (that is, non-statutory) **committee** to carry out **Non-Mayoral Functions**. This does not prevent the Combined Authority from exercising any such function.
- 6.3 The Combined Authority shall fix the **number of members** of an ordinary committee and their **term of office**.
- 6.4 Other than for a committee for regulating and controlling the finance of the Combined Authority, membership of a decision-making committee may include **Co-optees** (that is, persons who are not a Combined Authority Member) - see further 7.15 below in relation to the voting rights of any co-optee.
- 6.5 The Mayor is **not** authorised by law to delegate a **Mayoral Function** to a committee. Nor can the Combined Authority arrange for a committee or subcommittee to exercise a Mayoral Function.

### Decision-Making Sub-Committees

- 6.6 A committee may appoint one or more sub-committees, and, unless the Combined Authority otherwise directs, the committee may arrange for a sub-committee or officer to exercise any of its functions. This does not prevent the committee from exercising any such function.
- 6.7 Any committee which appoints a sub-committee shall fix the **number of members** of the sub-committee and their **term of office**. Other than for a sub-committee for regulating and controlling the finance of the Combined Authority, membership of a decision-making sub-committee may include **Co-optees**.
- 6.8 Unless the Combined Authority or the committee directs otherwise, a sub-committee may arrange for an officer to exercise any of its functions. This will not prevent the sub-committee from exercising any such function.

### Advisory Committees and Sub-Committees

- 6.9 The Combined Authority may appoint a committee to advise the Combined Authority on any matter relating to the exercise of functions of the Combined Authority. Membership of an advisory committee may consist of **Co-optees** appointed for a term fixed by the Combined Authority.
- 6.10 An advisory committee may appoint one or more sub-committees to advise the committee.

## General

- 6.11 The functions which a committee may exercise are set out in the committee's **terms of reference** - see further Part 3 of the Constitution.
- 6.12 The Combined Authority may make **standing orders** for any committee or sub-committee with respect to quorum, proceedings, and place of meeting - see further the Combined Authority Procedure Rules and the Access to Information Rules in Part 4 of the Constitution. Subject to any standing orders made by the Combined Authority, the committee or sub-committee may determine the quorum, proceedings, and place of meeting.
- 6.13 **Private Sector Representatives** on committees and sub-committees will be appointed in accordance with any Recruitment and Appointment Procedure for Private Sector Representatives approved by the Combined Authority from time to time. **To follow.**
- 6.14 **Allowances** for Co-optees are set out in the Combined Authority's Members' Allowances Scheme in Part 6 of the Constitution.

## Voting Rights

- 6.15 A Co-optee who is a member of an ordinary **decision-making committee or sub-committee** appointed by the Combined Authority shall be a non-voting member of that committee or sub-committee unless that person:
- is a member of one of the Constituent Councils, or
  - is a member appointed from a Non-Constituent Body given voting right by resolution of the Combined Authority, and
  - in relation to a sub-committee, is a member of the committee which appointed the sub-committee.
- 6.16 No person who is a member of an **advisory committee or sub-committee** is required to be treated as a non-voting member of that committee or subcommittee.

## Article 7 - Overview and Scrutiny

### Overview and Scrutiny

- 7.1 The Combined Authority must appoint one or more overview and scrutiny committees. An overview and scrutiny committee may appoint one or more sub-committees to carry out any of its functions.
- 7.2 The Combined Authority's arrangements must ensure that the overview and scrutiny committee has power (or its overview and scrutiny committees have power between them) to:
- review or scrutinise any decision made or other action taken by the Combined Authority in connection with exercising any Non-Mayoral Function,
  - make reports or recommendations to the Combined Authority with respect to exercising any Non-Mayoral Function,
  - review or scrutinise decisions made or other action taken by the Mayor in connection with exercising any Mayoral General Function,
  - make reports or recommendations to the Mayor with respect to exercising any Mayoral General Function, and
  - make reports or recommendation to the Combined Authority or the Mayor on matters that affect the Combined Authority's Area or its inhabitants.

### Call-in of Decisions

- 7.3 The power of an overview and scrutiny committee to review or scrutinise a decision made but not implemented includes power to call-in a decision; that is:
- direct that a decision is not to be implemented while it is under review or scrutiny by the overview and scrutiny committee, and
  - recommend that the decision be reconsidered.

### Accountability Mechanisms

- 7.4 An overview and scrutiny committee or sub-committee may require the Mayor or any other Combined Authority Member or an officer of the Combined Authority to attend before it to answer questions.
- 7.5 An overview and scrutiny committee or sub-committee may require the Combined Authority or the Mayor to respond to any report or recommendation - see further Scrutiny Standing Orders in Part 4 of the Constitution.

### Proceedings

- 7.6 An overview and scrutiny committee and any sub-committee will follow the Scrutiny Standing Orders in Part 4 of the Constitution.

## Membership

- 7.7 The Combined Authority shall appoint six elected members of each Constituent Council to each overview and scrutiny committee.
- 7.8 The majority of members of any overview and scrutiny committee or sub-committee must be elected members of the Constituent Councils.
- 7.9 The number of members of each of the Constituent Councils appointed to any overview and scrutiny committee must be such that the members of the committee taken as a whole reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the Constituent Councils when taken together.
- 7.10 The following persons may not be a member of an overview and scrutiny committee or sub-committee of the Combined Authority:
- The Mayor,
  - A Combined Authority Member, and
  - Any member of the Executive of either of the Constituent Councils.
- 7.11 Within 28 days of any appointment to any overview and scrutiny committee, the Monitoring Officer will publish a notice about the appointment on the Combined Authority's website.

## Voting

- 7.12 Each member of an overview and scrutiny committee, or of any overview and scrutiny sub-committee, appointed from a Constituent Council, has one vote.
- 7.13 Any member of an overview and scrutiny committee not from a Constituent Council is non-voting unless the Combined Authority has resolved unanimously to give such a member voting rights.
- 7.14 A simple majority of the members present and voting is required to determine any question, and no member has a casting vote. If a vote is tied it is deemed not to have been carried.

## Chair

- 7.15 The Combined Authority will appoint the Chair of any overview and scrutiny committee.
- 7.16 The Chair must be:
- an independent person, or
  - an appropriate person who is a member of one of the Constituent Councils (that is, a person who is not a member of a registered political party of which the Mayor is a member).



## Quorum

- 7.17 For business to be transacted at a meeting, two thirds of the total number of members of the committee or sub-committee must be present.

## Scrutiny Officer

- 7.18 The Combined Authority must designate one of its officers as a Scrutiny Officer, to:
- promote the role of any Combined Authority overview and scrutiny,
  - provide support and guidance to any overview and scrutiny committee and its members, and
  - provide support and guidance to Combined Authority Members in relation to the functions of any overview and scrutiny committee.
- 7.19 The Combined Authority cannot designate as Scrutiny Officer any officer of a Constituent Council.

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## Article 8 - Audit and Ethical Arrangements

### Audit Committee Arrangements

- 8.1 The Combined Authority must appoint an audit committee.
- 8.2 The functions of an audit committee include:
- reviewing and scrutinising the Combined Authority's financial affairs,
  - reviewing and assessing the Combined Authority's risk management, internal control and corporate governance arrangements,
  - reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority's functions,
  - reviewing and approving the Combined Authority's statutory annual financial statements, and
  - making reports and recommendations to the Combined Authority in relation to any reviews it conducts.
- 8.3 The functions of the Combined Authority's audit committee are set out in the committee's **terms of reference** in Part 3 of the Constitution.
- 8.4 The Combined Authority must ensure that the members of the audit committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the Constituent Councils when taken together.
- 8.5 The audit committee may not include any officer of the Combined Authority or of a Constituent Council.
- 8.6 The Combined Authority must appoint at least one independent person to the audit committee.
- 8.7 The quorum for an audit committee must be no fewer than seven members of the committee.

### Internal Audit

- 8.8 The Combined Authority has a duty to undertake an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account public sector internal auditing standards or guidance.

### External Audit

- 8.9 The Combined Authority must appoint an external Auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year.
- 8.10 The Local Auditor may issue an advisory notice to the Combined Authority if they consider that the Combined Authority or an officer has undertaken or is about to undertake unlawful action that has financial implications.

## Audit of Accounts

- 8.11 The Combined Authority must prepare a **statement of accounts** in respect of each financial year – see further Article 14 (Finance, Contracts and Legal matters). The Combined Authority's accounts for a financial year must be audited by a Local Auditor.
- 8.12 A Local Auditor carrying out an audit of accounts may apply to the Court for a declaration that the item of account is unlawful.
- 8.13 At each audit of accounts, any person interested may inspect and make copies of the Combined Authority's accounting records and related records, subject to exceptions in relation to commercial confidentiality and personal information.
- 8.14 Any local government elector or their representative has an opportunity to question the Local Auditor, may make an objection to the Local Auditor or appeal to the Court against any decision by the Local Auditor not to consider the objection or apply to Court for a declaration that an item is of account is unlawful.

## Ethical Arrangements - Member Standards and Conduct

- 8.15 The Combined Authority must promote and maintain high standards of conduct by Combined Authority Members and Co-optees.
- 8.16 The Combined Authority must adopt a Code which sets out the conduct expected of Combined Authority Members and Co-optees. The Combined Authority may also adopt other Codes of Practice or Protocols to promote and maintain high standards of conduct - see further Part 5.
- 8.17 The Code must when viewed as a whole, be consistent with the following principles: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Code must include provision in respect of registering and disclosing interests - see further the Members' Code of Conduct in Part 5.
- 8.18 The Combined Authority has agreed arrangements for investigating and determining any allegation of a failure to comply with the Code - see further the terms of reference of the Governance and Audit Committee in Part 3 of the Constitution and the Procedure for Considering Complaints alleging a Failure to Comply with the Members' Code of Conduct in Part 5 of the Constitution.
- 8.19 The Combined Authority must appoint at least one independent person. The views of the independent person:
- must be sought and taken into account by the Combined Authority before it makes its decision on an allegation it has decided to investigate, and
  - may be sought by the Combined Authority in other circumstances, or by a Combined Authority Member or Co-optee whose behaviour is the subject of an allegation.

### **Ethical Arrangements - Officer Standards and Conduct**

- 8.20 An officer must comply with the applicable Officer Code of Conduct, and any applicable protocol or policy relating to ethical standards - see further Article 9 (Audit and Ethical Standards) and Part 5 of the Constitution.
- 8.21 The Monitoring Officer shall keep a record of interests disclosed to them by an officer in accordance with any Officer Code of Conduct in Part 5 of the Constitution and make the record available for inspection by a Combined Authority Member.

### **Ethical Arrangements - Role of the Monitoring Officer**

- 8.22 The Monitoring Officer maintains a register of interests of Combined Authority Members and voting Co-optees of the Combined Authority and secures that the register is:
- available for inspection in the Combined Authority Area at reasonable hours, and
  - published on the Combined Authority's website.
- 8.23 The Monitoring Officer also has a role in relation to allegations submitted of a failure to comply with the Members' Code of Conduct - see above.

**Article 9 - The Hull and East Yorkshire Business Board**

**To follow**

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**Article 10 - The Hull and East Yorkshire Skills Board**

**To follow**

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## Article 11 - Joint arrangements and Partnership working

### Joint arrangements - Non-Mayoral Functions and Mayoral General Functions

- 11.1 Arrangements made by the Combined Authority for exercising Non-Mayoral Functions may include joint arrangements with one or more other local authorities - see further Article 2 (the Combined Authority).
- 11.2 The Mayor may enter arrangements jointly with the Combined Authority, the Constituent Councils and other councils for the discharge of the Mayoral General Functions.
- 11.3 Part 3 of the Constitution sets out any joint arrangements agreed by the Combined Authority or the Mayor.

### Transport for the North

- 11.4 The Combined Authority is a Constituent Authority of Transport for the North, a sub-national transport body.
- 11.5 As a Constituent Authority, the Combined Authority appoints a Combined Authority Member as a voting member of Transport for the North. This must be the Mayor or a Constituent Council Combined Authority Member with responsibility for transport.
- 11.6 The Combined Authority must also appoint a substitute for the voting member.
- 11.7 The Combined Authority may terminate either appointment at any time, by written notice to Transport for the North.
- 11.8 In addition to Transport for the North's general functions as a sub-national transport body and other functions relating to highways and franchising, the Combined Authority has consented to Transport for the North exercising functions concurrently with the Combined Authority in respect of making capital grants towards capital expenditure on public transport facilities, and in respect of ticketing schemes.

## Article 12 - Officers

### Statutory Officers

12.1 The Combined Authority is required to appoint or designate the following statutory officers:

- Head of Paid Service,
- Monitoring Officer, and
- Section 73 Chief Finance Officer,

12.2 By law, some functions of the Monitoring Officer and Section 73 Chief Finance Officer (apart from the administration of the financial affairs of the Combined Authority) must be carried out personally or carried out by a deputy nominated by them in cases of absence or illness.

<b>Statutory Officer</b>	<b>Post-holder</b>	<b>Deputy</b>
Head of Paid Service	Interim Chief Executive	S 73 Officer
Section 73 Chief Finance Officer	S 151 Officer, East Riding of Yorkshire Council	Deputy s 151 Officer, East Riding of Yorkshire Council
Monitoring Officer	Assistant Director Legal, Capital Delivery and Governance, Hull City Council	Combined Authority Legal Adviser, Hull City Council

### Head of Paid Service - Statutory Functions

12.3 The Head of Paid Service, where the Head of Paid Services considers it appropriate, must prepare a report to the Combined Authority setting out their proposals in relation to:

- the manner in which the discharge by the Combined Authority of its different functions is co-ordinated, the number and grades of staff required by the Combined Authority for discharging its functions,
- the organisation of the Combined Authority's staff, and
- the appointment and proper management of the Combined Authority's staff.

The Combined Authority must consider any such report at a meeting within three months of the report first being sent to the Combined Authority Members.

12.4 The Head of Paid Service must consider any application for exemption from political restriction in respect of any post in the Combined Authority by the holder for the time being of that post and may give directions to the Combined Authority to include a post in the list of politically restricted posts.



## Monitoring Officer - Statutory Functions

- 12.5 If it appears to the Monitoring Officer that any proposal, decision or omission by the Combined Authority would give rise to unlawfulness or to maladministration, the Monitoring Officer must send a report to each Combined Authority Member (after consulting so far as practicable with the Head of Paid Service and Section 73 Chief Finance Officer). The Combined Authority must consider any such report at a meeting not more than 21 days after copies of the report are first sent to the Combined Authority Members. The Combined Authority must ensure that the implementation of the proposal or decision must be suspended until the report has been considered.
- 12.6 The Monitoring Officer has a statutory role in relation to promoting and maintaining ethical standards - see further Article 8 (Audit and Ethical Arrangements).

## Section 73 Chief Finance Officer - Statutory Functions

- 12.7 The Section 73 Chief Finance Officer is responsible for the administration of the financial affairs of the Combined Authority, in accordance with Section 73 of the Local Government Act 1985.
- 12.8 After consulting so far as practicable with the Head of Paid Service and the Monitoring Officer, the Section 73 Chief Finance Officer must prepare a report if it appears to the Section 73 Chief Finance Officer that the Combined Authority:
- has made or is about to make a decision which involves or will involve incurring unlawful expenditure, or
  - has taken or is about to take a course of action which would be unlawful or is likely to cause a loss or deficiency, or
  - is about to enter an item of account unlawfully.
- 12.9 The Section 73 Chief Finance Officer must also make such a report if it appears that the expenditure of the Combined Authority incurred in a financial year is likely to exceed the resources available to the Combined Authority.
- 12.10 The Section 73 Chief Finance Officer must send a copy of any such report to the External Auditor and to each Combined Authority Member. The Combined Authority must consider the report at a meeting not later than 21 days after the report has been sent to Combined Authority Members and decide whether to agree or disagree with the views contained in it, and what action it proposes to take. The External Auditor must be notified of the meeting and as soon as practicable, any decision taken at the meeting.
- 12.11 There are restrictions on the actions which may be taken during the period beginning when the report is sent and ending after the Combined Authority has considered the report.

## Data Protection Officer

12.12 The Combined Authority is required to designate an officer as its Data Protection Officer who is responsible for:

- informing and advising the Combined Authority and its employees about their obligations to comply with the General Data Protection Regulations (GDPR) and other data protection laws,
- monitoring compliance with the GDPR and other data protection laws, including:
  - managing internal data protection activities,
  - advising on data protection impact assessments,
  - training staff, and
  - conducting internal audits in relation to data.
- being the first point of contact for supervisory authorities and for individuals whose data is processed.

## Scrutiny Officer

12.13 The Combined Authority is required to designate an officer as its Scrutiny Officer - see further Article 7 (Overview and Scrutiny).

## Proper Officers

12.14 The Combined Authority appoints Proper Officers to discharge specific functions.

12.15 The Proper Officers for the Combined Authority are set out in the Officer Delegation Scheme in Section 4 of Part 3 (Responsibility for Functions) of the Constitution.

## Duty to Provide Sufficient Resources

12.16 The Combined Authority provides the Head of Paid Service, Monitoring Officer, Section 73 Chief Finance Officer and Data Protection Officer with such officers, accommodation and other resources as are in the opinion of the officer sufficient to allow their duties to be performed.

## Political Restrictions

12.17 The following are regarded as holding politically restricted posts under the Combined Authority:

- specified senior officers, and
- the Mayor's Political Adviser.

12.18 The Combined Authority also maintains a list of other posts which are politically restricted.

12.19 Requirements for restricting political activities apply to these postholders.

### Delegation to Officers

12.20 **Non-Mayoral Functions** may be exercised by an officer with delegated authority - see further Article 2 (the Combined Authority) and the Officer Scheme of Delegation in Part 3 of the Constitution.

12.21 **Mayoral Functions** may be exercised by an officer in accordance with arrangements made by the Mayor - see further Articles 4 (the Mayor) and the Officer Scheme of Delegation in Part 3 of the Constitution.

12.22 Officers must comply with Article 13 (Decision-making) when exercising authority delegated to them.

### Conduct

12.23 An officer must comply with any applicable Officer Code of Conduct and protocol or policy relating to ethical standards - see further Article 8 (Audit and Ethical Standards) and Part 5 of the Constitution.

### Employment

12.24 A Combined Authority Member is disqualified from being appointed as an officer.

### Appointment: Canvassing of and Recommendations by Members

12.25 Any candidate who canvasses any Combined Authority Member (directly or indirectly) for any appointment under the control of the Combined Authority will be disqualified from appointment.

12.26 A Combined Authority Member shall not solicit any person for any appointment under the control of the Combined Authority, but this shall not preclude a member from giving a written testimonial of a candidate's ability, experience or character for the candidate to submit to the Combined Authority with an application for employment.

### Appointment: Relatives of Members or Officers

12.27 A candidate for any appointment under the control of the Combined Authority who is related to any officer or Combined Authority Member shall, when making application, disclose that relationship to the Head of Paid Service. A candidate who fails to disclose such relationship will be:

- disqualified from appointment, or
- if appointed, liable to dismissal without notice.

12.28 A Combined Authority Member or officer shall disclose to the Head of Paid Service any relationship known to exist between the Combined Authority Member or officer and any person who is a candidate for appointment with the Combined Authority. The Head of Paid Service shall report any such disclosure to the Combined Authority.

12.29 No candidate so related to a Combined Authority Member or officer will be appointed without the approval of the relevant officer with delegated authority identified for those purposes in the Officer Delegation Scheme.

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## Article 13 - Decision Making

### Principles of Decision Making

13.1 All decisions of the Combined Authority, including those made by or on behalf of the Mayor, or by a committee or an officer, should be made in accordance with the following principles:

- proportionality (that is the action must be proportionate to the desired outcome),
- due consultation and the taking of professional advice from officers,
- having regard to relevant and material considerations and disregarding irrelevant considerations,
- guarding against any form of predetermination in any decision-making process,
- consideration of any alternative options,
- respect for human rights,
- a presumption in favour of openness and transparency,
- clarity of aims and desired outcomes,
- the giving of reasons for the decision and the proper recording of those reasons.

13.2 All decision-makers are expected to make decisions in accordance with this Article and subject to:

- statute or other legal requirements, including the principles of public law, statutory guidance and statutory codes of practice,
- the Human Rights Act 1998 and the Equality Act 2010, including the Public Sector Equality Duty,
- this Constitution, including the standing orders in Part 4 of the Constitution,
- the revenue and capital budgets of the Combined Authority, subject to any variation permitted by the Combined Authority's Financial Regulations in Part 4 of the Constitution, and
- any policy or direction of the Combined Authority, or any committee sub-committee or joint committee acting in exercise of functions delegated to it by the Combined Authority.

### Key Decisions

13.3 A Key Decision means a decision of a decision-maker in the exercise of Non-Mayoral or Mayoral Functions that is likely to:

- result in the Combined Authority incurring significant expenditure, or the making of significant savings, having regard to the Combined Authority's budget for the service or function to which the decision relates (for the purposes of this definition £1 million is regarded as comprising significant expenditure subject to the resolution of the Combined Authority's Overview and Scrutiny Committee) or

- be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the Combined Authority's Area.

13.4 The Access to Information Rules in Part 4 of this Constitution set out the procedure for publishing the intention to make a Key Decision (that is publication on the Forward Plan), and the provisions for making urgent decisions.

13.5 A decision-maker may only make a Key Decision in accordance with the requirements of the:

- Access to Information Rules, and
- Combined Authority Procedure Standing Orders, or
- Mayoral Procedure Rules

in Part 4 of this Constitution.

13.6 Any Key Decision may be reviewed or scrutinised by an overview and scrutiny committee - see further Article 7 (Overview and Scrutiny) and the Overview and Scrutiny Standing Orders in Part 4 of this Constitution.

### Decision-makers Acting as Tribunals

13.7 The Combined Authority, a Combined Authority Member or an officer acting as a tribunal or in a quasi-judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person, will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

### Recording Decisions

13.8 Any decision taken at a meeting of the Combined Authority or one of its committees or sub-committees will be recorded in the minutes of the meeting. Any other decision will be recorded in accordance with Access to Information.

## Article 14 - Finance, Contracts and Legal Matters

### Grants

- 14.1 A minister of the Crown may pay a grant or grants to the Combined Authority towards expenditure incurred or to be incurred by the Combined Authority.

### Levying

- 14.2 The Combined Authority as a levying body may issue a levy to Constituent Councils in respect of each financial year to enable the Combined Authority to meet the Combined Authority's liabilities which are reasonably attributable to the exercise of its transport functions for which provision is not otherwise made. The costs of functions related to transport must be met by a levy issued by the Combined Authority. The levy cannot be for any expenses attributable to Mayoral Functions.
- 14.5 The Combined Authority shall issue a levy before 15 February preceding the start of the financial year in respect of which it is issued.
- 14.6 The amount for which a levy is issued will be borne in equal proportions (50:50) by the Constituent Councils to be paid in full in the financial year for which the levy is issued.

### Borrowing

- 14.7 The Combined Authority may borrow for any purpose relevant to its **transport** or any **other functions**. Borrowing powers are subject to and in accordance with setting an affordable borrowing limit and any limits imposed by the Secretary of State.

### Precept

- 14.8 Costs of the Mayor incurred in or in connection with the exercise of **Mayoral Functions** are met from precepts issued by the Combined Authority to each Constituent Council (in its capacity as a billing authority).
- 14.9 The Combined Authority is a major precepting authority under the Local Government and Finance Act 1992.
- 14.10 For each financial year, the Combined Authority shall issue a precept. The precept may be issued only in relation to expenditure incurred by the Mayor in, or in connection with, the exercise of Mayoral Functions.
- 14.11 The function of issuing precepts in respect of Mayoral Functions is exercisable only by the Mayor acting on behalf of the Combined Authority.

14.13 The precept issued to a billing authority must state:

- the amount calculated in relation to the year and each category of dwellings in the billing authority's area (see further below), and
- the amount calculated as the amount payable by the billing authority for the year.

14.15 When calculating the amount in relation to the year and each category of dwellings in each billing authority's area, the Combined Authority must calculate the following:

- the council tax requirement,<sup>23</sup>
- the basic amount of council tax,<sup>24</sup>
- any calculations in respect of special items,<sup>25</sup> and
- tax for different valuation bands.<sup>26</sup>

14.17 Where calculations are made in respect of the council tax requirement, the Section 73 Chief Finance Officer must report to the Combined Authority on

- the robustness of the estimates made for the calculations, and
- the adequacy of the proposed financial reserves.<sup>28</sup>

14.18 The Combined Authority must review its calculations in respect of the council tax requirement from time to time during the financial year and take such action as it considers necessary if it appears there has been a deterioration in its financial position.<sup>29</sup>

14.19 The Budget and Policy Rules in Part 4 of the Constitution set out further details about the approval of the Budget including the review of the general component by the Combined Authority.

14.20 The Combined Authority must issue a precept before the 1 March in the financial year preceding that for which it is issued.<sup>30</sup>

14.21 Before the Combined Authority issues the precept, the Combined Authority must consult representatives of non-domestic rate payers, about its proposals for expenditure.<sup>31</sup>

21 Calculated in accordance with Section 48 of the 1992 Act, as modified by the Combined Authorities (Finance) Order 2017.

22 Section 40 of the 1992 Act, modified by Schedule 1 of the Combined Authorities (Finance) Order 2017/611.

23 In accordance with Section 42A of the 1992 Act.

24 In accordance with Section 42B of the 1992 Act.

25 In accordance with Section 45 of the 1992 Act.

26 In accordance with Section 48 of the 1992 Act.

27 Section 42A of the 1992 Act, modified by Schedule 1 of the 2017 Order.

28 Section 25 of the Local Government Act 2003, in accordance with Sections 26 and 27 of the 2003 Act

29 Section 28 of the 2003 Act.

30 Section 40(5) of the Local Government Finance Act 1992. Section 40(5) sets out the earliest date at which the precept may be issued.

31 In accordance with Section 65 of the 1992 Act and relevant regulations and having regard to any guidance issued by the Secretary of State.



14.22 The Combined Authority as major precepting authority must determine whether its basic amount of council tax for a financial year is excessive, in accordance with a set of principles determined by the Secretary of State for the year. Where this is excessive, the Combined Authority must notify each billing authority accordingly, which is required to hold a referendum<sup>34</sup> and fund all applicable costs of conducting the referendum or, where another major precepting authority proposes is required to hold a referendum, an appropriate share of these costs as determined by the Constituent Authorities.

### **Business Rates Supplements Functions**

14.25 The Combined Authority has functions in relation to business rates supplements<sup>35</sup>. These functions are exercisable only by the Mayor and cannot be delegated to the Mayor's Political Adviser.<sup>36</sup>

### **Requirement to Meet Costs**

14.26 The Constituent Councils must ensure that the costs of the Combined Authority reasonably attributable to the exercise of its functions are met. This requirement is subject to the following:

- the Constituent Councils must meet the costs of the expenditure reasonably incurred by the Mayor in or in connection with the Mayoral Functions, to the extent that the Mayor has decided to not to meet these costs from other resources, subject to the agreement of the Combined Authority in advance, and
- the costs of functions related to transport being met by a levy issued by the Combined Authority to the Constituent Councils - see further above.

### **Approval of Budgets**

14.27 The Combined Authority's budget shall be considered and approved in accordance with the Budget and Policy Rules in Part 4 of the Constitution.

### **Financial Administration**

14.29 The Combined Authority must make arrangements for the proper administration of its financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs<sup>39</sup> - see further Article 12 (Officers).

33 In accordance with Section 52ZB and 52ZC of the 1992 Act.

34 Section 52ZB and Section 52ZK of the 1992 Act.

35 Article 31 of the 2021 Order.

38 Section 93 of the 1996 Act.

39 Section 73 of the Local Government Act 1985.

- 14.30 Financial administration must be carried out in accordance with the **Financial Regulations** in Part 4 of the Constitution.
- 14.31 The Combined Authority must keep adequate **accounting records**<sup>40</sup>, follow any regulations about accounting practices and have regard to any guidance about accounting practices to be followed, in particular in relation to keeping a revenue account.<sup>41</sup>
- 14.32 The Combined Authority must prepare a **statement of accounts** in respect of each financial year<sup>42</sup>.
- 14.33 **Funds** must be maintained for certain transactions, to facilitate audit and the control of expenditure, as follows:
- The Combined Authority must keep a **Combined Authority general fund**, in relation to receipts arising and liabilities incurred.<sup>44</sup>
  - The Mayor must maintain the **Mayor's general fund** in relation to receipts arising and liabilities incurred in the exercise of Mayoral Functions, and keep account of payments made in and out of the Mayor's general fund.<sup>45</sup>

### Investments

- 14.34 The Combined Authority has the power to invest for any purpose relevant to its functions, or for the prudent management of its financial affairs - see further the Financial Regulations in Part 4 of the Constitution.<sup>48</sup>

### Contracts

- 14.35 Contracts must be entered into in accordance with the **Contract Standing Orders** in Part 4 of the Constitution.
- 14.37 Any contracts entered into by the Mayor in the exercise of Mayoral Functions are entered into by the Mayor on behalf of the Combined Authority, and any property rights and liabilities in relation to those contracts vest in the Combined Authority.<sup>51</sup>

### Legal matters

- 14.40 Requirements in relation to signing and sealing contracts are set out in Contracts Standing Orders in Part 4 of the Constitution.

40 In accordance with Section 3 of the Local Audit and Accountability Act 2014. See further Section 21 of the 2003 Act and the Capital Finance and Accounting) England Regulations 2003/3146.

41 Section 21 of the Local Government Act 2003.

42 Section 3 of the 2014 Act.

43 TBC

44 Section 72 Local Government Act 1985.

45 Article 11 of the Combined Authorities (Finance) Order 2017/611.

46 In accordance with Section 21 of the 2011 Act.

47 Section 21(5) of the 2011 Act.

48 Section 12 of the 2003 Act.

## NB EMCCA

### 1. *Financial Management*

*1.1 The management of the Combined County Authority's financial affairs will be conducted in accordance with the Financial Procedures set out in Part 4 of the Constitution.*

### 2. *Legal Proceedings*

*2.1 The Monitoring Officer is authorised to institute, settle, defend, or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Combined County Authority or in any case where the Monitoring Officer considers that such action is necessary to protect the Combined County Authority interests.*

### 3. *Authentication of Documents (*

*a) Where any document is necessary to any legal procedure or proceedings on behalf of the Combined County Authority, it will be signed by the Monitoring Officer or some other person duly authorised by the Combined County Authority or the Monitoring Officer, unless any enactment otherwise authorises or requires. (*

*b) Any contract with a value exceeding £50,000 entered into by the Combined County Authority shall be made in writing. Such contracts must be signed by a duly authorised officer of the Combined County Authority or made under the Common Seal of the Combined County Authority attested by an authorised officer. Any contract which in the opinion of the Monitoring Officer should be sealed must be made under the Common Seal of the Combined County Authority attested by an authorised officer.*

### 4. *Common Seal of the Combined County Authority*

*4.1 The Common Seal of the Combined County Authority will be kept in a safe place in the custody of the Monitoring Officer. A decision of the Combined County Authority, or any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed. The affixing of the Common Seal Page 27 will be attested by the Monitoring Officer, or some other person authorised by the Monitoring Officer.*

49 Under the Local Authorities (Goods and Services) Act 1970, as modified by Section 15 of the 2011 Act.

50 Section 15 of the 2011 Act.

51 The Mayor is not a corporation sole.

52 Section 88E of the 1996 Act.

## Part 3

### Section 1 - Introduction

1.1 Part 3 sets out the responsibility for the functions of the Combined Authority.

### Section 2 - Non-Mayoral Functions

1.2 Non-Mayoral Functions are functions of the Combined Authority which are not exercisable by the Mayor. Section 2.1 sets out an overview of the Non-Mayoral Functions, including those conferred by the Order.

1.3 Non-Mayoral Functions are exercised by the Combined Authority at a meeting of the Combined Authority or in accordance with arrangements agreed by the Combined Authority, as follows:

- by a **committee or sub-committee** of the Combined Authority,
- by an **officer** with delegated authority,
- by **another local authority**, or
- under **joint arrangements** with one or more other local authorities.

1.4 Arrangements for Non-Mayoral Functions agreed by the Combined Authority are set out in Section 2, as follows:

- Section 2.2 sets out the Non-Mayoral functions which have been **reserved to the Combined Authority**, that is, are not delegated and must be taken at a meeting of the Combined Authority, and
- Section 2.3 sets out the **Terms of Reference** of committees appointed by the Combined Authority.

(See also Section 4 below, the Officer Delegation Scheme which sets out how the Combined Authority has delegated Non-Mayoral Functions to officers).

1.5 Where a Non-Mayoral Function has been delegated under arrangements, this does not prevent the Combined Authority exercising the function.

### Section 3 - Mayoral Functions

1.6 Mayoral Functions are functions of the Combined Authority exercisable only by the Mayor. Section 3.1 sets out an overview of Mayoral Functions.

1.7 **Mayoral Functions** of the Combined Authority are exercised by the Mayor acting individually, or in accordance with arrangements made by the Mayor. Section 3.1.1 sets out the **Mayoral Functions** conferred by the Order.

1.8 The Mayor may arrange for any of the following to exercise any Mayoral Function, except those reserved by law to the Mayor:

- the Deputy Mayor,
- another Combined Authority member, or
- an officer of the Combined Authority.

1.9 The Mayor may enter into arrangements jointly with the Combined Authority, the Constituent Councils and other councils for the discharge of the Mayoral Functions.

1.10 Arrangements for Mayoral Functions made by the Mayor are set out in Section 3 as follows:

- Section 3.1.2 is the Mayor's **Mayoral Functions Scheme of Delegations to Combined Authority Members**.

(See also Section 4 below, the **Officer Delegation Scheme** which sets out any delegations of Mayoral Functions by the Mayor to officers). *To follow when Mayor appointed.*

1.11 Where a Mayoral Function has been delegated under arrangements, this does not prevent the Mayor exercising the function.

1.12 The Mayor may amend their arrangements at any time - see further Article 4 (the Mayor).

#### Section 4 - Officer Delegation Scheme

1.17 Section 4 is the **Officer Delegation Scheme** (Non-Mayoral and Mayoral Functions).

#### Section 5 - Concurrent Functions Protocol

1.18 Section 5 is a Protocol for the exercise of Concurrent Functions and associated Statutory Consents. TO FOLLOW.

## Section 2.1 - Non-Mayoral Functions - Overview

The Combined Authority exercises the non-Mayoral functions. These are:

- **Transport functions** of the Combined Authority, including in its role as
  - local transport authority,
  - travel concession authority, or
  - transport authority

subject to the exception of any function which is exercisable only by the Mayor (see further Mayoral Functions).

- **Functions conferred by the Order** - see further Table A below. The exercise of specified functions conferred by the Order requires the **Statutory Consent** of a Constituent Council Member (or their substitute) to be provided at a meeting of the Combined Authority.
- **Functions related to governance and finance matters** - see further Part 2 of the Constitution.
- A **general ancillary power** in addition to (and not limited by) the Combined Authority's other powers.

**Table A - Non-Mayoral Functions Conferred by the Order (in addition to Transport Functions)**

Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	2025 Order Reference
Section 1 of the Localism Act 2011	The functions of the constituent authorities as are exercisable for the purpose of economic development and regeneration in reliance on the general power of competence.	Y*	N	Article 10 and Schedule 3
Section 142(2) of the Local Government Act 1972	Power to arrange for publication of information etc. relating to the functions of the authority.	This provision shall have effect as if the Combined Authority were a local authority.	N	Article 11
Section 222 of the Local Government Act 1972	Power to prosecute and defend legal proceedings.	This provision shall have effect as if the Combined Authority were a local authority.	N	Article 11
Section 88(1)(a) and (b) of the Local Government Act 1985	Research and collection of information, whether or not a scheme is made under that section.	N	N	Article 12

\* Any requirement in any enactment for a Constituent Council to exercise such a function may be fulfilled by the exercise of that function by the Combined Authority.



**Table B – Non-Mayoral Functions Conferred by the Order**

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
<b>Education, Skills and Training Functions</b>				
Section 51A of the Further and Higher Education Act 1992	Power to give a notice to the governing body of an FE institution requiring them to provide specified individuals 16-19 with appropriate education.	Y*	N	Article 5(2)(a)
Section 13A of the Education Act 1996	Duty to promote high standards and fulfilment of potential in exercising relevant education and training functions.	Y*	N	Article 5(2)(b)
Section 560A of the Education Act 1996	Power to secure work experience / Duty to encourage participation in work experience/ encourage employers to participate in providing.	Y <sup>□</sup>	N	Article 5(2)(c)
Section 10 of the Education and Skills Act 2008	Duty to exercise functions so as to promote participation by persons under Section 2.	Y*	N	Article 5(2)(d)
Section 12 of the Education and Skills Act 2008	Duty to identify people in their area who are failing to fulfil their duty under Section 2 to participate in education or training.	Y*	N	Article 5(2)(e)

\* Any requirement for a Constituent Council to exercise this function may be fulfilled by the exercise of that function by the Combined Authority.



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Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 68 of the Education and Skills Act 2008	Duty to provide services enabling, encouraging and assisting young people and relevant young adults to participate in education and training.	Y*	N	Article 5(2)(f)
Section 70 of the Education and Skills Act 2008	Power to provide services enabling, encouraging or assisting young people and relevant young adults to participate in education and training.	Y*	N	Article 5(2)(g)
Section 71 of the Education and Skills Act 2008	Power to provide support given to young people conditional on specified action.	Y*	N	Article 5(2)(h)
Section 85 of the Education and Skills Act 2008	Duty placing further requirements on arrangements made by a children's services authority in England under Section 10 of the Children Act 2004 (which requires authorities to co-operate with each other).	Y*	N	Article 5(2)(i)
Section 86 of the Apprenticeships, Skills Children and Learning Act 2009	Duty to provide education and training for over 19 years and others subject to adult detention.	N	N	Article 6(1)(a)

\* Any requirement for a Constituent Council to exercise this function may be fulfilled by the exercise of that function by the Combined Authority.

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 87 of the Apprenticeships, Skills Children and Learning Act 2009	Duty - Learning aims over 19 years - provision of facilities.	N	N	Article 6(1)(b)
Section 88 of the Apprenticeships, Skills Children and Learning Act 2009	Duty - Learning aims over 19 years - payment of tuition fees.	N	N	Article 6(1)(c)
Section 90 of the Apprenticeships, Skills Children and Learning Act 2009	Duty - Encouragement of education and training over 19 years.	N	N	Article 7(1)(a)
Section 100(1) of the Apprenticeships, Skills Children and Learning Act 2009	Provision of financial resources.	N	N	Article 7(1)(b)
<b>Housing, Regeneration and Planning Functions</b>				
Section 5 of the Housing and Regeneration Act 2008	Power to provide housing or other land.	N	N	Article 10(1)(a)
Section 6 of the Housing and Regeneration Act 2008	Power to regeneration development or effective use of land.	N	N	Article 10(1)(b)

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 7 of the Housing and Regeneration Act 2008	Power to provide Infrastructure.	N	N	Article 10(1)(c)
Section 8 of the Housing and Regeneration Act 2008	Power to deal with land.	N	N	Article 10(1)(d)
Section 10 of the Housing and Regeneration Act 2008	Restrictions on land disposal.	N	N	Article 10(1)(f)
Section 11 of the Housing and Regeneration Act 2008	Power to acquire land.	N	N	Article 10(1)(g)
Section 12 of the Housing and Regeneration Act 2008 (as above)	Power - Statutory undertakers.	N	N	Article 10(1)(h)
Para 19 & 20 of Sch 3 Housing and Regeneration Act 2008	Power - Burial grounds and consecrated land.	N	N	Article 10(1)(i)
Para 1 – 4, 6, 10 & 20 Sch 4 Housing and Regeneration Act 2008	Power - Removal of powers HCA.	N	N	Article 10(1)(j)



Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 226 of the Town and Country Planning Act 1990	Power to compulsorily acquire land development/planning.	Y	Consent of each Constituent Council Combined Authority Member whose area contains any part of the land, or substitute Member.	Article 11(1)(a)
Section 227 of the Town and Country Planning Act 1990	Power to acquire land by agreement.	Y	N	Article 11(1)(b)
Section 229 of the Town and Country Planning Act 1990	Power to appropriate land.	Y	N	Article 11(1)(c)
Section 230(1)a of the Town and Country Planning Act 1990	Power to acquire land for exchange.	Y	N	Article 11(1)(d)
Section 232 of the Town and Country Planning Act 1990	Power to appropriate land held for planning purposes.	Y	N	Article 11(1)(e)
Section 233 of the Town and Country Planning Act 1990	Power to dispose of land held for planning purposes.	Y	N	Article 11(1)(f)

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 235 of the Town and Country Planning Act 1990	Power to develop land held for planning purposes.	Y	N	Article 11(1)(g)
Section 236 of the Town and Country Planning Act 1990	Power to extinguish rights over land.	Y	N	Article 11(1)(h)
Section 238 of the Town and Country Planning Act 1990	Power to use and develop consecrated land.	Y	N	Article 11(1)(i)
Section 239 of the Town and Country Planning Act 1990	Power to use and develop burial grounds.	Y	N	Article 11(1)(j)
Section 241 of the Town and Country Planning Act 1990	Power to use and develop open spaces.	Y	N	Article 11(1)(k)
Section 17 of the Housing Act 1985 with the exception of Section 17(3) (compulsory purchase) which is a Mayoral Function	Power to acquire land for housing development.	Y	Consent of each Constituent Council Combined Authority Member whose area contains any part of the land, or substitute Member.	Article 11(1)(l)

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 18 of the Housing Act 1985	Duty to secure buildings where land acquired under S17.	Y	N/A	Article 11(1)(m)
<b>Transport</b>				
Section 6 of the Highways Act 1980	Be an authority to whom functions may be delegated by the Secretary of State or Highways England or agreements entered into re construct, improve or maintain trunk roads.	Applies to local authorities as local highway authorities.	Consent of each Constituent Council Combined Authority Member.	Article 19(1)
Section 8 of the Highways Act 1980	Power to be an authority who may be party to agreement on highway construction, improvement, maintenance etc.	Applies to local authorities as local highway authorities.	N	Article 19(2)
Sections 1 and 2(4) of the Road Traffic Regulation Act 1984	Power to make a traffic order re routes for heavy commercial vehicles.	Yi	Consent of each Constituent Council Combined Authority Member.	Article 20(1)(a) Article 20(1)(b)



Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Section 9 of the Road Traffic Regulation Act 1984	Power to make an experimental traffic order.	Y	Consent of each Constituent Council Combined Authority Member.	Article 20(1)(c)
Section 23 of the Road Traffic Regulation Act 1984	Power to place pedestrian crossings.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(1)(a)
Section 65 of the Road Traffic Regulation Act 1984	Power to place traffic signs.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(1)(b)
Section 83 of the New Roads and Street Works Act 1991	Duty - works likely to affect apparatus in street – duty to notify.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(1)(a)
Section 84 of the New Roads and Street Works Act 1991	Measures where apparatus affected by major works.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(1)(a)
Section 85 of the New Roads and Street Works Act 1991	Sharing of costs of necessary measures.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(1)(a)

Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Street Works (Sharing of Costs of Works) (England) Regulations 2000	Sharing the costs of diversionary works between CA and undertakers.	Y	Consent of each Constituent Council Combined Authority Member.	Article 21(3)
Section 33 of the Traffic Management Act 2004	Preparation of permit schemes.	Y	Consent of each Constituent Council Combined Authority Member.	Article 23(1)(a)
Section 33A of the Traffic Management Act 2004	Implementing permit schemes.	Y	Consent of each Constituent Council Combined Authority Member.	Article 23(1)(b)
Section 36 of the Traffic Management Act 2004	Varying/revoking permit schemes.	Y	Consent of each Constituent Council Combined Authority Member.	Article 23(1)(c)
Part 3 of 2004 Act		Y	N	Article 23(4)
Traffic Management Permit Scheme (England) Regs 2007	Permit schemes.	Y	Consent of each Constituent Council Combined Authority Member.	Article 23(5)



Legislation	Function	Concurrent with Constituent Councils	Consent requirement	Order Reference
Bus Lane Contraventions (Penalty charges, Adjudication and Enforcement (England) Regs 2005	Enforce bus lane contravention.	Y	Consent of each Constituent Council Combined Authority Member.	Article 24(3)
<b>Additional Functions</b>				
Section 69 of the Local Democracy, Economic Development and Construction Act 2009	Duty to prepare economic condition assessment.	Y*	N	Article 25(1)
Sections 17A and 115 of the Crime and Disorder Act 1998	Information sharing (crime and disorder).	y4	N	Article 26(1) Article 26(2)

\* Any requirement for a Constituent Council to exercise this function may be fulfilled by the exercise of that function by the Combined Authority. † The Combined Authority is a relevant authority for the purposes of Section 115 (disclosure of information).

## Section 2.2 - Non-Mayoral Functions reserved to the Combined Authority

Functions	Relevant legislation
To amend the Local Transport Plan and related strategies prepared by the Mayor.	Sections 108,109 and112 of the Transport Act 2000, and Article 27(8) of the 2021 Order
<p>To approve, amend or revoke any major policy or investment priorities, strategy or plan for the Combined Authority from time to time, including:</p> <ul style="list-style-type: none"> <li>• Any <b>Adult Education Budget Strategy</b>,</li> <li>• the <b>Corporate Plan</b></li> <li>• any <b>European funding strategies</b></li> <li>• <b>Strategic Economic Framework</b>,</li> <li>• in respect of the <b>Single Investment Fund</b>,</li> <li>• in respect of <b>any fund outside of the Single Investment Fund</b> which relates to Non-Mayoral functions,</li> <li>• the <b>Hull and East Yorkshire Investment Strategy</b>, and</li> </ul> <p>with the exception of any policy, investment priorities, strategy or plan which the Combined Authority has authorised a committee or officer to approve, amend, withdraw or revoke.<sup>4</sup></p>	
<p>To appoint any Non-Constituent Body Member and/or Associate Member and their substitute member to the Combined Authority.</p> <p>To grant any <b>voting rights</b> to any Non-Constituent Body member.</p>	<p>The Order</p> <p>Section 85(5) of the Local Transport Act 1985 and Schedule 1 of the Order</p>

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To make arrangements for the discharge of functions by a <b>committee or officer</b> and to appoint committees.	Sections 101 and Section 102 of the Local Government Act 1972
To appoint one or more <b>overview and scrutiny committees</b>	The Order
To appoint an Independent member to an Audit Committee.	Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, as amended by the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Regulations 2024
To approve, amend, withdraw or revoke any plan or strategy for the control of the Combined Authority's <b>borrowing, investments or capital expenditure.</b>	Part 1 of the Local Government Act 2003
To determine and keep under review how much money the Combined Authority can afford to borrow.	Section 3 of the Local Government Act 2003 <sup>5</sup>
To approve the <b>Combined Authority's budget and the Mayor's budget.</b>	Combined Authorities (Finance) Order 2017
To set a <b>levy.</b>	Local Government Finance Act 1988, Transport Levying Bodies Regulations 1992 and Section 101(6), Local Government Act 1972, and Schedule 1 Article 3 of the 2021 Order
To approve, amend, withdraw or revoke <b>Standing orders.</b>	Schedule 1 of the 2024 Order
To <b>consent to orders</b> relating to the <b>governance and functions of the Combined Authority.</b>	Sections 103 - 113D of the Local Democracy, Economic Development and Construction Act 2009
To <b>consent to regulations</b> relating to a <b>sub-national transport body.</b>	Part 5A of the Local Transport Act 2008

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To <b>consent to regulations to levy</b> in relation to expenses reasonably attributable to the exercise of functions other than transport functions.	Section 74(11) of the Local Finance Act 1988
To <b>consent to regulations to borrow.</b>	Section 23 of the Local Government Act 2003(6)
To appoint a Local Auditor to audit its accounts, and accept an invitation, decide or request to become an opted-in authority in relation to local audit arrangements.	Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015/192
To make, amend revoke or re-enact <b>byelaws.</b>	
To promote or oppose any <b>Bill</b> in Parliament.	Section 239 Local of the Government Act 1972 and s10 of the Transport Act 1968
To make, amend, revoke or replace a <b>Members' Allowances Scheme</b> <sup>7</sup> .	The Order
To authorise a person to exercise a function pursuant to an Order, or to revoke any such authorisation.	Section 70 of the Deregulation and Contracting Out Act 1974
To appoint <b>Proper Officers.</b>	Section 270(3) of the Local Government Act 1972 (see further Officer Delegation Scheme)
To designate a <b>Head of Paid Service</b> , and to consider any report of the Head of Paid Service under Section 4 Local Government and Housing Act 1989 <sup>8</sup> .	Section 4 of the Local Government and Housing Act 1989
To designate a <b>Monitoring Officer</b> , and to consider any report of the Monitoring Officer under Section 5 (2) of the Local Government and Housing Act 1989. <sup>9</sup>	Section 5 of the Local Government and Housing Act 1989
To appoint a <b>Chief Finance Officer</b> , and to consider any report of the Chief Finance Officer under Section 114 of the Local Government Finance Act 1988.	Section 73 of the Local Government Act 1985 and Section 114 Local Government Finance Act 1988

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To appoint and dismiss any of the Statutory Officers <sup>10</sup> following a recommendation from the Employment Panel	Section 112 of the Local Government Act 1972
<b>To appoint members of the Combined Authority to outside bodies.</b>	
To adopt, revise or replace a Members' <b>Code of Conduct</b> .	Section 28 of the Localism Act 2011
To appoint at least one <b>independent person</b> .	Section 28(7) of the Localism Act 2011
To <b>make arrangements</b> for investigating and making decisions about <b>allegations of failing to comply with the Members' Code of Conduct</b> .	Section 28(6) of the Localism Act 2011
To adopt, revise or replace the Hull and East Yorkshire Combined Authority Assurance Framework <sup>11</sup> .	
The publication of an <b>annual report</b> on the exercise and performance of <b>transport functions</b> .	Section 16 of the Transport Act 1968
Functions relating to <b>road user charging schemes</b> .	Part III Transport Act
To jointly <sup>12</sup> approve, vary, revoke or postpone <sup>13</sup> an <b>advanced quality partnership scheme</b> .	Part II Transport Act 2000
To jointly <sup>14</sup> make, vary or revoke an <b>enhanced partnership plan</b> and jointly <sup>15</sup> make, postpone or revoke an <b>enhanced partnership scheme</b> .	Part II Transport Act 2000
To jointly <sup>16</sup> approve, vary or revoke an <b>advanced ticketing scheme</b> .	Part II Transport Act 2000
To jointly <sup>17</sup> make, vary or terminate a <b>voluntary partnership agreement</b>	Part II Transport Act 2000

To agree a Key Route Network with Constituent Councils, in respect of exercising Concurrent Transport-related Functions.	The Order – provisions relating to Statutory Consents
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To discharge any other function which, by virtue of any enactment, may be discharged only by the Combined Authority, including the approval any other plan or strategy which must **by law** be adopted or approved by resolution of the Combined Authority.

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## Section 2.3 - Terms of Reference

### Employment Panel

#### **Membership**

An Employment Panel will be convened as required to undertake a function in accordance with the Combined Authority's Human Resources policies and processes, including discipline, grievance and capability policies.

Membership of the Employment Panel will be comprised of three Members of the Combined Authority.

#### **Decisions**

Where the Employment Panel is convened in respect of matters other than those relating to the Head of Paid Service, the Head of Paid Service (or their nominated representative) shall be invited to attend in an advisory capacity.

#### **Remit**

In accordance with the Combined Authority's Human Resources policies and processes, including discipline, grievance and capability policies the Employment Panel is authorised:

1. In relation to **appointments**:
  - 1.1. To make recommendations to the Combined Authority in respect of appointments to the following posts (the Statutory Officers):
    - Head of Paid Service,
    - Section 73 Chief Finance Officer, and
    - Monitoring Officer.
  - 1.2. To make appointments to Executive Director and Director posts.
2. In relation to any **disciplinary action**:
  - 2.1. To appoint an External Investigator in the event of the need for an investigation in relation to a Statutory Officer, or in the event of a conflict of interest an Executive Director or Director.
  - 2.2. Upon the completion of an investigation, to take the decision whether to suspend a Statutory Officer, upon advice from the the Monitoring Officer<sup>2</sup>, or in the event of a conflict of interest the Combined Authority Legal Adviser.
  - 2.3. Upon the completion of an investigation, acting in their capacity as Hearing Manager, to take **any action short of dismissal** in relation to a Statutory Officer, or in the event of a conflict of interest the Combined Authority Legal Adviser.

2.4. To deliver the outcome of a grievance brought by a Statutory Officer.

3. In relation to **dismissals**:

3.1. To consider any disciplinary or capability proceedings brought against any of the Statutory Officers, where so delegated by the Combined Authority.

3.2. To make recommendations to the Combined Authority in respect of dismissal of a Statutory Officer.

3.3. To consider any disciplinary or capability proceedings against Directors or Executive Directors where there is a conflict of interest.

4. In relation to **appeals**:

4.1. To consider any appeal against dismissal, or action short of dismissal, brought by an Executive Director, or in the event of a conflict of interest, a Director.

4.2. To consider any appeal against action short of dismissal brought by a Statutory Officer.

4.3. To consider any appeal against the outcome of a grievance brought by a Statutory Officer.

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## Section 2.4 - Terms of Reference

### Governance and Audit Committee

The Governance and Audit Committee is authorised:

1. To review and scrutinise the Combined Authority's financial affairs.
2. To review and assess the Combined Authority's risk management, internal control and corporate governance arrangements.
3. To make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs 1 and 2 above.
4. To consider the findings of a review of the effectiveness of the system of internal control and approve the annual governance statement.
5. To consider and approve the statement of accounts.
6. To consider and approve the annual audit plan.
7. To consider external audit arrangements and reports and consider any audit letter from the local auditor following an audit.
8. To receive and consider an annual report from the Joint Independent Audit Committee.
9. To promote and maintain high standards of conduct by members and co-opted members of the Combined Authority.
10. To advise the Combined Authority in relation to:
  - adopting, revising or replacing its Members' Code of Conduct;
  - appointing at least one independent person; and
  - arrangements for investigating and making decisions about allegations of failing to comply with the Members' Code of Conduct.
11. To consider and determine any allegation of failing to comply with the Members' Code of Conduct.

<sup>11</sup> The Code applies to members and voting co-opted members of the Combined Authority and includes provision about registering and disclosing interests.

<sup>12</sup> In accordance with Section 28(7) of the Localism Act 2011.

## Section 2.5 - Terms of Reference

### Scrutiny Committee

1. The Scrutiny Committee is **authorised**, in accordance with the constitution, to:
  - 1.1 Review or scrutinise any decision made, or other action taken, in connection with the discharge of any Non-Mayoral Function or Mayoral General Function of the Combined Authority.
  - 1.2 With respect to 1.1, the committee may:
    - i. call-in any Key Decision by the Mayor, a decision-making committee or a Key Decision by an officer,
    - ii. direct that the decision is not implemented while it is under review,
    - iii. recommend that the decision be reconsidered by the decision-maker.
  - 1.3 Make reports or recommendations to the Combined Authority, the Mayor, or any other decision-maker or decision-making committee, with respect to any Non-Mayoral Function or Mayoral Function of the Combined Authority.
  - 1.4 Make reports or recommendations on any matter that affects the Hull and East Yorkshire area or inhabitants.
  - 1.5 Receive responses to any report or recommendation it has made.
  - 1.6 Consider any matter referred to it by the Mayor, Combined Authority, a Member of the Combined Authority or any other committee, or a member of a constituent council.

<sup>1</sup> Any reference to functions in the Terms of Reference are to be construed in a broad and inclusive fashion, and as including the exercise of the ancillary powers under Section 113A Local Democracy, Economic Development and Construction Act 2009

## Section 3.1 - Responsibility for Mayoral Functions - Overview

- 1.1 Mayoral Functions are the functions of the Combined Authority exercisable only by the Mayor. They comprise:
- **Mayoral Functions** are functions of the Combined Authority which are exercisable only by the Mayor. These are conferred by the Order see further **Table D** in section 3.1.1, or other legislation.
  - **Functions relating to governance and finance matters** - see further Articles 4 and 14, Part 2 of the Constitution.
- 1.2 A Statutory Consent is required in relation to the exercise of specified Mayoral General Functions as follows:
- the exercise of specified **Functions** conferred by the Order requires the Statutory Consent of a Constituent Council Combined Authority Member (or Substitute Member) to be provided at a meeting of the Combined Authority, as indicated in Table D, and
  - any decision of the Mayor which gives rise to a **financial liability for a Constituent Council** requires the Statutory Consent of the Lead Member appointed to the Combined Authority by that Constituent Council (or Substitute Member).
- 1.3 See further the Mayoral Procedure Rules in Part 4 of the Constitution.

## Section 3.1.1

Table D - Mayoral Functions conferred by the Order

Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	Order Reference
<b>Housing, Regeneration and Planning Functions</b>				
Section 9(2) of the Housing and Regeneration Act 2008	Power to acquire land	N	Consent of each Constituent Council Combined Authority Lead Member whose local government area contains any part of the land, or Substitute Member.	Schedule 3 paragraphs 5(8) and 15
Section 17(3) of the Housing Act 1985 - compulsory purchase	Power to acquire land for housing development	Y	Consent of each Constituent Council Combined Authority Member whose area contains any part of the land, or Substitute Member.	Schedule 3 paragraphs 5(8) and 15
<b>Mayoral Development Corporation</b>				
Section 197 of the Localism Act 2011	Mayoral Development Area - designation	N	Consent of each Constituent Council Combined Authority Lead Member whose local government area contains any part of the area to be designated as a Mayoral development area, or Substitute Member.	Schedule 3 paragraph 5(12)

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Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	Order Reference
Section 199 of the Localism Act 2011	Mayoral Development Area - exclusion of land	N	Consent of each Constituent Council Combined Authority Lead Member whose local government area contains any part of the area to be excluded from a Mayoral development area; or Substitute Member.	Schedule 3 paragraph 5(12)
Section 202(2) to (4) of the Localism Act 2011	Planning functions in relation to Mayoral Development Area	N	Consent of each Constituent Council Combined Authority Lead Member whose local government area contains any part of the area to be designated as a Mayoral Development Area, or Substitute Member	Schedule 3 paragraph 5(14)
Section 204 of the Localism Act 2011	Removal or restrict planning powers	N	N	Article 21(2)(f)
Section 214 of the Localism Act 2011	Discretionary relief from ND rates	N	N	Article 21(2)(f)
Section 215 of the Localism Act 2011	Review	N	N	Article 21(2)(f)
Section 216 of the Localism Act 2011	Transfers of property rights and liabilities	N	N	Article 21(2)(f)
Section 217 of the Localism Act 2011	Dissolution – final steps	N	N	Article 21(2)(if)



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Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	Order Reference
Section 219 of the Localism Act 2011	Guidance by Mayor	N	N	Article 21(2)(f)
Section 220 of the Localism Act 2011	Directions by Mayor	N	N	Article 21(2)(f)
Section 221 of the Localism Act 2011	Consents	N	N	Article 21(2)(f)
Para 1 Sch 21 of the Localism Act 2011	Membership	N	N	Article 21(2)(f)
Para 2 Sch 21 of the Localism Act 2011	Terms of members' appointments	N	N	Article 21(2)(f)
Para 3 Sch 21 of the Localism Act 2011	Staff	N	N	Article 21(2)(f)
Para 4 Sch 21 of the Localism Act 2011	Remuneration of members and staff	N	N	Article 21(2)(f)
Para 6 Sch 21 of the Localism Act 2011	Committees	N	N	Article 21(2)(f)

Para 8 Sch 21 of the Localism Act 2011	Proceedings and meetings	N	N	Article 21(2)(f)
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Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	Order Reference
<b>Transport</b>				
Section 31 of the Local Government Act 2003	Power to pay grants for exercising highways functions	N	N	Article 21 (2)(c)
Section 154(1) of the Transport Act 2000	Power to pay grants to bus operators	N	N	Article 18(1)
<b>Mayoral Functions</b>				
Section 108 of the Transport Act 2000	Duty to prepare Local transport plans	N	N	Article 27 (2) (b)
Section 109 of the Transport Act 2000	Duty and Power - Further provision about plans (keep under review/replace/consultation/publication requirements)	N	N	Article 27 (2) (b)
Section 112 of the Transport Act 2000	Duty - Plans and strategies – supplementary: Regard to guidance and transport needs of disabled persons	N	N	Article 27 (2) (b)
<b>Funding</b>				



Business Rate Supplement Act 2009	Power - Business Rate Supplement	N	N	Article 31(1)
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Legislation	Function	Concurrent with Constituent Councils	Consent Requirement	Order Reference
<i>Section 113A of the LDEDC Act 2009<sup>1</sup></i>	<i>Power - Ancillary general power</i>	<i>N</i>	<i>N</i>	<i>Article 27 (10)</i>

<sup>1</sup> For the purposes of the exercise of the functions mentioned in Table 3.1.1. above only, the Mayor may do anything that the Combined Authority may do under section 113A of the 2009 Act.

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## Section 4 - Hull and East Yorkshire Combined Authority Officer Delegation Scheme: Non-Mayoral and Mayoral General Functions

### 1. Introduction

#### *General Roles and Responsibilities of Officers*

- 1.1 The Combined Authority and the Mayor approve strategies and policies which determine the framework in which operational decisions are made - see further the Budget and Policy Procedure Rules in Part 4 of the Constitution.
- 1.2 Officers implement decisions made by the Combined Authority (or any decision-making committee of the Combined Authority) and the Mayor. Officers also take measures to carry out these policies and decide day-to-day operational matters, within the framework of these decisions. Senior Officers have a set of general accountabilities, expressed through their objectives to deliver against the policies set out by the Combined Authority as relates to their functional areas. This delegation therefore covers specific delegations or requirements for compliance where officers are fulfilling these accountabilities.
- 1.3 Officers must comply with Article 13 (Decision-making) in Part 2 of the Constitution when exercising authority delegated to them.
- 1.4 Decision-making by officers is subject to other control measures. These include:
  - Standing Orders including the Contracts Standing Orders and Financial Regulations in Part 4 of the Constitution,
  - Officers' Codes of Conduct, gifts and hospitality policy and the Conflicts of Interest Policy and Protocols in Part 5 of the Constitution,
  - Policies of the Combined Authority
  - organisational values,
  - an anti-fraud, bribery and corruption policy, and
  - internal audit and risk management arrangements.
- 1.5 When exercising their delegated authority, an officer must:
  - ensure that the decision conforms with and furthers strategies and policies approved or endorsed by the Combined Authority and the Mayor, and
  - follow approved practices and procedures of the Combined Authority including the Assurance Framework, relevant Government guidance and industry/professional best practice.

### ***Delegations to Officers***

- 1.6 This Officer Delegation Scheme sets out:
- Non-Mayoral Functions delegated to officers by the Combined Authority, and
  - Mayoral Functions delegated to officers by the Mayor.
- 1.7 The Combined Authority or the Mayor may also delegate decisions outside of this Scheme to a Combined Authority officer in relation to any specific matter, subject to statutory restrictions.
- 1.8 The Combined Authority's Standing Orders in Part 4 of the Constitution including Contracts Standing Orders and Financial Regulations also delegate to specified officers or post-holders.
- 1.9 Where the Combined Authority have appointed a committee to discharge functions, that committee may also delegate any of those functions or a decision in relation to a specific matter within the committee's terms of reference, to an officer – see further Article 7 (Ordinary Committees) in Part 2 of the Constitution.
- 1.10 The Combined Authority (or a committee) or the Mayor may continue to exercise any function which it has delegated to an officer.

### ***Sub-Delegations***

- 1.11 Unless required by law or expressly indicated in the Scheme, an officer is not required to discharge their delegated authority personally, (although they will remain accountable for any decision taken on their behalf). Such an officer may arrange, by way of a designation in writing, for another officer, with suitable qualifications, experience and seniority to exercise the delegated authority on their behalf.

### ***Referral of Matters to the Combined Authority or Relevant Committee – Non-Mayoral Functions***

- 1.12 An officer may decide not to exercise their delegated authority in relation to any matter. If so, the officer shall refer the matter to the Combined Authority or a relevant committee.

### ***Referral of Matters to the Mayor – Mayoral General Functions***

- 1.13 An officer may decide not to exercise their delegated authority in relation to any matter. If so, the officer shall refer the matter to the Mayor.

### ***Key Decisions***

- 1.14 The Access to Information Rules in Part 4 of the Constitution apply where an officer exercises their delegated authority to take a Key Decision.

### ***Call-in of Officers' Decisions***

- 1.15 Any **Key Decision** taken by an officer under delegated authority is open to call-in, in accordance with the Scrutiny Standing Orders in Part 4 of the Constitution.

### ***Recording Officer Decisions***

- 1.16 An officer is required to complete a **written record** of their decision in accordance with the Access to Information Rules in Part 4 of the Constitution.

### ***Concurrent Functions and Statutory Consents***

- 1.17 An officer proposing to exercise their delegated authority in respect of any Concurrent Function must follow any **Protocol** agreed by the Combined Authority with Constituent Councils relating to Concurrent Functions, including in relation to consultation processes - see further Section 5 of Part 3 of the Constitution.
- 1.18 No officer may exercise their delegated authority in relation to any function which requires a Statutory Consent required by the 2025 Order, where that Statutory Consent has yet to be given – see further the Access to Information Rules in Part 4 of the Constitution.
- 1.19 An officer should exercise their delegated authority in relation to any function in respect of which a Statutory Consent has been given, in accordance with the terms of that Statutory Consent.

## **2. Officer Delegation Scheme: Delegations**

Directors and the Chief Executive and includes any interim appointments into those roles.

Any reference to a **Director** within this Officer Delegation Scheme is to be construed as a reference to any officer (including any interim postholder) to whom Functions are delegated by the Combined Authority under the General Delegations section of this Scheme, except where the context requires otherwise.

Any reference to a Function delegated under this Officer Delegation Scheme should be construed in a broad and inclusive fashion and includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the specified Function.

Any reference to Director should also be taken to include Executive Directors and the Chief Executive and includes any interim appointments into those roles.

- 2.1 Subject to the Proper Officer Functions referenced at paragraph 2.8 below, and the delegations set out in this Officer Delegation Scheme to the:
- Head of Paid Service
  - Section 73 Chief Finance Officer
  - Monitoring Officer

there are no general delegations to Directors in this Officer Delegation Scheme, as these flow directly from the Chief Executive's Scheme of Sub-Delegation.

- 2.2 The Head of Paid Service, the Section 73 Officer and the Monitoring Officer are authorised to incur expenditure and enter into contracts within the agreed revenue budget in accordance with the Financial Regulations and Contracts Standing Orders in Part 4 of the Constitution within the following approval limits:
- 2.2.1 Above £1m The Chief Executive or the Section 73 Officer in consultation with the Mayor provided it is within budget and the policy framework of the Authority.
- 2.2.2 Between £0.5m and £1m Chief Executive or Section 73 Officer provided it is within budget and the policy framework of the Authority
- 2.2.3 Up to £0.5m Executive Directors (and statutory officers) in consultation with the Section 73 Officer provided it is within budget and the policy framework of the Authority
- 2.2.4 To incur expenditure on capital schemes within agreed scheme budgets, in accordance with the Financial Regulations, provided that expenditure has been authorised in accordance with the Hull and East Yorkshire Combined Authority Assurance Framework

**Land acquisition and disposal?**

**Proper Officer Functions**

- 2.3 Each Director is appointed the Proper Officer for any function within their remit. The Monitoring Officer is also a Proper Officer under the Local Government & Housing Act 1989.
- 2.4 Each Proper Officer has authority to implement and ensure compliance with requirements relating to:
- a) health and safety
  - b) data protection, freedom of information and transparency,
  - c) surveillance activities,
  - d) human rights,
  - e) risk management,
  - f) equity and diversity, and
  - g) Safeguarding.

**3. Chief Executive**

- 3.1 The Chief Executive is designated the **Head of Paid Service** of the Combined Authority - see further Article 12 (Officers) in Part 2 of the Constitution.

3.2 With the exception of any matter which the Mayor has directed should be referred to the Combined Authority for determination, the Chief Executive is authorised to exercise any **Non-Mayoral Function** which is not:

- expressly reserved to the Combined Authority,
- a function of any other officer in their capacity as a statutory officer,

3.3 The Chief Executive is further authorised to take decisions which would have been taken by a committee and where, for exceptional circumstances, that committee has been unable to meet, and the decisions are of an urgent nature and cannot wait until the next scheduled meeting.

3.4 The Chief Executive is also authorised with the exception of any matter:

- expressly reserved to the Combined Authority or
- expressly within the terms of reference of a Combined Authority committee to carry out any function in relation to:
  - i human resources. Including granting voluntary redundancy requests and releasing preserved pension benefits on ill health grounds (in consultation with the Section 73 **Chief Finance Officer**) and payments up to £250 to officers for loss or damage to property arising out of their employment with the Combined Authority but excepting those statutory functions which fall to the Head of Paid Service, and those functions delegated to any Director under the General Delegations above
    - ii. knowledge and information management,
    - iii. strategic risk management, insurance, and business continuity, and
    - iv. health and safety policy and strategy development, monitoring and reporting.

3.5 To negotiate and to settle claims for or against the Combined Authority whether or not legal proceedings have begun subject to:

- the value of the settlement not exceeding £150,000, and

#### 4. s 73 Chief Finance Officer

4.1 The Section 73 **Chief Finance Officer** of the Combined Authority, and as such exercises any statutory function of the Chief Finance Officer, including making arrangements for the proper administration of the Combined Authority's financial affairs<sup>13</sup> - see further Article 12 (Officers).

4.2 The Section 73 **Chief Finance Officer** is authorised to exercise the following Non-Mayoral functions:

- i making arrangements for the proper administration of the Authority's financial affairs; this includes authority to approve Financial Regulations and Contracts Standing Orders;
- ii procurement and purchasing, and
- iii establishing internal audit arrangements.

- 4.2.1 With the exception of any matter expressly reserved to the Combined Authority, or which the Head of Paid Service has directed the Section 73 **Chief Finance Officer** to refer to the Combined Authority or any Committee for determination.

## 5. Monitoring Officer

- 5.1 The **Monitoring Officer** for the Combined Authority exercises any statutory function of the Monitoring Officer - see further Article 12 (Officers) in Part 2 of the Constitution.

- 5.2 With the exception of any matter:

- expressly reserved to the Combined Authority or
- which the Head of Paid Service has directed the Monitoring Officer to refer to the Combined Authority or any Committee for determination to carry out the following functions:

### *Legal Proceedings and Settlements*

- 5.3 To take any legal action to implement a decision of the Combined Authority.
- 5.4 To institute, defend or participate in any proceedings or disputes where such action is necessary to give effect to a decision of the Combined Authority or to protect the interests of the Combined Authority, and to take all necessary steps in relation to such proceedings or disputes.
- 5.5 To enforce byelaws.
- 5.6 To make payments or provide other benefits in cases of maladministration.
- 5.7 To negotiate and to settle claims for or against the Combined Authority whether or not legal proceedings have begun subject to:
- the value of the settlement not exceeding £100,000, and
  - professional advice being obtained, where appropriate, that the settlement represents good value for money, and
  - consultation with the Mayor and Section 73 **Chief Finance Office** about any settlement value over £20,000.
- 5.8 To certify documents on behalf of the Combined Authority.
- 5.9 To authenticate the seal of the Combined Authority and keep custody of it.
- 5.10 To sign certificates for contracts in accordance with Local Government (Contracts) Act 1997.
- 5.11 To sign any contract on behalf of the Combined Authority provided that the Standing Orders, Contract Procedure Rules and Financial Procedure Rules of the Combined Authority have been complied with.



***Authorising Officers***

- 5.12 To authorise officers possessing such qualifications as may be required by law or in accordance with the Combined Authority's policy, to take samples, carry out inspection, enter premises and generally perform the functions of a duly authorised officer of the Combined Authority (however described) and to issue any necessary certificates of authority.

***Governance***

- 5.13 To discharge secretarial and other functions in relation to meetings of the Combined Authority and its committees.
- 5.14 To make any changes to any governance document of the Combined Authority which are required:
- as a result of legislative change or decisions of the Combined Authority or the Mayor,
  - to enable them to be kept up to date, or
  - for the purposes of clarification only.
- 5.15 To make any changes to the Hull and East Yorkshire Combined Authority Assurance Framework which are required:
- as a result of legislative change or decisions of the Combined Authority or the Mayor,
  - to enable it to be kept up to date, or
  - for the purposes of clarification only.
- 5.16 In relation to Local Authority Co-optees (and only in accordance with any nomination by the relevant Constituent Council and the Non-Constituent Bodies) to make any change to the membership of any committee of the Combined Authority, provided that the appointment has no impact on the political balance for the committee.

- 5.17 Where in-year vacancies for independent members arise, the Monitoring Officer is authorised to progress recruitment, including the convening of an interview panel as necessary, to make recommendations to a subsequent meeting of the Combined Authority.

***Members' Allowances***

- 5.18 To administer the Members' Allowances Scheme in Part 6 of the Constitution.

***Interests in Land***

- 5.19 To obtain particulars of persons interested in land.

***Senior Information Risk Officer***

- 5.20 To act as Senior Information Risk Office

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**Section 5 - Protocol for the Exercise of Concurrent Functions and Associated Statutory Consents**

**To follow**

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## Part 4

### Section 4.1 - Procedure Standing Orders

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## **Standing Orders Applying to Committees and Sub-committees**

These Procedure Standing Orders apply to meetings of committees and sub-committees of the Combined Authority except that:

- Standing Orders 3, 4, 5.1 and 5.2, 6, 8.2, 14.2, 18 and 24.1 shall not apply to any committee or sub-committee of the Combined Authority, and
- Standing Orders, 14.3 and 19 shall not apply to any overview and scrutiny committee or overview and scrutiny sub-committee. (See below)

In relation to a meeting of any committee and sub-committee, except where the context requires otherwise:

- references to the Combined Authority are to the committee or sub-committee,
- references to the Chair are to the Chair of the committee or sub-committee, and
- references to the Deputy Chair are to the Deputy Chair of the committee or sub-committee.

## **1. Definitions**

1.1 In these Procedure Standing Orders:

1.2 “Committee” or “sub-committee” means any committee or sub-committee appointed by the Combined Authority including any overview and scrutiny committee or sub-committee, and the committee appointed to discharge audit committee functions, except where the context otherwise requires.

1.3 “The offices of the Combined Authority” means The Guildhall, Alfred Gelder Street, Kingston-Upon-Hull, HU1 2AA.

## **2. Interpretation**

2.1 The Chair of a meeting will make any final decision in consultation with the Monitoring Officer or their nominee about:

- how Procedure Standing Orders should be interpreted, or
- any question of procedure not provided for by the Procedure Standing Orders.

### 3. Suspending and Amending Standing Orders

3.1 The Combined Authority may by resolution suspend Standing Order 18 (order of debate) for the duration of a meeting if at least 3 Constituent Council Combined Authority Members are present.

3.2 Any motion to:

- add to, vary or revoke any Standing Orders, or
- grant, vary or revoke the voting rights of the Non-Constituent Body Members

will, when proposed and seconded, stand adjourned without discussion to the next meeting of the Combined Authority<sup>1</sup>.

### 4. Annual Meeting

4.1 The Combined Authority will hold an Annual Meeting every year, between 1 March and 30 June. It shall be held at a time fixed by the Combined Authority, or if the Combined Authority does not fix a time, at twelve noon.

4.2 The Annual Meeting will:

- a) note the **Mayor and other Combined Authority Members**<sup>2</sup>, and **appoint** the Co-Optees and Substitute Member<sup>3</sup>,
- b) receive any **declarations of interest** from members,
- c) approve the **minutes** of the last meeting,
- d) receive any **announcements and/or update** from the Chair and/or Head of Paid Service,
- e) receive details of the **Mayor's appointment of the Deputy Mayor and arrangements** in respect of **Mayoral Functions**,
- f) approve **committee arrangements and appointments to committees**,
- g) agree and note Combined Authority **Officer arrangements**,
- h) approve any **constitutional documents** not considered under any other item,
- i) appoint to **outside bodies**,
- j) approve the Combined Authority's Members' **Allowances Scheme**,
- k) decide the dates and time of the ordinary **meetings** and committee meetings of the Combined Authority for the municipal year<sup>5</sup>, and

- l) consider **any other business** set out in the notice convening the meeting.

## 5. Ordinary Meetings

5.1 The Combined Authority may decide to hold any number of ordinary meetings in a municipal year, in addition to the Annual Meeting. Each ordinary meeting shall be held at such date and time as the Combined Authority decides.

5.2 At an ordinary meeting, the Combined Authority will:

- a) approve the **minutes** of the last meeting,
- b) receive any **declarations of interest** from members,
- c) receive any **announcements** from the Chair or the Head of Paid Service,
- d) deal with any business from the last ordinary meeting of the Combined Authority,
- e) consider reports and recommendations from any **overview and scrutiny committee** of the Combined Authority,
- f) receive **reports from any other committee** of the Combined Authority and receive questions and answers on any of those reports,
- h) receive reports and receive questions and answers on any **subsidiary companies** of the Combined Authority, seek any **Statutory Consent** required in relation to the exercise of a Concurrent Function,
- i) consider any petition referred to it in accordance with the Combined Authority's Petition Scheme<sup>7</sup>,
- j) consider **motions**, and
- k) consider **any other business** specified in the summons to the meeting, and for debate.

5.3 A committee may hold any number of ordinary meetings in a municipal year.

## 6. Extraordinary Meetings

6.1 The following may call an extraordinary meeting of the Combined Authority:

- a) the Mayor in their capacity as Chair of the Combined Authority, at any time;
- b) any three Combined Authority Members who have signed a requisition which has been presented to the Mayor in their capacity as Chair of the Combined Authority:

- i. if the Mayor refuses to call a meeting, or
- ii. after seven days if the Mayor has failed to call a meeting within seven days after being presented with the requisition.

## **7. Place of Meetings**

7.1 The Combined Authority shall hold its meetings at any place within or outside of the Combined Authority's Area, as the Combined Authority directs.

## **8. Notice of Meetings**

8.1 The Monitoring Officer shall give public notice of the time and place of a meeting by posting it at the Offices of the Combined Authority:

- at least five clear days before the meeting or,
- if the meeting is convened at shorter notice, at the time it is convened.

8.2 Where the meeting is called by three Combined Authority Members under Standing Order 6.1, the notice must:

- be signed by those members, and
- specify the business to be carried out at the meeting.

## **9. Summons to Attend a Meeting**

9.1 At least five clear days before a meeting of the Combined Authority, the Head of Paid Service will sign a summons to attend the meeting, which sets out the business to be carried out at the meeting.

9.2 The Monitoring Officer will send the summons by post to every Combined Authority Member or leave it at their usual place of residence.

## **10. Public Access to Agenda and Reports**

10.1 Subject to 10.3 below, at least five clear days before a meeting of the Combined Authority, the Monitoring Officer will make available for inspection by the public at the offices of the Combined Authority:

- a copy of the agenda, and
- (subject to 10.4 below) reports for the meeting.

10.2 Where an item is added to an agenda, copies of which are open to inspection by the public, copies of the item (or of the revised agenda) and copies of any report for the meeting relating to the item (subject to 10.4 below), shall be open to inspection from the time the item is added to the agenda.



- 10.3 Nothing in 10.1 or 10.2 above requires copies of any agenda, item or report to be open to inspection by the public until copies are available to members of the Combined Authority.
- 10.4 If a report relates only to an item during which, in the Monitoring Officer's opinion, the meeting is likely not to be open to the public<sup>16</sup>, the Monitoring Officer may decide not to make the report (or part of it) open for inspection.
- 10.5 Where a report or any part of a report is not open to public inspection the Monitoring Officer will:
- mark every copy of the report (or the part) "Not for publication"; and
  - state on every copy of the report (or the part) the description of the exempt information by virtue of which the Combined Authority is likely to exclude the public<sup>17</sup>.

## 11. Public Access to Meetings

- 11.1 Any meeting of the Combined Authority shall be open to the public except to the extent that the public are excluded (during the whole or part of the proceedings):
- to prevent the likely disclosure of confidential information, or
  - by resolution, to prevent the likely disclosure of exempt information, or
  - under Standing Order 24 relating to general disturbances.
- 11.2 A motion to exclude the press and public may be moved without notice at any meeting in relation to an item of business whenever it is likely that if members of the press or public were present for that item there would be disclosure of exempt information.

## 12. Public Questions

- 12.1 At Ordinary meetings of the Combined Authority, questions may be asked by members of the public of the Mayor, Combined Authority Members and/ or Committee Chairs.
- 12.2 The total time set aside for such questions and answers will be limited to 30 minutes with no extension of time, and questions not dealt with in this time will be dealt with by written responses.
- 12.3 No person may submit more than one question at any one meeting and no more than two questions may be asked on behalf of any one organisation.
- 12.4 Questions must be submitted in writing at least seven clear working days before the meeting and include the name and address of the questioner and the name of the Member to whom the questioner would like the question put. Questions so received will be referred to the Monitoring Officer for consideration and inclusion at a meeting.

- 12.5 The Monitoring Officer may reject a question if it:
- (a) is not about a matter for which the Combined Authority has a responsibility, or which specifically affects the Combined Authority.
  - (b) is defamatory, vexatious, frivolous, or offensive.
  - (c) is substantially the same as a question which has been put at a meeting of the Combined Authority in the past six months.
  - (d) requires the disclosure of confidential or exempt information.
  - (e) refers to legal proceedings taken or anticipated by or against the Combined Authority.
  - (f) relates to a day-to-day Combined Authority function or the provision of a Combined Authority service and has not been asked first of the relevant service area
  - (g) is not related to policy or budget issues
  - (h) is a statement rather than a question.
  - (i) names or identifies individual service users, members of staff or members/staff of partner agencies.
  - (j) makes or relates to allegations against, or comprise comments about, the conduct of individual Members or officers.
  - (k) relates to an individual or the questioner's own particular circumstances.
  - (l) would more appropriately be responded to under the Freedom of Information Act 2000 or the Data Protection Act 1998.
  - (m) is from, or on behalf of, a political party, or bears the name, insignia, or other device of a political party.
- 12.6 All approved questions will be listed in the summons for the meeting of the Combined Authority in the order that they were received (except the Mayor may decide to group similar questions together).
- 12.7 Those persons who submitted questions and who are present at that meeting of the Combined Authority will be invited to read aloud the questions put. Questioners may by written notice nominate a substitute to ask a question in their place. One supplementary question is allowed.
- 12.8 If a member of the public or their nominated substitute who has submitted notice of a question is unable to be present at the meeting, the question falls. However, the Combined Authority will nevertheless provide a written response to the questions put

### **13. Substitute Members**

- 13.1 A Substitute Member may only act for the Combined Authority Member for whom they are the designated substitute.
- 12.3 With the exception of the Substitute Member for the Deputy Mayor where the

Deputy Mayor is acting in the place of the Mayor, a Substitute Member may only act in the absence of the Combined Authority Member.

- 13.3 A Substitute Member may not exercise any special powers or duties exercisable by the member for whom they are substituting.

#### 14. Chair

14. The Mayor in their capacity as Chair shall preside at each meeting of the Combined Authority.
- 134.2 If the Mayor is absent from a meeting of the Combined Authority, the Deputy Mayor, if present, and acting in their role as Deputy Chair, shall preside.
- 14.3 Where the Deputy Mayor is acting in place of the Mayor they cannot also act in their capacity as a Combined Authority Member who is not the Mayor. The Substitute Member for the Deputy Mayor may act in the place of the Deputy Mayor.
- 14.4 In relation to any committee or sub-committee of the Combined Authority only, in the absence of the Chair or Deputy Chair, the meeting may elect a Chair to preside at that meeting from amongst the voting members of the Committee.

#### 15. Quorum

- 15.1 During any meeting if the Chair counts the number of members present and declares there is not a quorum present, the meeting will adjourn immediately to a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting. 14.2. No business shall be transacted at a meeting of the Combined Authority unless the Mayor or the Deputy Mayor acting in place of the Mayor and at least three Constituent Council Combined Authority Members are present.

#### 16. Items of Business

- 16.1 No item of business may be considered at any meeting except:
- the business set out in the summons,
  - business required by law to be transacted at the annual meeting, or
  - business brought before the meeting as a matter of urgency in accordance with 15.2 below.
- 16.2 Nor may an item be considered at any meeting unless:
- a copy of the agenda including the item (or a copy of the item) has been open to public inspection for at least five clear days before the meeting, or
  - by reason of **special circumstances** which shall be specified in the minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

## 17. Order of Business

- 17.1 If the Chair and Deputy Chair are absent from any committee meeting of the Combined Authority, the meeting shall select a person to preside.
- 17.2 All other items of business will be dealt with in the order specified in the notice of the meeting, except that such order may be varied:
- at the discretion of the Chair, or
  - on a request agreed to by the meeting.

## 18. Order of Debate

- 18.1 The Chair will introduce each item and may invite an officer to explain the item.
- 18.2 Each member shall then be given an opportunity to speak on the item and any recommendations contained in the report. This will be in the order decided by the Chair. Unless the Chair decides otherwise, each member shall speak only once on each item.
- 18.3 Any member while exercising the right to speak on the item may:
- move an **amendment** to the recommendations, or
  - move that an item be **withdrawn**.

Any such motion if seconded shall be voted upon.

- 18.4 Subject to the outcome of any such motion, once each member who wishes to speak has done so, the Chair shall move the item, which if seconded, shall be voted upon.

## 19. Motions on Notice

- 19.1 Except for Procedural Motions which can be moved without notice, written notice of every motion, signed by at least one Combined Authority Member, must be delivered to the Monitoring Officer, not later than midday, at least seven clear working days before the date of the meeting.
- 19.2 Motions for which notice has been given will be listed on the agenda in the order in which they were received, unless the Member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.
- 19.3 No more than one motion may be proposed by any individual Member for each meeting.

19.4 Each motion must:

- (a) clearly and succinctly identify the matter to be debated.
- (b) be capable of being passed as a formal resolution; and
- (c) be about matters for which the Combined Authority has a responsibility, or which specifically affect the Combined Authority area.

19.5 The Monitoring Officer may, reject a motion which, in their opinion:

- (a) is irrelevant, defamatory, frivolous, offensive, vexatious, unlawful, or otherwise improper.
- (b) refers to legal proceedings taken or anticipated by or against the Combined Authority.
- (c) requires the disclosure of confidential or exempt information.
- (d) names or identifies specific service users, members of staff or members of staff of partner organisations without the mover demonstrating they have provided consent.
- (e) relates to the Member's own personal circumstances.
- (f) expresses support or objection to proposals where the Combined Authority is in the process of consulting with the public or responding to a formal consultation process.

19.6 A proposer may alter a motion on which they have given notice when they come to move it, in which case the amendment becomes part of the substantive motion without debate. Only alterations that could be made as an amendment may be made.

19.7 Where a motion on notice is before the Combined Authority having been formally moved and seconded, the mover may subsequently withdraw it only with the consent of the seconder and the meeting. The meeting's consent will be signified without discussion. No member may speak on the Motion after the proposer has asked permission to withdraw it unless permission is refused.

19.8 If a motion set out in the summons is not moved by the Member who gave notice of it, it shall, unless postponed by consent of the Combined Authority, be treated as withdrawn and shall not be moved without fresh notice.

19.9 No motion or amendment may be proposed to rescind any resolution of the Combined County Authority passed within the preceding six months, or which is to the same effect as one which has been rejected within that period, unless:

- (a) It is proposed by a committee of the Combined Authority,
- (b) It is required to comply with a statutory duty; or
- (c) Notice of such motion has been given and signed by at least one third of the total number of committee members who include members from more than one political group.

## 20. Amendments

20.1 An amendment to a motion must:

- (a) Be relevant to the motion.
- (b) Add and/or delete a word or words.
- (c) Not introduce a new topic.
- (d) Not negate the motion.
- (e) Be worded so that, if it is agreed by the Combined Authority, it can be passed as a valid resolution.

20.2 The Mayor, following consultation with the Monitoring Officer, may reject an amendment on the grounds set out in Rule 18.5 or 19.1. An amendment will not be accepted if it is substantially the same as a motion or amendment which has already been submitted to the same meeting of the Combined Authority.

20.3 Number of Amendments. Only one amendment may be moved and discussed at a time. No further amendment shall be moved until the amendment under discussion has been disposed of.

20.4 Status of Amendments. If an amendment is lost, another amendment may be moved on the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.

- 20.5 After all amendments have been considered and determined there shall be an opportunity for further debate on the original motion, as amended or otherwise as the case may be, prior to the taking of a vote.

## **21. Motions and Amendments that may be moved without Notice**

- 21.1 The following motions and amendments may be moved without notice for consideration when a Chair is in place for the meeting:

- (a) Relating to the accuracy of the minutes of the Combined Authority, a committee or sub-committee.
- (b) For a change in the order of business.
- (c) Extending the time limit for speeches.
- (d) That the meeting proceeds to the next business.
- (e) That the question be now put.
- (f) That the debate be now adjourned.
- (g) That the meeting does now adjourn.
- (h) To suspend Procedure Rules.
- (i) Giving consent where consent of the Combined Authority is required by the Procedure Rules.
- (j) Reference of a matter to a committee or sub-committee.
- (k) Appointment of or appointment to committees or sub-committees occasioned by an item mentioned in the summons to the meeting.
- (l) That a Member should not be heard further or should leave the meeting.
- (m) Adoption of recommendations of committees and subcommittees and any consequent resolutions.
- (n) That leave is given to withdraw a motion.
- (o) That leave is given to alter a motion by the mover of that motion.

- (p) Receipt of reports of officers and any consequent resolutions.
- (q) Amendment to reports of which notification has been included within the summons of the meeting but where the reports were circulated at a later date than the summons.
- (r) Authorising the sealing of documents.
- (s) To exclude the press and public.

21.2 Motions designed to close a debate, e.g. (e)-(h) above, may be moved provided no-one else is speaking at the time. Closure motions cannot be moved by anyone who has moved, seconded, or already spoken in the debate. No person may intervene in discussion on a motion by moving more than one closure motion.

21.3 When one of the following motions has been seconded, the Mayor shall proceed as follows:

- (a) On a motion to proceed to next business - unless in their opinion the matter before the meeting has been insufficiently discussed, they shall first give the mover of the original motion the right of reply, and then put to the vote the motion to proceed to next business.
- (b) On a motion that the question, be now put - unless in their opinion the matter before the meeting has been insufficiently discussed, they shall put to the vote the motion that the question be now put and, if it is passed, give the mover of the original motion the right of reply before putting the motion to the vote.
- (c) On a motion to adjourn the debate or the meeting - if in their opinion the matter before the meeting has been insufficiently discussed on that occasion, they shall put the adjournment motion to the vote without giving the mover of the original motion the right of reply on that occasion.
- (d) On a motion to exclude the public - they shall ascertain the grounds for the motion and seek the advice of the Monitoring Officer. If members of the public may be lawfully excluded, the Mayor will allow the mover of the original motion a right of reply on the proposal to exclude the public and then put the motion to the vote. If it is passed, the Mayor may, at their discretion, either immediately require the public to leave the room or adjourn the debate until some convenient time later in the meeting when the public shall have been excluded.



- (e) On a motion that a named Member, be not further heard or leave the meeting - they shall put the motion to the vote without discussion. If it is passed, the named Member shall not be permitted to speak again during the meeting on any motion or amendment relating to the same matter or shall be required to leave the room.

## 22. Voting

- 22.1 Except as provided below, each Combined Authority Member (or Substitute Member acting in their place) has one vote.

The following are non-voting Combined Authority Members:

- the Non-Constituent Body Combined Authority Members

unless the voting Combined Authority Members unanimously resolve that this provision is not to apply to a specific issue.

- 22.2 No Combined Authority Member is to have a casting vote.
- 22.3 If a vote is tied on any matter, it shall be deemed not to have been carried.
- 22.4 Subject to 21.5, 21.6 and 21.7 below, any question will be decided by a majority of the Combined Authority Members present and voting on that question at a meeting.
- 22.5 Any question relating to functions of the Combined Authority conferred by the Order and not solely exercisable by the Mayor pursuant to Article 27 of the Order cannot be carried without the Mayor's vote in favour of the question.
- 22.6 Any decision to
- approve the Combined Authority's budget, or
  - issue the levy pursuant to Article 29(5) of the 2024 Order
- require those voting in favour to include at least both the Lead Members of each Constituent Council (or their Substitute Member) to vote in favour.
- 22.7. Any decision relating to the Mayor's draft budget must be agreed in accordance with the Budget and Policy Procedure Rules in Part 4 of the Constitution.

## 23. Committees

- 23.1 Except as provided below, each Combined Authority Member (or Substitute Member acting in their place) on a committee has one vote.

23.2 The following are non-voting members of any committee to which they are appointed:

- the Non-Constituent Body Combined Authority Members

unless the voting Combined Authority Members unanimously resolve that this provision is not to apply.

23.3 Associate members are non-voting members of any committee to which they are appointed.

23.4 Any Co-optee on a committee will be non-voting unless granted voting rights by resolution of the Combined Authority.

23.5 Except as otherwise provided for by law, any question will be decided by a majority of members of a committee present and voting on that question at a meeting.

23.6 No member is to have a casting vote.

## 24. Method of Voting

24.1 Unless a ballot or recorded vote is demanded under Standing Order 23.3 or 23.4, the Chair will take the vote by **show of hands**, or if there is no dissent, by the affirmation of the meeting.

24.2 Where a vote is taken by show of hands any member may request, immediately after the vote is taken, that their vote is recorded in the minutes to show whether they voted for or against the recommendation or abstained from voting.

24.3 Where the majority of members present at the meeting demand it, the vote will take place by **ballot**. The Chair will announce the numerical result of the ballot immediately once the result is known.

24.4 If any member present at the meeting demands it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a **recorded vote** will override a demand for a ballot.

## 25. Voting on Appointments

25.1 If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

## 26. Point of Order

26.1 A member may raise a point of order any time, by specifying how a specific Standing Order or law has been breached.

26.2 The Chair will hear the point immediately. The Chair's decision on the point will be final.

## 27. Record of Attendance

- 27.1 The Monitoring Officer will ensure that the name of any member present during the whole or part of a meeting is recorded.

## 28. Attendance at Meetings

- 28.1 The Chair of any committee or sub-committee of the Combined Authority may be invited to attend and speak at any meeting of the Combined Authority to:

- present any reports or recommendations of the committee or sub-committee, or
- answer questions about any matter in the minutes of that committee or sub-committee, or
- contribute to discussion about any matter which is relevant to the functions discharged by the committee of which they are Chair.

- 28.2 The Chair may invite any person to attend and speak at any meeting.<sup>34</sup>

## 29. Reporting Proceedings

- 29.1 Without prejudice to the Chair's powers in Standing Order 26, and subject to 25.2 and 25.3, while any meeting of the Combined Authority is open to the public, any person attending may report on the meeting, and publish or disseminate the recording at the time of the meeting or after the meeting.

- 29.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place if the person reporting or providing the commentary is present at the meeting.

- 29.3 Where the public are excluded from a meeting to prevent the likely disclosure of confidential or exempt information, the Chair may also prevent any person from reporting on that meeting using methods:

- which can be used without that person's presence, and
- which enable persons not at the meeting to see or hear the proceedings at the meeting as it takes place or later.

- 29.4 Any meeting of the Combined Authority may be recorded and made available for public viewing on the internet<sup>37</sup>. The Chair may restrict the recording of any meeting where an external participant in the meeting objects to being recorded and the Chair considers that the public interest in upholding their objection outweighs the public interest in allowing the recording to continue. The Chair will ask those reporting to respect the wishes of the external participant.

### 30. General Disturbance

- 30.1 If a general disturbance makes orderly business impossible, the Chair may:
- adjourn the meeting for as long as the Chair thinks necessary, or
  - call for any part of the meeting room open to the public, to be cleared, if the disturbance is in that part.
- 30.1 If a member of the public interrupts proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be removed from the meeting room.

### 31. Members

- 31.1 If the Chair considers at any meeting that a member is behaving improperly or offensively, or is deliberately obstructing business, the Chair may move that the member should not be heard further. If seconded, the motion will be voted on without discussion.<sup>27</sup>2. If the member continues to behave in the same way, the Chair may:
- adjourn the meeting for a specified period, or
  - move that the member leaves the meeting (such a motion will be voted on without seconding or discussion).

### 32. Minutes

- 32.1 Minutes of a meeting shall be recorded on loose leaves consecutively numbered.
- 32.2 The minutes of a meeting must be signed at the same or next suitable meeting<sup>38</sup> by the person presiding at that meeting, and the person signing the minutes shall also initial each leaf of the minutes.
- 32.3 No discussion shall take place upon the minutes except about their accuracy.

### 33. Members' Conduct

- 33.1 A Combined Authority Member or voting Co-optee shall comply with the Members' Code of Conduct in Part 5 of the Constitution, including those provisions relating to registering and disclosing disclosable pecuniary and other interests.
- 33.2 Where a such member has a disclosable pecuniary interest in a matter to be considered at a meeting, the member may attend the meeting to:
- make representations,
  - answer questions, or
  - give evidence relating to the matter.

provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

- 33.3 As soon as the member has finished<sup>39</sup>, they must leave the room. The member may not remain in the room during the discussion or vote on the matter.

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## Section 4.2 - Access to Information Rules

Rights to attend meetings, inspect documents and record proceedings.

### Part 1: Rights of the Public: Non-Mayoral and Mayoral General Functions

References to meetings of the Combined Authority include meetings of any ordinary or statutory committee or sub-committee appointed by the Combined Authority.

These provisions do not affect any other rights to information arising under any standing orders of the Combined Authority, or by law.

#### 1. **Public Access to a Combined Authority Meeting**

1.1 Any meeting of the Combined Authority shall be open to the public except where the public is excluded (during the whole or part of the proceedings) in accordance with the following:

##### A **Confidential Information**

1.2 The public **must** be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

1.3 Confidential information means:

- information given to the Combined Authority by a Government department on terms which forbid its public disclosure, or
- information the public disclosure of which is prohibited by or under an Act or Court Order.

##### B **Exempt Information**

1.4 The Combined Authority **may** resolve to exclude the public from a meeting during an item whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that exempt information would be disclosed to the public if the public were present during the item.

1.5 Exempt information means information falling within one of the following descriptions (as set out in Part 1 of Schedule 12A of the Local Government Act 1972):

Description
<b>Paragraph 1:</b> Information relating to any <b>individual</b> .
<b>Paragraph 2:</b> Information which is likely to reveal the <b>identity of an individual</b> .
<b>Paragraph 3:</b> Information relating to the <b>financial or business affairs<sup>1</sup> of any particular person</b> (including the Combined Authority holding that information), except information which must be registered under various statutes, such as the Companies Acts or the Charities Act 2011. “Financial or business affairs” includes contemplated, as well as past or current, activities.
<b>Paragraph 4:</b> Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any <b>labour relations matter<sup>2</sup></b> arising between the Combined Authority or a Minister of the Crown and employees of, or officer-holders under the Combined Authority.
<b>Paragraph 5:</b> Information in respect of which a claim to legal professional privilege could be maintained in <b>legal proceedings</b> .
<b>Paragraph 6:</b> Information which reveals that the Combined Authority proposes: (a) to give under any enactment a <b>notice</b> under or by virtue of which requirements are imposed on a person, or ( ) to make an <b>order or direction</b> under any enactment.
<b>Paragraph 7:</b> Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of <b>crime</b> .

- 1.6 Information falling within any of these descriptions is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission under regulation 3 of the Town and Country Planning General Regulations 1992.
- 1.7 Information falling within any of these descriptions may only be exempt if and so long as, in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.
- 1.8 A resolution to exclude the public from a meeting must:
- identify the proceedings, or the part of the proceedings, to which it applies,
  - state the description of the exempt information giving rise to the exclusion of the public, and
  - confirm (by referring to reasons in a relevant report or otherwise) that in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.

**C General Disturbance**

1.9 Procedure Standing Order 26 in Part 4 of the Constitution provides for the public to be excluded from a meeting where general disturbance arises.

**2. Public Access to Agenda and Reports of a Combined Authority Meeting**

2.1 The Monitoring Officer shall make the following open to public inspection, at the offices of the Combined Authority<sup>3</sup>, in accordance with the Combined Authority's Procedure Standing Orders in Part 4 of the Constitution:

- copies of the **agenda** for a meeting of the Combined Authority, and
- copies of any **report** for the meeting open to the public.

**3. Public Access to Copies at a Combined Authority Meeting**

3.1 The Monitoring Officer will make available for the use of members of the public present at a meeting a reasonable number of copies of:

- the **agenda**, and
- those **reports** open to the public.

**4. Public Access to Documents After a Combined Authority Meeting**

4.1 The Monitoring Officer will make available for inspection copies of the following for six years after a meeting:

- the **minutes** of the meeting (excluding any part of the minutes when the meeting was not open to the public or which disclose exempt or confidential information),
- a **written summary** of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record,
- the **agenda** for the meeting, and
- **reports** relating to items when the meeting was open to the public.

**5. Public Access to Background Papers to a Combined Authority Meeting Report**

5.1 The author of any report will set out in the report a list of the background papers relating to the subject matter of the report which in the author's opinion:

- disclose any facts or matters on which the report or an important part of the report is based, and
- have been relied on to a material extent in preparing the report.



This requirement does not extend to:

- published works, or
- papers which disclose exempt or confidential information.

5.2 The Monitoring Officer will make available any **background documents** listed on the Combined Authority's website at the same time as the report is available for public inspection, and make a **copy** of each available to the public at the offices of the Combined Authority, on payment of a reasonable fee.

5.3 The Monitoring Officer will make available for public inspection one copy of each of the documents on the list of background papers, for four years after the date of the meeting.

5.4 The Monitoring Officer will make available for public inspection one copy of each of the documents on the list of background papers, for four years after the date of the meeting.

## **6. *Reporting and Recording a Combined Authority Meeting***

6.1 The Combined Authority will provide so far as practicable, reasonable facilities to any person attending a meeting for the purpose of reporting on the meeting.

6.2 A person attending a meeting for the purpose of reporting on it may use any communication method, including the internet, to publish, post or otherwise share the results of the person's reporting activities.

6.3 Publication and dissemination may take place at the time of the meeting or occur after the meeting.

6.4 Any person reporting on a meeting is expected to comply with the attached Code of Practice.

6.5 Meetings of the Combined Authority may be recorded and made available for public viewing on the internet. The Chair of a meeting may restrict the recording of meetings where an external participant in the meeting objects to being recorded and the Chair considers that the public interest in upholding their objection outweighs the public interest in allowing the recording to continue. The Chair will ask those reporting to respect the wishes of the external participant.

**7. Forward Plan: Non-Mayoral and Mayoral General Functions**

**A Definition of a Key Decision**

7.1 A Key Decision means a decision of a decision maker<sup>7</sup>, which in the view of an overview and scrutiny committee of the Combined Authority is likely:

- (i) to result in the Combined Authority or the Mayor incurring **significant expenditure**, or the making of **significant savings**, having regard to the Combined Authority's budget for the service or function to which the decision relates; or
- (ii) to be **significant** in terms of its effects on persons living or working in an area comprising **two or more wards** or electoral divisions in the area of the Combined Authority.

7.2 For the purposes of (i) above, this includes any decision likely to result in the Combined Authority incurring expenditure or making savings (including the receipt or loss of income) of **£1 million or more in any financial year**<sup>8</sup>.  
receipt or loss of income) of **£1 million or more in any financial year**<sup>8</sup>.

- a) to approve or vary:
  - the Hull and East Yorkshire Investment Strategy,
  - the Hull and East Yorkshire Investment Strategy,
  - the Adult Education Budget Strategy,
  - the Combined Authority's budget, or

<sup>7</sup> In respect of Non-Mayoral Functions, a decision-maker is the Combined Authority or any decision-making committee or officer taking a decision under authority delegated from the Combined Authority. In respect of Mayoral General Functions, a decision maker is the Mayor, or (under arrangements made by the Mayor), the Deputy Mayor, another Combined Authority Member or an officer.

<sup>8</sup> All programmes and schemes require approval from the Combined Authority at least once in their lifetime. At the point where the project goes to the Combined Authority for approval, the decision should be treated as a Key Decision, where projected scheme expenditure/savings as a whole are anticipated to be £1 million or more (or the scheme is otherwise significant) – whether or not the amount which the Combined Authority is actually committing at decision point 2 is less than the £1 million threshold. The following will also constitute a Key Decision:

- At a future key decision point if an increase in costs takes it above the £1m threshold, when previously it was below that threshold.
- At a future key decision point if the project has substantively changed. That is, a substantive change in scope or the change would result in an increase or decrease in scheme costs by £1m or over.
  - Further to the above, at Decision Point 4 where more than 12 months have elapsed since the previous Key Decision.
  - the Mayor's budget in relation to Mayoral General Functions.
- b) to jointly approve, vary, revoke or postpone an **advanced quality partnership scheme**,
- c) to jointly make, vary or revoke an **enhanced partnership plan**,

- d) to jointly make, postpone or revoke an **enhanced partnership scheme**,
- e) to jointly approve, vary or revoke an **advanced ticketing scheme**,
- f) to jointly make, vary or terminate a **voluntary partnership agreement**
- g) to set the **Transport Levy**,
- h) to consent to regulations relating to:
  - a **Sub-National Transport Body**,
  - a **levy** in relation to **functions other than transport**, or
  - **borrowing**, or
- i) to exercise a function relating to a **road user charging scheme**.

7.4 For the purposes of (i) and (ii) above, the following shall **not** be treated as a Key Decision:

- any decision which is a direct consequence of implementing a previous Key Decision,
- any decision which is the result of varying a previous Key Decision in line with recommendations made by an overview and scrutiny committee following a call-in of that decision,
- a Treasury Management decision in relation to the making, payment or borrowing of a loan,
- a decision by an officer under delegated authority to vary any document for updating or clarification purposes only, or
- the urgent settlement of proceedings to which the Combined Authority is a party.
- any decision relating to the acceptance of funding

## B Notice Provisions

7.5 Except where impracticable, a Key Decision cannot be made unless until a notice has been published which states:

- that a **Key Decision is to be made** in relation to the discharge of functions which are the Combined Authority's responsibility,
- the **matter** in respect of which the decision is to be made,
- the **decision maker's name and title** if any,
- the **date** on which, or the period within which, the decision is to be made,
- a **list of documents** submitted to the decision maker for consideration in relation to the matter in respect of which the key decision is to be made,
- the **address** from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from, any document listed is available,
- **that other documents** relevant to those matters **may be submitted** to the decision maker, and
- the **procedure** for requesting details of those documents (if any) as they become available.

7.6 The Monitoring Officer will publish any such notice on the Forward Plan on the Combined Authority's website at least **28 clear days** before the Key Decision is made and make it available for public inspection at the Offices of the Combined Authority (subject to C and D below).

7.7 Where in relation to any matter:

- the public may be excluded under section 100A of the Local Government Act 1972 from the meeting at which the matter is to be discussed, or
- documents relating to the decision need not (because of confidential information<sup>15</sup>) be disclosed to the public,

the notice must contain particulars of the matter but may not contain any confidential information or exempt information.

### **C General Exception**

7.8 Subject to cases of special urgency, where it is impracticable to publish a notice of a Key Decision at least 28 clear days before the Key Decision is to be made, the decision may only be made:

- where the Monitoring Office has **informed the Chair of any relevant overview and scrutiny committee<sup>16</sup> by notice** in writing of the matter about which the decision is to be made,
- where the Monitoring Officer has **published the notice** on the Combined Authority's website and **made the notice available for public inspection** at the Combined Authority's offices, and

7.9 The Monitoring Officer will publish any such notice on the Forward Plan on the Combined Authority's website at least **28 clear days** before the Key Decision is made and make it available for public inspection at the Offices of the Combined Authority (subject to C and D below).

7.10 As soon as reasonably practicable after the Monitoring Officer has served a notice on the Chair, published the notice and made it available to the public, the Monitoring Officer

must make available to the public and publish a **notice setting out the reasons why it was impracticable** to publish the notice of a Key Decision at least 28 days before the Key Decision was to be made.

## D Cases of Special Urgency

7.11 Where the date by which a Key Decision must be made makes it impracticable to comply with the general exception provision above, the Key Decision may only be made where the decision maker has obtained **agreement from the Chair of any relevant overview and scrutiny committee** that the making of the Key Decision is urgent and cannot reasonably be deferred.

- where the Monitoring Officer has **informed the Chair of any relevant overview and scrutiny committee<sup>16</sup> by notice** in writing of the matter about which the decision is to be made,
- where the Monitoring Officer has **published the notice** on the Combined Authority's website and **made the notice available for public inspection** at the Combined Authority's Offices

7.12 The Order provides that the exercise of some Non-Mayoral and Mayoral General Concurrent Functions are subject to a consent provision, ("Statutory Consent"), to safeguard the Constituent Councils' role in local decision-making and delivery – see further Section 2.1 Table B (Non-Mayoral Functions) and Section 3.1.1 Table D in Part 3 of the Constitution.

7.13 As soon as reasonably practicable after the Monitoring Officer has served a notice on the Chair, published the notice and made it available to the public, the Monitoring Officer has complied with 7.8, they must make available to the public and publish a **notice setting out the reasons why it was impracticable** to publish the notice of a Key Decision at least 28 days before the Key Decision was to be made.. To facilitate this, and to promote transparency, the Combined Authority will publish a notice of the request for Statutory Consent (Statutory Consent Request Notice) on the Combined Authority's **Forward Plan** at least 28 clear days before the Combined Authority meeting at which it is sought, subject to this requirement being waived in exceptional circumstances by any relevant Chief Executive.

## 8. *Public Access to Written Records of Decisions Made by Officers: Non-Mayoral and Mayoral General Functions*

8.1 The Monitoring Officer will publish any such notice on the Forward Plan on the Combined Authority's website at least **28 clear days** before the Key Decision is made and make it available for public inspection at the Offices of the Combined Authority (subject to C and D below).

- under a specific **express authorisation**, or
- under the **Officer Delegation Scheme** where the effect of the decision is to:
  - a) grant a **permission** or **licence**,
  - b) affect the **rights of an individual**, or
  - c) award a **contract** or **incur expenditure** which, in either case, **materially affects the Combined Authority's financial position**.

- 8.2 For the purposes of **c)** above, any award of a contract or expenditure of **£1 million or over** will be deemed to materially affect the Combined Authority's financial position.
- 8.3 An Officer must also record and publish any **Key Decision** they make, whether or not it is outside the criteria set out above.
- where the Monitoring Officer has **informed the Chair of any relevant overview and scrutiny committee by notice** in writing of the matter about which the decision is to be made,
    - a. where the Monitoring Officer has **published the notice** on the Combined Authority's website and **made the notice available for public inspection** at the Combined record and publish,
  - after **5 clear days** have elapsed following the day on which the Monitoring Officer made the copy of the notice available.
- 8.4 As soon as reasonably practicable after the Monitoring Officer has served a notice on the Chair, published the notice and made it available to the public, the Monitoring Officer has complied with 7.8, they must make available to the public and publish a **notice setting out the reasons why it was impracticable** to publish the notice of a Key Decision at least 28 days before the Key Decision was to be made.
- 8.5 As soon as reasonably practicable after an officer has made a written record in accordance with 8.1 or 8.4 b, the Monitoring Officer shall make any written record and any background papers available for inspection by the public:<sup>21</sup>
- at all reasonable hours, at the offices of the Combined Authority,
  - by such other means that the Combined Authority considers appropriate.
- 8.6 On request the Monitoring Officer will provide:
- a copy of the written record, and
  - a copy of any background papers.
- 8.7 The Combined Authority will retain each written record and make it available for public inspection for 6 years beginning with the date on which the decision was made.

<sup>19</sup> In consultation with the Monitoring Officer.

## **9. Public Access to Written Records of Decisions Made by the Mayor (Mayoral General Functions)**

- 9.2 Where a decision has been taken outside of a Combined Authority meeting:
- any **Key Decision** taken by the Mayor or a Combined Authority Member acting on the Mayor's behalf will be recorded and published on the

Combined Authority's website, together with a copy of the written report considered in respect of the decision, and

- any decision taken by an Officer will be recorded as a **written record** of their decision in accordance with the Access to Information Rule 8 above.

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## Part 2: Press Access to a Combined Authority Meeting

- 1.1 The Monitoring Officer shall supply on request for any newspaper:
- a copy of the **agenda** and those **reports** open to the public,
  - any **further statements** necessary to indicate the nature of the items on the agenda, and
  - if the Monitoring Officer thinks fit, copies of **any other documents supplied to Combined Authority Members** in connection with the item.
- 1.2 Procedure Standing Order 25 and rights relating to recording proceedings set out above apply to members of the press, in the same way as they apply to the public.
- 1.3. The Freedom of Information Act 2000 and Environmental Information Regulations 2004 apply to the Combined Authority, which therefore publishes information under a Publication Scheme<sup>25</sup>. The Scheme specifies:
- the **classes of information** which the Combined Authority publishes or intends to publish,
  - **how** information in each class is, or is intended to be, published, and whether the material is, or is intended to be, available to the public **free of charge** or on **payment**.
- 1.4. The public also has a general right of access to information held by the Combined Authority, but this is subject to exemptions<sup>26</sup>.
- 1.5 A request for information must be submitted to and dealt with by the Monitoring Officer
- 1.6 A request for information under the FOIA must:
- be in writing
  - state the name of the applicant
  - state an address for correspondence, and
  - describe the information requested.
- 1.7 A request for information under the EIR must state a name and address for written correspondence, however the request can be made verbally or in writing.
- 1.8 The Combined Authority publishes information as required by the Local Government Transparency Code 2015, which includes but is not limited to the following:
- spending and expenditure including grants,
  - procurement information including contracts,
  - organisation chart detailing senior management personnel, and
  - land and assets.

- 1.9 As soon as reasonably practicable after an officer has made a written record in accordance with 8.1 or 8.4 b, the Monitoring Officer shall make any written record and any background papers available for inspection by the public:

**1. General**

- 1.1 Any member of the Combined Authority is entitled to inspect any document which:
- is in the possession of or under the control of the Combined Authority, and
- 1.2 On request the Monitoring Officer will provide:
- 1.3 Unless it appears to the Monitoring Officer that it discloses information falling within any of the descriptions of exempt information (set out in Part 1 of Schedule 12A of the Local Government Act 1972 as listed under section 1B above), **other than** the following (which will be open for inspection by members):
- a) Information relating to the financial or business affairs of any particular person including the Combined Authority (except to the extent that the information relates to any terms proposed or to be proposed by or to the Combined Authority in the course of negotiations for a contract), or
  - b) Information which reveals that the Combined Authority proposes:
    - to give under any enactment a notice under or by virtue of which requirements are imposed on a person, or
    - to make an order or direction under any enactment.
- 1.4. These rights are in addition to any other rights the member may have (such as those arising from a member's need to know at common law).
- 1.5 The accounts of the Combined Authority shall be open to the inspection of any member and any such member may make a copy of or extract from the accounts.

**2. Additional Rights of Access to Documents for Members of Any Overview and Scrutiny Committee or Sub-Committee**

- 2.1 Any document must be provided as soon as reasonably practicable and, in any case, no later than 10 clear days after the Monitoring Officer receives the request.
- if the Monitoring Officer thinks fit, copies of **any other documents supplied to** Combined Authority Members in connection with the item., unless that information is relevant to:
  - an action or decision that the member is reviewing or scrutinising, or
  - any review contained in any programme of work of the committee or sub-committee.
- 2.2 Where the Monitoring Officer determines that a member is not entitled to a copy of a document or part of any such document, they must provide the overview and

scrutiny committee or subcommittee with a written statement setting out the reasons for that decision.

**Part 5: List of Members**

1.1 The Monitoring Officer will publish a list stating:

- the name and address of all current members of the Combined Authority and the constituent or non-constituent council they represent, and

1.2 A member of the public may inspect the list.

1.3 The Mayor must publish the following specified information:

Information	Timing of publication
• The Mayor's <b>name</b> ,	As soon as practicable after an election, to be reviewed each year thereafter and any variation published.
• The Mayor's <b>correspondence address</b> ,	As soon as practicable after an election, to be reviewed each year thereafter and any variation published.
• The Mayor's <b>salary</b> ,	As soon as practicable after an election, to be reviewed each year thereafter and any variation published.
• Any <b>allowances</b> paid to the Mayor in respect of expenses,	Quarterly, as soon as practicable after the end of the quarter to which it relates.
• a register of the Mayor's <b>interests</b> , including paid employment or officer or other pecuniary interests,	As soon as practicable after an election, and any variation is to be published as soon as practicable after it becomes known to the Mayor.
• the number of <b>complaints or conduct matters</b> brought to the Mayor's attention by the Police and Crime Panel.	As soon as practicable after the end of the financial year to which it relates.
• the number of members of <b>staff</b> ,	As soon as practicable after an election, to be reviewed every six months thereafter and any variation published.
• the proportion of the <b>staff</b> who: <ul style="list-style-type: none"> <li>○ are women,</li> <li>○ are, to the knowledge of the Combined Authority, members of an ethnic minority,</li> <li>○ have, to the knowledge of the Combined Authority, a disability,</li> </ul>	As soon as practicable after an election, to be reviewed every six months thereafter and any variation published.

<ul style="list-style-type: none"> <li>• an <b>organisational chart</b> showing the structure of the staff,</li> </ul>	<p>As soon as practicable after an election, to be reviewed every six months thereafter and any variation published.</p>
<ul style="list-style-type: none"> <li>• the job title, responsibilities, and salary of each <b>senior employee</b> and the name of the senior employee,</li> </ul>	<p>As soon as practicable after an election, to be reviewed each year thereafter and any variation published.</p>
<ul style="list-style-type: none"> <li>• a register of each offer of a <b>gift or hospitality</b> made to a relevant office holder or member of staff, indicating whether the offer was accepted or refused.</li> </ul>	<p>As soon as practicable after an election, and any variation is to be published as soon as practicable after it becomes known to the Mayor.</p>
<ul style="list-style-type: none"> <li>• the total <b>budget</b>,</li> </ul>	<p>Before the beginning of the financial year to which it relates.</p>
<ul style="list-style-type: none"> <li>• information as to <b>proposed expenditure</b>,</li> </ul>	<p>Before the beginning of the financial year to which it relates.</p>
<ul style="list-style-type: none"> <li>• a copy of the <b>annual investment strategy</b>,</li> </ul>	<p>Before the beginning of the financial year to which it relates.</p>
<ul style="list-style-type: none"> <li>• information as to each <b>item of expenditure</b> of the Mayor <b>exceeding £500</b> including the recipient of the funds, the purpose of the expenditure and the reasons why the considered that good value for money would be obtained,</li> </ul>	<p>Each month, as soon as practicable after the end of the month to which it relates.</p>
<ul style="list-style-type: none"> <li>• information as to each <b>item of expenditure</b> of the Mayor in relation to <b>travel</b> by, <b>accommodation</b> for, or the subsistence of, a relevant office holder, including the recipient of the funds, the purpose of the expenditure and the reasons why the Mayor considered that good value for money would be obtained,</li> </ul>	<p>Quarterly, as soon as practicable after the end of the quarter to which it relates.</p>
<ul style="list-style-type: none"> <li>• the identity of any <b>premises or land</b> owned by the Combined Authority occupied for the purpose of, the Mayor,</li> </ul>	<p>As soon as practicable after an election, to be reviewed each year thereafter and any variation published.</p>
<ul style="list-style-type: none"> <li>• A request for information must be submitted to and dealt with by the Monitoring Officer a copy of each <b>contract</b> with a value exceeding £5,000 to which the Mayor is or is to be a party,</li> </ul>	<p>As soon as practicable after it becomes available to the Mayor.</p>

<ul style="list-style-type: none"> <li>○ a copy of <b>each invitation to tender</b> issued by the Mayor in relation to a contract which the Mayor expects will have a value exceeding £5,000,</li> </ul>	<p>As soon as practicable after it becomes available to the Mayor.</p>
<ul style="list-style-type: none"> <li>● the date, time, and place of each <b>public meeting</b> to be held by the Mayor,</li> </ul>	<p>As soon as practicable after it becomes available to the Mayor.</p>
<ul style="list-style-type: none"> <li>● a copy of the agenda for each public meeting held by the Mayor, and any report or other document that is the subject matter of an item on the agenda,</li> </ul>	
<ul style="list-style-type: none"> <li>● a copy of the minutes of meeting held by the Mayor,</li> </ul>	
<ul style="list-style-type: none"> <li>● a statement of the policy of the Mayor in relation to the conduct of relevant office holders, including procedures for the handling of qualifying <b>complaints and conduct</b> matters,</li> </ul>	<p>As soon as practicable after an election, to be reviewed each year thereafter and any variation published.</p>
<ul style="list-style-type: none"> <li>● a statement of the policy of the Mayor in relation to <b>records management</b>, including procedures for the security and sharing of information and the retention and destruction of documents,</li> </ul>	
<ul style="list-style-type: none"> <li>● a statement of the policy of the Mayor in relation to the handling of <b>qualifying disclosures</b>,</li> </ul>	

## Section 4.3 - Code of Practice for Recording Meetings

### 1. Recording by the Public

The right to record meetings are set out in Procedure Standing Order 23, and the Access to Information Rules in Part 4 of the Constitution. This Code of Practice supplements those provisions.

The right to record extends only to formal meetings of the Combined Authority, and its committees or sub-committees which are open to the public.

Recording in this context includes filming, photographing and making an audio recording.

No recordings should be made or published in breach of this Code of Practice.

The agenda for each meeting will state that that the meeting may be recorded. We will also display signs in the meeting room stating that the meeting may be recorded.

Please inform the Chair of the meeting **before** the meeting starts if you do not want to be recorded. The Chair will inform any person recording the meeting that you do not wish to be recorded.

If you record a meeting, you must comply with the following: ***Before the meeting***

Before the meeting starts, please inform the Chair (or clerk) of the committee that you want to record the meeting.

To minimise disruption, and ensure a safe environment, you must also ask the Chair's **permission** before the meeting if you wish to:

- use **large equipment** (that is, **larger** than a smart phone, tablet or compact camera)
- **move** around the room or film from different angles or
- use **lighting** for filming/**flash** photography.

#### ***Making your recording***

You should record **overtly** (that is, in a way which is clearly visible to others at the meeting).

You must record from the **public seating area** and from **one fixed position**, (unless you have the Chair's permission to do otherwise).

Do not block other people's view of proceedings with your recording device.

Please put your recording device on **silent mode**.

You should **focus** recording on:

- Members and officers attending the meeting, and
- any other people invited to address the meeting, who have not objected to being filmed.

Do not record any member of the public who has asked not to be recorded.

Do not record any child or young person present under the age of 18 unless their parents/guardians have given you written consent.

### ***Stopping recording***

You must stop recording if the Chair instructs you to.

### ***Publishing recordings***

You must comply with all relevant laws when recording reporting and publishing, including those relating to libel and defamation.

The Combined Authority will not be liable for recordings or reports made or published by you or any other person.

When you publish a recording, please publish an **explanatory statement** identifying:

- **when and where** the recording was made,
- the **context** of the discussion,
- the **main speakers** and their **role or title**.

Do not edit the recording in a way that could:

- lead anyone to misinterpret the proceedings or comments recorded,
- misrepresent anyone in the recording, or
- show a lack of respect for anyone in the recording.

Recordings may start and end at any point of a meeting, but you should publish the material between those points without editing it, or alternatively make it clear when breaks in recordings occur.

<sup>1</sup>The circumstances in which the Chair may do this are set out in Procedure Standing Order 25.



**2. Combined Authority recording of meetings**

Details of recording and webcasting activities carried out by the Combined Authority will be made available on meeting agendas and notices displayed at each meeting. Data collected as part of recording activities carried out by the Combined Authority will be processed in accordance with the Combined Authority's privacy notice.

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## Section 4.4 - Mayoral Procedure Rules

### 1. Introduction

#### *Scope*

- 1.1 These Rules apply to the Mayor or any other decision-maker exercising any Mayoral Function under arrangements made by the Mayor.

#### *Decision-Making Principles*

- 1.2 The decision-maker should make decisions in accordance with the principles set out in Article 13 (Decision-making) in Part 2 of the Constitution.

#### *Advice from Statutory Officers*

- 1.3 In relation to a Key Decision or any decision of significant public interest, the decision-maker may make a decision only after considering a **written report** setting out advice from the Section 73 Chief Finance Officer and the Monitoring Officer.

#### *Conflict of Interest Provisions*

- 1.4 The decision-maker must comply with any applicable Code or Protocol set out in Part 5 of the Constitution, including the relevant Code of Conduct.

### 2. Mayoral General Functions

#### *Key Decisions*

- 2.1 The decision-maker must give **notice of any Key Decision** on the Forward Plan, in accordance with the Access to Information Rules in Part 4 of the Constitution, subject to the general exception and cases of special urgency provisions.
- 2.2 Where the decision-maker is the Mayor or any other Combined Authority Member the Key Decision must be taken **at a meeting of the Combined Authority**, unless the decision-maker has obtained agreement from the Chair of any relevant overview and scrutiny committee that the making of the Key Decision is urgent and cannot be deferred.

#### *Statutory Consent Requests for Mayoral General Functions*

- 2.3 A Statutory Consent is required in relation to the exercise of Mayoral General Functions as follows:

- where the function is a **Function** conferred by the Order which requires the Statutory Consent of a Constituent Council Combined Authority Lead Member (or Substitute Member), or
  - any decision of the Mayor which gives rise to a **financial liability for a Constituent Council** requires the Statutory Consent of the Constituent Council Combined Authority Lead Member appointed by that Constituent Council (or Substitute Member).
- 2.4 Where a Statutory Consent is required, the Statutory Consent Request should be sought at a meeting of the Combined Authority.
- 2.5 The Mayor must seek any Statutory Consent Request in a timely way. To facilitate this and to promote transparency, the Mayor should publish a notice of the Statutory Consent Request (a Statutory Consent Request Notice) on the Combined Authority's **Forward Plan** at least 28 clear days before the meeting of the Combined Authority at which the Statutory Consent Request will be sought, subject to this requirement being waived in exceptional circumstances by any relevant Chief Executive.
- 2.6 Any Statutory Consent given will be **recorded in the minutes** of the meeting.

#### ***Other Decisions***

- 2.7 The decision-maker may take any decision which is not a Key Decision nor a Statutory Consent Request outside of a meeting of the Combined Authority, subject to the requirements below in relation to recording and publishing decisions.

#### ***Recording and Publishing Decisions***

- 2.8 A decision-maker must record and publish any decision in respect of a Mayoral General Function in accordance with the Access to Information Rules in Part 4 of the Constitution.

<sup>1</sup> See further Section 3.1 Part 3 of the Constitution.

<sup>2</sup> At the discretion of the Mayor, the Mayor or other Combined Authority Member may also take any other decision in relation to a Mayoral Function at a Combined Authority meeting, in accordance with the Procedure Standing Orders.

## Section 4.5 - Budget and Policy Rules

### General

1. These rules reflect specific statutory requirements relating to the approval of budgets and policies by the Combined Authority and the Mayor, or other decision-makers on their behalf.
2. Decision-makers should consider whether any **consultation** is required in respect of their proposals, in addition to the statutory requirements specified in these rules.
3. Decision-makers should also engage with a Combined Authority **Overview and Scrutiny Committee** (and any other committee of the Combined Authority) as appropriate in the development and scrutiny of proposals.
4. When approving budgets or policies, decision-makers must comply with the provisions relating to **Key Decisions** in the Access to Information Rules in Part 4 of the Constitution.

### Mayor's Budget

5. The Mayor must prepare a draft budget for the Mayoral Functions by 1 February. The draft budget must:
  - set out the Mayor's spending plans and how the Mayor intends to meet the costs of the Mayoral General Functions, and
  - include the relevant amounts and calculations.
6. If the Mayor fails to present a draft budget to the Combined Authority by 1 February, the Combined Authority must determine the relevant amounts and calculations for the financial year. The decision must be made by a minimum 2/3 majority of the Combined Authority Members present and voting. The Combined Authority must review any draft budget presented by the Mayor, and may make a report on the draft budget to the Mayor. The Mayor does not vote on this decision, which is decided by a simple majority of the other Combined Authority Members present and voting.
7. The Mayor's draft budget shall be deemed to be approved by the Mayor, unless the Combined Authority makes such report by 8 February.
8. Any report made by the Combined Authority:
  - must set out whether or not the Combined Authority would approve the draft budget in its current form, and
  - may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year.

9. Where the Combined Authority has made a report, it must specify a period of at least 5 working days (beginning on the day after the day on which the Mayor receives the report) within which the Mayor may:
  - decide whether or not to make any revisions to the draft budget, and
  - notify the Combined Authority of the reasons for that decision and, where revisions are made the revised budget.
10. Where any specified period has expired, the Combined Authority must decide (taking into account the reasons given by the Mayor) whether to:
  - approve the Mayor's draft budget, or the revised draft budget; the Mayor does not vote on this decision, which is decided by a simple majority of the other Combined Authority Members present and voting, or
  - veto the Mayor's draft budget (or revised draft budget) and approve the Mayor's draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor; the decision must be made by a 3/4 majority of the Combined Authority Members present and voting.
11. The Mayor's draft budget (or the revised draft budget) shall be deemed to be approved unless vetoed within 5 working days beginning with the day after the date on which the period specified for the Mayor to consider the Combined Authority's report.

### Approval of policies - Non-Mayoral Functions

12. The Combined Authority will approve any policy in relation to Non-Mayoral Functions. Where a Non-Mayoral Function has been conferred on the Combined Authority by the Order, approval of that policy requires the support of the Mayor.
13. Approving the Hull and East Yorkshire Investment Strategy is a Non-Mayoral Function. However, no spending commitments beyond an initial five-year allocation may be made until the Mayor has agreed the HEYIS.

### Approval of policies - Mayoral Functions

14. Preparing and reviewing a **Local Transport Plan** is a Mayoral Function, (that is, exercisable by the Mayor), subject to paragraph 18 below. The Mayor must have regard to any relevant statutory guidance when discharging this function.
15. In preparing and keeping the Local Transport Plan under review, the Mayor must consult:
  - each local traffic authority for the Combined Authority's Area,
  - the Secretary of State in relation to functions which the Secretary of State has as highway authority and traffic authority, and
  - each Constituent Council.

16. In preparing and keeping the Local Transport Plan under review, the Mayor must also consult such of the following as the Mayor considers appropriate:
- operators of any network or station, or of any railways services in the Combined Authority's Area,
  - operators or providers of other transport services in the Combined Authority's Area, or representative organisations,
  - organisations appearing to the Mayor to represent the interests of users of transport services and facilities in the Combined Authority's Area, and
  - other persons whom they consider appropriate.
17. By majority vote (including at least three members in favour), the Combined Authority may amend any Local Transport Plan made by the Mayor. The Combined Authority must have regard to any relevant statutory guidance when discharging this function.
18. As soon as practicable when a new Local Transport Plan has been prepared or altered, the Mayor must:
- publish the Local Transport Plan, and send a copy of it to the Secretary of State and such other persons as specified in statutory guidance,
  - cause a copy of the Local Transport Plan to be made available for inspection, and give the public notice about this,
  - supply a copy to any person on request.
19. The Mayor will approve **any other policy** in relation to Mayoral Functions, unless authority to do this has been delegated under the Mayor's arrangements.

## Section 4.6 - Scrutiny Standing Orders

### 1. Membership

- 1.1. Members of the scrutiny committee are appointed in accordance with Article 7 (Overview and Scrutiny) in Part 2 of the Constitution.
- 1.2. In appointing members to the scrutiny committee, the Combined Authority will have regard to any nominations made by the Constituent Councils and ensure that the members of the scrutiny committee nominated by the Constituent Councils reflect, as far as is reasonably practicable, the balance of political parties across Hull and East Yorkshire.
- 1.3. The Combined Authority may appoint a **substitute member** (to be known as a "deputy" or "deputy member") for each member of scrutiny committee, from the same party and council as the member, to act in the absence of that member at a meeting of the scrutiny committee.
- 1.3. A deputy member may only act in the absence of a member for whom they are the designated substitute or a member from the same political party and council, and where the member will be absent for the whole of the meeting.
- 1.5. A deputy member may not exercise any special powers or duties exercisable by the member for whom they are substituting but may be appointed to a working group or be assigned scrutiny duties by the scrutiny committee in their own right
- 1.6. Neither the Mayor nor any other Combined Authority Member (or substitute), a member of any decision-making committee or any Executive Member of a Constituent Council may be a member of the scrutiny committee.

### 2. Voting

- 2.1. Each member of the scrutiny committee appointed from a Constituent Council has one vote.
- 2.2. All matters coming before a scrutiny committee meeting shall be decided by a simple majority of the members present and voting on the question, in accordance with the Procedure Standing Orders.
- 2.3. No member of the scrutiny committee has a casting vote.
- 2.4. If a vote is tied on any matter, it is deemed not to be carried.

### 3. Chair and Vice Chair(s)

- 3.1. The Combined Authority will appoint the Chair of the scrutiny committee, in accordance with Article 7 (Overview and Scrutiny) in Part 2 of the Constitution.
- 3.2. Where the Combined Authority does not appoint the Chair of the scrutiny committee, the committee may appoint its own Chair.



- 3.3. The scrutiny committee may appoint up to two Vice Chairs, in accordance with Article 7 (Overview and Scrutiny) in Part 2 of the Constitution.
- 3.4. The Chair(s) and Vice Chair(s) of any sub-committee will be appointed by the appointing scrutiny committee.
- 3.5. A Vice Chair may exercise any of the powers and duties of the Chair of the scrutiny committee in their absence, as directed by the Chair.
- 3.6. In the absence (or vacancy) of both the appointed Chair and Vice Chair(s) at a singular scrutiny committee meeting, the scrutiny committee may select any member present to chair that meeting.

#### **4. Conflicts of Interest**

- 4.1. No member of the committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a member of the committee or sub-committee which made the decision.
- 4.2. Such a member may only attend the scrutiny committee or sub-committee to:
  - make representations,
  - answer questions, or
  - give evidence about the decision.
- 4.3. This does not prevent any such member being counted in the quorum of the meeting.

#### **5. Quorum**

- 5.1. At least two-thirds of the total number of members of the scrutiny committee must be present at a meeting for business to be transacted.
- 5.2. The scrutiny committee may delay the start of a meeting for up to 15 minutes beyond the scheduled time to allow for quorum to be met. If the meeting is still not quorate after that time, the meeting must be cancelled, rescheduled or held as an informal discussion session.
- 5.3. Business includes:
  - Approving minutes.
  - Approving reports and recommendations
  - Appointment of working groups, sub-committees, chairs and vice chairs.

## **6. Working Groups**

- 6.1. The scrutiny committee may appoint a temporary or permanent working group to contribute to and inform the scrutiny process, including by making recommendations.

## **7. Work Programme and referral of matters to the Scrutiny Committee**

- 7.1. The scrutiny committee will set its own work programme in accordance with its Terms of Reference.

- 7.2. The Combined Authority, any of its committees or the Mayor may ask the scrutiny committee to review any matter or assist in developing budget and policy proposals, provided that the request is made in writing to the Chair or Scrutiny Officer, who will ensure that the matter is included in the agenda for, and discussed at, a meeting of the committee.

- 7.3. The following matters may be referred to the scrutiny committee:

- a) A member of the scrutiny committee may refer to the committee any matter which is relevant to the functions of the committee,
- b) A Combined Authority Member or member of any Combined Authority committee may refer to the scrutiny committee any matter which is relevant to the function of the committee and is not an excluded matter; and
- c) any member of a Constituent Council may refer to the scrutiny committee any matter which is relevant to the functions of the committee and is not an excluded matter.

- 7.4. Where a matter is referred to the scrutiny committee by any member under Standing Order 7.3 (b) or (c) above, in considering whether to review or scrutinise a matter referred to the committee, the committee must have regard to any representations made by the member referring the matter as to why it would be appropriate for the committee to review or scrutinise the matter. If the committee decides not to review or scrutinise the matter, it must notify the member of its decision and the reasons for it.

- 7.5. The scrutiny committee must provide a member with any copy of any report or recommendations which it makes in connection with any matter referred to it by the member under Standing Order 7.3 (b) or (c) above.

## **8. Meetings**

- 8.1. The scrutiny committee will schedule regular committee meetings and meet as often as required to effectively discharge their functions.

- 8.2. An extraordinary meeting of the scrutiny committee may be called by:

- the Chair of the committee, or
- one-third of the total number of members of the committee from including at least one member from both Constituent Councils.

## 9. Attendees

- 9.1. The scrutiny committee may require the Mayor, any other Combined Authority Member or an officer of the Combined Authority to attend before it to answer questions or to provide information and submit reports about any matter within its terms of reference.
- 9.2. Where a committee requires the Mayor or any other Combined Authority Member or officer to attend, the Scrutiny Officer shall inform that person or their office in writing giving at least 5 clear working days' notice of the meeting. The notice will state:
- the date of the meeting they are required to attend,
  - the nature of the item, and
  - whether they must produce any papers or information for the committee,
  - which officers may also attend.
- 9.3. The Mayor, any other Combined Authority Member, or officer must comply with any reasonable notice they are given.
- 9.4. Where, in exceptional circumstances, the person is unable to attend on the required date, the scrutiny committee shall consult with the person to arrange an alternative date.
- 9.5. The scrutiny committee may invite any other person to attend any meeting to:
- address it,
  - provide information and submit reports,
  - discuss issues of local concern, and/or
  - ask and answer questions.
- 9.6. Each member of the scrutiny committee will be given the opportunity to ask attendees questions, contribute and speak.
- 9.7. Attendees assisting the committee must be treated with respect and courtesy.

## 10. Reports and Recommendations

- 10.1. The scrutiny committee may make reports or recommendations to any decision-maker including the Combined Authority, the Mayor, any decision-making committee or decision-making officer.
- 10.2. If the scrutiny committee cannot agree a final report, a minority report may be prepared and submitted as an appendix to the majority report by the dissenting members present, if they number at least one-third of the total number of voting members appointed from the Constituent Councils.
- 10.3. The scrutiny committee may publish any report, statement or recommendations, subject to Standing Order 12, according to its own processes.

- 10.4. Where in the opinion of the scrutiny committee, any report or recommendation is of particular significance to any Constituent Council over and above any other Council, the report or recommendation shall also be submitted to that Council for consideration. Any response of that Council shall be reported back to the scrutiny committee which made the report or recommendation.

## 11. Notice

- 11.1. The scrutiny committee may, by notice, require the decision-maker in question within 2 months of receiving any report or recommendations or (if later) the notice, to:
- consider the report or recommendations,
  - respond to the scrutiny committee indicating what (if any) action they propose to take,
  - publish the response, if the scrutiny committee has published the report or recommendations, subject to Standing Order 12 below.
- 11.2. A decision-maker must respond to a report, or recommendations made by the scrutiny committee, within 2 months beginning with the date on which they received the notice, and subject to Standing Order 12 below.

## 12. Publishing a Document: Confidential and Exempt Information

- 12.1. Standing Order 12.2 applies to the publication of any document comprising a report or recommendations of the scrutiny committee, or a response of a decision-maker to any such report or recommendations.
- 12.2. In publishing the document, the scrutiny committee or decision-maker must exclude any confidential information and may exclude any relevant exempt information, see further the Access to Information Rules in Part 4 of the Constitution.
- 12.3. When providing a copy of a document, the scrutiny committee or decision-maker may exclude any confidential information or relevant exempt information.
- 12.4. Where information is excluded, the scrutiny committee or decision-maker:
- may replace so much of the document as discloses the information with a summary which does not disclose that information, and
  - must do so if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

### 13. Call-In of Decisions

13.1 The following decisions may be called-in for scrutiny:

- any decision of the Combined Authority or of any decision-making committee of the Combined Authority, and
- any Key Decision taken by the Mayor, other Combined Authority Member (on behalf of the Mayor) or an officer.

With the exception of:

- any decision which the decision-maker has resolved is urgent
- any decision relating to approving or amending governance arrangements.

13.2 **One-third of the total voting members of the scrutiny committee** to include **at least one member from each of the two different Constituent Councils** may call-in a decision eligible for call-in by submitting a completed and signed “**call-in pro forma**” to the Scrutiny Officer by midday 12.00 pm on the **fifth clear working day** following publication under Standing Order 13.3 or 13.4.

13.3 The Monitoring Officer shall publish details of any decision taken at a meeting of **the Combined Authority or committee** eligible for call-in within **2 clear working days** of a meeting.

13.4 Any other **Key Decision taken by the Mayor, a Combined Authority Member** (on behalf of the Mayor) **or taken by an officer** will be published as a written record within **2 clear working days** of the decision being made, see further Article 13 (Decision Making) in Part 2, and the Access to Information Rules in Part 4 of the Constitution.

### 14. Implementing and Scrutinising Decisions which are Eligible for Call-In

14.1 An urgent decision may be implemented immediately.

14.2 Any other decision of the Combined Authority or a committee, or Key Decision taken by the Mayor, any other Combined Authority Member (on behalf of the Mayor) or an officer may be implemented only after **midday 12.00 pm** of the **sixth clear working day** after the publication of the decision, unless it is called-in.

14.3. On receipt of a call-in request, the Scrutiny Officer shall notify the Chair of the scrutiny committee and the decision-maker of the call-in.

14.4 Where a decision is called-in, the Chair of the scrutiny committee, may direct that the decision is not to be implemented while it is under review or scrutiny by the scrutiny committee, for a period not exceeding 10 working days from the date on which the direction is issued. The Assistant Director, Legal, Governance & Compliance may extend this period in exceptional circumstances in the interests of fairness in coordination with the scrutiny committee and decision-maker.

14.5 The scrutiny committee must scrutinise the decision within 10 working days of the Scrutiny Officer receiving the request for call-in, or before the expiry of any direction, if

different. The Monitoring Officer may extend this period in exceptional circumstances in the interests of fairness in coordination with the scrutiny committee and decision-maker.

- 14.6 Members who have submitted a call-in notice must attend, or nominate a representative to attend, the meeting scrutinising the decision which has been called-in.
- 14.7 Where the scrutiny committee has scrutinised a decision, it may recommend that the decision is re-considered by the decision-maker. Any decision which is recommended for re-consideration may not be implemented while any direction under this Standing Order is of effect, except in accordance with Standing Order 14.8 below.
- 14.8 The Scrutiny Officer will notify the decision-maker of the outcome of the scrutiny by the scrutiny committee within **2 clear working days** of the meeting. Where the decision has not been recommended for re-consideration, it may be implemented on receipt of this notification.
- 14.9 The decision-maker must reconsider any decision not later than 10 working days after the date on which the recommendations of the scrutiny committee are received.
- 14.10 The Chair of the scrutiny committee or any other members nominated to do so and, where applicable, a representative of the dissenting members who have appended a “minority report” must attend any meeting which is reconsidering the decision, to present the report or recommendations
- 14.11 The decision-maker may confirm, amend or rescind the decision. Their response should be published in accordance with Standing Order 12.
- 14.12 A decision which has been confirmed or amended by the decision-maker may be implemented immediately.

## **15. Guidance of the Secretary of State**

- 15.1 The Combined Authority and the scrutiny committee must have regard to any guidance issued by the Secretary of State.

## **16. Statutory Scrutiny Officer**

- 16.1 Any references in these Standing Orders to the Scrutiny Officer are to the officer designated as such by the Combined Authority, see further Article 12 (Officers) at Part 2 of this Constitution.

16.2 The statutory functions of the Scrutiny Officer are:

- to promote the role of the scrutiny committee,
- to provide support and guidance to the scrutiny committee and its members, and
- to provide support and guidance to members and officers of the Combined Authority in relation to the functions of the scrutiny committee.

## **17. Additional Rights of Access to Documents**

17.1 Additional rights of access to documents for members of any overview and scrutiny committee or sub-committee are set out in the Access to Information Rules in Part 4 of the Constitution.

17.2 The Chair or in their absence, a Vice Chair of the scrutiny committee, shall have a standing invitation to attend meetings of the Combined Authority as a non-voting observer.

## **18. Public Notice of Proposed Key Decisions**

18.1 Provisions relating to the public notice of proposed Key Decisions are set out in the Access to Information Rules in Part 4 of the Constitution.

## **19. Interpretation**

19.1 The Chair, or acting chair, of the scrutiny committee meeting shall make any final decision at that meeting about:

- how the Scrutiny Standing Orders should be interpreted with respect to the conduct of the meeting, or
- any question of procedure not explicitly provided for by the Scrutiny Standing Orders.

19.2 The Monitoring Officer shall make any final decision about how to interpret any Scrutiny Standing Order outside of a formal committee meeting or any question of procedure not explicitly provided for by the Scrutiny Standing Orders.

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## Section I - Definitions and Principles

### 1. Introduction

- 1.1 In the Contracts Standing Orders these definitions shall apply:
- 1.1.1 “Budget Holder” and “Budget Controller” have the meanings set out in the Financial Regulations of Hull and East Yorkshire Combined Authority.
  - 1.1.2 “Combined Authority” means Hull and East Yorkshire Combined Authority.
  - 1.1.3 “Chief Finance Officer” means the S. 73 Officer for the time being of the Combined Authority
  - 1.1.4 “Director” means Chief Executive or Monitoring Officer of the Combined Authority.
- 1.2 The principles of Contracts Standing Orders are:
- 1.2.1 To guide and protect the Combined Authority, its Directors and other officers involved in the procurement and award of contracts;
  - 1.2.2 To demonstrate that the Combined Authority is obtaining value for money in the award of contracts and best value under S. 3 Local Government Act 1999;
  - 1.2.3 To provide the means of securing competition in the advertising of tenders and award of contracts;
  - 1.2.4 To ensure equality and transparency and prevent allegations of corruption in the award of contracts; and
  - 1.2.5 To ensure compliance with legislation and regulations and the adoption of best practice.
- 1.3. These Contracts Standing Orders govern the Combined Authority’s rules and procedures for the advertisement, evaluation and award of contracts. These Standing Orders exclude grants and funding agreements.

### 2. Compliance with Standing Orders and Legislation

- 2.1 Every contract made by or on behalf of the Combined Authority and all procedures relating to them shall comply with these Contracts Standing Orders and the Financial Regulations. The only permissible exceptions are:
- 2.1.1 Contracts procured through either constituent Council which have been novated or otherwise transferred to the Combined Authority.
  - 2.1.2 Exceptions in accordance with Standing Order 14.
- 2.2. Any subsidiary company of the Combined Authority shall be required to adopt the provisions of these Contracts Standing Orders insofar as they are not inconsistent with, or in conflict with, any provisions of the Companies Act and regulations made under that Act or the Articles of Association of that Company.
- 2.3. No contract for goods, services or an interest in property shall be granted to any:

- 2.3.1 current employee
- 2.3.2 close relative of any current employee
- 2.3.3 ex-employee of the Combined Authority within 2 years of leaving without the written approval of the Monitoring Officer.
- 2.4. All relationships of a business or private nature with external contractors, or potential contractors, must be made known to the Monitoring Officer in accordance with the Officers' Code of Conduct. Contracts must be awarded on merit, by fair competition against other tenders with pre-set evaluation criteria and no special favour shall be shown to any businesses or bidding organisations.
- 2.5. Officers who engage or supervise contracts must declare any interest or relationship in accordance with the procedures set out under the Officers' Code of Conduct and the Declaration of Interest process.
- 2.6. All officers must take all necessary precautions to safeguard the Combined Authority, its staff and themselves against allegations that any person, business or organisation has been unduly favoured.
- 2.7. It shall be a guiding principle, when any officer is making a determination under this part of Standing Orders, that in making such determination they have regard to the need to demonstrate that the Combined Authority will obtain value for money and that reasonable steps are taken to ensure that no supplier or potential supplier is treated unfairly in the selection process and that a written record of each determination and the reasons for making it is kept on a file maintained by an officer for that purpose or on any purchase ordering system in use for that purpose by the Combined Authority.

#### ***UK Legislation***

- 2.8. These Contracts Standing Orders shall be subject to any procedures that may apply pursuant to the Procurement Act 2023 and by reason of the United Kingdom's membership of the World Trade Organisation and if any conflict with Contracts Standing Orders arises, the Procurement Act 2023 shall prevail.
- 2.9. A contract, or series of contracts, the aggregate amount or value of which (including VAT) exceed the financial thresholds set by the Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2023 ("the Regulations"), shall be let only in accordance with the requirements of the Procurement Act 2023. The Monitoring Officer shall notify all Budget Holders and Budget Controllers of any changes in the financial thresholds.
- 2.10. Contracts, tenders or quotes must never be artificially divided to bring them below the relevant threshold.
- 2.11. As part of the business planning process Budget Holders will with the Chief Executive and Monitoring Officer identify potential new contracts to be let in the following financial year to enable consideration to be given to the need to publish a Pipeline Notice or Planned Procurement Notice on the Central Digital Platform.

#### ***Frameworks***

- 2.12. National and Regional Framework Contracts (Frameworks) should be considered before undertaking any tender process above the thresholds referred to in paragraph 2.9. Only where a suitable Framework offering value for money cannot be identified should a full tender process be undertaken. Where a Framework offers direct award

or further competition advice must be taken from the Monitoring Officer prior to the procurement option being selected.

***British Standards***

- 2.13 Where an appropriate British, EU or International Standard specification or code of practice issued by any such Standards Institution is current at the date of the tender then, unless there is in the opinion of the Budget Controller concerned good and sufficient reason to the contrary, every written contract shall require that, as the case may be, all goods and materials used or supplied and all workmanship shall be in accordance with that standard **provided that** in all cases due consideration will be given to a tender which demonstrates equivalent functionality or performance even though it does not conform to the standard stipulated.

***Data protection***

- 2.14 Where a contract involves data processing by the contractor on behalf of the Combined Authority, then sufficient due diligence shall be undertaken to ensure that the Combined Authority only uses contractors who provide guarantees to implement appropriate technical and organisational measures in such a manner so as to meet the requirements of the General Data Protection Regulation and protect the rights of individuals.

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## Section II - Works Good and Services

### 3. Tendering - Financial Categories

- 3.1 This section applies to **all** contracts except contracts for the acquisition or disposal of interests in land.
- 3.2 For the purpose of determining the tendering procedure, the following financial categories shall apply to all contracts for the execution of works, the supply of goods or the supply of services (whether by or to the Authority) unless a Framework or Central Purchasing Body is being utilised:
- |            |  |
|------------|--|
| Category A | Up to and including £10,000 incl. VAT                  |
| Category B | Over £10,000 to and including £60,000 incl. VAT        |
| Category C | Over £60,000 to and including £200,000 incl. VAT       |
| Category D | Over £200,000 up to and including £2,000,000 incl. VAT |
| Category E | Over £2,000,000 incl. VAT                              |
- 3.3 Categorisation is to be determined on the basis of a proper and reasonable estimated value of the contract and contracts including VAT and must not be artificially divided or otherwise disaggregated to bring them into a lower value category..

### 4. Category A Procedures

- 4.1 No min number of quotations or tenders is required for this category, although best practice is to obtain more than one quote or as a minimum benchmark the cost. The relevant Budget older must be satisfied that they are obtaining value for money and keep a written record of this.

### 5. Category B Procedures

- 5.1. The Budget Holder must invite at least three written quotations for contracts within this category. Quotations must be submitted via the electronic tender management system unless price lists are held in the purchase ordering system. All procurements above £25,000 must be published in Contracts Finder.

### 6. Category C Procedures

- 6.1. The Budget Holder must invite at least three tenders for contracts within this category using the electronic tender management system.

### 7. Category D Procedures

- 7.1. On behalf of the Budget Holder, the Head of Commercial must advertise via Contracts Finder ([the official government portal](#)) and FTS if applicable, tenders for all contracts within this category using the electronic tender management system. Engagement with the market, supervised by the Head of Commercial, must be undertaken before the tender is issued.
- 7.2 Publication of Category D tenders by the Head of Commercial shall be carried out strictly in accordance with applicable Public Contract Regulations requirements or terms of the Framework and will ensure any Contract Award Notices are submitted in accordance with the relevant legislation.

## 8. Category E Procedures

- 8.1 All tenders must be issued via the electronic tender management system by the Head of Commercial on behalf of the Budget Holder. Engagement with the market, supervised by the Head of Commercial, must be undertaken before the tender is issued. A detailed procurement strategy document for each procurement must be produced and signed off by Budget Holders and the Head of Commercial. Opportunities will automatically be advertised via Contracts Finder and FTS in this category.
- 8.2 Publication of Category E tenders by the Head of Commercial shall be carried out strictly in accordance with Public Contract Regulations requirements or terms of the Framework and will ensure any Contract Award Notices are submitted in accordance with the relevant legislation.
- 8.3 Sufficient time must be allocated to ensure correct processes are followed for Category E procurements.

## 9. Issuing Orders and Contracts

- 9.1 Any orders can only be placed and confirmed by an official Purchase Order on the purchase ordering system. Funds must never be committed verbally, or in writing, without a Purchase Order being issued.
- 9.2 In conjunction with the Head of Commercial and Assistant Director Legal, Governance and Compliance a contract should be created for Category D and Category E in all circumstances. Contracts for other Categories should only be considered if terms and conditions above the standard purchase order terms are required.

## 10. Waiving Contracts Standing Orders

- 10.1 Contracts Standing Orders should only be waived in exceptional circumstances and only when the condition of Public Contract Regulation apply. These are:
  - 10.1.1 Competition is absent for technical reasons.
  - 10.1.2 The protection of exclusive rights applies, including intellectual property rights
  - 10.1.3 Extreme urgency brought about by unforeseen events. Insufficient time and lack of planning are not deemed to be valid reasons.
  - 10.1.4 The contract has been classified as secret by the Chief Executive Officer or by the Director, Finance and Commercial making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;
- 10.2 The Head of Commercial must be consulted on all waiver requests.
- 10.3 A waiver may only be approved where value for money can be demonstrated.
- 10.4 Any waiver must be approved as follows before a Purchase Order is raised, subject to the Head of Commercial requiring any decision to be escalated to a higher level:
  - Category B: Chief Executive or Director
  - Category C: Chief Executive or Director
  - Category D: Chief Executive or Director
  - Category E: Chief Executive<sup>1</sup>

## 11. Tender Criteria and Weighting

- 11.1 In all cases where tenders are invited, the relevant selection and evaluation criteria and weightings shall be agreed between the Budget Holder and the Head of Commercial, and in all cases be clear in the Invitation to Tender.
- 11.2 Social value criteria with a weighting of at least 10% must be included in all Category D and Category E tenders. For each Category E contract, the criteria for selection of the successful tenderers shall be only those permitted by the relevant UK legislation, but subject to that, shall be such criteria as may have been specified in the tender documents (e.g. price, quality, technical merit, social value, aesthetic and functional characteristics, technical assistance, after-sales service delivery date, delivery period and completion date).
- 11.3 Tender evaluation criteria shall be set so that the criteria may be scored on a numerical basis with the intention that the highest score taking all criteria into account will be awarded the tender. Contracts should be awarded on the basis of a Most Economically Advantageous Tender (MEAT) basis, taking account of price, quality and social value scoring criterias.

## **12. Nominated Sub-Contractors and Suppliers**

- 12.1 This Standing Order shall have effect where a sub-contractor or supplier is to be nominated to a main contractor.
- 12.2 The requirements of Contracts Standing Orders Section II shall apply to the procurement of sub-contractors and suppliers who are to be nominated to a main contractor by the Combined Authority.
- 12.3 The terms of any invitation to a sub-contractor or supplier to submit a tender or quotation shall require an undertaking by them that if they are selected they will be willing to enter into a contract with the main contractor on terms which indemnify the main contractor against the sub-contractor's or supplier's obligations under the main contract in relation to the work or goods included in the sub-contract unless provision is made to the contrary under the conditions of contract.

## **13. Duties of Agents**

- 13.1 It shall be a condition of the engagement by the Combined Authority of any person (not being an officer of the Combined Authority) to supervise a contract that, in relation to such contract, they shall comply with the requirements of these Standing Orders and Financial Regulations as if they were an officer of the Combined Authority, and also with all other requirements of the officer concerned.

## 14. Exceptions

- 14.1 This section of Contracts Standing Orders (section II) shall not apply to:
- 14.1.1 The execution of works or the purchase of goods or materials necessary for urgent maintenance repairs to land, buildings, vehicles or plant to prevent danger to authorised users or the general public or to prevent rapid and progressive deterioration, or to maintain essential or statutory services.
- 14.1.2 Where spend is dictated by the terms of a preceding contract or agreement.
- 14.2 Expenditure incurred shall be recorded and reported in accordance with the requirements for contracts of the relevant category within the Procurement Manual with Purchase Orders being raised as required.

## 15. Tendering Procedure

- 15.1 All tendering must be carried out via a secure electronic tender management system operated and managed by the Head of Commercial.
- 15.2 All invitations to tender must contain precise details as to:-
- 15.2.1 the information required from the tenderers;
- 15.2.2 the evaluation criteria and weightings;
- 15.2.3 a closing date and time;
- 15.2.4 a statement that a tender that does not contain all the information required **may** not be considered valid;
- 15.2.5 a statement that a tender which is submitted late **will** not be considered; and
- 15.2.6 a statement that there is no obligation to accept the lowest price or any tender.
- 15.3 Any tender which is submitted late or submitted outside the electronic tender management system will only be accepted in exceptional circumstances with the approval in writing of the Head of Commercial and the Assistant Director Legal, Governance and Compliance.

## 16. Acceptance of Tenders and Quotations

- 16.1 The Head of Commercial must be consulted on any request to approve a contract award Category C or above.
- 16.2 Any acceptance must be approved as follows, subject to the Head of Commercial requiring any decision to be escalated to a higher level:
- Category A: Budget Holder or Budget Controller
  - Category B: Budget Holder or Budget Controller
  - Category C: Budget Controller
  - Category D: Chief Executive or Director
  - Category E: Chief Executive<sup>2</sup>
- 16.3 Tenders shall be awarded to the party that achieves the highest score.



- 16.4 Where the amount of a tender or a quotation exceeds the expected Category the approvals for the higher Category shall apply.
- 16.5 The acceptance or rejection of a tender by or on behalf of the Combined Authority shall be notified in writing to the organisation submitting the tender by the Head of Commercial, **provided** there shall be no necessity to write to an unsuccessful bidder where the invitation to tender has indicated that the elapse of a specified period of time shall mean that the bid has been unsuccessful.

## **17. Approval of Works Orders under Neutral Vendor Arrangements**

- 17.1 The Head of Commercial to be consulted on all requests to approve a contract award.
- 17.2 Approvals of works orders under neutral vendor arrangements must be made by the following subject to the Head of Commercial requiring any decision to be escalated to a higher level:
- Category A: Budget Holder or Budget Controller
  - Category B: Budget Holder or Budget Controller
  - Category C: Budget Holder or Budget Controller
  - Category D: Budget Controller
  - Category E: Chief Executive or Director<sup>3</sup>

## **18. Equality of Tenders and Quotations**

- 18.1 In any Category A or B contract where there are two or more equal quotations all bidders shall be sent written or electronic invitations in identical terms to submit a revised quotation which will be considered in accordance with these Contracts Standing Orders and Financial Regulations. Should a further tie occur the award of the contract will be determined by the drawing of lots.
- 18.2 In any case where two or more tenders for Category C, D or E contracts achieve an equal score on a full and fair evaluation of the criteria then if the Head of Commercial in conjunction with the Budget Holder considers it appropriate the contract may be awarded to the tender with the lowest price. The relative weight of quality over price in the tender shall form part of the considerations. If the prices are equal or if it would not be appropriate to award the tender based on lowest price then those bidders shall be sent a written or electronic invitation in identical terms to submit a revised quotation or tender which will be considered in accordance with these Contracts Standing Orders.

## **19. Records and Notifications**

- 19.1 The requirements for keeping records of the details of all tenders, bids and awards under all categories of contract and the notification of any such information to officers shall be in accordance with the policy approved by the Combined Authority, the Chief Finance Officer, Head of Commercial and the Assistant Director Legal, Governance and Compliance from time to time.
- 19.2 This policy shall form part of the Procurement Manual and shall be implemented by the Head of Commercial in conjunction with the Chief Finance Officer and Budget Holders as appropriate.

## **20. Compliance**

- 20.1 Compliance to these Contracts Standing Orders is a mandatory requirement. Any non-compliance identified will be reported to the Chief Executive and to the Head of Internal Audit. Non-compliance may be treated as a disciplinary matter.

## Section III - Local Bus Services, Education Transport Bus and Taxi Services

### 21. Contracts for Local Bus Services, Education Transport Bus and Taxi Services

- 21.1 It shall be the responsibility of the Head of Mobility Services to identify all local public and education transport requirements in accordance with the policies formulated by the Combined Authority pursuant to its statutory powers and duties.
- 21.2 All procurement of services in accordance with the Combined Authority's said policies shall be in accordance with the procedures set out in the Combined Authority's local and education transport services policy from time to time in force. Copies of these policies of the Combined Authority shall be maintained by the Director, Transport Operations and Passenger Experience and Head of Mobility Services.
- 21.3 All procurement of subsidised services and invitations to tender shall be pursuant to sections 88-91 of the Transport Act 1985 and all associated Regulations. Minimum subsidy local bus contracts are deemed Concession Contracts and therefore subject to Concession Contracts Regulations 2016.
- 21.4 Invitations to tender shall be issued by the Head of Mobility Services and sent to any persons which have indicated in writing or electronically that they wish to receive such invitations to tender.
- 21.5 Invitations to tender shall contain the following documents, information and requirements in every case:
- 21.5.1 the identity of the party requesting the invitation;
  - 21.5.2 the Combined Authority's Instructions to tenderers including a closing date and time;
  - 21.5.3 the Service Specification setting out the full details of the services being tendered for;
  - 21.5.4 the Combined Authority's General Conditions of Contract for the relevant service, together with any schedules of special requirements;
  - 21.5.5 the Combined Authority's Form of Tender and Form of Agreement;
  - 21.5.6 clear and unambiguous scoring criteria and weightings;
  - 21.5.7 a statement that the Combined Authority is not obliged to accept the cheapest or any tender;
  - 21.5.8 a statement that, provided it is accompanied by a fully compliant bid, a tenderer **may** propose an alternative approach to meeting the transport requirement set out in the tender;
  - 21.5.9 a statement that a tender submitted late **will** not be considered;
  - 21.5.10 a statement to the effect that when deciding whether or not to accept a tender the Combined Authority has a statutory duty to consider the effect on competition in the local market, and a combination of economy efficiency and effectiveness.

- 21.6 Where the de-minimis provisions of the Transport Act 1985 and Regulations made under it apply, contracts for local services may only be awarded in accordance with those regulations and any criteria approved from time to time by the Combined Authority.
- 21.7 Notwithstanding the above, emergency contracts may be awarded without tender subject to the provisions of section 91 of the Transport Act 1985.

## **22. Approval of Local Bus Services, Education Transport Bus and Taxi Services Tenders by the Authority**

- 22.1 The Head of Mobility Services shall approve all issue of tenders, award or variations of contract however approval of the Director, Transport Operations and Mobility Services shall be required where the annual value of the contract exceeds Category C threshold:
- 22.1.1 before tendering for any new bus services or for any services previously provided on a commercial basis;
  - 22.1.2 before re-tendering any batches of contracts where the annual value of the contract exceeds Category C threshold;
  - 22.1.3 before awarding any contract for any new services or for any services previously provided on a commercial basis;
  - 22.1.4 before awarding any contract where the annual value of the contract exceeds Category C threshold;
  - 22.1.5 before awarding any contract issued without tendering using the statutory de-minimis provisions;
  - 22.1.6 where the value of any contract, extension or variation exceeds the Category C threshold;

## **23. Tender Procedures for Local Bus Services, Education Transport Bus and Taxi Services**

- 23.1 Tendering must be via the electronic tender management system or via e-mail at the discretion of the Head of Mobility Services.

**24. Receipt of Tenders for Local Bus Services, Education Transport Bus and Taxi Services**

- 24.1 Where the electronic tender management system was used receipt of tenders shall be in conjunction with the Head of Commercial.
- 24.2 Where tenders were invited via e-mail Standing Order 25 shall still apply to the acceptance of tenders for local and education transport services

**25. Tender Criteria and Weighting**

- 25.1 In all cases where tenders are invited, the relevant evaluation criteria and weightings shall be clearly set out in the tender materials. A tender shall not be evaluated on criteria that are not set out in the tender materials.
- 25.2 Tender evaluation criteria shall be set so that, as far as possible, the criteria may be scored on a numerical basis with the intention that the party with the highest score taking all criteria into account will be awarded the tender.
- 25.3 A contract above the Category B threshold should not be evaluated solely on the basis of price unless otherwise approved by Head of Mobility Services and the Purchasing Officer, and the Head of Mobility Services must set the evaluation criteria in conjunction with the Purchasing Officer.
- 25.4 The Head of Mobility Services shall determine the criteria under which tenders are evaluated in consultation with the relevant District Council

**26. Acceptance of Tenders**

- 26.1 Where the value of a contract exceeds £500,000 or the combined value of contracts for which tenders are awarded on a batch basis exceeds £500,000, approval to award contracts must be made by the Chief Executive.
- 26.2 Contracts or batches of contracts shall be awarded or varied in accordance with paragraph 21 provided that the Head of Mobility Services supplies to the Chief Executive a schedule of all such contract awards or variations each calendar month.
- 26.3 Where a third party is funding the contract, the Head of Mobility Services must obtain and maintain a record of approval by the third party to the award of the contract
- 26.4 Where the annual contract price does not exceed the Category B threshold the Head of Mobility Services may delegate the authority to award or vary contracts under paragraph 21 to an appropriate Budget Holder.
- 26.5 Acceptances of all tenders shall be in writing incorporating by reference the Combined Authority's Form of Agreement, General Contract, Terms and Conditions, services specification, and any schedules, provided within the tender materials, and signed by the Head of Mobility Services.

**27. Equality of Tenders for Local Bus Services, Education Transport Bus and Taxi Services**

- 27.1 Standing Order 17 shall apply where two or more tenders achieve an equal score or equal price quotation.

## 28. Records and Notifications

- 28.1 The Head of Mobility Services shall be responsible for:
- 28.1.1 maintaining a full record of all tenders bids quotations and awards in respect of any contract for local and education transport services which shall be in accordance with the Combined Authority's approved tendered services policy from time to time;
  - 28.1.2 ensuring that a summary of all tender awards, re-tenders, extensions and contract variations be reported to the Director, Transport Operations and Passenger Experience and Property Services periodically.
  - 28.1.3 ensuring that the extent of commitment to de-minimis contracts is monitored regularly and in any event so as to ensure that no such contract may be awarded in excess of the levels permitted under Regulations.

## Section IV - Issuing Contracts

### 29. Preparation and Signature of Contracts - Non-Local and Education Services

- 29.1 A Contract can be entered into via the generation of a Purchase Order on standard terms and conditions or via a "formal contract in writing" via the legal section.
- 29.2 Contracts covered by Section II should be prepared as follows:
- 29.2.1 Category A: No formal contract required.
  - 29.2.2 Category B: No formal contract required. A formal contract in writing can be considered if terms and conditions above the standard purchase order terms are required.
  - 29.2.3 Category C: No formal contract required. A formal contract in writing can be considered if terms and conditions above the standard purchase order terms are required.
  - 29.2.4 Category D: A formal contract in writing should be prepared in all cases unless otherwise agreed in writing by the Assistant Director Legal, Governance and Compliance.
  - 29.2.5 Category E: A formal contract in writing should be prepared in all cases unless otherwise agreed in writing by the Assistant Director Legal, Governance and Compliance.
- 29.3 Formal contracts in writing must be signed by the Assistant Director Legal, Governance and Compliance or their nominee, being a Solicitor, unless that person determines that the contract shall be executed under the Common Seal of the Combined Authority.
- 29.4 All formal contracts in writing should contain the relevant transparency clauses to allow for the Combined Authority to meet its transparency obligations. If redactions are required to the contract these should be made by the supplier and agreed by the Combined Authority.

### 30. Preparation and Signature of Contracts - Local and Education Services

- 30.1 Contracts for local services and education transport must be in writing incorporating by reference the Combined Authority's Agreement, General Contract, Terms and

Conditions, services specification, and any schedules, provided within the tender materials as appropriate and signed by Head of Mobility Services.

- 30.2 Where the total value of a contract over its full term exceeds £500,000 or the combined value of contracts for which tenders are awarded on a batch basis exceeds £500,000, approval to award contracts must be made by the Chief Executive<sup>4</sup>.
- 30.3 Where for a period in excess of eight years, they must be executed under the Common Seal of the Combined Authority unless the Assistant Director Legal, Governance and Compliance determines otherwise.

### **31. Contents of Contracts**

- 31.1 Every contract in writing shall specify:
- 31.1.1 the work, materials, matter or things to be done or furnished;
  - 31.1.2 the price to be paid, with a statement of discounts or other deductions;
  - 31.1.3 the time or times within which the contract is to be performed;
  - 31.1.4 such of the matters referred to in Standing Orders 30.3 to 30.4 as are required by those Standing Orders to be included.
- 31.2 Unless the Assistant Director Legal, Governance and Compliance and the Chief Finance Officer having regard to all the circumstances, consider it to be unnecessary:
- 31.2.1 contracts for the execution of work shall provide for liquidated damages to be paid by the contractor in case of delays; and
  - 31.2.2 the Combined Authority shall require, and take sufficient security for, the due performance of any contract in excess of the upper limit for contracts within Category C in amount or value, except for local transport services contracts.
- 31.3 In every written contract for the supply of goods or materials a clause shall be inserted to secure that, should the contractor fail to deliver the goods or materials, or any portion thereof, within the time or times specified in the contract, the Combined Authority, without prejudice to any other remedy for breach of contract, shall be at liberty to determine the contract either wholly or the extent of such default and to purchase other goods or materials, as the case may be, of the same or similar description to make good (a) such default or (b) in the event of the contract being wholly determined, the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which have been payable to the contractor in respect of the goods or materials, as the case may be, replaced by such purchase, if they had been delivered in accordance with the contract, shall be recoverable from the contractor. This Contracts Standing Order shall be drawn to the attention of all persons tendering or submitting a quotation for a contract with the Combined Authority.
- 31.4 Unless the Assistant Director Legal, Governance and Compliance determines otherwise, every contract for works entered into in writing by the Combined Authority shall include the right of the Combined Authority to have access to the site of works and documents of the contractor. This right shall entitle the Combined Authority to nominate such officer as they shall deem appropriate to undertake any inspection at the site or of any documents including the right to nominate persons not in the employment of the Combined Authority.

31.5 Every written contract that involves the processing of personal data by a contractor on behalf of the Combined Authority shall set out the subject matter and duration of the processing, the nature and purpose of the processing, the type or personal data and categories of data subjects and the obligations and rights of the Combined Authority. In particular the contract shall contains clauses that meet the requirements of Article 28(3) of the General Data Protection Regulation.

**32. Use of E-Mail in Contracts and Awards**

32.1 Where these Contracts Standing Orders require that a contract shall be in writing, this will not normally be satisfied by the use of e-mails.

32.2 Except where express provision is otherwise made in these Contracts Standing Orders, email should only be used exceptionally in a contractual situation (including those circumstances where a contract is to be varied or extended) and then only with the prior approval of the Assistant Director Legal, Governance and Compliance or Chief Finance Officer.

**33. Variations to Contracts**

33.1 During the term of a contract it may be necessary to vary the terms. This could include amending the requirements, costs and/or dates. Variations to existing contracts may be made provided they are made in compliance with the Public Contracts Regulations 2015 Article 72.

33.2 Contracts can be varied as follows:

Variation Type	Value Limits	Approval Required
Variation is provided for in the original contract.	None	Budget Holder or Budget Controller
Novation to a new provider who takes on the obligations of the original contractor.	None	Budget Holder or Budget Controller
Increase in the original contract value up to and including 10% where there is no change to the overall nature of the contract.	None	Budget Holder or Budget Controller



Increase in the original contract value over 10% and up to and including 50% where there is no change to the overall nature of the contract, and which is <ul style="list-style-type: none"> <li>• due to circumstances which as a diligent contracting authority the Combined Authority could not have foreseen, or</li> <li>• for technical reasons where significant inconvenience or cost would otherwise be incurred.</li> </ul>	Where the resulting contract value is up to and including £200,000.	Budget Holder or Budget Controller
	Over £200,000 and up to and including £2M	Budget Controller
	Over £2M NB: Values are inclusive of VAT.	Chief Executive or Director in writing <sup>5</sup> .

- 33.3 Contract variations should be treated as cumulative with values baselined from the original value.
- 33.4 Any variation should not be construed as limiting the authority of any person authorised under a civil engineering or building contract to issue a variation order to the contractor concerned.
- 33.5 The Head of Commercial and Assistant Director Legal, Governance and Compliance should be consulted on all contract variations with a greater than 10% increase in contract value, with the exception of 33.6. The Head of Commercial or the Assistant Director Legal, Governance and Compliance can escalate the decision to approve a contract variation to a higher level if deemed necessary. A copy of the contract variation form for Category D and E contracts, shall be supplied to the Assistant Director Legal, Governance and Compliance who shall annex it to the contract to which it relates. A copy of all variations should also be logged within the Purchase Ordering System against the relevant purchase order.
- 33.6 Contract variations for Special Educational Needs transportation contracts must be confirmed in writing by the Head of Mobility Services with a copy being stored locally by the Special Educational Needs team.

**34. Cancellation of Contracts in Cases of Corruption**

- 34.1 There shall be inserted in every written contract a clause empowering the Combined Authority to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any contract with the Combined Authority, or showing or forbearing to show any favour or disfavour to any person in relation to the contract or any other contract with the Combined Authority, or if the like acts shall have been done by any person employed by them or acting on their behalf (whether with or without the knowledge of the contractor) or if, in relation to any contract with the Combined Authority, the contractor or any person employed by them or acting on their behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916, the Bribery Act 2010 or shall have given any fee or reward the receipt of which is an offence under Section 117(2) and (3) of the Local Government Act 1972.



### **35. Assignment and Underletting of Contracts**

- 35.1 In every contract the contractor shall be prohibited from assigning or underletting or subcontracting the contract, or any part of it, except with the consent of the Budget Holder and upon such conditions as they think fit.
- 35.2 In the case of tender for services which provides for the possibility of subcontracting some or all of the services, appraisal of the tender must include appropriate appraisal of both the main and any sub contractor's proposals to ensure that the sub-contractor is capable of delivering the services and complying with the contract and all relevant legislation. The principal contractor shall be expressly responsible for all work done by the sub-contractor and for it being carried out under the same conditions as the main contract, so far as reasonably possible.

### **36. Electronic Signatures**

- 36.1 Signatures may be affixed to a contract either using physical, handwritten means or by way of an electronic signature using the Combined Authority's chosen electronic signature system only, and in accordance with any legal requirements<sup>6</sup>.
- 36.2 Where electronic signatures are affixed to a contract by either party, a written statement must be made to confirm the parties agree to the use of electronic signatures and intend to be bound by the same as if it were a handwritten signature.

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## Section V - Land

### 37. Acquisition and Disposal of Interests in Land

- 37.1 Where the Combined Authority is acquiring or disposing of an interest in land, the procedures to be followed in each case shall be the responsibility of the Assistant Director Legal, Governance and Compliance in accordance with any current policy of the Combined Authority.

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## Section VI - Legal

### 38. Legal Proceedings

- 38.1 Where any document is a necessary step in legal proceedings it shall be signed by the Assistant Director Legal, Governance and Compliance or by any other Solicitor employed by the Combined Authority, unless otherwise required or authorised by law, or where the Combined Authority give authority, to some other person for the purpose of such proceedings.
- 38.2 Where there is a likelihood of the Combined Authority being involved in any legal proceedings or where the Police investigate any matter involving the Combined Authority or any of its personnel, the Assistant Director Legal, Governance and Compliance shall immediately be informed by the officer concerned or their line manager.

### 39. Sealing of Documents

- 39.1 A resolution of the Combined Authority, the Mayor in respect of Mayoral General Functions, a committee of the Combined Authority, or a decision of an officer (where the committee or officer has the power) authorising the taking of any action shall be sufficient authority for sealing of any document necessary to give effect to such resolution. In other cases the Combined Authority's Seal shall be affixed to any document only when:
- 39.1.1 sealing has been authorised by a resolution of the Combined Authority or of a Committee or officer to which the Combined Authority has delegated its powers in this behalf, or
  - 39.1.2 the Assistant Director Legal, Governance and Compliance has delegated authority to enter into the contract or agreement.
- 39.2 The Combined Authority's Seal may be affixed physically or inserted by electronic means using the Combined Authority's chosen electronic system only, provided that the use of electronic seal meets any relevant legal requirements<sup>7</sup>.
- 39.3 The application of the Combined Authority's Seal shall be authenticated by the signature of the Assistant Director Legal, Governance and Compliance or the Chief Executive.
- 39.4 Any signature authenticating the Combined Authority's Seal may be a physical handwritten signature, or an electronic signature using the Combined Authority's chosen electronic signature system only, provided the use of electronic signatures meets any relevant legal requirements<sup>8</sup>.

- 39.5 The sealing of a document in accordance with clauses 38.1 to 38.4 (inclusive), whether by physical or electronic means, shall be entered in a register, or registers kept and maintained for that purpose by the Assistant Director Legal, Governance and Compliance.
- 39.6 The Combined Authority's Seal shall be kept in a safe place in the custody of the Assistant Director Legal, Governance and Compliance or some other person authorised by the Assistant Director Legal, Governance and Compliance.
- 39.7 The Assistant Director Legal, Governance and Compliance shall be authorised to sign all other documents and in their absence any other Solicitor employed by the Combined Authority shall be authorised to sign any such documents other than cheques and other negotiable instruments.

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## Section 4.8 - Financial Regulations

These Regulations apply to all officers conducting Combined Authority matters including general mayoral matters.

### 1. General

- 1.1 These Regulations lay down for the guidance of Members and officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years.
- 1.2 Members and officers will be reminded annually of their responsibility to comply with these Financial Regulations (and associated Contract Standing Orders). Reminders will be sent by the Finance Team in the month following the Annual General Meeting of the Combined Authority.
- 1.3 The Director of Finance is designated under Section 73 Local Government Act 1985 as the officer who is responsible for the proper administration of the financial affairs of the Combined Authority (the Section 73 Chief Finance Officer) and shall report to the Combined Authority any significant failure to comply with these Regulations which comes to their attention.
- 1.4 The Head of Paid Service and the Section 73 Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 1.5 For the purposes of complying with these Regulations, the Section 73 Chief Finance Officer shall be provided with any information they may require and shall have access to any documents and records, as necessary.
- 1.6 Whenever any matter arises which may involve financial irregularity the Section 73 Chief Finance Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the discretion of the Section 73 Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Combined Authority. Further, in a case where the Head of Paid Service advises that there is prima facie evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.

## 2. Staffing

- 2.1 The Head of Paid Service will be responsible for providing overall management to staff employed by the Combined Authority.
- 2.2 The Head of Paid Service will be responsible for ensuring that there is proper use of evaluation or other agreed systems for determining remuneration.
- 2.3 The Section 73 Chief Finance Officer is responsible for:
  - 2.3.1 arranging and controlling the secure payment of wages and any other emoluments to officers in their capacity as employees, in accordance with procedures prescribed by the Section 73 Chief Finance Officer, on the due date
  - 2.3.2 recording and making arrangements for the accurate and timely payment of tax, national insurance, pension deductions and any other deductions;
  - 2.3.3 making arrangements for the payment of travel and subsistence claims;
  - 2.3.4 ensuring that appropriate systems, records and documentation are maintained on behalf of the administering pension body.
- 2.4 Directors must ensure that appointments are made in accordance with the approved establishment and scales of pay and the adequate budget provision is available. An annual staffing budget must be produced (including on costs and overheads) which should be an accurate forecast of staffing levels and associated costs.
- 2.5 Payroll documents must be retained and stored for the defined period in accordance with guidance issued by the Section 73 Chief Finance Officer.
- 2.6 Directorate managers shall notify the HR Team of all matters affecting payment to employees - including appointments, resignations, dismissals, suspensions, secondments and pay awards, absences from duty for sickness and other reasons affecting pay, information necessary to maintain records of service for pension purposes, income tax and national insurance.

### **3. Accounting Arrangements**

- 3.1 The Section 73 Chief Finance Officer shall prepare a manual of financial and accounting procedures to be operated by officers working on Combined Authority matters.
- 3.2 All accounting and financial arrangements shall be determined by the Section 73 Chief Finance Officer who shall be consulted before any form or document of a financial or costing nature is introduced.
- 3.3 The Section 73 Chief Finance Officer shall be responsible for the certification of all claims for grant to Government Departments, or other funders. All officers must ensure that any expenditure of grant funding is compliant with the relevant grant conditions.
- 3.4 The Section 73 Chief Finance Officer is responsible for ensuring, not later than the date specified in government regulations, the preparation and submission to the Combined Authority of the annual statement of accounts for the year ending on the preceding 31 March, in a form prescribed by the Section 73 Chief Finance Officer in compliance with the Accounts and Audit Regulations currently applicable.
- 3.5 The Annual Accounts should be approved by the Combined Authority within the statutory deadlines.
- 3.6 At the end of the financial year, Directors must supply the Section 73 Chief Finance Officer with information in such form and by such date as is determined to enable the prompt close of the Combined Authority's Annual Accounts.
- 3.7 If the External Auditor's Report requires any material amendment to be made to the Annual Accounts, this must be then reported to the Combined Authority as soon as practicable after the receipt of the audit report.

### **4. Banking Arrangements**

- 4.1 All arrangements with the Combined Authority's bankers, including the ordering and safe custody of cheques and online banking arrangements, shall be made by the Section 73 Chief Finance Officer who shall be authorised to operate such banking accounts, as they consider necessary.
- 4.2 All cheques drawn on behalf of the Combined Authority shall be signed by, or bear the facsimile of the Section 73 Chief Finance Officer, or the signature of any other duly authorised officer.
- 4.3 The Section 73 Chief Finance Officer will maintain a schedule of signatories for each bank account in line with the agreed mandate with the bankers.

## 5. Budgetary Control

- 5.1 The detailed form of the programme of capital expenditure and revenue estimates shall be determined by the Section 73 Chief Finance Officer after consultation with appropriate Directors, in accordance with any general directions of the Combined Authority and the Mayor for the Mayoral General Functions.
- 5.2 The Section 73 Chief Finance Officer shall monitor the Combined Authority's expenditure and controls in relation to its budget and report any significant variations to the appropriate Committee and together with any recommendation of that committee to a subsequent meeting of the Combined Authority.
- 5.3 It is the responsibility of Directors to ensure business plans reflect agreed budget estimates. Directors are responsible for the continuous exercise of budgetary control and service performance throughout the year. Directors are responsible for, in consultation with the Section 73 Chief Finance Officer, nominating and maintaining authorised budget holders for each of the cost centres. These assigned roles are responsible for reporting on variations to the Directors and the Section 73 Chief Finance Officer and complying with all accounting and budget management guidance issued by the Section 73 Chief Finance Officer.
- 5.4 The budget holders should be an officer of the Combined Authority.
- 5.5 Though budget responsibility remains with the budget holders, they may propose assignees to have the authority to approve purchase requisitions or invoices up to predetermined levels. This must be agreed in writing with the Section 73 Chief Finance Officer.
- 5.6 The assigned budget holders are responsible for the monitoring and control of the budgets assigned to them by Directors and must immediately bring to the Directors attention any expected overspend or underspend against approved budgets. The budget holder must also ensure that all monies are spent in the best interests of the Combined Authority and ensure maximum efficiency.
- 5.7 No expenditure shall be authorised or incurred which is not provided for in the approved budget. If a Director / budget holder wishes to spend money which is not included in their approved revenue budgets and where it is not possible to vire money from an existing budget, in line with the approved budget management delegations, then they must notify the Section 73 Chief Finance Officer who will advise on how to proceed.
- 5.8 Where the Combined Authority operates in partnership or similar arrangements, Directors must set out the roles and responsibilities of all parties including a sound framework of internal controls. All proposed financial arrangements must be subject to prior approval of the Section 73



Chief Finance Officer and subject to compliance checks as deemed necessary.

## **6. Capital and Revenue Budget Planning - Medium Term Financial Plans**

### **6.1 Combined Authority Budget**

- 6.1.1 The Section 73 Chief Finance Officer shall prepare a medium term financial plan comprising a forecast of revenue expenditure and income for discussion with the Constituent Councils in relation to future levies and funding and report such discussions to the Combined Authority. Such a strategy must reflect the priorities and plans of the Combined Authority and the Mayor; it is the responsibility of Directors to advise the Section 73 Chief Finance Officer of changes to their resource requirements over the period under review.
- 6.1.2 The Section 73 Chief Finance Officer shall ensure that a revenue budget is prepared on an annual basis for consideration and approval at a meeting of the Combined Authority before 10th February prior to the start of the financial year, allowing for call in if required. At that meeting determination shall be made of the level of the levy, Mayoral precepts and other contributions for the following year.
- 6.1.3 The Section 73 Chief Finance Officer, in consultation with appropriate Directors, shall prepare an annual estimate of capital expenditure for submission and approval to the Combined Authority, together with proposals for financing that programme. Full approvals for capital projects and funding / financing proposals will be considered through the Combined Authority's governance processes.
- 6.1.4 The Section 73 Chief Finance Officer, in consultation with appropriate Directors, shall prepare annual estimates of revenue expenditure and income, indicating the levy and additional amounts payable by the Constituent Authorities necessary to finance the net expenditure for the next financial year.

## **7. Control of Expenditure**

### **7.1 Capital Schemes**

- 7.1.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Combined Authority and its partners, such as land, buildings and vehicles. They may create financial commitments for the future in the form of financing costs and revenue running costs.
- 7.1.2 Before a capital scheme for which provision is made may proceed, it must proceed through the Hull and East Yorkshire Combined Authority Assurance Framework processes and approval routes. This is applicable too for proposals submitted by the Mayor.

- 7.1.3 The proposal will report on the ongoing revenue implications of the scheme as part of the approval requested.
- 7.1.4 After a capital scheme has been approved, relevant Directors shall inform the Section 73 Chief Finance Officer as soon as practicable of any likely overspending and submit the relevant change request using the Hull and East Yorkshire Combined Authority Assurance Framework approval processes.

## **7.2 Combined Authority Revenue Budget**

- 7.2.1 The Combined Authority will determine the amounts to be allocated to Combined Authority functions. The Head of Paid Service, in conjunction with Directors, will monitor expenditure against this approval, and report on a regular basis agreed with the Section 73 Chief Finance Officer to the Combined Authority showing forecast variations from the budget allocated. It will be a matter for the Combined Authority to determine from this information whether expenditure priorities should be changed within the funding envelopes available.
- 7.2.2 The Section 73 Chief Finance Officer is responsible for advising on the format of the revenue budget and for ensuring that the mechanism for financial control and management of the budget is in place and for providing appropriate financial information to Directors to enable them to effectively monitor their budgets.
- 7.2.3 For revenue expenditure any likely overspending shall be reported by Directors as soon as practicable to the Section 73 Chief Finance Officer. Where it is not possible to address overspending by a transfer between expenditure budget heads (see virements and delegations below), the matter shall be referred to the Combined Authority for consideration.
- 7.2.4 The Section 73 Chief Finance Officer will determine guidelines for carrying forward of surplus and deficits on budget headings.

## **8. Virements**

- 8.1 The Section 73 Chief Finance Officer shall be authorised to approve virements between expenditure heads up to £1,000,000. Anything in excess of these limits shall be reported for approval to the Combined Authority or Mayor as appropriate. Virements are deemed to be:
  - 8.1.1 Revenue - A transfer of budget for a different purpose to that set out in the approved budget;
  - 8.1.2 Capital - a movement of budget between approved capital schemes.
- 8.2 In accordance with the scheme of virement and associated thresholds, the Section 73 Chief Finance Officer is responsible for virement proposals submitted by Directors for revenue. The capital expenditure approved virement / changes will be processed through the Hull and East Yorkshire Combined Authority Assurance Framework processes.

- 8.3 In conjunction with Directors, the Section 73 Chief Finance Officer is to report to and seek the prior approval of the Combined Authority or the Mayor for any revenue expenditure where it is for the release of earmarked sums from reserves for a purpose or scheme that is different to the purpose or scheme for which they have been earmarked.
- 8.4 The Section 73 Chief Finance Officer is to report and seek the approval of the Head of Paid Service (in consultation with the Chair of the Combined Authority) to the exercise of the virement powers of the Combined Authority where a matter is urgent.

## **9. Maintenance of Balances / Reserves / Provisions**

- 9.1 The Section 73 Chief Finance Officer will ensure that there are clear protocols for the establishment and use of balances/reserves/provisions and, in consultation with Directors, will establish reserves and/or provisions and provide guidance on how to incur expenditure from balances/reserves/provisions.
- 9.2 The Section 73 Chief Finance Officer is to seek Combined Authority or Mayoral, as appropriate, approval for the use of balances, reserves or provisions in addition to those already approved in setting the original budget.
- 9.3 Directors must ensure that the use of reserves or provisions when approved is planned into the budget and used only for the purposes for which they were intended.

## **10. Borrowing and Investments**

- 10.1 The Section 73 Chief Finance Officer shall be the Combined Authority's registrar of stocks, bonds, bills and mortgages and all borrowings shall be made by, or under the supervision, of the Section 73 Chief Finance Officer in the name of the Combined Authority.
- 10.2 The Section 73 Chief Finance Officer shall maintain records of all monies borrowed and shall be responsible for the day-to-day administration of borrowed monies, whether through a service level agreement / contract arrangement or an in-house team.
- 10.3 The Section 73 Chief Finance Officer shall ensure that the Treasury Management Code of Practice and the Prudential Code are complied with and shall, as recommended by the Codes of Practice, periodically submit relevant reports to the Combined Authority in relation to the Combined Authority's borrowings.

## **11. Contracts**

- 11.1 All contracts and their management on behalf of the Combined Authority shall be subject to the Combined Authority's Contracts Standing Orders. The Section 73 Chief Finance Officer shall be informed as soon as possible by Directors of all

contracts, agreements, awards or other instruments involving the payment or receipt of money on behalf of the Combined Authority and shall carry out such checks as considered necessary during the currency of a contract.

- 11.2 Payment to contractors on account shall be authorised only on certified documents signed by a duly authorised officer, showing the total amount of the contract, value of the work executed to date, retention money, amount paid to date and the amount now certified.
- 11.3 Every variation of a contract or addition to the original specification shall be authorised, in writing, by a duly authorised officer. Any such variation or addition which necessitates an increase in the amount of an accepted tender are managed in line with the Combined Authority's Contracts Standing Orders. No order shall be placed, nor any payment certified, in respect of any such variation or addition until this has been approved.

## **12. Estates and Property**

- 12.1 The Chief Executive shall maintain a record of all estates and properties owned by the Combined Authority in a form approved by the Section 73 Chief Finance Officer.
- 12.2 The Monitoring Officer shall be responsible for the safe custody of all legal documents under secure arrangements agreed with the Section 73 Chief Finance Officer.
- 12.3 Directors shall ensure that records and assets are properly maintained and securely held. They shall also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

## **13. Assets for Disposal**

- 13.1 The Chief Executive is responsible for arranging the disposal of any assets deemed to be obsolete, non-repairable or unnecessary.
- 13.2 The Chief Executive is authorised to dispose of surplus or obsolete stores or equipment up to and including a value of £50,000, in consultation with the Section 73 Chief Finance Officer. Where the estimated sales value exceeds £5,000 for each transaction, then sales must be made by competitive tender, quotations or public auction. Disposals with a value above £50,000 must be approved by the Combined Authority.
- 13.3 All disposals to officers, related parties or members require the prior approval of the relevant Director/Chief Executive.

- 13.4 Any acquisition or disposal of land must be carried out in accordance with the Combined Authority's Contracts Standing Orders

## 14. Income

- 14.1 The collection of all money due to the Combined Authority shall be under the supervision of the Section 73 Chief Finance Officer who shall issue detailed procedural guidance to be followed by relevant officers.
- 14.2 All money received by an officer on behalf of the Combined Authority shall, without delay, be paid intact to the Section 73 Chief Finance Officer, or if directed, to the Combined Authority bank account.
- 14.3 Directors will provide the Section 73 Chief Finance Officer details in connection with work completed, goods, supplies or services rendered and of all other amounts due as may be required to record correctly all sums receivable by the Combined Authority and to ensure prompt rendering of accounts for the collection of income.
- 14.4 Directors will notify the Section 73 Chief Finance Officer promptly of all money due to the Combined Authority and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Combined Authority.
- 14.5 All receipt forms, books, tickets and other such items shall be ordered and supplied to departments by the Section 73 Chief Finance Officer who shall satisfy themselves as to the arrangements for their control.
- 14.6 The Section 73 Chief Finance Officer is responsible for managing the Combined Authority's debt recovery procedures and processes, including authority for writing off bad debts. The Section 73 Chief Finance Officer is authorised to write-off bad debts up to and including a value of £50,000. All debts proposed for write-off in excess of this value must be referred to the Combined Authority for approval.
- 14.7 Every transfer of official money from one officer to another shall be evidenced in the records of the departments concerned by the signature of the receiving officer.

### ***External Funding and Grants***

- 14.8 The Section 73 Chief Finance Officer is responsible for:
- 14.8.1 ensuring there are proper processes and procedures in place for the completion, assessment, authorisation and submission of applications for external funding and any subsequent claims;
- 14.8.2 authorising the acceptance of any grant offer on behalf of the Combined Authority and identifying the appropriate budget holder for expenditure of the funding in compliance with the terms and conditions imposed by the grant awarding body;

14.8.3 ensuring all statutory financial returns related to external funding are completed and submitted in line with relevant guidelines, and;

14.8.4 ensuring the income due from grant claims is received and that records are kept for the reconciliation of grants due and received. Such records must have robust audit trails and meet External Audit requirements.

## **15. Insurance**

15.1 The Section 73 Chief Finance Officer shall, subject to any general direction of the Combined Authority, arrange such insurances in the name of the Combined Authority as they consider necessary (including officials' indemnity and public and employer's liability), and shall inform Directors annually of the insurance policies in force.

15.2 Directors shall give prompt notification to the Section 73 Chief Finance Officer of all new risk, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

15.3 Directors shall inform the Section 73 Chief Finance Officer promptly in writing of any loss, liability or damage or any event which would likely lead to a claim against the Combined Authority.

## **16. Risk Management**

16.1 Risk management is the planned and systematic approach to the identification, evaluation and control of risk. It evaluates the measures already in place to manage identified risks and recommends the action required to control these risks effectively.

16.2 The Combined Authority shall approve the risk management strategy and shall review the effectiveness of risk management. The Monitoring Officer shall prepare and promote the risk management strategy and develop appropriate risk management controls.

16.3 Directors shall be responsible for the identification, classification and control of all risks falling within their areas of responsibility. The risks identified shall be included in the Corporate Risk Register which will be subject to periodic review.

16.4 Directors shall take responsibility for risk management within their areas of responsibility, having regard from relevant advice from specialists (e.g. fire safety, health and safety, insurance) and shall undertake regular reviews of risk within their own Departments.

## 17. CIPFA Treasury Management Code of Practice

17.1 In line with CIPFA recommendations, the Combined Authority has adopted the following:

- To 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 Combined Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The Combined Authority 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 midyear review and an annual report after its close, in the form prescribed in its TMPs.
- The Combined Authority delegates responsibility for the implementation and regular monitoring of its Treasury Management Policies and Practices to the Governance and Audit Committee, and for the execution and administration of treasury management decisions to the Section 73 Chief Finance Officer of the Combined Authority, who will act in accordance with the Combined Authority's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- The Combined Authority has nominated its Governance and Audit Committee to ensure effective scrutiny of the Treasury Management Strategy and Policies.

## 18. Internal Audit

18.1 The Combined Authority is required by legislation to provide an internal audit function. The internal audit function is an independent and objective appraisal function established by the Combined Authority. It examines, evaluates and reports on the adequacy of internal controls, compliance with Contracts Standing Orders and Financial Regulations, security of assets and adequacy of the financial systems. It also evaluates the effectiveness of internal controls in operation and assesses their adequacy in relation to the prevention or detection of fraud.



18.2 The Section 73 Chief Finance Officer shall, so far as they consider necessary:

- Arrange for the internal audit of all accounts and financial transactions of the Combined Authority and its officers.
- Supervise security arrangements and the custody and safeguarding of Combined Authority moneys and property, including any funds entrusted to the Combined Authority or its officers.

18.3 The Section 73 Chief Finance Officer shall or their authorized representative shall have authority to:

- have access to Combined Authority premises or land at reasonable times.
- to have access to documents, records and equipment in the possession of the Combined Authority.
- to require any officer of the Combined Authority to account for cash, stores or any other Combined Authority asset under their control.
- where possible, to have access to records belonging to third parties, such as contractors, when required.
- to receive information concerning any matter under investigation.
- to report uncensored to the Head of Paid Service, the Audit Committee, and the Combined Authority as considered necessary.

18.4 The Audit Committee shall approve a strategic internal audit plan, which takes account of the characteristics and relative risks of the activities involved.

## **19. External Audit**

19.1 External audit shall be carried out by an auditor appointed in accordance with the legislative requirements who will report annually, or more often if deemed necessary, to the Governance and Audit Committee.

19.2 All reports written by external audit must be considered by the Governance and Audit Committee.

## **20. Orders for Goods, Works or Services**

20.1 The Combined Authority's Contract Procurement Rules are set out in the Contracts Standing Orders.

## **21. Payment of Accounts**

21.1 Directors shall be responsible for the certification and submission of invoices and other claims to the Section 73 Chief Finance Officer who shall make safe and efficient



arrangements for the payment of such accounts, ensuring the accurate payment of supplier invoices to agreed terms and, where applicable, to matched / cleared purchase orders.

- 21.2 The Section 73 Chief Finance Officer will ensure compliance with directives issued by the H.M. Revenue and Customs and the Construction Industry Tax Deduction Scheme

## **22. Petty Cash and Purchase Cards**

- 22.1 The Section 73 Chief Finance Officer shall make such arrangements as they consider necessary for defraying petty cash and other expenses by means of an imprest system.
- 22.2 Purchase card accounts shall be operated strictly within procedures determined by the Section 73 Chief Finance Officer.

## **23. Taxation**

- 23.1 The Section 73 Chief Finance Officer is responsible for:
- 23.1.1 ensuring that taxation advice is available to Directors to ensure compliance with relevant legislation;
  - 23.1.2 maintaining the Combined Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
  - 23.1.3 completing all HM Revenue and Customs returns regarding Pay As You Earn (PAYE) and compliance with the HMRC IR35 regulations (off payroll taxation);
  - 23.1.4 completing a monthly return of VAT inputs and outputs to HM Revenue and Customs
  - 23.1.5 providing details to the HM Revenue and Customs of deductions made under the Construction Industry Tax Deduction Scheme;
  - 23.1.6 maintaining an up-to-date register of VAT de minimis payments in accordance with the VAT Act 1994
- 23.2 The Directors are responsible for:
- 23.2.1 ensuring that the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all output tax is properly identified and recorded;
  - 23.2.2 ensuring, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements;
  - 23.2.3 ensuring that the Combined Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
  - 23.2.4 ensuring that all persons employed by the Combined Authority are added to the payroll and that tax is deducted from any payments, except where the

individuals are bona fide self-employed or are employed by a recognised staff agency;

23.2.5 following any guidance on taxation that may be issued by the Section 73 Chief Finance Officer.

## 24 Internal Control

24.1 Internal control refers to the systems of control devised by management to help ensure the Combined Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Combined Authority's assets and interests are safeguarded.

The Section 73 Chief Finance Officer is responsible for advising on effective systems of financial control that will provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

24.2 The Chief Operating Officer is responsible for advising on effective systems of internal control. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.

24.3 The responsibility for maintaining and reviewing the system of internal control rests with the Combined Authority.

## 25 Stocks and Stores

25.1 Each Director shall be responsible for the care and custody of stocks and stores within their area of responsibility.

25.2 The Section 73 Chief Finance Officer shall arrange for periodic checks of stocks by persons other than store-keepers where such stocks are of a significant value.

25.3 Directors will dispose of surplus materials, stores or equipment by competitive tender, public auction, online auction or in a manner approved by the Section 73 Chief Finance Officer and in accordance with Contracts Standing Orders.

25.4 Adjustments which may be necessary for surpluses or deficiencies of stock shall be subject to the approval of the Section 73 Chief Finance Officer, or delegated officer.

25.5 The Section 73 Chief Finance Officer shall be authorised to write-off or make adjustments in respect of deficiencies or surpluses of stock. Requests to write off items in excess of £50,000 must be approved by the Combined Authority for information.

## 26 Security

26.1 Directors are responsible, with budget holders, for maintaining proper security at all times for buildings, stocks, stores, furniture, equipment, cash, keys, documentation and information under their control. The responsibilities are to:

- 26.1.1 make proper arrangements for the secure control and safe custody of all assets in respect of their area of responsibility;
- 26.1.2 ensure that the property procedures are adhered to by all officers;
- 26.1.3 inform the Head of Paid Service of any instances where they believe the security to be inadequate;
- 26.1.4 ensure that designated officers are personally responsible for the safekeeping of keys;
- 26.1.5 ensure that designated Managers review the security of the premises under their control on a regular basis.
- 26.2 The Section 73 Chief Finance Officer is responsible for ensuring an asset register is maintained for all fixed assets with a value in excess of £10,000. All items of furniture, fittings, plant and equipment shall be included on an inventory.
- 26.3 The Section 73 Chief Finance Officer may write-off/write down asset and stock valued at less than or equal to £50,000. Assets and stock valued at more than £50,000 shall be written-off/written down by the Combined Authority following a recommendation of the Section 73 Chief Finance Officer.
- 26.4 Any instance of loss or theft of Combined Authority property must be notified to the Chief Executive.
- 26.5 If the loss or theft involved data that could be deemed sensitive or confidential then this must be managed in line with the Combined Authority's Data and Systems Security Incident Management Policy and Procedure.
- 26.6 Each Director shall be responsible for maintaining proper security and privacy of information and data held, as required by the Data Protection Act.
- 26.7 All staff shall comply with the standards and principles set out in the Combined Authority ICT security policies.

## **27 Preventing Fraud and Corruption**

- 27.1 The Combined Authority will not tolerate fraud and corruption in the administration of its responsibilities. The expectation of propriety and accountability is that members of the Combined Authority and officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Director of Human Resources will ensure an effective anti-fraud and anti-corruption policy is maintained.
- 27.2 All members of the Combined Authority and officers shall follow the appropriate codes of conduct adopted by the Combined Authority in relation to declarations of interests, gifts and hospitality as well as following agreed staffing policies.
- 27.3 The Monitoring Officer is responsible for issuing guidance to officers regarding what to do when offered goods and/or services by actual or potential suppliers to the Combined Authority.

- 27.4 The Monitoring Officer maintains a register of interests in which officers must record details of notifiable financial or other interests and any hospitality or gifts offered to them and their responses to the offer. This register is formally reviewed by the Monitoring Officer on a regular basis.
- 27.5 Detailed procedures in relation to the supply of all works, goods and services are set out in Contracts Standing Orders.

## **28 Financial Systems and Procedures**

28.1 The Section 73 Chief Finance Officer is responsible for:

- 28.1.1 the operation of the Combined Authority's accounting system, the form of accounts and the supporting financial records;
- 28.1.2 issuing guidance and advice and procedures to officers;
- 28.1.3 approving any changes to existing financial systems;
- 28.1.4 approving the introduction of any new financial systems;
- 28.1.5 ensuring the operation of appropriate controls covering input to the financial system, the processing of the information and any output;
- 28.1.6 ensuring that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls;
- 28.1.7 ensuring that the business recovery plan makes adequate preparations for ensuring that financial systems can be recovered in the event of an interruption;
- 28.1.8 ensuring that finance systems are documented and staff are trained in how to operate them;
- 28.1.9 issuing appropriate instructions on the systems for collecting and recording income and ordering and payment of goods and service.

**Section 4.9 - Recruitment and Appointment Procedure for  
Private Sector Representatives**

**To follow**

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## Part 5

### Section 5.1 - Members' Code of Conduct

This Code applies to Combined Authority Members and voting Co-opted Members (together referred to as Members), in all aspects of public life.

The Combined Authority expects Members to follow this Code when:

- conducting the work of the Combined Authority,
- representing the Combined Authority on any external organisation, and
- otherwise acting in their official capacity.

The Code does not apply to purely private and personal life.

#### General Principles of Conduct

1. Everyone in public office at all levels, all who serve the public or deliver public services, including ministers, civil servants, Members and Combined Authority officers should uphold the Seven Principles of Public Life, also known as the Nolan Principles - see further Annex 1.
2. In accordance with the public trust placed in me, on all occasions:
  - I act with integrity and honesty,
  - I act lawfully,
  - I treat all persons fairly and with respect, and
  - I lead by example and act in a way that secures public confidence in my role as a Member.
3. In undertaking my role:
  - I impartially exercise my responsibilities in the interests of the local community,
  - I do not improperly seek to confer an advantage or disadvantage on any person,
  - I avoid conflicts of interest,
  - I exercise reasonable care and diligence, and
  - I ensure that public resources are used prudently in accordance with the Combined Authority's requirements and in the public interest.

## Application of the Code of Conduct

4. This Code of Conduct applies to you as soon as you are appointed as a Member. It continues to apply to you until you cease to be a Member.
5. This Code of Conduct applies to you when you are acting in your capacity as a Member which may include when:
  - you misuse your position as a Member,
  - your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Member.
6. The Code applies to all forms of communication and interaction, including:
  - at face-to-face meetings,
  - at online or telephone meetings,
  - in written communication,
  - in verbal communication,
  - in non-verbal communication,
  - in electronic and social media communication, posts, statements and comments.
7. You are also expected to uphold high standards of conduct and show leadership at all times when acting in your official capacity.
8. The Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Code of Conduct.

## Standards of Conduct

9. This section sets out your obligations, which are the minimum standards of conduct required of you. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.
10. Guidance is included (in the footnotes) to help explain the reasons for the obligations and how they should be followed.

### *Respect*

11. As a Member:
  - **I treat other Members and members of the public with respect.**
  - **I treat Combined Authority officers and representatives of partner organisations with respect and respect the role they play.**

***Bullying, Harassment and Discrimination***

12. As a Member:

- I do not bully<sup>6</sup> any person.
- I do not harass<sup>7</sup> any person.
- I promote equalities<sup>8</sup> and do not discriminate unlawfully against any person.

***Impartiality of Officers***

13. As a Member:

- I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the Combined Authority.

***Confidentiality and Access to Information***

14. As a Member:

- I do not disclose information:
  - a. given to me in confidence by anyone,
  - b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless:
    - i. I have received the consent of a person authorised to give it,
    - ii. I am required by law to do so,
    - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person, or
    - iv. the disclosure is:
      - reasonable and in the public interest, and
      - made in good faith and in compliance with the reasonable requirements of the Combined Authority, and
      - I have consulted the Monitoring Officer prior to its release.
- I do not improperly use knowledge gained solely as a result of my role as a Member for the advancement of myself, my friends, my family members, my employer or my business interests.
- I do not prevent anyone from getting information that they are entitled to by law.



*Disrepute*

15. As a Member:

- I do not bring my role or the Combined Authority into disrepute. *Use of Position*

16. As a Member:

- I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

*Use of Combined Authority Resources and Facilities*

17. As a Member:

- I do not misuse Combined Authority resources.
- I will, when using the resources of the Combined Authority, or authorising their use by others:
  - a. act in accordance with the Combined Authority's requirements, and
  - b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Combined Authority or of the office to which I have been elected or appointed.

*Complying with the Code of Conduct*

18. As a Member:

- I undertake Code of Conduct training provided by the Combined Authority.
- I cooperate with any Code of Conduct investigation and/or determination.
- I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

*Interests*

19. As a Member:

- I register and disclose my interests in accordance with Annex 2.
- I comply with any Conflicts of Interest Policy or Protocol agreed by the Combined Authority
- I disclose significant interests in accordance with this Code.

## Gifts and Hospitality

20. As a Member:

- I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Combined Authority or from persons who may apply to the Combined Authority for any permission, licence or other significant advantage.
- I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.
- I follow the Combined Authority's Gifts and Hospitality Policy.<sup>18</sup>

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## Annex 1 - The Seven Principles of Public Life

The principles are:

### **Selflessness**

Holders of public office should act solely in terms of the public interest.

### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **Honesty**

Holders of public office should be truthful.

### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Annex 2 - Interests

### *Registering Interests*

1. The Monitoring Officer maintains a register of interests of Members, in accordance with statutory requirements. The register is:
  - available for inspection at the Combined Authority's offices, and
  - published on the Combined Authority's website.
2. You must notify the Monitoring Officer of pecuniary and other interests as set out below. The Monitoring Officer will enter them into the register of interests.

### *Disclosable Pecuniary Interests*

3. A pecuniary interest is any interest of a description set out in the second column of Table 1 below.
4. A pecuniary interest is a **disclosable pecuniary interest** if it is a pecuniary interest and either:
  - it is an interest of yours, or
  - it is an interest of any other relevant person, these being:
    - your spouse or civil partner,
    - a person with whom you live as husband and wife, or
    - a person with whom you live as if you were civil partners,

and you are aware that the other person has the interest.
5. You must notify the Monitoring Officer of:
  - any disclosable pecuniary interests you have within 28 days of your appointment to the Combined Authority and
  - any changes to your disclosable pecuniary interests within 28 days of: - the change occurring, or
    - you becoming aware of the change.

### *Other Registerable Interests*

6. You should also register details of your other registerable interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.
7. Where you have another registerable interest in any business of the Combined Authority and you have made a decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

***Non-Registerable Significant Personal Interest***

8. If you believe that you have an interest which you believe that the public, your fellow members or employees should know about, you may have a **non-registerable significant personal interest**.

***Applications for Any Loan or Grant***

9. You should comply with the Combined Authority's Conflicts of Interest Protocol, including any requirement to notify the Monitoring Officer about, and avoid personal involvement with, any application for any loan or grant in which you may have a conflict of interest.

***Sensitive Interests***

10. If you have an interest (whether or not a disclosable pecuniary interest or other registerable interest) which is entered in the register and which is such that you and the Monitoring Officer consider that disclosing the details of the interest could lead to you, or a person connected with you, being subject to violence or intimidation, details of the interest must not be included in:

- any published version of the register, nor
- any copy of the register that is made available for public inspection<sup>21</sup>.

***Disclosing Interests***

11. If you are present at a meeting of the Combined Authority, or are acting alone on behalf of the Combined Authority, and you are aware that you have an interest:

- If your interest is a **Disclosable Pecuniary Interest**, if you do not have a relevant dispensation<sup>24</sup> you may not:
  - participate, or participate further, in any discussion of or vote on the matter at the meeting, or
  - remain in the room during the discussion or vote on the matter at a meeting, or
  - determine the matter if taking a decision alone.
- If your interest relates to an **Other Registerable Interest** (as set out in Table 2), you:
  - do not have to disclose the nature of any 'sensitive interest',

- must notify the Monitoring Officer of the interest before the end of 28 days beginning with the date of the disclosure if the interest is not the subject of a pending notification,
- at a meeting:
  - must disclose the interest,
  - may speak on the matter only if members of the public also allowed to speak at the meeting,
  - must not vote on the matter,
  - should decide whether to remain in the room or withdraw during consideration of the matter.
  - If you have a Non-registerable Significant Personal Interest (that is an interest which is neither a disclosable pecuniary interest or any other registerable interest) but something that you think should be known when the matter is considered you may:
    - disclose the interest, and
    - consider whether to continue participating in or determining the matter<sup>25</sup>,
    - wish to leave the room during consideration of the matter.

### ***Dispensations***

- 12.** The Combined Authority<sup>26</sup> may lift the restrictions under Paragraph 11 of this Annex by granting a dispensation in accordance with **Annex 4**.

**Table 1: Disclosable Pecuniary Interests**

Subject	Description of Disclosable Pecuniary Interests
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain.
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the Combined Authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a Member, or towards your election expenses. This includes any payment or financial benefit from a trade union.
<b>Contracts</b>	Any contract which is made between you or a relevant person (or a body <sup>30</sup> in which you or a relevant person has a beneficial interest <sup>31</sup> ) and the Combined Authority:  (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
<b>Land</b>	Any beneficial interest in land which is within the area of the Combined Authority
<b>Licences</b>	Any licence (alone or jointly with others) to occupy land in the area of the Combined Authority for a month or longer.
<b>Corporate Tenancies</b>	Any tenancy where (to your knowledge):  (a) the landlord is the Combined Authority, and (b) the tenant is a body in which you or the relevant person have a beneficial interest

**Securities**

Any beneficial interest in securities of a body where:

- (a) that body (to your knowledge) has a place of business or land in the area of the Combined Authority, and
- (b) either:
  - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
  - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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**Table 2: Other Registerable Interests**

You have an **Other Registerable Interest** where it relates to or is likely to affect:

1. any body of which you are in general control or management and to which you are nominated or appointed by the Combined Authority,
2. any body,
  - exercising functions of a public nature, or
  - directed to charitable purposes, or
  - one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

of which you are a member or in a position of general control or management.

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## Annex 3 - Summary of Criminal Offences and Sanctions

### Offences

1. A person commits an offence if, without reasonable excuse, the person:
  - (a) fails to:
    - register any disclosable pecuniary interest, or
    - disclose a disclosable pecuniary interest not entered on the register, or
  - (b) participates in any discussion or vote, where they have a disclosable pecuniary interest.
2. A person commits an offence if when registering a disclosable pecuniary interest or disclosing an interest not entered on the register, the person provides information that is false or misleading and the person:
  - (a) knows that the information is false or misleading, or
  - (b) is reckless as to whether the information is true and not misleading. **Sanctions**
3. A person who is guilty of such offence may be fined up to £5000.
4. A court may also disqualify the person for up to five years for being or becoming (by election or otherwise) a Member or co-opted Member of the Combined Authority or any other relevant authority.

## Annex 4 - Dispensations

### *Requests*

1. The Combined Authority will consider any requests for a dispensation.
2. Any request for a dispensation must be made in writing to the Monitoring Officer.
3. A request will not be granted unless it is made **not less than 10 clear days** before the date of the meeting to which the request relates, except where the Monitoring Officer considers that there are exceptional circumstances.

### *Period*

4. A dispensation must specify the period for which a dispensation has effect, which must not exceed four years.

### *Criteria*

5. The Combined Authority may grant you a dispensation only if, having regard to all relevant circumstances, it considers that:
  - without the dispensation, the number of Members prohibited from participating in any particular business would be so great a proportion of the Combined Authority<sup>41</sup> as to **impede the transaction of the business**,
  - without the dispensation, the **representation of different political groups** on the Combined Authority would be so upset as to alter the likely outcome of any vote on the matter,
  - the dispensation is in the **interests of persons living in the Combined Authority's area**, or
  - it is **otherwise appropriate** to grant a dispensation.
6. In determining whether to grant dispensation requests, the Combined Authority may consider:
  - whether the nature of the Member's interest is such that to allow the Member to participate would not damage public confidence in the conduct of the Combined Authority's business,
  - whether the interest is common to the Member and a significant proportion of the general public,
  - whether the participation of the Member in the business that the interest relates to is justified by a Member's particular role or expertise, and
  - whether the interest is trivial or remote.

## Annex 5 - Gifts and Hospitality Policy

In order to protect your position and the reputation of the Combined Authority, you should **exercise caution** in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member.

The presumption should always be **not to accept** significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered.

However, you do not need to register gifts and hospitality which are not related to your role as a Member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Member. If you are unsure, do contact your Monitoring Officer for guidance.

For the purpose of determining whether any gift or hospitality has a value of over £50, if the exact value is unknown, you should always err on the side of caution. When deciding whether to register any gift below the £50 threshold, you should take into account the **cumulative total** of any gifts received from any single source over the previous 12 months.

### You should:

- register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt,
- register with the Monitoring Officer any significant gift or hospitality that you have been offered but have refused to accept,
- never actively seek or solicit any gift or hospitality,
- discourage third parties from offering any gift or hospitality to you,
- treat expenses offered to you by any third party as a gift,
- only accept a gift or hospitality from any third party in accordance with these principles, and where acceptance is of some benefit to the Combined Authority,
- where the hospitality is extended to the office holder rather than the individual e.g. the Mayor or a Chair of a committee the register entry should make it clear that such gifts or hospitality are being accepted because of the office held and, where possible, any gifts accepted should be 'donated' to a charity or as a raffle prize for example.

### You should not accept a gift or offer of hospitality which is any of the following:

- an **inducement or reward** for anything that you do as a Member - this is likely to constitute a criminal offence, from any donor seeking (or which may seek) a decision from (or business with) the Combined Authority,
- in any circumstances which may give rise to a **perceived or actual conflict of interest** or undue influence,
- for any third party including any relative or friend of yours, except where the Assistant Director Legal, Governance & Compliance has confirmed in advance that that acceptance is unlikely to be perceived as giving rise to a conflict of interest,
- lavish or over-generous, nor
- where offers from the same donor are **over-frequent**.
- a gift of cash (or items of specific monetary value such as vouchers).

# Code of Conduct for Officers

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## Section 5.2 - Code of Conduct for Officers

### Purpose

The public are entitled to expect the highest standards of conduct from all officers. The role of officers is to serve the Combined Authority in providing advice, implementing its policies and delivering services to the local community. In performing their duties, they must act with integrity, honesty, impartiality and objectivity.

This document sets out the standards expected of all the Combined Authority's officers. Guidance in relation to the acceptance of gifts and / or hospitality by officers, is detailed in the Gifts and Hospitality Policy which forms part of the Code of Conduct.

### 1. Objectives of the Code

This code of conduct should:

- provide officers of the Combined Authority with an effective ethical framework within which to work; and
- give the public confidence that the Combined Authority's officers are working on their behalf in an appropriate manner; and
- provide guidance to officers on the possible consequences of breaches of this code.

### 2. Responsibilities

Officers of the Combined Authority - The Combined Authority expects all officers to be accountable for their actions and to act in accordance with the principles set out in this Code, recognising the duty of all public sector officers to discharge public functions reasonably and according to the law.

Line Manager - The role of the manager is to provide support and advice to officers to ensure that the principles of the Code are applied consistently.

Human Resources (HR) -The role of HR is to provide support and advice to managers and officers to ensure that the principles of the Code are applied consistently.

Legal Section - the role of the Monitoring Officer is:-

- to review entries in the registers of personal and prejudicial interests and give advice to officers in relation to any implications;
- to advise officers in relation to the application of this Policy, if requested; and
- to maintain the register of officers' personal and prejudicial interests confidentially and in accordance with relevant legislation.

### **3. Political Neutrality**

The Combined Authority expects officers to follow every policy/procedure of the Combined Authority and not to allow their own personal or political opinions to interfere with their work. Where officers are politically restricted, by reason of the post they hold or the nature of the work they do, they must comply with those restrictions.

### **4. Personal Relationships with Members of the Combined Authority (Members), the Public and Other Officers**

Mutual respect between officers and members is essential to good working relationships at the Combined Authority and each should handle work matters on a professional basis. Officers of the Combined Authority should deal with the public, Members, and other officers sympathetically, efficiently and without bias.

The Combined Authority endeavours to avoid a situation where officers are either directly managed by, or responsible for, the recruitment and selection of someone with whom they have a personal relationship, e.g., a member of the same family.

### **5. Equality and Diversity**

All officers and other persons who are acting on behalf of the Combined Authority, including contractors and consultants must comply with the Combined Authority's Equality & Diversity Policy.

### **6. The Combined Authority Property**

Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner and in accordance with standing orders and financial regulations. Officers must not utilise property, vehicles or other facilities of the Combined Authority for personal use unless authorised to do so.

## 7. Conflict with Duties

Officers must not allow their private interests or beliefs to conflict with their professional duty. Additionally, officers must not misuse their official position or information acquired in the course of their employment to further their private interest or the interests of others.

Officers should abide by the rules of the Combined Authority about the declaration of gifts or hospitality offered to, or received by, them from any person or body seeking to do business with the Combined Authority or which would benefit from a relationship with the Combined Authority.

Officers should not accept benefits from a third party unless authorised to do so by a manager at the appropriate level in accordance with the Gifts and Hospitality Policy.

## 8. Whistleblowing

Where an officer becomes aware of activities which they believe to be illegal, improper, unethical or otherwise inconsistent with the Code of Conduct for officers, they should report the matter in line with the Combined Authority's Confidential Reporting ("Whistleblowing") Policy and associated documents. The Whistleblowing Policy reflects the Public Interest Disclosure Act 1998 which protects officers from dismissal or victimisation if they disclose information about wrongdoing by the Combined Authority or colleagues.

## 9. Treatment of Information

The Combined Authority encourages all officers to be open in the distribution of information and decision making. However, certain information may be confidential or sensitive and therefore not appropriate to a wider audience. Where confidentiality is necessary to protect the privacy or other rights of individuals or bodies, information should be restricted to:

- a Member,
- a relevant Combined Authority officer,
- other persons entitled to receive it, or who need to have access to it for the proper discharge of their functions.

This Code does not override existing statutory or common law obligations to keep certain information confidential, or to divulge certain information.

## 11. Investigations by Monitoring Officer

The role of the Monitoring Officer is a requirement for the Combined Authority. Where the Monitoring Officer is undertaking an investigation in accordance with the Combined Authority's procedure for dealing with allegations, officers must comply with any requirement made by the Monitoring Officer in connection with such an investigation.



## **12. Compromising the Impartiality of the Combined Authority's Officers**

Officers must not compromise, or attempt to compromise, the impartiality of anyone who works for or on behalf of the Combined Authority, either directly or as a response to pressure from others. An officer should not attempt to force other officers to take action or change advice if doing so would prejudice their professional integrity.

## **13. Improper Use of Position**

Officers must not use, or attempt to use, their position improperly either for their own or anybody else's advantage or disadvantage.

## **14. Considering Advice Provided**

If an officer seeks advice, or advice is offered to them, on aspects of how the Code of Conduct applies, the officer must have regard to this advice.

## **15. Personal and Prejudicial Interests**

The attached guidance in relation to personal and prejudicial interests forms part of this Policy. It explains what these interests are or may be; when and why they must be registered; the internal procedure involved and how the information will be dealt with. Officers must adhere to this guidance.

Registration of any such interest protects the Combined Authority and its officers by giving early warning of any potential areas of conflict of interest. That the Combined Authority has this policy provides assurance to the public that the Combined Authority is acting in the public interest. The Combined Authority requires officers to register personal interests in areas where there are clear grounds for concern, that such an interest could give rise to accusations of bias in decision making and working practice.

An officer may seek to exempt their personal interests from the register if they consider, for instance, that having this information on record might put themselves or others at risk. In such cases, the officer should discuss the matter with the Monitoring Officer.

In certain circumstances an officer's personal or prejudicial interest may be found to be inappropriate or incompatible with their duties or their role within the Combined Authority. Appropriate steps might be required to be taken. Ultimately, if an officer does not agree to take the appropriate steps required by the Combined Authority, this might result in disciplinary action being taken and could amount to gross misconduct leading to dismissal.

## 16. Registers of Interests - Legislative Implications

The Combined Authority's registers of officers' personal and prejudicial interests are not matters of public record. The information contained in them will be kept in accordance with the Data Protection Act 1998. However it is possible that the Combined Authority could be compelled to divulge certain information from the registers under the provisions of the Freedom of Information Act 2000.

Officers must advise when their circumstances change to update or remove records from the register.

The register will be reviewed annually by the Monitoring Officer to ensure it is up to date and in compliance with the Information Commissioner's requirements.

## 17. Gifts and Hospitality

Officers must comply with the Combined Authority's Gifts and Hospitality Policy. Please refer to the guidance available on the legal and governance pages on the Intranet [available here](#).

## 18. Equality Impact Assessment

In the creation of this policy, consideration has been given to any possible adverse equality impact for the following groups: disability; gender; gender reassignment; marital status (including civil partnerships); sexual orientation; race; religion or beliefs; age; pregnancy and maternity. The policy is considered to have little or no adverse equality impact.

## 19. Formal Action

Employees should note that any breaches of this policy may be considered either misconduct or gross misconduct and may lead to action within the Combined Authority's Disciplinary, Conduct & Capability Policy and Procedure.

## 20. Changes to Policy

The Combined Authority reserves the right to amend the details of this policy as required following consultation with recognised trade unions and other relevant parties.

This policy will be monitored and reviewed on an annual basis, to ensure that it meets the needs of the Combined Authority and ensure compliance with relevant legislation.

A written request can be made to review this policy at any time, by any of the signatories, giving appropriate reasons for requesting the review.

**Schedule 1 - Notification of Interests**

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**Notification by an Officer of the Hull and East Yorkshire Combined Authority of Financial or Other Interests or an intention to acquire such Interests.**

**Name of Officer:** .....

**Department:** .....

**Reports to:** .....

I [intend to ]\* have the following financial interests:- (delete as appropriate)\* Please complete the following boxes or put "none" or "n/a" as appropriate.

**(a) Business or other Employment outside the Combined Authority working hours:**

**(b) (Name(s) of my employer(s)) (Name(s) of firm(s) in which I am a partner) (Names(s) of Company/ies of which I am a paid director) (delete whichever do not apply):**

**(c) Name(s) of any company or business having a place of business or land in**

Hull and East Yorkshire and in which I own or have an interest in a class of shares of that body/those bodies that exceeds the nominal value of £25,000, or one hundredth of the total issued share capital of that body/those bodies:

**(d)** Names of any company or business which carries on business with the Combined Authority or which may carry on such business or may or is tendering for contracts from the Combined Authority in which I own or have an interest in any shares at all:

**(e)** Description of any contract for goods, services or works made between the Combined Authority and myself or a firm in which I am a partner, a company of which I am a paid director, or a body of the description specified in (c) above:

- (f) Address or other description of any land or buildings other than my own main residence which is in the close vicinity of land or buildings owned by the Combined Authority or another authority or sites where the Combined Authority or that other authority is or may be involved in development relevant to the Combined Authority,:

- (g) Address or other description of any land or buildings where the landlord is the Combined Authority and I am the tenant, or the tenant is a firm in which I am a partner, a company of which I am a paid director, or a body of the description specified in (d) above:

- (h) Address or other description of any land the Combined Authority's area in which I have a licence (along or jointly with others) to occupy for 28 days or longer:

**I [intend to] have the following other interests:**

- (i) I am a member or hold a position of general control or management of the following body/ies to which I have been appointed or nominated by the Combined Authority as its representative:

- (j) I am a member or hold a position of general control or management of the following public authority/ies or body/ies exercising functions of a public nature:

- (k) I am a member or hold a position of general control or management of the following company/ies, industrial and provident society/ies, charity/ies or body/ies directed to charitable purposes:

- (l) I am a member or hold a position of general control or management of the following body/ies whose principal purposes include the influence of public opinion or policy:

Request for Exemption from Registration if the officer feels there are good reasons for this information not to be kept on record, such as their personal safety or that of others, they should set out the details below:

**I request that the details of my financial or other interest be exempt from registration for the following reasons:**

**Date:** .....

**Signed:** .....

DRAFT

## Section 5.3 - Conflicts of Interest Policy

### 1. Introduction

- 1.1. The Combined Authority is committed to ensuring that the Members and officers act in line with the **Nolan Principles** of public life, which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 1.2. This Conflicts of Interest Policy applies to:
  - the Mayor and any other Combined Authority Member,
  - any voting Co-optee on a committee of the Combined Authority,
  - any non-voting Member,
  - Any Associate member or Non-Constituent Body Member including members of any advisory board or working group
  - any officer of the Combined Authority, and
  - any officer of a local authority who advises the Combined Authority or any of its committees or Boards
- 1.3. It applies to both local authority and private sector representatives, and their substitutes.
- 1.4. The policy provides an overview of how conflicts of interest are managed, by reference to the procedures which the Combined Authority has in place to maintain high ethical standards and protect its reputation against any allegation of conflicting interests. These include requirements to register and declare interests.
- 1.5. The policy must be followed throughout all decision-making processes the Combined Authority is committed to ensuring that this policy applies to decisions taken at formal meetings or by individuals on behalf of the Combined Authority under delegated authority. It is communicated to everyone involved in decision-making by the Combined Authority, to ensure their commitment to it.
- 1.6. To ensure transparency, decisions are recorded and published in accordance with agreed procedures.

### 2. Definition

A conflict of interest is a set of circumstances which creates a risk that an individual's ability to apply judgement or act in a role is, or could be, impaired or unduly influenced by a secondary interest of that individual, or of another person.



- 2.1. For example, a conflict of interest would arise where a member of any advisory board has an interest, for instance, as a shareholder in a company that is a potential beneficiary of grant funding, conflicting with the interests of the Combined Authority
- 2.2. Conflicts of interest may inhibit open discussions and may result in irrelevant considerations being taken into account or decisions being taken that are not in the best interests of the Combined Authority.
- 2.3. This policy covers **commercial, personal, actual or potential conflicts of interests**; for the purposes of this policy, the *perception* of competing interests, impaired judgement or undue influence can also amount to a conflict of interest.

### 3. General

All Members and officers must **take personal responsibility** for declaring their interests and avoiding perceptions of bias.

Where any conflict of interest arises outside of those which they are specifically required to register or declare, they should **err on the side of caution** and declare these interests in line with the Nolan Principles.

- 3.1. This policy applies whether they are decision-makers, consultees or involved in any other way in relation to any decision to be taken the Combined Authority or the Mayor.

### 4. Combined Authority Members and Voting and Local Authority Co-optees on Any Combined Authority Committee and/or Working Group

- 4.1. These members are required to comply with the **Combined Authority's Members' Code of Conduct** in Part 5 of the Constitution. The Code sets out the procedures for registering and declaring pecuniary and other interests, and managing conflicts which arise at any formal meeting of the Combined Authority, or a committee appointed by the Combined Authority.
- 4.2. The Code of Conduct sets out requirements for declaring pecuniary and other interests at formal meetings, where members are decision-makers. The **Conflicts of Interest Protocol: applications for loans or grants** manages any conflict of interest which may arise when a decision is taken by an officer, in respect of a loan or grant from the Combined Authority.
- 4.3. The Combined Authority's **Procedure for Considering Complaints** alleging a failure to comply with the Members' Code of Conduct in Part 5 of the Constitution sets out the process to be followed if a member is alleged to have failed to comply with the Code.
- 4.4. **Registers of interests** are published on the Combined Authority's website.

4.5. Article 12 (Officers) in Part 2 of the Constitution also specifies additional requirements and restrictions in relation to:

- **canvassing for appointments** to the Combined Authority, and
- **disclosing any relationship** between the member and an officer, or a candidate for employment.

## 5. **Members of any Advisory Boards who are not subject to the Members' Code of Conduct and non-voting Private Sector Members on the Combined Authority's Committees and/or Working Groups**

5.1. Any member of any Advisory Board and/or Working Group who is **not subject to the Members' Code of Conduct and non-voting private sector members on the Combined Authority's committees and working groups** are still required to act in line with the Nolan Principles of public life which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership and **are expected** to meet the standards of the Members' Code of Conduct as a matter of good governance.

5.2. All members of Advisory Boards and Working Groups should treat meetings as if they are a formal committee meeting **for the purposes of disclosing interests and not participating where a member has an interest in any matter**. This approach helps members avoid breaching the principles of conduct set out in the Code relating to selflessness, and honesty and integrity.

5.3. Similarly, **all non-voting private sector members** should **ensure that any relevant interests are declared and appropriate action is taken** having regard to the Nolan principles and the Members' Code of Conduct when attending committee meetings or other meetings in such a capacity.

5.4. Any declaration or non-participation by any member should be recorded in the minutes for the meeting of the Board or committee as appropriate.

## 6. **Officers**

6.1 Officers of the Combined Authority must comply with the **Combined Authority's Officer Code of Conduct** and **Gifts and Hospitality Policy** in Part 5 of the Constitution when they are working for the Combined Authority.

6.2 Article 12 (Officers) in Part 2 of the Constitution requires officers of the Combined Authority to disclose any **relationship with a member**. It also reflects statutory provisions relating to:

- prohibiting officers from being operators, directors, partners or employees of public passenger transport services, and
- recording **pecuniary interests in contracts**.

- 6.3 The **Combined Authority's Contracts Standing Orders** in Part 4 of the Constitution addresses potential conflicts of interests arising in respect of **contracts** with the Combined Authority for goods, services or an interest in property.

## 7. Loans or Grants to Businesses

- 7.1 The **Conflicts of Interest Protocol: loans or grants to businesses** in Part 5 of the Constitution, sets out an additional process which the Combined Authority follows to demonstrate that applications from businesses for loans or grants are dealt with in an impartial, fair, and transparent way outside of formal meetings, by an officer. It provides a safeguard (for the Combined Authority and for applicants) to minimise the risk of reputational damage from any perception of undue influence.
- 7.2 The process requires additional scrutiny of any application where a potential conflict of interest arises.

## 8. Adult Education

- 8.1 In accordance with statutory guidance related to devolved Adult Education Budgets, the Combined Authority has approved a Conflicts of Interest Protocol: Adult Education Budget in Part 5 of the Constitution.

## Section 5.4 - Conflicts of Interest Protocol: Loans or Grants to Businesses

### 1. Purpose

- 1.1. The Combined Authority has adopted an overarching Conflicts of Interest Policy which is set out in Part 5 of the Constitution, and which provides an overview of how conflicts of interest are managed by reference to other procedures and requirements including the Members' Code of Conduct and this Conflicts of Interest Protocol: Loans or grants to businesses.
- 1.2. The Members' Code of Conduct in Part 5 of the Constitution addresses how members are required to register and declare pecuniary and other interests at formal meetings where members take decisions.
- 1.3. This **Conflicts of Interest Protocol: loans or grants to businesses** sets out the process which the Combined Authority follows to demonstrate that applications from businesses for loans or grants are dealt with in an impartial, fair, and transparent way, including where they are considered by officers. It provides an additional safeguard (for the Combined Authority and for applicants) to minimise the risk of reputational damage from any perception of undue influence.
- 1.4. The process requires additional scrutiny of any application where a potential conflict of interest arises.

### 2. Scope

- 2.1 This protocol should be followed where an application for a loan or grant is made by any business (including a company, social enterprise or a sole trader) to the Combined Authority.
- 2.2 The protocol applies to:
  - the Mayor and any other Combined Authority Member
  - any voting Co-optee on a committee of the Combined Authority,
  - any member of any Advisory Board and/or Working Group
  - any non-voting Member including Associate Members and/or Non-Constituent Members

- 2.3. It applies to both local authority and private sector representatives, and their substitutes.

### 3. General

- 3.1. This protocol supplements the Conflicts of Interest Policy. It does not replace or alter any requirement of the Members' Code of Conduct, nor any other procedure which addresses conflicts of interest.

Where any conflict of interest arises outside of those specifically required to be registered or declared under the Members' Code of Conduct, a procedure referred to in the Conflict of Interest Policy or this protocol, a Member should declare their interests **erring on the side of caution**, in line with the Nolan Principles.

### 4. Setting Policies and Strategies Relating to Loans and Grants

- 4.1 Members must follow the Members' Code of Conduct which sets out requirements for registering and declaring interests at meetings. The Code restricts Members' involvement in decision making at formal meetings of the Combined Authority and committees where a conflict of interest arises.
- 4.2 However, to secure the input of suitable expertise and a range of representative views into the decision-making process, appropriate involvement in matters in which Members may have an interest is facilitated by exceptions and dispensations granted under the Code.

Members are not generally precluded from participating in or voting on developing or setting any overarching policy or strategy, including setting criteria against which any application for a loan or grant will be assessed. However, **this is subject to exceptions** such as where a direct financial interest arises.

At any meeting where an item relates to a **change of criteria** for any loan or grant programme in respect of which a Member (or a business in which they have registered an interest) has applied for a loan or grant during the previous 24 months (successfully or otherwise), the Member should declare the application. Any such declaration should be noted in the minutes of the meeting, but the member may nevertheless participate and vote in the decision, unless otherwise precluded by the Code or the application is still to be determined. A Member may, however, choose not to participate or vote in the item if they are aware that any proposed change in criteria may affect an application which they (or the business in which they have registered an interest) intend to make for the loan or grant.

Members should check with the Monitoring Officer if they are unsure whether they may participate or vote in relation to any particular item

## 5. Members to Notify Businesses of their Involvement with the Combined Authority

5.1 Any Member who (to comply with a Code of Conduct) has registered an interest in a business, **including any interest of their spouse or civil partner**, must:

- **notify that business of their involvement** with the Combined Authority,
- **ask the business to declare their involvement** as a conflict of interest when applying for any relevant loan or grant, and
- **make arrangements for the business to notify them** on any occasion when the business applies for a relevant loan or grant.

## 6. Applying for a Loan or Grant - Applicant Business

6.1 The application form for a loan or grant to businesses will ask the applicant to declare whether:

- the applicant, any Director, Trustee or employee of the business, or
- their spouse or civil partner is:
  - a) a member of any Advisory Board or Working Group of the Combined Authority,
  - b) a Combined Authority Member, or
  - c) a voting Co-optee on any committee appointed by the Combined Authority, or
  - d) a non-voting member including Associate Member and/or Non-Constituent Body Member

A business should be advised of any such potential conflict of interest by the relevant Member, under paragraph 5 above. Nevertheless, each business should take such additional steps as are reasonably practicable to ensure that any declaration is full and accurate.

## 7. Members' Actions Where a Conflict of Interest Arises

7.1 A Member must also:

- a) **notify the Monitoring Officer** on each occasion where:
  - they apply for a loan or grant, or
  - a business which is registered as an interest on their register of interest applies for a loan or grant,
  - any other interest arises which may be perceived as giving rise to a conflict of interest (for example, where an application is made by a close friend, or family member, or they are related to an officer of the Combined Authority).

The notification to the Monitoring Officer should identify

- the name of **the applicant**,
- the **type of funding** applied for (including the funding stream if known), and

- the nature of **the potential conflict of interest**.

The date of the application should also be stated (if known).

- b) so far as reasonably practicable **avoid any personal involvement** with any application for any loan or grant, or
- c) where it is not reasonably practicable to avoid personal involvement with an application:
  - **declare on any application form their involvement** if they are not a signatory,
  - **do not discuss the application verbally** with any officer of the Combined Authority, and
  - **communicate only in writing** about the application after it has been submitted.

## 8. Advising on Loan and Grant Applications

- 8.1 To avoid improper use of “inside information” about the assessment process for applications, where a member’s role includes or has included **advising on individual grant and loan applications from businesses**, no application from them, their spouse or civil partner, or from a business which they have (or should have) registered as an interest under the relevant Code of Conduct shall be considered until **6 months** has elapsed since they carried out that role.

## 9. Considering Loan and Grant Applications

- 9.1 Every application is considered on its own merits, and no applications are granted unless the eligibility criteria for the loan or grant are met.

**No Member may participate or vote on any decision-making relating to any application in respect of which they have a conflict of interest.**

**Members must not seek in any way to improperly influence the outcome of any application which has (or may be) made in which they have an interest.**

- 9.2 Where an interest has been declared by an applicant on the application form, and/or a member (or where an interest is otherwise brought to the attention of a relevant Director), the application will not be progressed unless:
- a) the Monitoring Officer has confirmed that:
    - the member has **registered the business as an interest** on their register in accordance with the requirements of the relevant Code of Conduct, and
    - a full **declaration of interest** by the member has been received in relation to the application in accordance paragraph 7 of this protocol.
- and

- b) the relevant Director has confirmed that:
- the **applicant** has made a **declaration of interest** on the application form in accordance with paragraph 6,
  - the **member did not discuss the application verbally** with any officer of the Combined Authority after its submission, nor otherwise **seek to improperly influence** the application.

9.3 Subject to a) and b) above, where an interest arises, the application should be referred for determination by:

- the Combined Authority's Chief Executive, or
- a meeting of the Combined Authority or a relevant committee.

9.4 An application may only be granted further to a recommendation from a **relevant Director** who has assessed the application, and confirmed that it has been considered on its own merits and meets relevant eligibility criteria.

9.5 The decision-maker should take into account any other relevant information which relates to the conflict of interest.

9.6 The **record of any decision** about an application where a conflict of interest has arisen must record the conflict of interest declared by the member, and that this protocol has been followed.

## 10. Reporting

10.1 The Monitoring Officer will **annually report** to the Combined Authority's Governance and Audit Committee on the number and outcome of applications considered in accordance with this protocol during the financial year and on any breaches of the protocol.

<sup>10</sup> For example, where the Chief Executive considers that they should not exercise their delegated authority in respect of the application.

<sup>11</sup> This extends to any published record of the loan or grant.



## Section 5.5 - Member and Officer Protocol

### MEMBER/OFFICER RELATIONS PROTOCOL

#### Purpose

1. The purpose of this protocol is to guide members and officers of the Combined Authority in their relations with one another.

#### Principles

2. Members and officers must at all times observe this protocol.
3. The protocol has been approved by the Combined Authority who will monitor its operation.
4. The protocol seeks to maintain and enhance the integrity (real and perceived) of local government which demands the highest standards of personal conduct.
5. Members and officers must always respect the roles and duties of each other. They must show respect in all their dealings by observing reasonable standards of courtesy, and by not seeking to take unfair advantage by virtue of their position.
6. Whilst members and officers are indispensable to one another, their responsibilities are distinct. Members are accountable to the electorate and serve only as long as their term of office lasts. Officers are accountable to the Combined Authority as a whole. Their job is to give advice to members (individually and collectively) and to carry out the Combined Authority's work under the direction of the Combined Authority.
7. The Combined Authority has adopted codes of conduct for both members and officers. Both represent best practice. The members' code follows the national code which in turn is based on the general principles governing members' conduct enshrined in law, namely:
  - Selflessness - serving only the public interest.
  - Honesty and integrity - not allowing these to be questioned; not behaving improperly.
  - Objectivity - taking decisions on merit.
  - Accountability – to the public; being open to scrutiny.
  - Openness - giving reasons for decisions.
  - Personal judgement - reaching one's own conclusions and acting accordingly.
  - Respect for others - promoting equality; avoiding discrimination; respecting others (member/member, as well as member/officer).
  - Duty to uphold the law - not acting unlawfully.
  - Stewardship - ensuring the prudent use of a Combined Authority's resources.
  - Leadership - acting in a way which has public confidence.

8. These principles underpin this protocol. They will also be reflected in a new statutory code of conduct for employees due to be introduced in the near future.
9. Until such time as a new national code appears, officers are bound by the Combined Authority's own code of conduct for staff and, in some cases, by the codes of their professional associations.
10. Breaches of this protocol by a member may result in a complaint to the Monitoring Officer if it appears the members' code has also been breached. Breaches by an officer may lead to disciplinary action.

**The role of members**

11. Members have a number of roles and need to be alert to the potential for conflicts of interest which may arise between the roles. Where such conflicts are likely, members may wish to seek the advice of the Monitoring Officer.

<b>Role</b>	<b>Potential Conflict</b>
Executive Member	Officer implementation of portfolio responsibilities
Scrutiny Member	Review of own decisions
Representative Members on Outside Bodies	Outside body's policies/actions not in line with Combined Authority interests
Political Party Members	Party political beliefs not in line with Combined Authority policy

12. Collectively, members are the ultimate policymakers determining the core values of the Combined Authority and approving the authority's policy framework, strategic plans and budget.
13. Members represent the community, act as community leaders and promote the social, economic and environmental well-being of the community often in partnership with other agencies.

**Relationships with Officers**

14. Members are not authorised to instruct officers other than:
  - through the formal decision-making process;
  - to request the provision of consumable resources provided by the Combined Authority for members' use;
  - where staff have been specifically allocated to give support to a member or group of members; and
  - in the case of political assistants.
15. Members are not authorised to initiate or certify financial transactions, or to enter into a contract on behalf of the Combined Authority.

16. Members must avoid taking actions which are unlawful, financially improper or likely to amount to maladministration. Members have an obligation under their code of conduct to have regard, when reaching decisions, to any advice provided by the Monitoring Officer or the designated Finance Officer.
17. Members must respect the impartiality of officers and do nothing to compromise it, e.g. by insisting that an officer change his/her professional advice.
18. Members have a duty under their code of conduct:
  - to promote equality by not discriminating unlawfully against any person, and
  - to treat others with respect.
19. Under the code, a member must not when acting as a member or in any other capacity:
  - bring the Combined Authority or his/her position as a member into disrepute, or
  - use his/her position as a member improperly to gain an advantage or disadvantage for his/herself or any other person.

#### **The role of officers**

20. Officers are responsible for giving advice to members to enable them to fulfil their roles. In doing so, officers will take into account all available relevant factors.
21. Under the direction and control of the Combined Authority (including, as appropriate, the Mayor, committees and sub-committees), officers manage and provide the Combined Authority's services within the framework of responsibilities delegated to them. This includes the effective management of employees and operational issues.
22. Officers have a duty to implement decisions of the Combined Authority, the Mayor, committees and sub-committees which are lawful, and which have been properly approved in accordance with the requirements of the law and the Combined Authority's constitution, and duly minuted.
23. Officers have a contractual and legal duty to be impartial. They must not allow their professional judgement and advice to be influenced by their own personal views.
24. Officers must assist and advise all parts of the Combined Authority and the Mayor. They must always act to the best of their abilities in the best interests of the authority as expressed in the Combined Authority's formal decisions.
25. Officers must be alert to issues which are, or are likely to be, contentious or politically sensitive, and be aware of the implications for members, the media or other sections of the public.

Officers have the right not to support members in any role other than that of member, and not to engage in actions incompatible with this protocol. In particular, there is a statutory limitation on officers' involvement in political activities.

**The relationship between members and officers: general**

26. The conduct of members and officers should be such as to instill mutual confidence and trust.
27. The key elements are a recognition of and a respect for each other's roles and responsibilities. These should be reflected in the behaviour and attitude of each to the other, both publicly and privately.
28. Informal and collaborative two-way contact between members and officers is encouraged. But personal familiarity can damage the relationship, as might a family or business connection.
29. Members and officers should inform the Monitoring Officer of any relationship which might be seen as unduly influencing their work in their respective roles.
30. It is not enough to avoid actual impropriety. Members and officers should always be open about their relationships to avoid any reason for suspicion and any appearance of improper conduct. Where a personal relationship has been disclosed, those concerned should avoid a situation where conflict could be perceived. Specifically, a member should not sit on a body or participate in any decision which directly affects the officer on a personal basis.
31. Officers work to the instructions of their senior officers, not individual members. It follows that, whilst such officers will always seek to assist a member, they must not be asked to exceed the bounds of authority they have been given by their managers. Except when the purpose of an enquiry is purely to seek factual information, members should normally direct their requests and concerns to a senior officer, at least in the first instance.
32. Officers will do their best to give timely responses to members' enquiries. However, officers should not have unreasonable requests placed on them. Their work priorities are set and managed by senior managers. Members should avoid disrupting officers' work by imposing their own priorities.
33. Members will endeavour to give timely responses to enquiries from officers.
34. An officer shall not discuss with a member personal matters concerning him/herself or another individual employee. This does not prevent an officer raising on a personal basis, and in his/her own time, a matter with his/her ward member.
35. Members and officers should respect each other's free (i.e. non-Combined Authority) time.

**The Combined Authority as employer**

36. Officers are employed by the Combined Authority as a whole.
37. Members' roles are limited to:
  - the appointment of specified senior posts,
  - determining human resources policies and conditions of employment, and
  - hearing and determining appeals.
38. Members shall not act outside these roles.

39. If participating in the appointment of officers, members should:
- remember that the sole criterion is merit
  - never canvass support for a particular candidate,
  - not take part where one of the candidates is a close friend or relative,
  - not be influenced by personal preferences, and
  - not favour a candidate by giving him/her information not available to the other candidates.
40. A member should not sit on an appeal hearing if the appellant is a friend, a relative, or an officer with whom the member has had a working relationship.

**Mayor, Combined Authority Members and officers**

41. Officers will respect the position of Mayor and provide appropriate support.
42. Combined Authority Members will take decisions in accordance with the constitution and will not otherwise direct staff. Senior officers will be responsible for instructing staff to implement the decisions of the Mayor and the Combined Authority.
43. In addition to the Mayor and individual members of the Combined Authority, senior officers (including the Monitoring Officer and the designated Finance Officer) have the right to submit papers to the Mayor and the Combined Authority as a whole or to individual Combined Authority Members for consideration.
44. Senior officers and the Mayor and Combined Authority Members shall agree mutually convenient methods of regular contact. Before taking any formal decisions, the Mayor and the Combined Authority Members will seek appropriate professional advice including, without exception, the Monitoring Officer and designated s73 Chief Finance Officer, and will not direct officers in the framing of recommendations.
45. Before any formal decisions with a financial implication are taken by the Mayor and/or the Combined Authority, the s73 Chief Finance Officer and the senior officer(s) for the service(s) concerned must be consulted. This is to ensure that those officers who are budget holders:
- are aware of the proposed decision,
  - have the opportunity to offer advice, and
  - are subsequently able properly to authorise the financial transactions needed to implement decisions.
46. An individual Combined Authority Member who is minded to write or commission a report or to make a decision about a matter within his/her portfolio must ensure that the Mayor and other Combined Authority Members and officers who need to know of the matter are so informed. There is a particular requirement to involve the Mayor and other Combined Authority Members on cross-cutting issues.
47. The Mayor and all Combined Authority Members when making decisions (whether collectively or individually) must state the reasons for those decisions. The written record of the decisions must include the reasons.

48. Officers taking decisions under their delegated powers must consider the advisability of informing the Mayor and relevant Combined Authority Member(s) of their intentions in advance when the matter to which the decisions relates is likely to be sensitive or contentious, or has wider policy implications.

### **Overview and scrutiny members and officers**

49. Chairmen and other leading overview and scrutiny members shall maintain regular contact with the officer(s) providing the principal support to the overview and scrutiny function. In consultation with chairmen, it shall be the responsibility of the latter to ensure that those who need to know of matters being considered or for possible future consideration are so informed.
50. An overview and scrutiny committee or its chairman acting on its behalf may require officers to attend overview and scrutiny meetings. Members should not normally expect junior officers to give evidence. All requests should be made to senior officers in the first instance.
51. When making requests for officer attendance, overview and scrutiny members shall have regard to the workload of officers.
52. It is recognised that officers required to appear before an overview and scrutiny committee may often be those who have advised the Mayor or another part of the Combined Authority on the matter under investigation. In these circumstances, an officer may have a conflict of interest. Both members and officers need to consider the severity of the conflict. If deemed appropriate, research and advice may be sought elsewhere – from the Combined Authority's dedicated Scrutiny Officer or externally.
53. Subject to 54 above, officers should be prepared to justify advice given to the Combined Authority, the Mayor, or other committees and sub-committees even when the advice was not accepted.
54. Officers must also be prepared to justify decisions they have taken under delegated powers.
55. In giving evidence, officers must not be asked to give political views.
56. Officers should respect members in the way they respond to members' questions.
57. Members should not question officers in a way which could be interpreted as harassment. Neither should they ask about matters of a disciplinary nature.
58. Overview and scrutiny proceedings must not be used to question the capability or competence of officers. Chairmen and members need to make a distinction between reviewing the policies and performance of the Mayor and/or the Combined Authority and its services, and appraising the personal performance of staff. The latter is not an overview and scrutiny function.
59. In exercising the right to call-in a decision of the Mayor and/or the Combined Authority, overview and scrutiny members must seek the advice of the Monitoring Officer if they consider the decision is contrary to the Combined Authority's approved plans, policies or frameworks, or is unlawful.

**Members of other committees or sub-committees and officers**

60. The appropriate senior officers will offer to arrange regular informal meetings with chairmen, vice-chairmen, and spokesmen of committees and subcommittees.
61. Senior officers (including the Monitoring Officer and the designated s73 Chief Finance Officer) have the right to present reports and give advice to committees and sub-committees.
62. Members of a committee or sub-committee shall take decisions within the remit of that committee or sub-committee and will not otherwise instruct officers to act.
63. At some committee or sub-committee meetings, a resolution may be passed which authorises a named officer to take action between meetings in consultation with the chairman. In these circumstances it is the officer, not the chairman, who takes the action and is responsible for it. A chairman has no legal power to take decisions on behalf of a committee or sub-committee, neither should he/she apply inappropriate pressure on the officer.

**Party groups and officers**

64. Senior officers may properly be asked to contribute to deliberations of matters concerning Combined Authority business by party groups.
65. Officer support will not extend beyond providing factual information or professional advice in relation to matters of Combined Authority business. Officers must not be involved in advising on matters of party business and therefore should not be expected to be present at meetings or parts of meetings when such matters are to be discussed.
66. Party group meetings are not empowered to make decisions on behalf of the Combined Authority, and conclusions reached at such meetings do not rank as formal decisions. The presence of an officer confers no formal status on such meetings in terms of Combined Authority business and must not be interpreted as doing so.
67. Where officers provide factual information and advice to a party group in relation to a matter of Combined Authority business, this is not a substitute for providing all the necessary information and advice when the matter in question is formally considered by the relevant part of the Combined Authority.
68. It must not be assumed that an officer is supportive of a particular policy or view considered at a party group meeting simply because he/she has attended or provided information to the meeting.
69. Officers will respect the confidentiality of any party group discussions at which they are present and, unless requested to do so by that party group, will not relay the content of such discussions to another party group or to any other members. This shall not prevent an officer providing feedback to other senior officers on a need-to-know basis.
70. In their dealings with party groups, officers must treat each group in a fair and even-handed manner.
71. Members must not do anything which compromises or is likely to compromise officers' impartiality.



72. The duration of an officer's attendance at a party group meeting will be at the discretion of the group, but an officer may leave at any time if he/she feels it is no longer appropriate to be there.
73. An officer accepting an invitation to the meeting of one party group shall not decline an invitation to advise another group about the same matter. He/she must give substantially the same advice to each.
74. An officer who is not a senior officer shall not be invited to attend a party/ group meeting, but a senior officer may nominate another officer to attend on his/her behalf.
75. An officer should be given the opportunity of verifying comments and advice attributed to him/her in any written record of a party group meeting.
76. No member will refer in public or at meetings of the Combined Authority to advice or information given by officers to a party group meeting.
77. At party group meetings where some of those present are not members of the Combined Authority, care must be taken not to divulge confidential information relating to Combined Authority business. Persons who are not members are not bound by the members' code of conduct. They do not have the same rights to Combined Authority information as members.

#### **Members' access to documents and information**

78. This part of the protocol should be read in conjunction with the Access to Information Rules in the Combined Authority's constitution.
79. Members may request senior officers to provide them with such information, explanation and advice as they may reasonably need to assist them to discharge their roles as members. This may range from general information about some aspect of the Combined Authority's services to specific information on behalf of a constituent. Where information is requested on behalf of a third party, it will only be provided if:
  - it is in the public domain, and
  - it is not barred by the Data Protection Act from being given.
80. The Mayor and every member of the Combined Authority, an overview and scrutiny committee/ commission, and/or any other committee or sub-committee has a right to inspect documents about the business of that overview and scrutiny committee, other committee or subcommittee or the Combined Authority.
81. A member should obtain advice from the Monitoring Officer in circumstances where he/she wishes to have access to documents or information:
  - where to do so is likely to be in breach of the Data Protection Act, or
  - where the subject matter is one in which he/she has a personal or prejudicial interest as defined in the members' code of conduct.
82. Information given to a member must only be used for the purpose for which it was requested.



83. It is an accepted convention that a member of one party group will not have a need to know and therefore a right to inspect a document which forms part of the internal workings of another party group.
84. Members and officers must not disclose information given to them in confidence without the consent of a person authorised to give it, or unless required by law to do so.
85. When requested to do so, officers will keep confidential from other members advice requested by a member.
86. Members and officers must not prevent another person from gaining access to information to which that person is entitled by law.

### **Media relations**

87. All formal relations with the media must be conducted in accordance with the Combined Authority's agreed procedures and the law on local authority publicity.
88. Press releases or statements made by officers must promote or give information on Combined Authority policy or services. They will be factual and consistent with Combined Authority policy. They cannot be used to promote a party group.
89. Officers will keep relevant members informed of media interest in the Combined Authority's activities, especially regarding strategic or contentious matters.
90. Before responding to enquiries from the media, officers shall ensure they are authorised to do so.
91. Likewise, officers will inform the Combined Authority's press office of issues likely to be of media interest, since that unit is often the media's first point of contact.
92. If a member is contacted by, or contacts, the media on an issue, he/she should:
  - indicate in what capacity he/she is speaking (e.g. as ward member, in a personal capacity, as an Executive member, on behalf of the Combined Authority, or on behalf of a party group);
  - be sure of what he/she wants to say or not to say;
  - if necessary, and always when he/she would like a press release to be issued, seek assistance from the Combined Authority's press office
  - consider the likely consequences for the Combined Authority of his/her statement (e.g. commitment to a particular course of action, image, allegations of jumping to conclusions);
  - never give a commitment in relation to matters which may be subject to claims from third parties and/or are likely to be an insurance matter;
  - consider whether to consult other relevant members; and
  - take particular care in what he/she says in the run-up to local or national elections to avoid giving the impression of electioneering, unless he/she has been contacted as an election candidate or political party activist.

**Correspondence**

93. If an officer wishes to share correspondence between an individual member and an officer with another member, regardless of the reason, they must first seek and receive the permission of the first member. If an officer considers that he/she has a legal obligation to share correspondence between a member and an officer with a member (other than a member who the member correspondent has copied into the correspondence) then the officer must inform the member whose correspondence is proposed to be shared that he/she intends to share it, and refer the member to the relevant legal provision. In the event that agreement to share the correspondence is not provided, the decision upon sharing the correspondence will be referred to the Monitoring Officer for determination. The presumption is that correspondence between a member and an officer will not be shared with another member unless the originator gives express permission for it to be so shared. This applies to both paper-based and electronic correspondence.
94. Official letters written on behalf of the Combined Authority should normally be in the name of the relevant officer. It may be appropriate in some circumstances (e.g. representations to a Government Minister) for letters to appear in the name of an Executive member or the chairman of an overview and scrutiny committee.
95. The Mayor may initiate correspondence in his/her own name.
96. Letters which create legally enforceable obligations or which give instructions on behalf of the Combined Authority should never be sent in the name of a member.
97. When writing in an individual capacity as a ward member, a member must make clear that fact.

**Access to premises**

98. Officers have the right to enter Combined Authority land and premises to carry out their work. Some officers have the legal power to enter property in the ownership of others.
99. Members have a right of access to Combined Authority land and premises to fulfil their duties.
100. When making visits as individual members, members should:
- whenever practicable, notify and make advance arrangements with the appropriate manager or officer in charge;
  - comply with health and safety, security and other workplace rules;
  - not interfere with the services or activities being provided at the time of the visit;
  - if outside his/her own ward, notify the ward member(s) beforehand; and
  - take special care at schools and establishments serving vulnerable sections of society to avoid giving any impression of improper or inappropriate behaviour.

### **Use of Combined Authority resources**

101. The Combined Authority provides all members with services such as typing, printing and photocopying, and goods such as stationery and computer equipment, to assist them in discharging their roles as members of the Combined Authority. These goods and services are paid for from the public purse. They should not be used for private purposes or in connection with party political or campaigning activities.
102. Members should ensure they understand and comply with the Combined Authority's own rules about the use of such resources, particularly:
- where facilities are provided in members' homes at the Combined Authority's expense;
  - in relation to any locally-agreed arrangements e.g. payment for private photocopying; and
  - regarding ICT security.
103. Members should not put pressure on staff to provide resources or support which officers are not permitted to give. Examples are:
- business which is solely to do with a political party;
  - work in connection with a ward or constituency party political meeting;
  - electioneering;
  - work associated with an event attended by a member in a capacity other than as a member of the Combined Authority;
  - private personal correspondence;
  - work in connection with another body or organisation where a member's involvement is other than as a member of the Combined Authority; and
  - support to a member in his/her capacity as a member of another local authority.

### **Interpretation, complaints and allegations of breaches**

104. Members or officers with questions about the implementation or interpretation of any part of this protocol should seek the guidance of the Monitoring Officer.
105. A member who is unhappy about the actions taken by, or conduct of, an officer should:
- avoid personal attacks on, or abuse of, the officer at all times,
  - ensure that any criticism is well founded and constructive,
  - never make a criticism in public, and
  - take up the concern with the officer privately.
106. If direct discussion with the officer is inappropriate (e.g. because of the seriousness of the concern) or fails to resolve the matter, the member should raise the issue with the officer's manager or the relevant senior officer.

107. A serious breach of this protocol by an officer may lead to an investigation under the Combined Authority's disciplinary procedure.
108. An officer who believes a member may have acted other than in accordance with this protocol should raise his/her concern with the Monitoring Officer. He/she will consider how the complaint or allegation should be dealt with. At a minor level, this may be no more than informally referring the matter to the leader of the relevant party group. More serious complaints may involve alleged breaches of the members' code of conduct.

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## Section 5.6 - Anti-Fraud, Bribery and Corruption Policy

### 1. INTRODUCTION

This policy aims to ensure that Hull and East Yorkshire Combined Authority (the Authority) has an effective anti-fraud culture and an effective framework to manage the risk of fraud, bribery and corruption.

Fraud, bribery and corruption are serious criminal acts that can damage the finances of organisations and undermine confidence in public services. Such acts are the antithesis of the Authority's values. Criminal penalties for breaching the law in this area can be severe and there are some specific points where the Authority itself could potentially face prosecution if there is an insufficient framework in place. The policy is therefore important in protecting the organisation from financial and reputational harm, as well as providing greater clarity on the actions to take if Members, officers, customers, partners or other stakeholders suspect or believe that fraud, bribery or corruption are happening.

### 2. DEFINITION AND SCOPE

This policy applies to all Members (whether voting or non-voting, Associate Members, Non-Constituent Body Members, officers, contractors and agents of the Authority, except where agents have their own policy and procedures in place that already provide at least an equivalent and sufficient framework.

The policy does not apply to those schools with delegated powers, unless adopted by the Governing Body.

This Policy and the associated procedures outline the Authority's approach to countering fraud, bribery and corruption risks.

- Fraud is a term that describes acts or omissions that are undertaken dishonestly and with the intention of making a gain for the perpetrator or another person, and/or to cause loss for someone else.
- Bribery and corruption involve the offering or accepting of a reward (bribe) for someone to perform their duties improperly.

These terms are generally associated with financial and property matters, but they have wider application. For example, false statements on application forms for school places could constitute fraud, whilst corruption might include enabling a friend to jump the queue for a planning application, even if there was no monetary bribe and no attempt to skew the final decision.

The policy is also intended to cover other acts of a similar character to fraud, including, but not limited to, theft, abuse of disabled parking concessions, and tax evasion.

This policy should be read in conjunction with the following policies and associated guidelines:

- Code of Conduct for Officers
- Member Code of Conduct
- Confidential Reporting (Whistleblowing) Policy
- Human Resources policies, notably in relation to recruitment and selection, and the Disciplinary Policy.

- Procurement Rules and Financial Procedures.
- Anti-Money Laundering Policy

### **3. POLICY STATEMENT**

The Authority will not tolerate, and is committed to combatting, fraud, bribery, corruption and other dishonest wrongdoing in all of its activities.

The Authority expects its members and officers to follow their respective Codes of Conduct and demonstrate the Principles of Public Life, (in particular the highest standards of honesty and integrity), at all times. It also expects third parties, such as customers, suppliers and partner agencies to act with honesty and integrity in their dealings with the Authority.

The Authority is therefore determined to identify fraud, bribery and corruption by any party, including: officers who abuse their positions of trust; contractors who abuse their relationship with the organisation; or customers who attempt to obtain assets or services to which they are not entitled.

The Authority will continuously review its systems and procedures, to ensure fraud risks are managed through robust and proportionate controls to prevent, deter and detect fraud, bribery and corruption.

The Authority will encourage officers, councilors and other stakeholders to raise any concerns about fraud, bribery and corruption. For officers, this can usually be done via line managers, but if that is not appropriate due to sensitivity or closeness to the malpractice, there are other ways for officers to raise concerns including use of the Confidential Reporting policy.

Fraud, bribery and corruption are serious offences. The Authority will:

- Investigate alleged instances, including referral to the police or other relevant authorities (such as the Department for Work and Pensions or Her Majesty's Revenue and Customs) where appropriate.
- Instigate disciplinary action where officers are involved.
- Seek prosecution where criminal offences can be proven.
- Seek reimbursement, compensation and costs as appropriate where public funds or assets have been defrauded or misappropriated.
- Review policies, systems and procedures where cases occur, with the aim of continuous improvement and preventing repetition.

The Authority fully supports the work of the police and other agencies in the fight against fraud, bribery and corruption within the public sector and the wider economy.

The policy will be implemented through the strategy and procedures set out in this document.

### **4. LEGAL AND REGULATORY FRAMEWORK**

The principal legislation relating to fraud, bribery and corruption are:

- Fraud Act 2006
- Theft Act 1968
- UK Bribery Act 2010

- Specific legislation relating to particular activities, including:
  - The Public Contracts Regulations 2015 (SI 2015/102) and subsequent amendments including Public Procurement Notices.
  - S.117 Road Traffic Regulation Act 1984 (RTRA) (re. abuse of disabled parking concessions)
- Proceeds of Crime Act (POCA) 2002
- Anti-Money Laundering and Terrorist Financing legislation comprising:
  - Terrorism Acts 2000 and 2006;
  - Criminal Finances Act 2017;
  - Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
  - Money Laundering and Terrorist Financing (Amendment) Regulations 2019 and 2022.

Where the Authority undertakes criminal investigations, these are undertaken within the parameters of legislation governing their conduct, including:

- Police and Criminal Evidence Act 1984 (PACE)
- Criminal Procedures Investigation Act 1996 (CPIA)
- Regulation of Investigatory Powers Act 2000 (RIPA)
- Data Protection Act 2018

Copies of this legislation can be found at [www.legislation.gov.uk](http://www.legislation.gov.uk) and the main offences are summarised at appendix A.

## 5. MANAGING THE RISK OF FRAUD, BRIBERY AND CORRUPTION

The Authority's approach is based on principles set out in CIPFA's *Code of Practice on Managing the Risk of Fraud & Corruption in Local Government*:

- Acknowledging responsibility for countering fraud and corruption (see above);
- Identifying fraud and corruption risks;
- Developing an appropriate counter-fraud and corruption strategy;
- Providing resources to implement the strategy; and
- Taking action in response to fraud and corruption

## 6. ROLES AND RESPONSIBILITIES

**Members** have a responsibility for setting the tone of the organisation, to be aware of the risks of fraud, bribery and corruption, and to act with honesty and integrity. They have a responsibility to report, via the Monitoring Officer, any concerns they may have.

**The Head of Paid Service** is responsible for setting the internal tone of the organisation so that an anti-fraud culture is maintained. The Head of Paid Service is also ultimately responsible for the management of the organisation, including compliance with the financial control systems that are determined by the s.73 Officer.

**The s.73 Chief Finance Officer** is responsible for determining systems of financial control including those in relation to fraud, bribery and corruption.

**Senior Managers** have responsibility for maintaining an effective system of internal control so as to manage the risk of fraud, bribery and corruption in their service areas.

**Managers** have a key role in supporting their Senior Managers by maintaining controls in their areas of responsibility. They are also responsible for ensuring their staff understand their role in upholding Authority values and the Principles of Public Life (which are set out in the Code of Conduct for Officers) - in particular their duty to behave with honesty and integrity. Managers need to be aware of the procedures to follow under this policy in the event that their staff or third parties report concerns about fraud, bribery or corruption.

**All officers and agents of the Authority** have responsibility for being aware of the risks of fraud, bribery and corruption, and acting with honesty and integrity in their work. They also have a responsibility to report to management any concerns they may have.

**The Audit and Governance Committee** has responsibility for monitoring and reviewing the effectiveness of internal controls and governance arrangements, including the ongoing development of the arrangements set out in this document.

**The Head of Internal Audit has responsibility to:**

- Review the Authority's arrangements for managing the risk of fraud, bribery and corruption, and evaluate their effectiveness in preventing and detecting such activity.
- Prepare and maintain this policy.
- Promote an anti-fraud culture by raising awareness of fraud issues and through the provision of training.
- Assist services with identifying fraud risks and appropriate mitigating actions.
- Undertake proactive audit work to review the arrangements in place in specific services.
- Support Directors with investigations into alleged frauds perpetrated against the Authority.

**The External Auditor** has a responsibility to report on any concerns arising from his work to as regards the adequacy of the Authority's arrangements in place for the prevention and detection of fraud, bribery and corruption.

## **7. RISK IDENTIFICATION**

The Authority identifies risks by reference to:

- National data, reports and surveys which flag emerging themes at similar organisations.
- Networking with other organisations in the sector and beyond, including other councils, Tenancy Fraud Forum, National Anti-Fraud Network (NAFN), Police and the Authority's bankers.
- Discussion between service areas and the Head of Internal Audit.
- Analysis, such as targeted audit work to evaluate risks in specific areas.



## 8. ANTI-FRAUD AND CORRUPTION STRATEGY

The Authority's Anti-Fraud and Corruption Strategy is based on a comprehensive series of inter-related procedures designed to deter, frustrate and prevent fraud and corruption from occurring; and where it does occur, to facilitate effective detection, investigation, action and follow up.

### 8.1 Corporate Framework

The corporate framework comprises:-

- This policy and complementary policies as noted in section 2.
- Full support from all members, the Chief Executive and Chief Officers.
- The Authority's Constitution and Codes of Conduct for Members and officers.
- A Confidential Reporting (whistleblowing) Policy.
- A Corporate Feedback scheme to record and respond to complaints, comments, compliments and concerns.
- An effective risk management and internal control framework.
- Effective internal and external audit arrangements.
- An effective Head of Internal Fraud.
- Effective workforce strategies.
- A process for investigating complaints against Members.
- An effective scrutiny process.
- Clear rules on travel and expenses.
- Clear Procurement rules.
- Guidance on gifts and hospitality and a process for recording them.

### 8.2 Prevention

Within the corporate framework there are a number of key processes that contribute to the prevention of fraud and corruption, that is to say they make the offences more difficult to undertake:

- Internal controls, especially the separation of duties and procedural checks in systems that are inherently susceptible to fraud.
- Controls over officer recruitment and conduct, in particular due diligence prior to confirming appointments, induction processes, and an established processes to disclose potential conflicts of interest.
- Code of Conduct and policies that communicate the Principles of Public Life and make it absolutely clear that fraud and bribery are not only criminal acts but also gross misconduct.
- Contract procedure rules and pre-contract due diligence of new suppliers.
- Robust controls over IT access and physical access controls to offices that contain sensitive records.
- Learning from others through networking and best practice.

### 8.3 Detection and Investigation

There are also a number of key processes that facilitate the ongoing monitoring of fraud risks, detection where frauds may occur and effective investigation where fraud or corruption is suspected:

- Budget monitoring and control.
- Management checks to verify that controls are functioning effectively.
- Internal audit assurance work to appraise that the overall system of internal controls for particular service areas and functions.
- Data matching checks, including internal and external data sets. This includes mandatory National Fraud Initiative (NFI) data matching exercises, which aim to identify anomalies that are indicative of fraud.
- Sharing of information, (with appropriate data protection protocols), to give early warning of new types of fraudulent activities so that appropriate detection methodologies can be put in place.
- Well established procedures to record and process reports of fraud in systems that are inherently at risk (such as CTRS)
- Procedures for officers and Members to report suspicious activity.
- Publicity, such as posters in public buildings which advise members of the public how to report suspicious activity.
- A Head of Internal Audit to:
  - Undertake compliance work that clears up low value irregularities in systems such as CTRS, thereby preventing these evolving into material frauds;
  - Investigate frauds in relation to systems such as CTRS that are inherently at risk of fraud;
  - Assist Heads of Service with investigations into internal frauds, which are usually undertaken under the auspices of the Authority's Disciplinary Policy;
  - Provide advice to support the ongoing development of the framework.
- Appropriate referral to (and, where appropriate, joint investigations with) other agencies, such as the DWP, HMRC and Police.

### 8.4 Sanctions, Prosecution and Follow Up

Where investigations conclude that fraud has occurred, appropriate sanctions are imposed, including:

- Disciplinary hearings (usually leading to dismissal) if officers have committed fraud.
- Prosecution or alternative sanctions (such as Administrative Penalties) as set out in the relevant legislation for the type of fraud concerned. Decisions as to the appropriateness of sanctions are taken in consultation with Legal Services and with reference to the weight of evidence and Public Interest considerations.
- Legal recovery of losses where feasible.

If the investigation identifies control weaknesses, internal audit work is usually commissioned to appraise the extent of those weaknesses and assist management in addressing them.

## **8.5 Deterrence**

Measures are in place to deter potential fraudsters from committing or attempting fraudulent or corrupt acts. These include:

- Acting robustly when fraud or corruption is suspected.
- Taking action to effect maximum financial recoveries for the Authority.
- Having an effective internal control framework.
- Publicising prosecutions and more generally that the Authority does not tolerate fraud or corruption and will seek to prosecute.

## **9. TRAINING**

The Head of Internal Audit will provide relevant training, including e-learning materials and tailored training for services that are considered at risk of exposure to fraud, bribery and corruption. This will be specified in consultation with Senior Officers and will include refresher training where required.

## **10. REVIEW**

This policy will be reviewed by the Audit & Fraud Section in consultation with internal stakeholders at least once every 2 years, to keep pace with changes in legislation and practice.

## **11. PROCEDURE/FRAUD RESPONSE PLAN**

This procedure explains the actions to be taken where fraud, bribery or corruption is suspected.

### **11.1 Notification – Officers and Third Parties/Members of the Public**

Officers should report any issue that suggests fraud, bribery, corruption, or other financial irregularity or impropriety. Reports should normally be submitted via your line manager, who should inform a senior manager, i.e. your Head of Service or Director.

The Authority also encourages members of the public and contractors etc, who suspect fraud, theft or corruption to contact the Authority. They will generally use publicised contact details that ensure the matter is reported to the Head of Internal Audit for further consideration.

### **11.2 Notification - Members**

Members should refer any relevant issues to the Monitoring Officer in her absence, the Head of Internal Audit.

If Members become aware of conduct by another Member that conflicts with the Member Code of Conduct, they must consider whether to make a written report to that effect: this is done by addressing the complaint to the Monitoring Officer.

### 11.3 Alternative Notification Procedure (Whistleblowing)

If you feel it is not appropriate to inform your line manager, or to make the senior managers in your section aware of your concerns, you may instead file a report using the Confidential Reporting (Whistleblowing) Procedure. This is overseen by the Monitoring Officer, who will commission an appropriate investigation.

### 11.4 Response

Reports of 'routine' frauds will be assessed against criteria to determine how they should be taken forward. This may involve compliance work, a full investigation, or referral to another agency, (for example, CTRS frauds often involve welfare benefit claims as well and the legal powers to investigate benefit fraud now rest with the DWP). The Head of Internal Audit will make that assessment.

Reports through the Confidential Reporting Procedure will be dealt with in accordance with that procedure. Normally this will involve an investigation led by the Head of Internal Audit or Human Resources depending on the circumstances. The Monitoring Officer will determine the form of investigation in each case.

In all other cases, Directors have a duty to respond to any allegation of fraud or corruption by immediately informing the Head of Internal Audit to determine the next steps. Credible allegations will require investigation and the relevant Director will assign a senior manager to serve as Lead Investigation Officer. The Head of Internal Audit will support the investigation officer:

- Investigations into gross misconduct which involve alleged fraud, theft, bribery, corruption or other financial irregularities will normally be undertaken jointly by the designated service area manager, Human Resources and the Head of Internal Audit.
- Investigations into other (non-financial) gross misconduct will normally be undertaken by a service area manager and Human Resources.
- Investigations into other forms of misconduct will be dealt with by the service area concerned with appropriate involvement of the Human Resources team.

If, during the course of a 'non-financial' investigation, matters come to light in relation to financial control, risk management or governance, then the service area manager should immediately inform the Head of Internal Audit.

All investigations, regardless of the route, nature and type, will be conducted to standards that encompass:

- A professional and systematic approach
- Compliance with relevant policies, procedures and legislation (PACE, CPIA, RIPA and DPA)
- Maintaining the confidentiality of confidential or sensitive information that emerges during the investigation.

The Lead Investigation Officer will ensure that the following people are kept informed at appropriate stages as the investigation progresses:-

- S73 Chief Finance Officer (or in their absence the Monitoring Officer)
- Relevant Director
- Head of Paid Services (if officer fraud or corruption is suspected).

- The Head of Internal Audit if weak financial controls or procedures have played a part in allowing the fraud or corruption to be committed.

Lead Investigation Officers will ensure that any actions determined by the s73 Chief finance Officer and/or the Monitoring Officer will be carried out, including possible referral to the police, regulatory bodies, the Authority's insurers or other agencies depending on the circumstances.

Referral to the police or other agency does not inhibit action under the disciplinary policy. However, any ongoing internal investigation will need to be co-ordinated with the relevant external agency to preserve the integrity of the external agency's investigation.

If an internal and/or criminal investigation concludes that fraud or other financial crime has occurred and led to financial losses, the Director will also consult the Monitoring Officer to determine appropriate action to seek recovery of those losses.

### **11.5 Guidance and Support**

If you require further guidance with the interpretation of these procedures, please contact;

- Head of Internal Audit
- Monitoring Officer
- S73 Chief Finance Officer

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## Appendix A

### Summary of Fraud and similar offences set out in UK legislation

#### **Fraud Act 2006**

The Fraud Act defines a general offence of fraud and three ways it can be committed. In each case there must be: dishonesty; and an intent to make a gain or cause loss; and:

- *Fraud by false representation* – where someone makes a statement which they know to be untrue or misleading.
- *Fraud by failing to disclose information* – where someone fails to disclose information they are under a legal duty to disclose.
- *Fraud by abuse of position* – where someone is expected to safeguard the financial interests of another person and abuses that position.

The Fraud Act defines further offences of:

- *Possession of articles for use in frauds* – such as other people's credit card details or software for producing blank utility bills.
- *Making or supplying of articles for use in frauds* – such as supplying information or manufacturing devices to be used in frauds by other people.
- *Fraudulent trading* - such as inflating bills or charging for work not done.

#### **Theft Act 1968**

- *Theft* - eg of money or assets
- *False accounting* – falsification or concealment of financial records or use of such records for dishonest purposes.

#### **Bribery Act 2010**

- *Offer or promise of a bribe*
- *Request or acceptance of a bribe*
- *Bribing a foreign public official to secure business or advantage in the conduct of business*
- *Failure by an organisation to prevent bribery committed on its behalf.* It is hard to envisage circumstances where bribery would be committed on the Authority's behalf and the robust framework as described in this policy should provide a defence if this offence was ever alleged.
- *Obstruction of authorised officers.*

#### **Prevention of Social Housing Fraud Act 2013**

This defines specific offences in relation to the *sub-letting of social housing stock*. It also provides investigators with similar powers to those under the CTRS Regulations but in respect of investigations into tenancy fraud.

### **The Public Contracts Regulations 2015 and related matters**

These set out parameters for the way in which public bodies should procure goods and services. A breach of the Regulations would not, in itself, be a criminal offence. However, potential contractors who are disadvantaged may seek remedies through the courts. This could have serious financial, operational and reputational consequences. Also, if a breach was intentional and/or dishonestly motivated, the circumstances could give rise to offences under other legislation, such as the Fraud Act or the Bribery Act. This is particularly the case regarding Regulation 24, which requires effective measures to prevent conflicts of interest distorting competition.

### **Road Traffic Regulation Act 1984**

s.117 of the Act defines offences concerning the *wrongful use of disabled persons badges*.

### **Criminal Finances Act 2017**

This gives law enforcement agencies and partners further capabilities and powers to recover the proceeds of crime, tackle money laundering, tax evasion and corruption, and combat the financing of terrorism.

Part 3 of the Act defines corporate offences of *failure to prevent the facilitation of tax evasion*. Given the nature of the Authority's transactions, it is hard to envisage circumstances where the Authority or its agents would facilitate tax evasion and the robust framework as described in this policy should provide a defence if this offence was ever alleged.

### **Anti-Money Laundering Legislation**

Various legislation that deals with offences in relation to money laundering and the financing of terrorism. Money laundering involves the processing, dealing with, concealing or converting the proceeds of crime or terrorism and/or funds to be used for terrorism. The impact of this legislation in the Authority's context is described in the Authority's Anti-Money Laundering Policy, together with guidance on the actions to take if officers become aware or suspicious that money laundering is taking place.

## Section 5.7 - Whistleblower Policy and Procedure

### 1. SCOPE

This policy applies to all employees and officers of the Combined Authority. Other individuals acting as 'workers' within the Combined Authority, such as casual workers and agency workers, are also able to use this policy. It is acknowledged that members of the public may also contact the Combined Authority with their concerns and they will be investigated using this procedure.

This policy and procedure is not intended to form part of the contract of the employment of any individual officer.

### 2. AIMS

The official term for whistleblowing is 'making a disclosure in the public interest'; however it is much more commonly called 'blowing the whistle' or 'whistleblowing'. It means that if you believe there is wrongdoing in your workplace or within the public services provided by the Combined Authority, (e.g. corruption or wrongdoing such as improper, illegal or negligent behaviour) you can report this by following the correct processes, and your employment rights are protected.

The policy aims to:

- Encourage individuals to feel confident in raising concerns and to question, and act, upon concerns.
- Provide various avenues for individuals to raise those concerns and receive a response to them together with feedback on any action taken.
- Reassure officers and others making a whistleblowing report that they will be protected from possible reprisals or victimisation, including dismissal, if they have a reasonable suspicion that wrongdoing is occurring, has occurred or is likely to occur; and make a disclosure about it using this procedure, believing it to be in the public's interest.
- Enable the Combined Authority to identify poor or inadequate practice and take corrective action.

### 3. ROLES AND RESPONSIBILITIES

Within this policy the following roles and responsibilities are adopted:

#### 3.1 The Monitoring Officer

Is responsible for:

- The overall whistle blowing process.
- Determining any misuse of the process.
- Liaising with the Independent Person upon the outcome of investigations into whistle blowing complaints.
- Ensuring that the Chief Executive is made aware of whistleblowing complaints where following investigation action is required.
- Reporting annually to Audit and Governance Committee upon the process.



### **3.2 The Customer Feedback Team Leader (Hull City Council)**

Is responsible for:

- Managing receipt and progression of a whistleblower referral.
- Notifying the Independent Person of receipt of a whistleblowing allegation.
- Consulting the responsible Director upon the allegation, unless the allegation is about that individual.
- Consulting the Independent Person upon whether the complaint should be progressed to investigation.
- Determining whether a referral falls within the definition of a whistleblowing allegation and whether an investigation is required.
- Allocating the investigation to the appropriate service area to appoint an investigator.
- Where an investigation is undertaken, liaising with the investigating officer(s) to ensure that it is undertaken in a timely manner.
- Reporting to the Monitoring Officer upon the reasons for whistleblowing matters not being progressed to investigation and the Independent Persons advice in relation thereto.
- Liaising with the Monitoring Officer upon whistleblowing matters which are referred for investigation.

### **3.3 Internal audit and Human Resources**

Internal Audit ordinarily conduct investigations and report on findings to the Monitoring Officer. However, where a complaint primarily relates to a staffing management issue, Human Resources can be called upon to organise the appointment of an investigator.

### **3.4 The Chief Executive**

- Takes responsibility for ensuring that, if a systemic failure or serious operational issue is identified as a result of investigation findings, the recommended service change occurs.

### **3.5 The Independent Person**

- Reviews and comments to the Customer Feedback Team Leader upon the approach proposed to be followed in relation to individual whistleblowing referrals.
- Comments to the Monitoring Officer upon the proposed outcome of whistleblowing referrals.

### **3.6 The Audit Committee**

Under the Combined Authority's Constitution, the Audit and Governance Committee are responsible for review of the Whistleblower policy and procedure.

### **3.7 Officers**

It is the duty of officers to:

- Report any incidents of malpractice, suspected theft, fraud or anything that may bring the Combined Authority into disrepute in accordance with this procedure to the Monitoring Officer.
- Only make a disclosure if they reasonably believe that a disclosure to be in the public interest, having regard to the criteria set out in paragraph 5.2 below.
- Keep their disclosure confidential.

## **4. PROCEDURE**

### **4.1 Introduction**

Hull and East Yorkshire Combined Authority takes whistleblowing seriously. The Combined Authority is committed to maintaining an honest, fair and open culture with the highest standards of honesty and accountability. In line with that commitment, we expect officers, members, and others with whom we deal, who have concerns about any aspect of the Combined Authority's work to come forward and voice those concerns without fear of victimisation, subsequent discrimination or disadvantage. Any matter raised will be dealt with promptly and thoroughly investigated by an appropriate person in the Combined Authority. The whistleblowing procedure is described later in this document. The whistleblowing procedure process flow can be found at Appendix 1.

### **4.2 Raising a concern**

Whistleblowing reports can be made in a verbal, written form and can be anonymous. Anyone wishing to raise a concern can do so through the Combined Authority's Monitoring Officer.

A Whistleblower's Report form on which details in connection with the concern can be recorded (Appendix 2) is available on the intranet and via the electronic form on the Combined Authority's website.

To progress an investigation the following information is needed:

- Details of the activity being reported and why it is of concern.
- Details about where the activity is taking place.
- Details about who is involved.
- Details about when the activity took place.
- Details of any evidence e.g. receipts or other documents you might hold which evidence your concerns.

Once this information is captured, the form should be submitted to the Monitoring Officer.

### **4.3 Initiating action**

Following receipt of a referral:

- Where the identity of the whistleblower is known, acknowledge receipt in writing to the whistleblower within 3 working days.
- Make initial enquiries to determine the need for investigation.
- Confer with the independent person to inform a decision upon whether an investigation is required.
- Where investigation is required, refer the matter for investigation to the appropriate service area, Internal Audit or the Human Resources service.

### **4.4 The investigation**

The appointed investigator will:

- Agree the timeframe for the investigation with the Customer Feedback Team Leader, depending on the complexity of the case.
- Undertake the investigation within that timescale.
- Involve others as required in the investigation e.g. other service areas in the Combined Authority, or other agencies such as the Police.

- Where the whistleblower is known, consider whether contact with the whistleblower is required to clarify the information (see paragraph 4.6).
- Where allegations are made against an individual, ensure that the processes adopted provide the opportunity for that individual to respond to the allegations made against that individual.
- Produce an investigation report.
- Where appropriate, identify lessons learnt for discussion with the Monitoring Officer and the Chief Executive.

#### **4.5 Feedback**

Feedback to members/officers will be undertaken through Assistant Director's Team and Audit Committee.

#### **4.6 Involvement of the Whistleblower**

The information provided on the Whistleblowing Report form, if sufficient, will allow a full investigation to take place. The amount of contact needed between those investigating the concerns and the whistleblower will depend on the nature of the issues raised and whether or not there is sufficient information with which to undertake the investigation. The whistleblower's identity will, so far as it is possible, be kept confidential.

Should further information be required in connection with the concern raised, you have the right, if you are a Combined Authority officer, to be accompanied at meetings/interviews by a trade union representative or work colleague.

#### **4.7 Taking the matter further**

This procedure is intended to satisfy the concerns of whistleblowers, and the Combined Authority hopes that the whistleblower will be satisfied with any action taken. If you are not, or you feel it is right to take the matter outside the Combined Authority, further independent advice is available from Public Concern at Work, Citizens Advice Bureau, Community Legal Advice Centre (CLAC), Trade Unions and The Local Government & Social Care Ombudsman.

#### **4.8 Review of Findings**

The Chief Executive will liaise with senior officers as appropriate to discuss and agree any required service actions together with timescales. Senior Officers will ensure that their teams learn from feedback, implementing action plans to correct and improve service practice.

### **5. PROTECTION FOR WHISTLE BLOWING**

#### **5.1 Who is protected?**

When an officer or worker makes a "qualifying disclosure" *to their employer*, the only condition of the Act for the qualifying disclosure to be protected is that the disclosure is made in the public interest.

Where the "qualifying disclosure" is made to someone *other than the employer*, further conditions apply, namely that the whistleblower believes that the information disclosed, and any allegation contained in it, are substantially true and the whistleblower does not make the disclosure for purpose of personal gain.

## 5.2 What is a “qualifying disclosure”?

A “qualifying disclosure” is defined as being the disclosure of information which, in the reasonable belief of the worker making the disclosure, tends to show:

- That a criminal offence has been committed, is being committed or is likely to be committed.
- That a person has failed, is failing or is likely to fail, to comply with any legal obligation to which he is subject.
- That a miscarriage of justice has occurred, is occurring or is likely to occur.
- That the health or safety of any individual has been, is being or is likely to be, endangered.
- That the environment has been, is being or is likely to be damaged, or;
- That information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately, concealed.

## 5.3 When is a whistleblower not protected?

The protection available to a whistleblower is available where in the reasonable belief of the worker making the disclosure, the disclosure is made in the public interest. From existing case law it is considered that a disclosure will be held not to fall within this where:

- 5.3.1 The allegation is known by the whistleblower to be false (unless the allegation was so serious that the whistleblower properly felt obliged to make the disclosure in the public interest in case they are wrong), or;
- 5.3.2 The allegation arises from a predominant ulterior motive which, in all the circumstances of the case, makes the belief of the whistleblower that the disclosure is in the public interest unreasonable.

## 5.4 What is in the public interest?

The public interest can take many forms for example there is a public interest in transparency and accountability, to promote public understanding and to safeguard democratic processes. There is a public interest in good decision-making by public bodies, in upholding standards of integrity, in ensuring justice and fair treatment for all, in securing the best use of public resources and in ensuring fair commercial competition in a mixed economy. This is not a complete list; the public interest can take many forms.

## 5.5 What are the protections?

The person will be protected from any reprisals or victimisation or from being dismissed as a result of having made a protected disclosure. The Combined Authority will take responsibility for any detrimental acts of a worker such as harassment or bullying towards another who has blown the whistle.

## 6.0 Relationship with the Complaints Procedure

The whistleblowing policy does not provide an avenue for further complaint for complainants who have exhausted the Combined Authority’s complaints procedure. Officers will seek to identify complaints that fall within the scope of the whistleblowing policy and refer those through for management under that policy where appropriate. It is not envisaged that a complaint that has been progressed through the Combined Authority’s complaints procedure and in relation to which the complainant remains dissatisfied will fall within the contemplation of this policy.

## Part 6

### Section 6.1 - Members' Allowances Scheme

**To follow**

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## Appendix 2 Hull and East Yorkshire Combined Authority Governance Arrangements

## Proportionality Calculation

Overall entitlement:

Group	HCC	% Share of seats	ERYC	% Share of seats	Total by Group	% share of seats	Entitlement: Share of seats to be allocated	Total on principle of 20 allocated
Liberal Democrat	31	54.39	21	31.34	<b>52</b>	41.94	8.39	9
Labour	25	43.86	5	7.46	<b>30</b>	24.19	4.84	5
Conservative	0	0.00	26	38.81	<b>26</b>	20.97	4.19	4
Independent Group	0	0.00	7	10.45	<b>7</b>	5.65	1.13	1
Yorkshire Party	0	0.00	3	4.48	<b>3</b>	2.42	0.48	1
Reform UK	0	0.00	2	2.99	<b>2</b>	1.61	0.32	0
Unaffiliated independent	1	1.75	3	4.48	<b>4</b>	3.23	0.65	0
<b>Total</b>	<b>57</b>		<b>67</b>		<b>124</b>		<b>20.00</b>	<b>20</b>

Scrutiny Committee	Entitlement	Available Seats					
			HCC	ERYC		HCC (6)	ERYC (6)
Liberal Democrat	5.03	5	3.26	1.88		3	2
Labour	2.90	3	2.63	0.45		3	
Conservative	2.52	3	0.00	2.33			2
Independent Group	0.68	1	0.00	0.63			1
Yorkshire Party	0.29	0	0.00	0.27			1
Reform UK	0.19	0	0.00	0.18			
Unaffiliated independent	NA						
<b>Total Seats</b>		<b>12</b>				<b>6</b>	<b>6</b>

Audit Committee	Entitlement	Available Seats		

OFFICIAL

			HCC	ERYC		HCC (4)	ERYC (4)
Liberal Democrat	3.35	4	2.18	1.25		2	2
Labour	1.94	2	1.75	0.30		2	
Conservative	1.68	2	0	1.55			2
Independent Group	0.45		0	0.42			
Yorkshire Party	0.19		0	0.18			
Reform UK	0.13		0	0.12			
Unaffiliated independent	NA						
						<b>4</b>	<b>4</b>



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STATUTORY INSTRUMENTS

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**2025 No. 113**

**LOCAL GOVERNMENT, ENGLAND  
TRANSPORT, ENGLAND**

**The Hull and East Yorkshire Combined Authority Order 2025**

*Made - - - - 4th February 2025  
Coming into force in accordance with article 1(2) and  
(3)*

The Secretary of State makes the following Order in exercise of the powers conferred by sections 103(1), 104(1), 104C(1) and (6), 105(1) and (3), 105A(1), (2), (3) and (7), 107A(1), 107B(1), 107D(1), (3)(c)(ii), (4), (5), (7) and (8), 107E(1) to (4), 107G(5)(b) and (6), 114(1) and (3) and 117(1A) and (5) of, paragraph 3 of Schedule 5A to, and paragraph 3 of Schedule 5B to, the Local Democracy, Economic Development and Construction Act 2009(1) (“the 2009 Act”).

The Secretary of State, having regard to a proposal prepared and submitted under section 109A of the 2009 Act, considers that—

- (a) the making of this Order is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the Area (as that term is defined in this Order);
- (b) the making of this Order is appropriate having regard to the need—
  - (i) to secure effective and convenient local government, and
  - (ii) to reflect the identities and interests of local communities;
- (c) the establishment of the Combined Authority will achieve the purposes set out in the proposal prepared and submitted under section 109A of the 2009 Act;
- (d) no consultation is required by section 110(2) of the 2009 Act(2).

The Secretary of State is satisfied that the area to which this Order relates meets the conditions set out in section 103(2) and (5) of the 2009 Act.

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(1) [2009 c. 20](#). Section 104 was amended by sections 8 and 14 of, and Schedule 5 to, the Cities and Local Government Devolution Act 2016 (c. 1) (“the 2016 Act”) and by section 64 of the 2023 Act. Section 104C was inserted by section 64 of the 2023 Act. Section 105 was amended by sections 6, 9 and 14 of the 2016 Act and by section 64 of the 2023 Act. Section 105A was inserted by section 7 of the 2016 Act. Sections 107A and 107B were inserted by section 2 of the 2016 Act. Sections 107D and 107E were inserted by section 4 of the 2016 Act and amended by section 64 of the 2023 Act. Section 114 was amended by Schedule 5 to the 2016 Act. Section 117 was amended by section 13(2) of the 2011 Act, Schedule 5 to the 2016 Act and section 68 of the 2023 Act. Schedule 5A was inserted by section 8 of, and Schedule 3 to, the 2016 Act and amended by [S.I. 2021/1265](#). Schedule 5B was inserted by section 2 of, and Schedule 1 to, the 2016 Act and amended by section 70 of the 2023 Act. There are other amendments to these provisions but none are relevant.

(2) Section 110 was amended by section 14(7) of the 2016 Act and by section 65 of the 2023 Act. There are other amendments to that section not relevant to this instrument.

In accordance with sections 104(10), 105(3A), 107D(9) and 110(1)(b) of the 2009 Act, the councils for the local government areas of the city of Kingston upon Hull and East Riding of Yorkshire have consented to the making of this Order.

In accordance with section 105B(9) of the 2009 Act, the Secretary of State has laid before Parliament a report explaining the effect of the order and why the Secretary of State considers it appropriate to make the order.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) and (3A) of the 2009 Act.

## PART 1

### General

#### Citation and commencement

- 1.—(1) This Order may be cited as the Hull and East Yorkshire Combined Authority Order 2025.
- (2) Save as provided in paragraph (3) this Order comes into force on the day after the day on which it is made.
- (3) The provisions of Part 6 (Mayoral functions) come into force on 6th May 2025.

#### Interpretation

2. In this Order and in any modifications to legislation made by this Order—
- “the 1980 Act” means the Highways Act 1980(3);
- “the 1985 Act” means the Housing Act 1985(4);
- “the 1989 Act” means the Local Government and Housing Act 1989(5);
- “the 1990 Act” means the Town and Country Planning Act 1990(6);
- “the 1999 Act” means the Greater London Authority Act 1999(7);
- “the 2000 Act” means the Transport Act 2000(8);
- “the 2003 Act” means the Local Government Act 2003(9);
- “the 2004 Act” means the Traffic Management Act 2004(10);
- “the 2007 Regulations” means the Traffic Management Permit Scheme (England) Regulations 2007(11);
- “the 2008 Act” means the Housing and Regeneration Act 2008(12);
- “the 2009 Act” means the Local Democracy, Economic Development and Construction Act

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(3) 1980 c. 66.  
 (4) 1985 c. 68.  
 (5) 1989 c. 42.  
 (6) 1990 c. 8.  
 (7) 1999 c. 29.  
 (8) 2000 c. 38.  
 (9) 2003 c. 26.  
 (10) 2004 c. 18.  
 (11) S.I. 2007/3372.  
 (12) 2008 c. 17.

2009;

“the 2011 Act” means the Localism Act 2011(13);

“the 2023 Act” means the Levelling-up and Regeneration Act 2023(14);

“the BRS Act” means the Business Rate Supplements Act 2009(15);

“Area” means the area of the Combined Authority;

“Combined Authority” means the Hull and East Yorkshire Combined Authority as established by article 3;

“constituent councils” means the councils for the local government areas(16) of East Riding of Yorkshire and the city of Kingston upon Hull;

“Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 of the 2011 Act, as applied by article 19(1) this Order, following the designation of an area of land by the Combined Authority;

“election for the return of the mayor” means an election held pursuant to article 4;

“the HCA” has the meaning given in article 15(1);

“lead member” means the member designated pursuant to paragraph 1(2) of Schedule 1;

“member” is to be interpreted in line with paragraph 1 of Schedule 1;

“the Mayor” means the mayor for the Area, except in the term “Mayor of London”.

## PART 2

### Establishment of the Combined Authority and election of the Mayor

#### Establishment

**3.—(1)** There is established as a body corporate a combined authority for the areas of the constituent councils.

(2) The combined authority is to be known as the Hull and East Yorkshire Combined Authority.

(3) The functions of the Combined Authority are those functions conferred or imposed upon it by or under this Order or any other enactment (whenever passed or made), or as may be delegated to it by or under this Order or any other enactment (whenever passed or made).

#### Mayor

**4.—(1)** There is to be a mayor for the Area.

(2) The first election for the return of the Mayor is to take place on 1st May 2025.

(3) Subsequent elections for the return of the Mayor for the Area must take place in every fourth year thereafter on the same day as the ordinary day of election.

(4) The term of office of the Mayor returned at an election for the return of a mayor for the Area in 2025—

(a) begins with 6th May 2025;

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(13) 2011 c. 20.

(14) 2023 c. 55.

(15) 2009 c. 7.

(16) The term “local government area” is defined in section 88(7) of the 2009 Act.

- (b) ends, subject to paragraph (8), with the third day after the day of the poll at the next election for the return of the Mayor for the Area.
- (5) The term of office of the Mayor returned in each subsequent fourth year—
  - (a) begins, subject to paragraph (7), with the fourth day after the day of the poll at the election for the return of the Mayor for the Area;
  - (b) ends, subject to paragraph (8), with the third day after the day of the poll at the next election for the return of the Mayor for the Area.
- (6) In this article “ordinary day of election” in relation to any year, means the day which is the ordinary day of election in that year of councillors for counties and districts in England as determined in accordance with section 37 of the Representation of the People Act 1983<sup>(17)</sup>.
- (7) Where for the purposes of paragraph (5)(a) the fourth day would otherwise be a Saturday, Sunday, Christmas Eve, Christmas Day, Good Friday, a bank holiday under the Banking and Financial Dealings Act 1971<sup>(18)</sup> in England and Wales or a day appointed as a day of public thanksgiving or mourning, the fourth day is instead deemed to be the first day thereafter which is not one of those specified days.
- (8) Where paragraph (7) applies the reference in paragraphs (4)(b) and (5)(b) to the third day is deemed to be the day before the day deemed to have effect in accordance with paragraph (7).

### **Political adviser**

- 5.—(1) The Mayor may appoint one person as their political adviser.
- (2) Any appointment under paragraph (1) is an appointment as an employee of the Combined Authority.
- (3) No appointment under paragraph (1) may extend beyond—
  - (a) the term of office for which the Mayor who made the appointment was elected, or
  - (b) where the Mayor who made the appointment ceases to be the Mayor before the end of the term of office for which the Mayor was elected, the date on which the Mayor ceases to hold that office.
- (4) A person appointed under paragraph (1) is to be regarded for the purposes of Part 1 of the 1989 Act (political restriction of officers and staff) as holding a politically restricted post under a local authority.
- (5) Section 9(1), (8), (9) and (11) of the 1989 Act (assistants for political groups)<sup>(19)</sup> applies in relation to an appointment under paragraph (1) as if—
  - (a) any appointment to that post were the appointment of a person in pursuance of that section, and
  - (b) the Combined Authority were a relevant authority for the purposes of that section.
- (6) Subsection (3) of section 9 of the 1989 Act applies in relation to an appointment under paragraph (1) as if the words from “and that the appointment terminates” to the end of that subsection were omitted.

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(17) 1983 c. 2. Section 37 was amended by the Representation of the People Act 1985 (c. 50), section 18, the Greater London Authority Act 1999 (c. 29), section 17 and Schedule 3, paragraphs 1 and 5 and the Wales Act 2017 (c. 4), section 6. There are other amendments not relevant to this instrument.

(18) 1971 c. 80.

(19) Section 9 was amended by sections 61 and 204 of, and paragraph 2 of Schedule 2 to, the Local Government and Public Involvement in Health Act 2007 (c. 28) and by S.I. 2001/2237. There are other amendments not relevant to this instrument.

## Constitution

6. Schedule 1 makes provision about the constitution of the Combined Authority.

## PART 3

### Transport

#### Local Transport

7.—(1) The following functions are exercisable by the Combined Authority in relation to the Area—

- (a) the functions of the constituent councils specified in Parts 4 (local passenger transport services) and 5 (financial provisions) of the Transport Act 1985<sup>(20)</sup>;
- (b) the functions of the constituent councils as local transport authorities specified in Part 2 (local transport) of the 2000 Act.

(2) Subject to paragraphs (3) and (4), the functions specified in—

- (a) Parts 4 and 5 of the Transport Act 1985;
- (b) sections 108 and 109 of the 2000 Act;
- (c) sections 112 to 159 of the 2000 Act,

are exercisable by the Combined Authority instead of by the constituent councils.

(3) During the transition period—

- (a) the functions mentioned in paragraph (2)(a) and (c) are exercisable by the Combined Authority concurrently with the constituent councils;
- (b) the exercise of the functions mentioned in paragraph (2)(b) requires at least three of the members to vote in favour.

(4) The functions contained in section 108(1)(b), (2ZA) and (3B), and section 109(4) of the 2000 Act<sup>(21)</sup> are exercisable by the Combined Authority concurrently with the constituent councils, subject to the modifications set out in paragraph (5).

(5) The modifications referred to in paragraph (4) are—

- (a) in section 108(1)(b), the reference to “those policies” is a reference to the policies developed under section 108(1)(a) of the 2000 Act in accordance with the functions conferred on the Combined Authority by paragraph (1)(b);
- (b) in section 108(3B), the reference to “their plan” is a reference to the local transport plan prepared under section 108(3) in accordance with the functions conferred on the Combined Authority by paragraph (1)(b);
- (c) in section 109(4), the reference to “their local transport plan” is a reference to the local transport plan prepared under section 108(3) in accordance with the functions conferred on the Combined Authority by paragraph (1)(b).

(6) For the purposes of paragraph (3), “the transition period” means the period commencing when this Order comes into force and ending immediately before 31st March 2026.

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<sup>(20)</sup> 1985 c. 67.

<sup>(21)</sup> Section 108 was amended by section 3 of and paragraph 2 of the Schedule to the Transport (Wales) Act 2006 (c. 5), sections 7 to 9, and paragraphs 41 and 42 of Schedule 4 and Part 1 of Schedule 7 to the Local Transport Act 2008 (c. 26), and by section 119 of and paragraph 96 of Schedule 6 to the 2009 Act. Section 109 was amended by section 3 of and paragraph 3 of the Schedule to the Transport (Wales) Act 2006, section 9 of the Local Transport Act 2008, and by section 119 of and paragraph 97 of Schedule 6 to the 2009 Act.

### Agreements between authorities and strategic highways companies

8.—(1) The following functions are exercisable by the Combined Authority in relation to the Area—

- (a) the functions of the constituent councils specified in section 6 of the 1980 Act (powers to enter into agreements with the Minister or strategic highways companies relating to the exercise of functions with respect to trunk roads etc)(**22**);
- (b) the functions of the constituent councils as local highway authorities specified in section 8 of the 1980 Act (power to enter into agreements with local highway authorities and strategic highways companies for the doing of certain works)(**23**).

(2) The functions mentioned in paragraph (1) are exercisable concurrently with the constituent councils.

(3) Any exercise of the functions conferred by paragraph (1) requires the consent of each constituent council in whose area it is proposed that the function is to be exercised.

### Civil enforcement of road traffic contraventions

9.—(1) The functions of the constituent councils as enforcement authorities specified in the following enactments are exercisable by the Combined Authority in relation to the area comprising the civil enforcement areas of the constituent councils—

- (a) Part 6 (civil enforcement of road traffic contraventions) of the 2004 Act, insofar as it applies to a civil enforcement area designated under paragraphs 9 (designation of civil enforcement areas for bus lane contraventions) or 10 of Schedule 8 (civil enforcement areas and enforcement authorities outside Greater London) to that Act;
- (b) the Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022(**24**);
- (c) the Civil Enforcement of Road Traffic Contraventions (Representations and Appeals) (England) Regulations 2022(**25**).

(2) The functions mentioned in paragraph (1) are exercisable by the Combined Authority concurrently with each constituent council (in relation to its civil enforcement area).

(3) In this article—

“civil enforcement area” means an area designated as a civil enforcement area under Part 2 of Schedule 8 to the 2004 Act (civil enforcement areas and enforcement authorities) and which falls within the Area;

“enforcement area” means the area comprising all of the civil enforcement areas of the constituent councils;

“enforcement authority” means an enforcement authority for the purposes of Part 6 of the 2004 Act pursuant to paragraphs 9(4) or 10(5) of Schedule 8 to that Act.

(4) Any exercise of the functions conferred by paragraph (1) requires the consent of each constituent council in whose area it is proposed that the functions are to be exercised.

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(22) Section 6 was amended by section 8 of, and paragraph 4 of Schedule 4 to, the Local Government Act 1985 (c. 51), section 22 of, and paragraph 2 of Schedule 7 to, the Local Government (Wales) Act 1994, section 1 of, and paragraph 7 of Schedule 1 to, the Infrastructure Act 2015 (c. 7), and S.I. 1995/1986.

(23) Section 8 was amended by section 22 of, and paragraph 3 of Schedule 7 to, the Local Government (Wales) Act 1994, section 8 of, and paragraph 5 of Schedule 4 to, the Local Government Act 1985, and section 1 of, and paragraph 8 of Schedule 1 to, the Infrastructure Act 2015.

(24) S.I. 2022/71.

(25) S.I. 2022/576.

### Grants to bus service operators

**10.**—(1) Subject to paragraphs (2) to (4), the function of the Secretary of State set out in section 154(1) (grants to bus service operators) of the 2000 Act is exercisable by the Combined Authority in relation to the Area.

(2) For the purpose of paragraph (1), section 154(1) of the 2000 Act shall have effect as if “with the approval of the Treasury” were omitted.

(3) Grants made by virtue of the function conferred by paragraph (1) must be—

- (a) calculated in accordance with such method as may be provided by any regulations made by the Secretary of State by virtue of section 154(2) of the 2000 Act;
- (b) subject to sub-paragraph (a), of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as may be determined by the Secretary of State by virtue of section 154(3) of the 2000 Act and notified to the Combined Authority.

(4) Grants must not be made by virtue of the function conferred by paragraph (1) to the extent that eligible bus services operate outside the Area.

(5) The function mentioned in paragraph (1) is exercisable concurrently with the Secretary of State in relation to the Area.

(6) In this article, “eligible bus services” has the meaning given by section 154(5) of the 2000 Act.

### Permit schemes

**11.**—(1) The functions of the constituent councils as local highway authorities specified in the following provisions of the 2004 Act are exercisable by the Combined Authority in relation to the Area—

- (a) section 33 (preparation of permit schemes)(**26**);
- (b) section 33A (implementation of permit schemes of strategic highways companies and local highway authorities in England)(**27**);
- (c) section 36 (variation and revocation of permit schemes)(**28**).

(2) The functions of the constituent councils as Permit Authorities specified in the 2007 Regulations are exercisable by the Combined Authority in relation to the Area.

(3) The functions mentioned in paragraphs (1) and (2) are exercisable by the Combined Authority concurrently with the constituent councils.

(4) Part 3 of the 2004 Act (permit schemes) applies in relation to the preparation, implementation, variation and revocation of permit schemes by the Combined Authority as it applies in relation to the preparation, implementation, variation and revocation of permit schemes by a constituent council as a local highway authority, subject to the modifications in Schedule 2 to this Order.

(5) The 2007 Regulations apply in relation to the content, preparation, operation, variation and revocation of permit schemes by the Combined Authority as they apply in relation to the content, preparation, operation, variation and revocation of permit schemes by a constituent council as a Permit Authority.

(6) For the purposes of paragraph (5), references in the 2007 Regulations to a Permit Authority are to be read as including references to the Combined Authority.

(7) In this article—

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(26) Section 33 was amended by section 51 of, and Schedule 10 to, the Deregulation Act 2015 (c. 20).

(27) Section 33A was inserted by section 51 of, and Schedule 10 to, the Deregulation Act 2015.

(28) Section 36 was substituted by section 51 of, and Schedule 10 to, the Deregulation Act 2015.



“Permit Authority” has the same meaning as in regulation 2(1) of the 2007 Regulations;  
“permit scheme” is to be construed in accordance with section 32 of the 2004 Act.

(8) Any exercise of the functions conferred by paragraphs (1) and (2) requires the consent of each constituent council in whose area it is proposed that the functions are to be exercised.

### **Power to pay grant**

**12.**—(1) The functions of a Minister of the Crown specified in section 31 of the 2003 Act (power to pay grant) are functions of the Combined Authority that are exercisable in relation to the Area.

(2) The functions are exercisable by the Combined Authority concurrently with a Minister of the Crown.

(3) Paragraph (4) applies where, in exercising functions referred to in paragraphs (1), the Combined Authority determines an amount of grant to be paid towards expenditure incurred or to be incurred by a constituent council in relation to the exercise of its highway functions.

(4) In determining that amount, the Combined Authority must have regard to the desirability of ensuring that the constituent council has sufficient funds to facilitate the effective discharge of those highway functions.

(5) To comply with paragraph (4), the Combined Authority must take into account any other sources of funding available to the constituent council for expenditure incurred or to be incurred in relation to the exercise of its highway functions.

(6) For the purposes of the exercise by the Combined Authority of the functions referred to in paragraph (1), section 31 of the 2003 Act has effect as if—

- (a) in subsection (1)—
  - (i) the reference to a “Minister of the Crown” were a reference to the Combined Authority;
  - (ii) the reference to a “local authority in England” were a reference to a constituent council;
- (b) subsection (2) were omitted;
- (c) subsection (6) were omitted.

(7) In this article, “highway functions” means functions exercisable by a constituent council (in whatever capacity) in relation to the highways for which it is the highway authority.

### **Power to direct**

**13.**—(1) The Combined Authority may direct a constituent council about the exercise of an eligible power.

(2) A direction under paragraph (1) must relate only to the exercise of an eligible power in respect of a key route network road in—

- (a) the Area;
- (b) the area of the constituent council subject to the direction.

(3) A direction under paragraph (1) must relate only to any one or more of—

- (a) the provision of information about the exercise of an eligible power which the constituent council has or might reasonably be expected to acquire;
- (b) the imposition on a constituent council of requirements relating to procedures to be followed prior to the exercise of an eligible power;



- (c) the imposition on a constituent council of requirements relating to the obtaining of consent prior to the exercise of an eligible power;
  - (d) the imposition on a constituent council of conditions subject to which an eligible power may be exercised (including conditions relating to the times at which, and the manner in which, an eligible power may be exercised);
  - (e) a requirement to exercise an eligible power (including a requirement to exercise an eligible power subject to conditions);
  - (f) a prohibition on the exercise of an eligible power.
- (4) A direction that relates to paragraph (3)(e) has no effect unless the Combined Authority meets the cost of complying with the direction.
- (5) Before giving a direction under paragraph (1) the Combined Authority must consult the constituent council that is to be the subject of the direction.
- (6) Any direction given by virtue of paragraph (1)—
- (a) must be given in writing and may be varied or revoked by a further direction in writing;
  - (b) may make different provision for different cases and different provision for different areas.
- (7) The Combined Authority may not direct a constituent council to take any action which they would not otherwise be able to take in relation to the exercise of an eligible power.
- (8) In this article—
- “eligible power” has the meaning given by section 88(2) of the Local Transport Act 2008 (conferral of a power to direct)<sup>(29)</sup>;
  - “key route network road” has the meaning given by section 107ZA(9) of the 2009 Act<sup>(30)</sup>.

#### **Amendment of the Sub-national Transport Body (Transport for the North) Regulations 2018**

- 14.**—(1) The Sub-national Transport Body (Transport for the North) Regulations 2018<sup>(31)</sup> are amended in accordance with paragraph (2).
- (2) In regulation 2(1) (interpretation) in the definition of “constituent authorities”—
- (a) omit “Kingston upon Hull City Council” and “The East Riding of Yorkshire Council”;
  - (b) after “Greater Manchester Combined Authority”, insert “The Hull and East Yorkshire Combined Authority”.

## **PART 4**

### **Housing, regeneration and planning**

#### **Conferral of functions corresponding to functions that the HCA has in relation to the Area**

- 15.**—(1) The functions of or relating to the Homes and Communities Agency (“the HCA”) which are specified in the following provisions of the 2008 Act as applied by article 17(3) are to be functions of or relating to the Combined Authority that are exercisable in relation to the Area—
- (a) section 5 (powers to provide housing or other land);
  - (b) section 6 (powers for regeneration, development or effective use of land);
  - (c) section 7 (powers in relation to infrastructure);

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<sup>(29)</sup> 2008 c. 26.

<sup>(30)</sup> Section 107ZA was inserted by section 63 of the 2023 Act.

<sup>(31)</sup> S.I. 2018/103.

- (d) section 8 (powers to deal with land etc);
  - (e) section 9 (acquisition of land);
  - (f) section 10 (restrictions on disposal of land);
  - (g) section 19 (power to give financial assistance);
  - (h) paragraphs 19 and 20 of Schedule 3 (powers in relation to burial grounds and consecrated land etc);
  - (i) paragraphs 1, 2, 3, 4, 6 (extinguishment or removal powers for the HCA), 10 (counternotices) and 20 (notification of proposal to make order) of Schedule 4.
- (2) The Combined Authority must exercise the functions set out in the provisions specified in paragraph (1) for the purposes of, or for purposes incidental to the objectives of—
- (a) improving the supply and quality of housing in the Area;
  - (b) securing the regeneration or development of land or infrastructure in the Area;
  - (c) supporting in other ways the creation, regeneration or development of communities in the Area or their continued well-being;
  - (d) contributing to the achievement of sustainable development and good design in the Area, with a view to meeting the needs of people living in the Area.
- (3) The functions described in the provisions specified in paragraph (1) are exercisable concurrently with the HCA.
- (4) In paragraph (2) “good design” and “needs” have the meanings given by section 2(2) of the 2008 Act and the reference to improving the supply of housing includes a reference to improving the supply of particular kinds of housing.

### **Acquisition and appropriation of land for planning and public purposes**

- 16.**—(1) The functions of the constituent councils specified in the following provisions as applied by article 17(1) and (2) are exercisable by the Combined Authority in relation to the Area—
- (a) section 8 of the 1985 Act (periodical review of housing needs)**(32)**;
  - (b) section 11 of the 1985 Act (provision of board and laundry facilities)**(33)**;
  - (c) section 12 of the 1985 Act (provision of shops, recreation grounds, etc)**(34)**;
  - (d) section 17 of the 1985 Act (acquisition of land for housing purposes)**(35)**;
  - (e) section 18 of the 1985 Act (duties with respect to buildings acquired for housing purposes);
  - (f) section 226 of the 1990 Act (compulsory acquisition of land for development and other planning purposes)**(36)**;
  - (g) section 227 of the 1990 Act (acquisition of land by agreement);
  - (h) section 229 of the 1990 Act (appropriation of land forming part of common, etc);
  - (i) section 230(1)(a) of the 1990 Act (acquisition of land for purposes of exchange);
  - (j) section 232 of the 1990 Act (appropriation of land held for planning purposes);

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**(32)** Section 8 was amended by paragraph 62 of Schedule 11 to the 1989 Act and section 124 of the Housing and Planning Act 2016 (c. 22).

**(33)** Section 11 was amended by section 198 of and paragraph 103 of Schedule 6 to the Licensing Act 2003 (c. 17).

**(34)** Section 12 was amended by S.I. 2010/844.

**(35)** Section 17 was amended by section 222 of, and paragraph 24 of Schedule 18 to, the Housing Act 1996 (c. 52).

**(36)** Section 226 was amended by sections 79, 99 and 120 of, and paragraph 3 of Schedule 3 and paragraph 1 of Schedule 9 to, the Planning and Compulsory Purchase Act 2004 (c. 5) and section 180 of the 2023 Act.

- (k) section 233 of the 1990 Act (disposal by local authorities of land held for planning purposes)(37);
  - (l) section 235 of the 1990 Act (development of land held for planning purposes);
  - (m) section 236 of the 1990 Act (extinguishment of rights over land compulsorily acquired)(38);
  - (n) section 238 of the 1990 Act (use and development of consecrated land)(39);
  - (o) section 239 of the 1990 Act (use and development of burial grounds);
  - (p) section 241 of the 1990 Act (use and development of open spaces).
- (2) The functions referred to in paragraph (1) are exercisable concurrently with the constituent councils.

### **Application of provisions of the 1985 Act, the 1990 Act and the 2008 Act**

17.—(1) For the purposes of sub-paragraphs (a) to (e) of article 16(1), the Combined Authority is to be treated as a local housing authority for the Area(40) and acts of a local housing authority that is not the Combined Authority may be taken to be acts of the Combined Authority for these purposes.

(2) Part 9 of the 1990 Act (acquisition and appropriation of land for planning purposes, etc) applies in relation to the Combined Authority, and land which has been vested in or acquired by the Combined Authority for planning and public purposes, as it applies to a constituent council and land which has been vested in or acquired by a constituent council for planning and public purposes.

(3) Chapters 1 and 2 of Part 1 of, section 19 of and Schedules 2 to 4 to, the 2008 Act apply in relation to the powers of the Combined Authority to acquire land for housing and infrastructure as they apply to the HCA and land acquired by the HCA with the modifications made by Parts 1 and 2 of Schedule 3 to this Order (Modifications of the 2008 Act).

## **PART 5**

### **Mayoral development corporation**

#### **Mayoral development corporation**

18.—(1) The Combined Authority has, in relation to the Area, functions corresponding to the functions described in the provisions in the 2011 Act referred to in paragraph (2) that the Mayor of London has in relation to Greater London.

- (2) The provisions in the 2011 Act referred to in paragraph (1) are—
- (a) section 197 (designation of Mayoral development areas);
  - (b) section 199 (exclusion of land from Mayoral development areas);
  - (c) section 200 (transfers of property etc to a Mayoral development corporation)(41);
  - (d) section 202 (functions in relation to town and country planning)(42);
  - (e) section 204 (removal or restriction of planning functions);

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(37) Section 233 was amended by section 8 of the Growth and Infrastructure Act 2013 (c. 27).

(38) Section 236 was amended by section 406 of, and paragraph 103 of Schedule 17 to, the Communications Act 2003 (c. 21).

(39) Section 238 was amended by section 130 of the 2023 Act.

(40) In section 1 of the 1985 Act “local housing authority” means a district council, a London borough council, the Common Council of the City of London, a Welsh county council or county borough council or the Council of the Isles of Scilly.

(41) Section 200 was amended by section 151(1) of, and paragraphs 174 and 178 of Part 2 of Schedule 4 to, the Co-operative and Community Benefit Societies Act 2014 (c. 14).

(42) Section 202 was amended by section 176(2) of, and paragraph 5 of Schedule 17 to, the 2023 Act.

- (f) section 214 (powers in relation to discretionary relief from non-domestic rates);
- (g) section 215 (reviews);
- (h) section 216 (transfers of property, rights and liabilities)(43);
- (i) section 217 (dissolution: final steps);
- (j) section 219 (guidance by the Mayor);
- (k) section 220 (directions by the Mayor);
- (l) section 221 (consents);
- (m) paragraph 1 of Schedule 21 (membership);
- (n) paragraph 2 of Schedule 21 (terms of appointment of members);
- (o) paragraph 3 of Schedule 21 (staff);
- (p) paragraph 4 of Schedule 21 (remuneration etc: members and staff);
- (q) paragraph 6 of Schedule 21 (committees);
- (r) paragraph 8 of Schedule 21 (proceedings and meetings).

### **Application of provisions in the 2011 Act**

19.—(1) Section 198 of the 2011 Act applies with the modifications made by paragraph 1 of Schedule 4 to this Order.

(2) Chapter 2 of Part 8 of the 2011 Act (Mayoral development corporations) applies in relation to the Combined Authority as it applies in relation to the Mayor of London, with the modifications made by Schedule 4 to this Order.

(3) Chapter 2 of Part 8 of the 2011 Act applies in relation to a Corporation as it applies in relation to a Mayoral development corporation, with the modifications made by paragraph 2 of Schedule 4 to this Order.

(4) Subject to paragraph (7), in any enactment (whenever passed or made)—

- (a) any reference to a Mayoral development corporation;
- (b) any reference which falls to be read as a reference to a Mayoral development corporation,

is to be treated as including a reference to a Corporation.

(5) For the purposes of any transfer scheme relating to a Corporation under any provisions of the 2011 Act applied with modifications by this Order, paragraph 9 of Schedule 24 to the 2011 Act (transfers under scheme under section 17, 200(1) or (4) or 216(1)) applies in relation to—

- (a) any property, rights or liabilities transferred to or from a Corporation in accordance with a transfer scheme;
- (b) anything done for the purposes of, or in relation to, or in consequence of, the transfer of any property, rights or liabilities to or from a Corporation in accordance with such a transfer scheme.

(6) For the purposes of establishing a Corporation, giving the Corporation a name, giving effect to any decisions notified to the Secretary of State under sections 199(4) (exclusion of land from Mayoral development areas), 202(8) (decisions about planning functions), or 214(6) (powers in relation to discretionary relief from non-domestic rates) of the 2011 Act or in relation to the transfer of land to or from a Corporation under any provision of the 2011 Act, applied with modifications by this Order, section 235 of the 2011 Act (orders and regulations) applies in relation to—

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(43) Section 216(4) was amended by section 151(1) of, and paragraphs 174 and 179 of Part 2 of Schedule 4 to, the Co-operative and Community Benefit Societies Act 2014.

- (a) the power of a Secretary of State to make an order under sections 198(2) (mayoral development corporations: establishment) and 200(6) (transfers of property etc to a Mayoral development corporation) of that Act;
- (b) the power of the Treasury to make regulations under paragraph 9(2) of Schedule 24 to that Act,

as it applies in relation to the establishment of a Mayoral development corporation, giving the corporation a name, giving effect to any decisions notified to the Secretary of State (under sections 199(4), 202(8) and 214(6) of the 2011 Act) or in relation to the transfer of land to or from a Mayoral development corporation.

(7) Paragraph (4) does not apply to—

- (a) paragraph 9(8)(a) of Schedule 2 to the Channel Tunnel Rail Link Act 1996 (works: further and supplementary provisions)(44);
- (b) section 31(1A) of the 1999 Act (limits of the general power)(45);
- (c) section 38 of the 1999 Act (delegation)(46);
- (d) section 60A(3) of the 1999 Act (confirmation hearings etc for certain appointments by the Mayor)(47);
- (e) section 68(6) of the 1999 Act (disqualification and political restriction)(48);
- (f) section 73 of the 1999 Act (monitoring officer)(49);
- (g) section 403B of the 1999 Act (acquisition of land by MDC and TfL for shared purposes)(50);
- (h) section 424 of the 1999 Act (interpretation)(51);
- (i) section 24(4) of the Planning and Compulsory Purchase Act 2004 (conformity with spatial development strategy)(52);
- (j) paragraph 8(8)(a) of Schedule 2 to the Crossrail Act 2008 (works: further and supplementary provisions)(53).

(8) In this article, “scheme” means a transfer scheme under section 200(1) or (4) or 216(1) of the 2011 Act.

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(44) 1996 (c. 61). Paragraph 9(8) of Schedule 2 was amended by paragraph 43 of Schedule 22 to the 2011 Act.

(45) Section 31 was amended by section 186 of, and paragraphs 44 and 45 of Schedule 22 and Parts 31 and 32 of Schedule 25 to, the 2011 Act, section 33 of the Infrastructure Act 2015 and by S.I. 2012/1530.

(46) Section 38 was amended by paragraphs 36 and 37 of Schedule 19, paragraphs 4 and 5 of Schedule 20, paragraphs 44 and 46 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act, section 28 of the Growth and Infrastructure Act 2013 (c. 27) and article 2 of S.I. 2012/1530.

(47) Section 60A was inserted by section 4 of the Greater London Authority Act 2007 (c. 24) and amended by section 224 of the Planning Act 2008 (c. 29), section 20 of the Police Reform and Social Responsibility Act 2011 (c. 13), paragraphs 44 and 47 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act and articles 1, 2 and 36 of S.I. 2008/2038.

(48) Section 68 was amended by paragraphs 44 and 48 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.

(49) Section 73 was amended by sections 7 and 9 of, and Schedule 2 to, the Greater London Authority Act 2007, paragraph 16 of Part 2 of Schedule 12 to the Local Government and Public Involvement in Health Act 2007, paragraphs 36 and 38 of Schedule 19, paragraphs 44 and 49 of Schedule 22, Part 32 of Schedule 25 to the 2009 Act and paragraphs 1 and 5 of Part 1 to the Schedule to S.I. 2000/1435.

(50) Section 403B was inserted by section 36(1) and (2) of the Neighbourhood Planning Act 2017 (c. 20).

(51) Section 424 was amended by section 1159 of the Companies Act 2006 (c. 46), sections 11, 12, 21, 22 of the Greater London Authority Act 2007, section 3 of the Police Reform and Social Responsibility Act 2011 (c. 13) and paragraphs 44 and 52 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.

(52) 2004 c. 5. Section 24 was amended by paragraph 15 of Schedule 5 and paragraph 1 of Part 4 of Schedule 7 to the 2009 Act and by paragraphs 54 and 55 of Schedule 22 to the 2011 Act.

(53) 2008 c. 18. Paragraph 8 of Schedule 2 to the Crossrail Act 2008 was amended by paragraph 58 of Schedule 22 to the 2011 Act.

### Mayoral development corporation: incidental provisions

**20.**—(1) The following provisions of the 1989 Act apply in relation to a Corporation as if it were a local authority—

- (a) section 1 (disqualification and political restriction of certain officers and staff)(**54**);
- (b) sections 2 and 3A (politically restricted posts and exemptions from restriction)(**55**) so far as they have effect for the purposes of section 1.

(2) Section 5 of the 1989 Act (designation and reports of monitoring officer)(**56**) applies in relation to the Combined Authority as if a Corporation were a committee of the Combined Authority.

(3) Section 32 of the 2003 Act applies in relation to expenditure of a Corporation as if—

- (a) each reference to a functional body were a reference to a Corporation;
- (b) each reference to the Greater London Authority were a reference to the Combined Authority;
- (c) each reference to the Mayor of London were a reference to the Mayor;
- (d) subsection (7) were omitted.

## PART 6

### Mayoral functions

#### Functions exercisable only by the Mayor

**21.**—(1) The functions of the Combined Authority specified in paragraph (2) are general functions exercisable only by the Mayor.

(2) The functions referred to in paragraph (1) are the those corresponding to the functions set out in the following enactments—

- (a) section 17(3) of the 1985 Act;
- (b) sections 108 (local transport plans), 109 (further provision about plans: England), 112 (plans and strategies: supplementary) and 154(1) (grants to bus service operators) of the 2000 Act;
- (c) section 31 (power to pay grant) of the 2003 Act;
- (d) section 9(2) of the 2008 Act;
- (e) in relation to the functions conferred by article 24 (conferral of Business Rates Supplements functions) of this Order, the BRS Act;

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(54) Section 1 was amended by paragraphs 199 and 200 of Part 2 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 and by section 123 of, and paragraph 61 of Schedule 1 to and paragraph 86 of Schedule 2 to, the Policing and Crime Act 2017 (c. 3) and by S.I. 2021/1349.

(55) Section 2 was amended by paragraph 95 of Schedule 37 to the Education Act 1996 (c. 56), section 127 of the Greater London Authority Act 1999 (c. 29), Schedule 2 to the Fire and Rescue Services Act 2004 (c. 21), paragraph 3 of Schedule 2 to the Children Act 2004 (c. 31), section 203 of the Local Government and Public Involvement in Health Act 2007 (c. 28), Part 1 of Schedule 7 to the 2009 Act, paragraph 57 of Schedule 5 to the Health and Social Care Act 2012 (c. 7) and by S.I. 2001/2237, S.I. 2010/1158, S.I. 2017/1025 and S.I. 2021/1349. Section 3A was inserted by section 202 of the Local Government and Public Involvement in Health Act 2007 (c. 28) and was amended by Schedule 7 to the 2009 Act and Part 1 of Schedule 4 to and Part 5 of Schedule 25 to the 2011 Act.

(56) Section 5 was amended by Part 1 of Schedule 4 to the Police and Magistrates' Courts Act 1994 (c. 29), paragraph 1 of Schedule 7 to the Police Act 1996 (c. 16), section 132 of the 1999 Act, paragraph 24 of Schedule 5 to the Local Government Act 2000 (c. 22), section 113 of the 2003 Act, paragraph 14 of Part 2 to Schedule 12 and Part 14 of Schedule 18 to the Local Government and Public Involvement in Health Act 2007, paragraphs 12 and 13 of Schedule 14 and Part 4 of Schedule 22 to the Marine and Coastal Access Act 2009 (c. 23), paragraphs 199 and 202 of Part 3 of Schedule 16 to the Police Reform and Social Responsibility Act 2011, sections 6 and 9 of and paragraph 63 of Schedule 1 and paragraph 88 of Schedule 2 to the Policing and Crime Act 2017 and by S.I. 2001/2237 and 2021/1349.



- (f) sections 197, 199, 200, 202, 204, 214 to 217 and 219 to 221 of, and paragraphs 1 to 4, 6 and 8 of Schedule 21 to, the 2011 Act;
- (g) a power to give a direction about the exercise of an eligible power pursuant to article 13 (power to direct).

(3) For the purposes of the exercise of the general functions<sup>(57)</sup> mentioned in paragraph (2), the members and officers of the Combined Authority may assist the Mayor in the exercise of the functions.

(4) For the purposes of the exercise of the functions mentioned in paragraph (2), the Mayor may do anything that the Combined Authority may do under section 113A of the 2009 Act (general power of EPB or combined authority)<sup>(58)</sup>.

(5) The Mayor must not make arrangements under section 107D(3)(b) of the 2009 Act (functions of mayors: general) in relation to the functions specified in paragraph (2)(e), in relation to a political adviser appointed under article 5.

### Joint committees

22.—(1) The Mayor may enter into arrangements jointly with the Combined Authority, the constituent councils and other local authorities in accordance with section 101(5) of the Local Government Act 1972<sup>(59)</sup> for the discharge of the general functions of the Combined Authority which are exercisable only by the Mayor pursuant to article 21.

(2) In this article, “local authority” has the same meaning as in section 101(13) of the Local Government Act 1972<sup>(60)</sup>.

## PART 7

### Funding

#### Funding

23.—(1) Subject to paragraphs (3) to (5), the constituent councils must ensure that the costs of the Combined Authority reasonably attributable to the exercise of its functions are met.

(2) Subject to paragraph (4), the constituent councils must meet the costs of the expenditure reasonably incurred by the Mayor in, or in connection with, the exercise of the functions referred to in article 21(1), to the extent that the Mayor has not decided to meet these costs from other resources available to the Combined Authority.

(3) Any amount payable by each of the constituent councils to ensure that the costs of the Combined Authority referred to in paragraphs (1) and (2) are met is to be determined by apportioning such costs between the constituent councils in such proportions as they may agree or, in default of such agreement, in accordance with the proportion of the total resident population of the Combined

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<sup>(57)</sup> “general functions” are defined at section 107D of the 2009 Act and are any functions exercisable by the mayor other than PCC functions.

<sup>(58)</sup> Section 113A was inserted by section 13(1) of the 2011 Act and amended by paragraph 25 of Schedule 5 to the Cities and Local Government Devolution Act 2016 (c. 1).

<sup>(59)</sup> 1972 c. 70. The term “local authority” in section 101(13) must be read in light of the meaning given to that term in section 270(1) of that Act.

<sup>(60)</sup> Section 101(13) was amended by Schedule 14 to the Local Government Act 1985 (c. 51), Schedule 13 to the Education Reform Act 1988 (c. 40), section 332 of the Greater London Authority Act 1999 (c. 29), Schedule 13 to the Local Government and Public Involvement in Health Act 2007 (c. 28), Schedule 6 to the 2009 Act, Schedule 16 to the Police Reform and Social Responsibility Act 2011 (c. 13), Schedule 13 to the Deregulation Act 2015 (c. 20), Schedule 5 to the Cities and Local Government Devolution Act 2016 (c. 1), Schedule 2 to the Policing and Crime Act 2017 (c. 3) and Schedule 4 to the 2023 Act.

Authority which resides in the area of each constituent council at the relevant date as estimated by the Statistics Board<sup>(61)</sup>.

- (4) In relation to the expenditure mentioned in paragraph (2)—
- (a) to the extent to which such expenditure is met by amounts payable under paragraph (3)—
    - (i) the Mayor must agree with the Combined Authority the total expenditure mentioned in paragraph (2) in advance of incurring such expenditure;
    - (ii) in the absence of such agreement, no such expenditure may be incurred;
  - (b) any precept issued in relation to such expenditure under section 40 of the Local Government Finance Act 1992<sup>(62)</sup> is to be disregarded from any calculation of the costs of the expenditure.

(5) The costs of the Combined Authority reasonably attributable to the exercise of its functions relating to transport must be met by means of a levy issued by the Combined Authority to the constituent councils under section 74 of the Local Government Finance Act 1988<sup>(63)</sup> and in accordance with the Transport Levying Bodies Regulations 1992<sup>(64)</sup>.

(6) For the purposes of paragraph (3), the “relevant date” in relation to a payment for a financial year is 30 June in the financial year which commenced two years prior to the financial year in which such payment is to be made.

### **Conferral of Business Rate Supplements functions**

24.—(1) The Combined Authority has, in relation to the Area, functions corresponding to the functions conferred on the Greater London Authority in relation to Greater London by the BRS Act.

(2) Paragraph (1) does not apply in relation to the function conferred by section 3(5) of the BRS Act.

### **Adaptation of the BRS Act in consequence of article 24**

25. For the purposes of article 24, the BRS Act applies to the Combined Authority as if—
- (a) references to the Greater London Authority in section 2(1) (levying authorities) and in section 5(2) (prospectus) of the BRS Act included references to the Combined Authority;
  - (b) references in the BRS Act to a lower-tier authority were, in relation to the Combined Authority, references to a district council whose area forms part of the Area.

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<sup>(61)</sup> Section 25 of the Statistics and Registration Service Act 2007 (c. 18) provides that the Statistics Board is responsible for the functions in section 19 of the Registration Service Act 1953 (c. 37).

<sup>(62)</sup> 1992 c. 14.

<sup>(63)</sup> 1988 c. 41. Section 74 was amended by Schedule 13 to the Local Government Finance Act 1992 (c. 14), section 105 of the Greater London Authority Act 1999 (c. 29), Schedule 8 to the Courts Act 2003 (c. 39), Schedule 1 to the Local Government and Public Involvement in Health Act 2007 (c. 28), Schedule 6 to, and Part 4 of Schedule 7 to, the 2009 Act, Part 3 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (c. 13), Schedule 7 to the 2011 Act, section 9 of and Schedule 5 to the Cities and Local Government Devolution Act 2016 (c. 1), Schedule 4 to the 2023 Act and by S.I. 1994/2825.

<sup>(64)</sup> S.I. 1992/2789.



## PART 8

### Additional functions

#### Data sharing

**26.—**(1) The functions of the constituent councils specified in section 17A (sharing of information) of the Crime and Disorder Act 1998(**65**) are exercisable by the Combined Authority in relation to the Area.

(2) The Combined Authority is a relevant authority for the purposes of section 115 (disclosure of information) of the Crime and Disorder Act 1998(**66**).

(3) The functions referred to in paragraph (1) are exercisable concurrently with the constituent councils.

#### Assessment of economic conditions

**27.—**(1) The function of the constituent councils specified in section 69 of the 2009 Act (duty to prepare an assessment of economic conditions) is exercisable by the Combined Authority in relation to the Area.

(2) The function referred to in paragraph (1) is exercisable concurrently with the constituent councils.

(3) Any requirement in any enactment for a constituent council to exercise the function referred to in paragraph (1) may be fulfilled by the exercise of that function by the Combined Authority.

(4) Section 69 of the 2009 Act applies to the Combined Authority as it applies to a constituent council.

#### Incidental provisions

**28.—**(1) The following provisions of the Local Government Act 1972(**67**) have effect as if the Combined Authority were a local authority for the purposes of those provisions—

- (a) section 113 (the power to place staff at the disposal of other local authorities)(**68**);
- (b) section 142(2) (the power to arrange for publication of information etc relating to the functions of the Combined Authority)(**69**);
- (c) section 144 (the power to encourage visitors and provide conference and other facilities)(**70**);
- (d) section 145 (the power to provide and support cultural activities and entertainments)(**71**);
- (e) section 222 (power to prosecute and defend legal proceedings)(**72**).

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(65) 1998 c. 37. Section 17A was inserted by section 22 of, and paragraph 5 of Schedule 9 to, the Police and Justice Act 2006 (c. 48) and amended by paragraph 45 of Schedule 19 to the Data Protection Act 2018 (c. 12).

(66) Section 115 was amended by section 74 of, and paragraphs 150 and 151 of Part 2 of Schedule 7 to, the Criminal Justice and Court Services Act 2000 (c. 43); section 97 of the Police Reform Act 2002 (c. 30); section 219 of the Housing Act 2004 (c. 34); section 22 of, and paragraph 7 of Schedule 9 to, the Police and Justice Act 2006; section 29 of the Transport for London Act 2008 (c. 1); section 99 of, and paragraphs 231 and 238 of Part 3 of Schedule 16 to, the Police Reform and Social Responsibility Act 2011; section 55 of, and paragraphs 83 and 90 of Schedule 5 to, the Health and Social Care Act 2012 (c. 7); section 6 and 9 of and paragraph 80 of Schedule 1 and paragraph 106 of Schedule 2 to the Policing and Crime Act 2017; and by S.I. 2000/90, S.I. 2002/2469, S.I. 2007/961, S.I. 2008/912, S.I. 2010/866 and S.I. 2013/602.

(67) 1972 c. 70.

(68) There are amendments to section 113, which are not relevant here.

(69) Section 142(2) was amended by section 3 of the Local Government Act 1986 (c. 10).

(70) Section 144 was amended by Schedule 2 to the Local Government (Miscellaneous Provisions) Act 1976 (c. 57), Schedule 34 to the Local Government, Planning and Land Act 1980 (c. 65) and Schedule 17 to the Local Government Act 1985 (c. 51).

(71) Section 145 was amended by Schedule 6 to the Licensing Act 2003 (c. 17).

(72) Section 222 was amended by Schedules 1 and 2 to the Policing and Crime Act 2017 (c. 3) and by S.I. 2022/372.

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(2) The Combined Authority has the power to exercise any of the functions described in subsection (1)(a) and (b) of section 88 (research and collection of information) of the Local Government Act 1985(73) whether or not a scheme is made under that section.

(3) For the purposes of paragraph (2), paragraphs (a) and (b) of section 88(1) of the Local Government Act 1985 have effect as if a reference to “that area” were a reference to the Area.

(4) Section 13 of the 1989 Act (voting rights of members of certain committees)(74) has effect as if—

(a) in subsection (4) after paragraph (h) there were inserted—

“(i) subject to subsection (4A), a committee appointed by the Hull and East Yorkshire Combined Authority.”;

(b) after subsection (4) there were inserted—

“(4A) A person who is a member of a committee falling within paragraph (i) of subsection (4) or a sub-committee appointed by such a committee shall for all purposes be treated as a non-voting member of that committee or sub-committee unless that person is—

(a) a member of one of the constituent councils;

(b) a non-constituent member of the Hull and East Yorkshire Combined Authority and that Authority has passed a resolution to the effect that such members are to have voting rights.”.

(5) In Part 2 of Schedule 3 to the Local Government Pension Scheme Regulations 2013(75), in the table insert at the end—

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“An employee of the Hull and East Yorkshire East Riding of Yorkshire Council”.  
Combined Authority established by the Hull and  
East Yorkshire Combined Authority Order 2025

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(6) The functions of the constituent councils under section 1 of the 2011 Act, to the extent that those functions are exercisable for the purpose of economic development and regeneration, are exercisable by the Combined Authority in relation to the Area.

(7) The functions referred to in paragraph (6) are exercisable concurrently with the constituent councils.

(8) Any requirement in any enactment for a constituent council to exercise a function referred to in paragraph (6) may be fulfilled by the exercise of that function by the Combined Authority.

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(73) 1985 c. 51.

(74) Section 13 was amended by paragraph 1 of Schedule 21(II) and paragraph 96 of Schedule 37(I) to the Education Act 1993 (c. 35); by paragraph 36 of Schedule 4(I) and by paragraph 1 of Schedule 9(I) to the Police and Magistrates’ Courts Act 1994; by paragraph 1 of Schedule 24 to the Environment Act 1995 (c. 25); by paragraph 96 of Schedule 37(I) and by paragraph 1 of Schedule 38(I) to the Education Act 1996 (c. 56); by paragraph 22 of Schedule 30 to the School Standards and Framework Act 1998 (c. 31); by paragraph 1 of Schedule 5(4) to the Children Act 2004 (c. 31); by paragraph 81 of Schedule 6 to the 2009 Act; by paragraph 14 of Schedule 14 and by paragraph 1 of Schedule 22(4) to the Marine and Coastal Access Act 2009 (c. 23); by paragraph 15 of Schedule 8 to the Public Service Pensions Act 2013 (c. 25); by paragraph 12 of Schedule 5 to the Cities and Local Government Devolution Act 2016; by section 7 of the Policing and Crime Act 2017; by S.I. 2001/1517; and by S.I. 2010/1158.

(75) S.I. 2013/2356. There are amendments to Part 2 which are not relevant to this instrument.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

4th February 2025

*Jim McMahon*  
Minister of State  
Ministry of Housing, Communities and Local  
Government

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## SCHEDULES

### SCHEDULE 1

Article 6

#### Constitution

##### **Membership**

1.—(1) Each constituent council must appoint two of its elected members to be members of the Combined Authority.

(2) Each constituent council must designate one of the members appointed under sub-paragraph (1) as the lead member.

(3) Each constituent council must appoint one named elected member for each member appointed under sub-paragraph (1), either of whom may act as a member of the Combined Authority in the absence of a member appointed under sub-paragraph (1) (“substitute member”), subject to paragraph 3(3).

(4) In this Schedule, “member” means a lead member, a non-lead member appointed under sub-paragraph (1) and a substitute member, where that substitute member is acting in place of a member appointed under sub-paragraph (1), unless the context provides otherwise.

(5) A person ceases to be a member of the Combined Authority if—

- (a) they cease to be a member of the constituent council that appointed them;
- (b) the relevant constituent council terminates their appointment.

(6) A person may resign as a member of the Combined Authority by written notice served on the proper officer of the constituent council that appointed them and the resignation takes effect on receipt of that notice.

(7) Where a member of the Combined Authority’s appointment ceases by virtue of sub-paragraph (5) or (6), the constituent council that made the appointment must, as soon as practicable, give written notice of that fact to the Combined Authority and appoint another of its elected members in that person’s place.

(8) The term “proper officer” in this paragraph, in relation to a body and any purpose or area, means an officer appointed by the body for that purpose or area.

##### **Non-constituent and associate members**

2.—(1) The Combined Authority must have no more than a total of four non-constituent members and associate members.(76)

(2) Each nominating body of the Combined Authority must nominate another person to act as the member of the Combined Authority in the absence of the member appointed under section 104A(3) (Non-constituent members of a combined authority) of the 2009 Act.

(3) An associate member appointed under section 104B (Associate members of a combined authority) of the 2009 Act must nominate another person to act as a member of the Combined Authority in their absence.

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(76) For the meaning of “non-constituent member” and “associate member” see sections 104A and 104B of the 2009 Act. These were inserted by section 64 of the 2023 Act.

### **Co-chairs and vice-chair**

3.—(1) The Combined Authority must appoint the two members designated as lead members under paragraph 1(2) as co-chairs and these appointments are to be the first business transacted after the appointment of members of the Combined Authority, at the first meeting of the Combined Authority.

(2) The Combined Authority must determine which of the co-chairs is to be the chair for the first meeting of the Combined Authority and thereafter the co-chairs must take the role of chair at alternating meetings of the Combined Authority.

(3) In the absence from any meeting of the Combined Authority of the co-chair who is acting as the chair of that meeting, the role of chair must be filled by the vice-chair.

(4) A person ceases to be co-chair of the Combined Authority if they cease to be a member of the Combined Authority.

(5) If a vacancy arises in the office of co-chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority or, if that meeting is to be held within 14 days of the vacancy arising, at the meeting following that meeting.

(6) The co-chairs of the Combined Authority cease to hold office at the end of the day before the first Mayor's term of office begins<sup>(77)</sup>.

4.—(1) The Combined Authority must appoint a vice-chair from amongst its members and the appointment is to be the first business transacted after the appointment of members and the co-chairs of the Combined Authority, at the first meeting of the Combined Authority.

(2) A person ceases to be vice-chair of the Combined Authority if they cease to be a member of the Combined Authority.

(3) If a vacancy arises in the office of vice-chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority or, if that meeting is to be held within 14 days of the vacancy arising, at the meeting following that meeting.

(4) The office of vice-chair is abolished at the end of the day before the first Mayor's term of office begins.

### **Proceedings**

5.—(1) Subject to sub-paragraphs (7) to (15), any decision of the Combined Authority is to be decided by a simple majority of the members present and voting on that question at a meeting of the Combined Authority and, after the beginning of the first Mayor's term of office, such majority is to include the Mayor, or the Deputy Mayor acting in place of the Mayor.

(2) Before the first Mayor's term of office begins, no business is to be transacted at a meeting of the Combined Authority unless the chair of that meeting, determined in accordance with paragraphs 3(2) and (3), and all of the members appointed by each constituent council who are not designated as the lead member in accordance with paragraph 1(2), are present.

(3) After the Mayor's term of office begins, no business is to be transacted at a meeting of the Combined Authority unless the Mayor (or the Deputy Mayor acting in place of the Mayor) and at least one member appointed by each constituent council is present.

(4) Non-constituent members will be non-voting unless the Combined Authority resolves unanimously to give them a vote on any issue, within the restrictions set out in the 2009 Act.

(5) Each member is to have one vote and no member is to have a casting vote.

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<sup>(77)</sup> Section 107A(6) of the 2009 Act provides that the mayor for the area of a combined authority is by virtue of that office a member of, and chair of, the combined authority.

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- (6) If a vote is tied on any matter it is deemed not to have been carried.
- (7) The following decisions of the Combined Authority require (in addition to the requirements of sub-paragraph (1)) those voting in favour to include the lead member from each constituent council—
- (a) approval or amendment of the Combined Authority’s budget (excluding amendment of the Mayor’s budget);
  - (b) issuing the levy pursuant to article 23(5) (funding).
- (8) The exercise of the functions in section 17 of the 1985 Act (insofar as that function is exercised for the compulsory purchase of land), section 9(2) of the 2008 Act and section 226 of the 1990 Act by the Combined Authority requires the consent of—
- (a) the lead member for each constituent council whose area contains any part of the land subject to the proposed compulsory acquisition, or
  - (b) a substitute member acting in place of such a member.
- (9) Article 8(4) of the Combined Authorities (Finance) Order 2017(78) applies in relation to decisions of the Combined Authority referred to in that paragraph as if the reference to a two thirds majority were a reference to a three quarters majority.
- (10) Any decision of the Combined Authority to amend the Mayor’s transport plan (being a plan prepared by the Mayor under the powers conferred in accordance with article 21(2)(b)) requires at least three of the members to vote in favour of the amendment and that is not required to include the Mayor or the Deputy Mayor, when acting in place of the Mayor.
- (11) Any decision of the Mayor which gives rise to a financial liability for a constituent council requires the consent of the lead member appointed by that constituent council.
- (12) Any exercise by the Mayor of the functions corresponding to the functions contained in section 197(1) (designation of Mayoral development areas) of the 2011 Act requires the consent of—
- (a) the lead member for any constituent council whose local government area contains any part of the land to be designated as a Mayoral development area, or
  - (b) a substitute member acting in place of that member.
- (13) Any exercise by the Mayor of the functions corresponding to the functions contained in section 199(1) (exclusion of land from Mayoral development areas) of the 2011 Act in respect of any Mayoral development area requires the consent of—
- (a) the lead member for any constituent council whose local government area contains any part of the area to be excluded from a Mayoral development area, or
  - (b) a substitute member acting in place of that member.
- (14) Any exercise by the Mayor of the functions corresponding to the functions contained in section 202(2) to (4) of the 2011 Act (functions in relation to town and country planning) in respect of any mayoral development area requires the consent of—
- (a) the lead member for each constituent council whose local government area contains any part of the area to be designated as a Mayoral development area, or
  - (b) a substitute member acting in place of that member.
- (15) Any exercise by the Mayor of the functions corresponding to the functions contained in section 17(3) of the 1985 Act (acquisition of land for housing purposes) and section 9(2) of the 2008 Act (acquisition of land) requires the consent of—
- (a) the lead member for each constituent council whose local government area contains any part of the land subject to the proposed compulsory acquisition, or

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(78) S.I. 2017/611.

(b) a substitute member acting in place of that member.

(16) For the purpose of sub-paragraphs (8) and (12) to (15), the consent must be given at a meeting of the Combined Authority.

## **Remuneration**

6. Subject to paragraphs 7 and 8, no remuneration or allowances are to be payable by the Combined Authority to its members, other than allowances for travel and subsistence paid in accordance with a scheme approved by the Combined Authority.

7.—(1) The Combined Authority may establish an independent remuneration panel to recommend a scheme to the Combined Authority regarding the allowances payable to—

- (a) the Mayor;
- (b) the Deputy Mayor provided that the Deputy Mayor is not a leader or elected mayor of a constituent council;
- (c) constituent council members appointed to the Overview and Scrutiny Committee of the Combined Authority;
- (d) constituent council members appointed to the Audit Committee of the Combined Authority.

(2) An independent remuneration panel must consist of at least three members none of whom may be—

- (a) a member of the Combined Authority or a member of a committee or sub-committee of the Combined Authority or a member of a constituent council;
- (b) disqualified from being or becoming a member of the Combined Authority.

(3) The Combined Authority may pay the expenses incurred by the independent remuneration panel established under sub-paragraph (1) in carrying out its functions and may pay the members of the panel such allowances or expenses as the Combined Authority may determine.

8. The Combined Authority may only pay an allowance to the people listed in paragraph 7(1) if the Combined Authority has—

- (a) considered a report published by the independent remuneration panel established under paragraph 7(1) which contains recommendations for such an allowance, and
- (b) approved a scheme for the payment of the allowance providing that scheme does not provide for the payment of allowances of an amount in excess of the amount recommended by the independent remuneration panel.

## **Records**

9.—(1) The Combined Authority must make arrangements for the names of members present at any meeting to be recorded.

(2) Minutes of the proceedings of a meeting of the Combined Authority, or any committee or sub-committee of the Combined Authority, are to be kept in such form as the Combined Authority may determine.

(3) Any such minutes are to be signed at the same or next suitable meeting of the Combined Authority, committee or sub-committee as the case may be, by the person presiding at that meeting.

(4) Any minute purporting to be signed as mentioned in sub-paragraph (3) is to be received in evidence without further proof.

(5) Unless the contrary is proved, a meeting of the Combined Authority, committee or sub-committee, a minute of whose proceedings has been signed in accordance with this paragraph, is

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deemed to have been duly convened and held, and all the members present at the meeting are deemed to have been duly qualified to attend.

(6) For the purposes of sub-paragraph (3), the next suitable meeting is the next following meeting or, where standing orders made by the Combined Authority provide for another meeting of the Authority, committee or sub-committee to be regarded as suitable, either the next following meeting or that other meeting.

### **Standing Orders**

**10.** The Combined Authority may make standing orders for the regulation of its proceedings and business and may vary or revoke any such orders.

### **Constitutional provision**

**11.** The Combined Authority may make provision about its constitution.

## SCHEDULE 2

Article 11

Permit schemes: modification of the application of Part 3 of the Traffic Management Act 2004

**1.—**(1) Part 3 of the 2004 Act is modified as follows.

(2) Section 33A (implementation of permit schemes of strategic highways companies and local highway authorities in England) has effect as if—

- (a) subsection (1) were omitted;
- (b) for subsection (2) there were substituted—

“(2) A permit scheme prepared in accordance with section 33(1) or (2) by the Combined Authority shall not have effect in the combined area unless the Combined Authority gives effect to it by order.”;

- (c) subsection (3) were omitted.

(3) Section 36 (variation and revocation of permit schemes) has effect as if, for subsections (1) to (3) there were substituted—

“(1) The Combined Authority may by order vary or revoke a permit scheme to the extent that it has effect in the combined area by virtue of an order made by the Combined Authority under section 33A(2).

(2) The Secretary of State may direct the Combined Authority to vary or revoke a permit scheme by an order under subsection (1).

(3) An order made by the Combined Authority under subsection (1) may vary or revoke an order made by the Combined Authority under section 33A(2), or an order previously made by the Combined Authority under subsection (1).”.

(4) Section 39 (interpretation of Part 3) has effect as if, in subsection (1), after the definition of “the appropriate national authority”, there were inserted—

““the Area” means the area of the Combined Authority;

“the Combined Authority” means the Hull and East Yorkshire Combined Authority;”.



## SCHEDULE 3

Article 17

### PART 1

#### Modification of the application of Part 1 of the 2008 Act

1.—(1) Chapters 1 and 2 of Part 1 and section 19 of the 2008 Act apply in relation to the Combined Authority as modified in accordance with the following provisions.

(2) Sections 5 (powers to provide housing or other land), 6 (powers for regeneration, development or effective use of land), 7 (powers in relation to infrastructure), 8 (powers to deal with land etc), 9 (acquisition of land), 10 (restrictions on disposal of land), 11 (main powers in relation to acquired land) and section 19 (financial assistance) of the 2008 Act, have effect as if for each reference to—

- (a) “the HCA” there were substituted a reference to “the Combined Authority”;
- (b) “Part 1” of that Act there were substituted a reference to “Part 4 of the Hull and East Yorkshire Combined Authority Order 2025”;
- (c) land acquired or held by the HCA there were substituted a reference to land acquired or held by the Combined Authority.

(3) Sections 5, 6, 8, 9 and 10 of the 2008 Act have effect as if for every reference to “land” there were substituted a reference to “land in the area of the Combined Authority”.

(4) Section 57(1) of the 2008 Act is to have effect as if before the definition of “develop” there were inserted—

““Combined Authority” means the Hull and East Yorkshire Combined Authority, a body corporate established under the Hull and East Yorkshire Combined Authority Order 2025;”.

### PART 2

#### Modification of the application of Schedules 2 to 4 to the 2008 Act

2.—(1) Schedules 2 to 4 to the 2008 Act apply in relation to the Combined Authority as modified in accordance with the following provisions.

(2) Part 1 of Schedule 2 to the 2008 Act (compulsory acquisition of land) has effect as if for each reference to “section 9” of that Act there were substituted a reference to “article 15 of the Hull and East Yorkshire Combined Authority Order 2025”.

(3) Schedules 2 to 4 to the 2008 Act have effect as if for each reference to—

- (a) “the HCA” there were substituted a reference to “the Combined Authority”;
- (b) land acquired or held by the HCA there were substituted a reference to land acquired or held by the Combined Authority.

(4) Schedule 3 to the 2008 Act (main powers in relation to land acquired by the HCA) is to have effect as if for references to land which has been vested in or acquired by the HCA there were substituted references to land which has been vested in or acquired by the Combined Authority.

## SCHEDULE 4

Article 19

Modification of the application of Part 8 of, and schedule 21 to the 2011 Act

1. Section 198 of the 2011 Act (Mayoral development corporations: establishment) has effect as if—

- (a) in the heading for “Mayoral development corporations” there were substituted “Corporations”;
- (b) for each reference to “Mayoral development corporation” there were substituted “Corporation”;
- (c) “the Mayor” there were substituted “the Combined Authority”;
- (d) “MDC” there were substituted “Corporation”.

2.—(1) Chapter 2 of Part 8 of the 2011 Act (Mayoral development corporations) applies in relation to the Combined Authority as modified in accordance with the following provisions.

(2) Section 196 of the 2011 Act (interpretation of Chapter) has effect as if for the definitions of “the Mayor” and “MDC” there were substituted—

““the Area” means the area of the Combined Authority;

“the Combined Authority” means the Combined Authority established by the Hull and East Yorkshire Combined Authority Order 2025;

“Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 following the designation of an area of land by the Combined Authority;”.

- (3) Sections 197 and 199 to 222 of the 2011 Act have effect as if for each reference to—
  - (a) “the Greater London Authority” there were substituted “the Combined Authority”;
  - (b) “the Mayor” there were substituted “the Combined Authority” except for the occurrences in sections 197(3)(d) and (e), 199(2), 202(7)(a) and 214(4)(a);
  - (c) “MDC” there were substituted “Corporation”.
- (4) Section 197 of the 2011 Act (designation of Mayoral development areas) has effect as if—
  - (a) in subsection (1) for “Greater London” there were substituted “the Area”;
  - (b) in subsection (3)(a) for “any one or more of the Greater London Authority’s principal purposes” there were substituted “economic development and regeneration in the Area”;
  - (c) in subsection (3)(d)—
    - (i) for “the London Assembly” there were substituted “the members of the Combined Authority who are appointed by the constituent councils (including substitute members within the meaning of paragraph 1(3) of Schedule 1 to the Hull and East Yorkshire Combined Authority Order 2025, acting in place of those members)”;
    - (ii) for “the Mayor” in both places there were substituted “the Mayor for the Area”; and
    - (iii) for “subsection (4)(d), (e), (f) or (g)” there were substituted “subsection (4)(d) or (e)”;
  - (d) in subsection (3)(e)—
    - (i) for “the Mayor” in both places there were substituted “the Mayor for the Area”; and
    - (ii) for “the London Assembly” there were substituted “the Combined Authority”;
  - (e) in subsection (3)(f) for “the London Assembly” there were substituted “the Combined Authority”;

- (f) in subsection (4)—
    - (i) in paragraph (a) for “the London Assembly” there were substituted “the members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members)”;
    - (ii) paragraph (b) were omitted;
    - (iii) in paragraph (d) for “each London borough council whose borough” there were substituted “each district council whose local government area”;
    - (iv) paragraphs (f) and (g) were omitted;
  - (g) in subsection (5)—
    - (i) in paragraph (a) for “the London Assembly” there were substituted “the Combined Authority”;
    - (ii) in paragraph (b) for “the London Assembly” there were substituted “the Combined Authority”;
    - (iii) in paragraph (b)(i) for “the Assembly” there were substituted “the Combined Authority”;
    - (iv) in paragraph (b)(ii) for “the Assembly members voting” there were substituted “all members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members) present and voting on that motion”;
  - (h) in subsection (6)(c) for “Mayoral development corporation” there were substituted “Corporation”;
  - (i) subsection (7) were omitted.
- (5) Section 199 of the 2011 Act (exclusion of land from Mayoral development areas) has effect as if in subsection (2)—
- (a) for “the London Assembly” there were substituted “the members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members)”;
  - (b) for “the Mayor” in both places there were substituted “the Mayor for the Area”.
- (6) Section 200 of the 2011 Act (transfers of property etc to a Mayoral development corporation) has effect as if—
- (a) in subsection (3)—
    - (i) in paragraph (a) for “a London borough council” there were substituted “a district council wholly or partly in the Area”;
    - (ii) paragraph (b) were omitted;
    - (iii) in paragraphs (d) and (e), for “in Greater London” there were substituted “in the Area”;
    - (iv) paragraph (k) were omitted;
  - (b) in subsection (4) paragraph (b) were omitted;
  - (c) in subsection (10) the definitions of “functional body” and “public authority” were omitted.
- (7) Section 201 of the 2011 Act (object and powers) has effect as if subsection (8)(b) were omitted.
- (8) Section 202 of the 2011 Act (functions in relation to town and country planning) has effect as if—
- (a) in subsection (7)(a) for “the Mayor” there were substituted “the Mayor for the Area”;

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- (b) in subsection (7)(c) for “the London Assembly” there were substituted “the members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members)”;
  - (c) in subsection (7) at the end in the definition of “affected local authority” for “(d), (e), (f) or (g)” there were substituted “(d) or (e)”.
- (9) Section 203 of the 2011 Act (arrangements for discharge of, or assistance with, planning functions) has effect as if for each reference to “a London borough council or the Common Council of the City of London” there were substituted “a district council or a county council”.
- (10) Section 207 of the 2011 Act (acquisition of land) has effect as if—
- (a) in subsection (2) for “in Greater London” there were substituted “in the Area”;
  - (b) in subsection (3) for “the Mayor of London” there were substituted “the Combined Authority”.
- (11) Section 214 of the 2011 Act (powers in relation to discretionary relief from non-domestic rates) has effect as if—
- (a) in subsection (4)(a) for “the Mayor” there were substituted “the Mayor for the Area”;
  - (b) in subsection (4)(c) for “the London Assembly or an affected local authority” there were substituted “the members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members) or a district council wholly or partly in the Area”;
  - (c) in subsection (4) at the end the definition of “affected local authority” were omitted.
- (12) Section 216 of the 2011 Act (transfers of property, rights and liabilities) has effect as if—
- (a) in subsection (2) “, (e)” were omitted;
  - (b) in subsection (4)—
    - (i) the definition of “functional body” were omitted;
    - (ii) in the definition of “permitted recipient”—
      - (aa) paragraph (b) were omitted;
      - (bb) in paragraph (d) for “a London borough council” there were substituted “a district council wholly or partly within the Area”;
      - (cc) paragraph (e) were omitted.
- (13) Schedule 21 to the 2011 Act (Mayoral development corporations) has effect as if—
- (a) for each reference to—
    - (i) “the Mayor” there were substituted “the Combined Authority”, except for the reference in paragraph 1(1);
    - (ii) “the Mayor’s” there were substituted “the Combined Authority’s”;
    - (iii) “an MDC” there were substituted “the Corporation”;
  - (b) in paragraph 1(1)—
    - (i) for “A Mayoral development corporation (“MDC”)” there were substituted “A Corporation”;
    - (ii) for “the Mayor of London (“the Mayor”)” there were substituted “the Combined Authority”;
  - (c) in paragraph 1(2) for “each relevant London council” there were substituted “each relevant district council”;
  - (d) in paragraph 1(3)—

- (i) sub-paragraph (a) were omitted;
- (ii) in sub-paragraph (b) for “a London council” there were substituted “a district council”;
- (e) in paragraph 1(5), for ““MDC’s” there were substituted “Corporation’s”;
- (f) in paragraph 2(5)(d) for “a relevant London council” there were substituted “a relevant district council”;
- (g) in paragraph 3—
  - (i) for “An MDC’s” in each place in which it occurs there were substituted “A Corporation’s”;
  - (ii) for “the MDC’s” there were substituted “the Corporation’s”
- (h) in paragraph 4(4) for “the London Assembly” there were substituted “the Combined Authority”;
- (i) in paragraph 9(c) for “each relevant London council” there were substituted “each relevant district council”;
- (j) in paragraph 10(1)(c) the reference to “and to the London Assembly” were omitted.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order establishes the Hull and East Yorkshire Combined Authority (“the Combined Authority”) and provides for the election of a Mayor and the conferral of functions of local authorities and other public authorities on the Combined Authority.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions in their area.

The Secretary of State may only establish a combined authority for an area where a proposal for such an authority has been submitted under section 109A of the 2009 Act. This Order has been made following the publication of such a scheme on 2<sup>nd</sup> January 2024 by the constituent councils (being the councils for the local government areas of East Riding of Yorkshire and the city of Kingston upon Hull) whose areas together make up the area of the new combined authority.

Part 2 of the Order provides for the creation of the Combined Authority, the election of a Mayor and the appointment of a political adviser and makes constitutional provision.

Part 3 of the Order confers on the Combined Authority functions relating to transport. It transfers functions relating to local transport planning and public transport from the local authorities to the Combined Authority and makes provision for specified highways and traffic powers held by the local authorities to be exercised concurrently by the Combined Authority. It confers powers for the Mayor to pay grants, including to bus service operators.

Part 4 of the Order confers on the Combined Authority functions in relation to housing and regeneration which are to be exercised concurrently with the Homes and Communities Agency.

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It also makes provision about the acquisition and appropriation of land for planning and public purposes. Article 17 and Schedule 2 apply and modify relevant provisions in legislation.

Part 5 of the Order confers on the Combined Authority functions corresponding to those of the Mayor of London in relation to the designation of a Mayoral development area. Schedule 3 to the Order modifies Part 8 of and Schedule 21 to the Localism Act 2011 which make provision about the establishment of a Mayoral development corporation, its objects and powers as well as its constitution and governance.

Part 6 of the Order sets out the functions of the Combined Authority which are to be only exercisable by the Mayor and makes provision in relation to Joint Committees.

Part 7 of the Order makes provision for the funding, by the constituent councils, of those costs of the Combined Authority that relate to the exercise of its functions. Article 24 provides that the Combined Authority is to have in relation to its area functions corresponding to the functions that the Greater London Authority has under the Business Rate Supplements Act 2009 to levy a supplement on business rates to raise money for expenditure on a project which will promote economic development in its area.

Part 8 confers a number of additional functions (data sharing and assessment of economic conditions) to be exercisable by the Combined Authority. The conferred functions are to be exercised concurrently with the constituent councils. It also makes incidental provision.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of the business and voluntary sectors. The impact on the public sector is that conferring functions on the Combined Authority should lead to operational efficiencies that could lead to reduced costs.



**Report to:** Hull & East Yorkshire Combined Authority

**Date:** 5 March 2025

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**Combined Authority Budget 2024/25 and 2025/26**

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

**1. Purpose of the Report**

- 1.1. To approve the initial budget for the Hull and East Yorkshire Mayoral Combined Authority (HEYMCA) covering the period from February 2025 through to March 2026.

**2. Recommendations**

- 2.1 It is recommended that the Combined Authority:
- i) approves the proposed budget for 2024-25 and 2025-26 set out in paragraph 5.6;
  - ii) delegates authority to the Chief Executive, the Monitoring Officer and the Director of Finance, including officers standing in those 'interim' positions, to enter into Service Level Agreements with the constituent authorities on behalf of the Combined Authority for the provision of support services.
  - iii) adopts East Riding of Yorkshire Council's treasury management policy, treasury management strategy and MRP policy as an interim measure.

**3. Reason for recommendation**

- 3.1 To ensure that the Hull and East Yorkshire Combined Authority has a balanced budget and has access to the support services required to establish and operate the organisation, and to provide a defined framework within which the Director of Finance can operate treasury management arrangements with HEYMCA's approval.

**4. Background**

- 4.1 Representatives from the constituent authorities met regularly with Government Officials to consider the Order that would create the legal and legislative basis for the Combined Authority. All the relevant work was completed with Government and the necessary debates held in Parliament in January 2025.
- 4.2 On 4 February 2025, the Secretary of State for Housing, Communities and Local Government signed the Devolution Deal, with Hull and East Yorkshire to



benefit from £400 million of new Government investment over 30 years to spend on local priorities for economic growth, together with a range of devolved powers covering services including economic development, transport, housing, and skills.

- 4.3 The election for the mayor of Hull and East Yorkshire is due to take place on 1 May 2025, with the term of office beginning 6 May 2025.
- 4.4 The proposed budget includes the confirmed government funding available to HEYMCA in the 2024-25 and 2025-26 financial years. Other options available to HEYMCA to raise funding include:
- applications to the government for specific funding schemes. Those identified in the Hull & East Yorkshire Devolution Deal, and are not included in the proposed budget, are identified in paragraph 5.7.
  - the power to issue a precept on local council tax bills to help pay for the Mayor's work. This precept can only be raised for mayoral functions.
  - the power to introduce a supplement on business rates for expenditure on a project or projects that will promote economic development in the area, subject to a ballot of affected businesses.
  - the power to issue a levy to the constituent authorities for costs reasonably attributable to the exercise of HEYMCA's functions relating to transport.
  - the flexibility to secure private and public sector leverage. As per local government guidance, HEYMCA will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
  - the power to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury.
- 4.5 In addition, the Hull and East Yorkshire Combined Authority Order 2025 states that the constituent councils must meet the costs of the expenditure reasonably incurred by the Mayor in, or in connection with, the exercise of the HEYMCA's functions, to the extent that the Mayor has not decided to meet these costs from other resources available to the Combined Authority.
- 4.6 In practice, the options in paragraphs 4.4 and 4.5 (with the exception of funding applications to the government) would require the agreement of the constituent authorities as part of HEYMCA's budget process.
- 4.7 As the Combined Authority does not yet have a Business Plan, which would usually determine and direct how resources are prioritised over the medium term, the budget set out in this report does not include details of the MCA's investment programme but does identify the total available for investment and a forecast of its operational costs. The budget covers the period from February 2025 through to March 2026, split by financial years. Once the MCA has a Business Plan, work will begin to develop a Medium Term Financial Strategy that will allow for more detailed budget planning over a 4 year period.



**5. Proposed Budget 2024-25 and 2025-26**

- 5.1 The draft budget set out in this report is based on a number of assumptions in relation to current understanding of the costs and income streams of a Combined Authority. It includes forecasts of all known running costs along with a contingency of £250k for any risks and issues that may arise during the first year of operation.
- 5.2 The budget includes the cost of the Mayoral elections in May 2025 and future years' budgets will need to include a contribution to an election reserve to build up funds to meet the costs of future elections. A reasonable assumption has been included on the forecast interest from the cash balances that will be held by the Combined Authority.
- 5.3 At this stage, to support the establishment of the organisation, all support services for HEYMCA will be provided by Hull City Council and East Riding of Yorkshire Council through a series of Service Level Agreements (SLAs). This will ensure continuity of service and safe and legal operation from day one. It is therefore recommended that authority is delegated to the Chief Executive, the Monitoring Officer and the Director of Finance to enter into Service Level Agreements with the constituent authorities on behalf of the Combined Authority for the provision of these support services. As the organisation progresses, it will be able to review these arrangements in a planned, structured way to ensure value for money as well as ensuring that arrangements are fit for purpose in the longer term as the organisation develops and matures.
- 5.4 Any budget must always make proper provision for reserves and good practice is that reserves are based on a proper risk assessment. At this early stage, it has not been possible to carry out a review that properly considers all risks and therefore the contingency of £250k included in the budget is proposed as an interim measure pending a more thorough review.
- 5.5 The budget makes proper provision for all known and anticipated costs, along with a contingency sum for any unforeseen matters. Should the contingency be required, approval for this will be sought from HEYMCA. In my opinion, as the interim Section 73 Officer, the budget outlined in this report is robust. Although the organisation has no reserves at inception, the budget makes adequate provision for unforeseen costs.
- 5.6 The following table sets out a proposed interim budget for the two applicable months of the 2024-25 financial year, and an initial budget proposal for the 2025-26 financial year.

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	Interim 2024-25 Budget			2025-26 Budget		
	Capital £	Revenue £	Total £	Capital £	Revenue £	Total £
<b>Income</b>						
Government Grants:						
Capacity Fund	-	- 115,490	- 115,490	-	- 1,884,510	- 1,884,510
Investment Fund	-	-	-	- 4,690,000	- 8,710,000	- 13,400,000
UK Shared Prosperity Fund	-	-	-	- 2,876,694	- 6,533,788	- 9,410,481
Consolidated Active Travel Fund	-	-	-	- 1,344,030	- 448,774	- 1,792,804
Investment income	-	-	-	-	- 496,646	- 496,646
<b>TOTAL INCOME</b>	-	<b>- 115,490</b>	<b>- 115,490</b>	<b>- 8,910,724</b>	<b>- 18,073,718</b>	<b>- 26,984,441</b>
<b>Expenditure</b>						
<b>Staffing:</b>						
Staff salaries	-	-	-	-	454,537	454,537
Agency staff	-	67,500	67,500	-	195,000	195,000
<b>Total Staffing</b>	-	<b>67,500</b>	<b>67,500</b>	-	<b>649,537</b>	<b>649,537</b>
<b>Operational Costs:</b>						
Members allowances	-	-	-	-	191,000	191,000
Travel & subsistence	-	1,000	1,000	-	10,000	10,000
Communications	-	-	-	-	100,000	100,000
Corporate Services via SLA	-	40,000	40,000	-	240,000	240,000
Mayoral election costs	-	-	-	-	1,250,000	1,250,000
Supplies and services	-	5,000	5,000	-	20,000	20,000
Overheads	-	1,990	1,990	-	285,000	285,000
Contingency	-	-	-	-	250,000	250,000
<b>Total Operational Costs</b>	-	<b>47,990</b>	<b>47,990</b>	-	<b>2,346,000</b>	<b>2,346,000</b>
<b>Indicative Investment Programme</b>	-	-	-	8,910,724	15,078,181	23,988,904
<b>TOTAL EXPENDITURE</b>	-	<b>115,490</b>	<b>115,490</b>	<b>8,910,724</b>	<b>18,073,718</b>	<b>26,984,441</b>
<b>NET (SURPLUS) / DEFICIT</b>	-	-	-	-	-	-

5.7 Key points to note are as follows:

- Budgeted government grants over the period include the £2m Capacity Fund and £13.4m Investment Fund confirmed in the Hull & East Yorkshire Devolution Deal, and the Consolidated Active Travel Fund allocations to the constituent authorities for 2025-26 which are intended to be paid HEYMCA. Other funding streams to HEYMCA included in the Deal which have not been budgeted for at this stage, because they are subject to business case, HEYMCA's allocation is yet to be announced and/or they are expected to be received beyond 2025-26, include:
  - £15m in the current Spending Review period to support transport, flood and coastal erosion programmes across the area, a brownfield employment programme in Hull, and a coastal regeneration programme in the East Riding of Yorkshire. This investment is subject to agreement of the relevant business cases.
  - Devolution of the Adult Education Budget to Hull and East Yorkshire from academic year 2026/27, subject to readiness conditions and Parliamentary approval of the required secondary legislation conferring the appropriate functions. Current estimates are that this budget will be circa £16m.
  - £1 million (subject to approval of the business case) towards the Howden link road scheme to support housing development in the area.

- HEYMCA will receive a proportion of the £2.5 billion announced as part of Network North to transform local transport in areas in the North outside of the big city regions.
  - HEYMCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North.
  - HEYMCA will receive a proportion of the £3.3 billion funding to fix potholes in the North.
  - The local transport settlement for HEYMCA. The quantum of funding and the number/remit of individual funding lines will be agreed through the next Spending Review Process.
  - Up to £5 million of capital funding in the current Spending Review period to further support Hull and East Yorkshire's economic growth priorities for Offshore Wind, including any potential future expansion of the Siemens Gamesa Offshore Wind Facility, subject to a full business case and clear value for money.
  - Access to £36 million available nationally for the coastal transition accelerator programme (CTAP) to address the effects of climate change on the coast.
  - Any successful application made to the government's Local EV Infrastructure Fund to improve public electric vehicle charging infrastructure.
- Although £0.5m of the Capacity Fund will be paid in 2024-25, it is not anticipated that this funding will be fully spent in 2024-25 and therefore the funding amount budgeted reflects the applicable forecast expenditure. The remaining funding is carried forward and added to the £1.5m Capacity Fund grant which will be paid to HEYMCA in 2025-26.
  - To determine a forecast for investment income, it has been assumed that HEYMCA will hold a cash balance representing 50% of the funding receivable averaged over the duration of the financial year and an applicable rate of investment return has been applied to represent the low risk strategy which will be deployed to safeguard the HEYMCA's funding. In accordance with statutory guidance, security and liquidity will be prioritised over yield.
  - As the organisation is in the process of becoming established and fully operational, expenditure budgets are indicative of broad estimates at this stage and will be subject to refinement and revision at future meetings of the HEYMCA as more certainty is gained over operational costs.
  - It is assumed that service level agreements (SLAs) for provision of corporate services to support the operation of HEYMCA will be agreed with the constituent authorities at an estimate of £10,000 per month chargeable by each authority. However, a fully costed proposal has yet to be produced by each authority and so this figure is highly speculative at this time and should not be used to pre-determine the content and cost of such SLAs.
  - The staffing budget represents the part-year effect of a minimal staffing structure in 2025-26 at this stage. It does not include any staff employed by the constituent authorities undertaking functions which could be integrated into HEYMCA.

- The mayoral election is forecast to cost £1.250m in 2025-26. Although this is a one-off initial cost, budget provision will need to be made in future years to reserve funds to pay for the costs of future mayoral elections due to take place every four years.
- Overheads consist of forecast amounts payable for insurance, internal audit services, and external audit.
- Due to the uncertainty of costs at the current time and the high likelihood that further costs will emerge as the organisation becomes operational, a contingency budget of £250,000 has been included in the 2025-26 budget proposal.
- To reach a balanced budget proposal for 2025-26, it has been assumed that all remaining funding will be allocated to the HEYMCA's investment programme. It should be noted that the operational revenue budget for 2025-26, outside of the investment programme, is £3.0m including the mayoral election cost. This exceeds the Capacity Fund grant available by £1.0m and therefore requires an allocation of £0.5m from the Investment Fund to balance the operational revenue budget after taking account of forecast investment income of £0.5m. Following this allocation, a budget of £24.0m is available for investment in agreed priorities across the region.

## **6. Treasury Management Provision**

- 6.1 East Riding of Yorkshire Council is in the process of establishing HEYMCA's banking arrangements and, as stated in the proposed Constitution elsewhere on the agenda, all arrangements with the Combined Authority's bankers shall be made by the Director of Finance who shall be authorised to operate such banking accounts, as they consider necessary.
- 6.2 To enable the immediate financial capability of the HEYMCA, the interim Director of Finance is utilising his team at East Riding of Yorkshire Council to operate these treasury management arrangements. It is intended that this arrangement will be confirmed within a SLA between HEYMCA.
- 6.3 HEYMCA has the power to borrow to raise funding for its functions. 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 HEYMCA to undertake borrowing in 2025-26, it seems prudent to ensure that a policy is in place.
- 6.4 In summary, HEYMCA should identify a treasury management policy, treasury management strategy and MRP policy as part of its budget setting process. It is recommended that HEYMCA adopts East Riding of Yorkshire Council's treasury management policy, treasury management strategy and MRP policy as an interim measure, until it has the capacity and capability to develop its own. This will provide a defined framework within which the Director of Finance can operate treasury management arrangements with HEYMCA's approval. East Riding of Yorkshire Council's treasury

management policy is included as Appendix 1 and the treasury management strategy, including the MRP policy, is included at Appendix 2.

**7. Equalities Implications**

- 7.1 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.

**8. Legal Implications**

- 8.1 The Combined Authority is required to agree a balanced budget annually and to monitor that budget throughout the year. In addition, there is a fiduciary duty not to waste public resources, to secure value for money and ensure that good financial governance arrangements are in place.

**9. Financial Implications**

- 9.1 The financial implications are set out in the body of the report. A balanced budget is required to enable the establishment of the Hull and East Yorkshire Combined Authority which will attract £400 million of new Government investment to spend on local priorities in Hull and the East Riding over the next 30 years.

**Julian Neilson**  
**Interim Director of Finance (S73 Officer)**

**Contact Officers:**

Julian Neilson, Interim Director of Finance (S73 Officer)

**Background Papers:**

[The Hull and East Yorkshire Combined Authority Order 2025](#)



# TREASURY MANAGEMENT POLICY

OFFICIAL  
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



## 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.

- 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:

*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.

## 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.

**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

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.

**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.

## 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



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.

- 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.

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

Notes: <sup>1</sup> 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.

### 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.

### **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.

### **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.

- 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*.

**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.

## 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.



**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.

**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).

**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.

**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

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

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

**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*.

**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



**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.



**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.

**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.

**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.

**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.

**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.

**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.

**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.



**EAST RIDING OF YORKSHIRE COUNCIL**

**Report to:** The Council  
6 February 2025

**Wards:** All

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**Treasury Management Strategy 2025-26**

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Report of the Executive Director of Corporate Resources

**A. Executive Summary**

This report sets out the Council's proposed Treasury Management Strategy for 2025-26. The strategy details the Council's overall approach to managing the risks associated with its investment and borrowing activities.

The prime objective of the Council'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.

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.

The interest rate environment has stabilised somewhat in the wake of the historic number of increases to the Bank of England base rate during 2022 & 2023. Since August 2023, the Bank of England's Monetary Policy Committee held the bank rate at 5.25%, reducing the rate to 5% in August 2024, then 4.75% in November 2024. The Bank of England and market implied forecasts are similar, with the rate expected to gradually fall further during 2025 by around 1%. However, recent uncertainty surrounding the outlook for inflation and the economy has increased market volatility and the Council will continue to explore opportunities to ensure there is sufficient diversification of risk in its investment portfolio, whilst optimising returns, and continue to seek to minimise the cost of its borrowing.

It is anticipated that it will be necessary to borrow during 2025-26 to fund the capital programme and replace internal cash balances that have been used to defer the borrowing required to fund past capital expenditure. This borrowing requirement is currently forecast to be £122m 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 Council's business and service objectives. To take advantage of the expected falling interest rate environment, any new borrowing will be taken on a phased basis, driven by the actual level of cash balances.

Government statutory guidance requires that, before the start of each financial year, a local authority prepares a statement of its policy on making Minimum Revenue Provision (MRP) in respect of that year and submits it to the full Council for approval. This report includes the recommended MRP Policy which remains unchanged from previous years, with the exception of an exclusion from charging MRP on service-related capital loans and leases out to third parties.

The Treasury Management Strategy and MRP Policy were considered by the Audit Committee on 24 January and the Cabinet on 28 January 2025, both of which recommended that they be approved by full Council.

**B. Corporate Priorities**

Growing the Economy  
Helping Children and Young People Achieve  
Empowering and Supporting Communities  
Protecting the Vulnerable  
Valuing the Environment

**C. Portfolio**

Finance and Governance

**D. Recommendation**

It is recommended that the Council approves the Treasury Management Strategy and Minimum Revenue Provision Policy for 2025-26..

**1. Background**

1.1 The Council's Constitution requires the Director of Finance, as Chief Finance Officer, to:

- Apply discipline in financial management, including managing cash and banking, treasury management, debt and cash flow, with appropriate segregation of duties.
- Ensure the effective management of cash flows, borrowings and investments of the Authority's own funds and the pension and trust funds it manages on behalf of others; ensuring the effective management of associated risks; pursuing optimum performance or return consistent with those risks.

1.2 The CIPFA treasury management code requires a responsible body to be responsible for ensuring effective scrutiny of the treasury management strategy and policies. The Council's nominated body to undertake this role is the Audit Committee.

1.3 The Treasury Management Strategy sets out the Council's overall approach to managing the risks associated with its investment and borrowing activities. The strategy should be considered in conjunction with the Treasury Management Policy, which sets out the approved principles and practices which set out the parameters within which the treasury function can be operated. It identifies the risks associated with the function and specifies how those risks will be managed operationally on a day to day basis.

**2. Considerations including Options**

- 2.1 This report details the Council's proposed Treasury Management Strategy for 2025-26. In accordance with its Terms of Reference set out in the Council's Constitution, the Audit Committee has reviewed the strategy.

### **3. Treasury Management Strategy**

- 3.1 The prime objective of the Council'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.
- 3.2 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.
- 3.3 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 Council to determine annually a principle by which MRP will be determined.
- 3.4 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.
- 3.5 The following paragraphs represent the detailed strategy to be followed during 2025-26.

### **4. Investment**

- 4.1 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.
- 4.2 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.
- 4.3 The guidance leaves it to each local authority to determine what it considers to be "high credit quality". East Riding of Yorkshire Council 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.
- 4.4 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.

- 4.5 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 Council's strategic aims.
- 4.6 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 Council's 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.
- 4.7 The Council's Operational Treasury Management Board (OTMB) also 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. An OTMB member must authorise the daily investment and borrowing transactions confirming they are within the approved policy framework. There are proposed changes to the policy framework for 2025-26 to segregate the shared policy for the Council and Pension Fund by making the limits within it apply separately to each fund. Since the previous policy was introduced, the Pension Fund has significantly increased the level of its overnight & short term investments. Returning to a position where separate policy limits are applied will ensure both funds have the same opportunity to access counterparties offering competitive returns.
- 4.8 The OTMB has continuously reviewed the treasury risk environment and its impact on the Council's 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.
- 4.9 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 Council'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 Council does not currently hold any material non-treasury investments.
- 4.10 As with treasury investments, the Council will give priority to security and then liquidity over yield. The Council 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 Council, external advice and training will be sought. The Council's Capital Strategy sets out the approach to managing capital investment, including the governance and decision-making process.

## 5. Borrowing

- 5.1 In general, the Council 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 2025-26 to fund the capital investment plans for 2025-26 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 £122m 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 Council’s business and service objectives. The OTMB will be consulted when determining the timing and amount of external borrowing required for 2025-26.
- 5.2 The Council is 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 151 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.
- 5.3 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.
- 5.4 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.
- 5.5 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”.
- 5.6 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.

- 5.7 The Code does not impose any restrictions on councils' borrowing for purposes core to their core aims, such as for housing and regeneration projects, or for treasury management purposes. The Council holds investments under the treasury management category.
- 5.8 The Council's debt portfolio is 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.
- 5.9 The exception to this is borrowing in respect of the Housing Revenue Account (HRA). This is generally structured to match forecast cash flows within the HRA business plan.
- 5.10 Whilst the current interest rate structure means it is not currently cost effective to refinance, the Council will actively consider opportunities to refinance the borrowing portfolio should they arise.

## **6. Interest Rates**

- 6.1 There are many influences that affect money market sentiment and consideration is given to both short-term and long-term interest rates, which move and react differently to a number of factors. The relevant treasury management decisions taken in respect of the strategy will be influenced by the prevailing interest rates and interest rate forecasts throughout the year.
- 6.2 The Bank of England's Monetary Policy Committee (MPC) is charged with setting monetary policy, including the UK official bank rate, in order to achieve a consumer price index (CPI) inflation target of 2% and in a way that helps sustain growth and employment.
- 6.3 Short term investment rates in money markets are normally guided by the bank rate, or more precisely the level, direction and timing of bank rate changes. In other words, money markets try to predict what the MPC will do in the future.
- 6.4 At the start of 2024 the Bank of England base rate was 5.25%, following the historic run of 14 consecutive increases that ended in August 2023. Since August 2023, the MPC held the bank rate at 5.25%, reducing the rate to 5% in August 2024, then 4.75% in November 2024. The Bank of England and market implied forecasts are similar, with the rate expected to gradually fall further during 2025 by around 1%.
- 6.5 Since falling from its peak of 11.1% in October 2022 to 4% at the end of 2023, inflation receded back to the 2% BoE target level in May 2024 due to the effects of higher interest rates and lower food and energy costs. However, it has since fluctuated around the target, dipping below to 1.7% in September 2024, before rebounding to 2.6% in November, which is the latest available figure. The latest quarterly (November 2024) Monetary Policy Report forecasts CPI inflation to increase to around 2.75% in the second half of 2025, returning to the 2% target a year or so later. Additional spending measures announced in the UK's October 2024 Budget, persistent services sector inflation and a further increase to the energy price cap in January 2025 are drivers of the increase. The potential impact of incoming US



President Trump's tariffs - should they trigger a global trade war, or disruption to oil supply in the event of further escalation in Middle Eastern conflict pose upside risks to the level of inflation during 2025 and disrupt or delay the anticipated gradual reduction of Bank Rate.

- 6.6 The UK's Gross Domestic Product (GDP), a measure of the size and health of the economy, rose by 0.1% in 2023. This followed increases of 4.3% in 2022 and 7.5% in 2021. Forecasts for 2024 are typically for an increase of around 1.1%. Forecasts for 2025 vary more widely, typically 1.5% to 2.0%. A recession is possible but, based on these numbers, does not seem likely.
- 6.7 Notwithstanding the Council's cash flow requirements, market expectations of interest rates will influence the duration structure of the Council's short term investment portfolio, i.e. a higher level of volatility and uncertainty in the financial markets may reduce the duration of new investments. This approach, combined with the investment strategy described in section 4 and the management of risk described in section 7, acts to maintain the security of the Council's investments whilst providing the necessary liquidity to meet the Council's operational cash requirements.
- 6.8 At the start of 2024-25, Public Works Loan Board (PWLB) interest rates were priced at an average rate of 5.22% (last year was 4.72%). There has been continued volatility during 2024-25, with twenty-five year rates moving between 4.90% and 5.69%, (50-year rates were 5.28% to 5.98%). Current rates are circa 5.40%. At the time of writing, PWLB borrowing rates are around 2% higher compared to the previous two decades at just below 5.50% for a fixed interest 25-year loan. Currently, projected levels of cash balances indicate that it will be necessary for the Council to borrow in 2025-26 as set out in paragraph 5.1.

## 7. Management of Risk

- 7.1 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.
- 7.2 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 Council.
- 7.3 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 the Council as an individual investor. During 2025-26, the Council will be continuing to enhance the diversification and returns that are offered by such funds.
- 7.4 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.
- 7.5 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.
- 7.6 The Treasury Management Policy permits the 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.

## 8. MRP Statement

- 8.1 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.
- 8.2 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 full Council.

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.



8.3 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.

8.4 It is recommended that the Council continues to apply the following policy to determine its MRP for 2025-26:

- 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.
- For HRA capital expenditure, it has been determined that a prudent MRP charge is nil due to the requirement to charge depreciation and then transfer it to the Major Repairs Reserve (MRR) as this serves a similar function to MRP. However, unlike MRP, MRR does not reduce the HRA CFR calculation and there is still a requirement to consider the debt associated with the HRA and ensure sufficient provision is made to repay debt. Consequently, the HRA will periodically set aside (voluntarily) an amount considered affordable within its business plan.

## 9. Conclusion

9.1 The interest rate environment has stabilised somewhat in the wake of the historic number of increases to the Bank of England base rate during 2022 & 2023. Since August 2023, the MPC held the bank rate at 5.25%, reducing the rate to 5% in August 2024, then 4.75% in November 2024. The Bank of England and market implied forecasts are similar, with the rate expected to gradually fall further during 2025 by around 1%. However, recent uncertainty surrounding the outlook for inflation and the economy has increased market volatility and the Council will continue to

explore opportunities to increase the diversification of risk in its investment portfolio, whilst optimising returns, and continue to seek to minimise the cost of its borrowing.

- 9.2 It is anticipated that it will be necessary to borrow during 2025-26 to fund the capital programme 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 £122m 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 Council's business and service objectives. The OTMB will be consulted when determining the timing and amount of external borrowing required for 2025-26.
- 9.3 The determination of the MRP policy set out in section 8 complies with the regulation and offers the Council maximum flexibility in calculating a prudent charge to revenue.
- 9.4 The Council's Treasury Management Policy is regularly reviewed to ensure that it continues to reflect the Council's risk appetite and best practice.

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**Background Papers** Treasury Management Policy  
MHCLG Investment Guidance  
MHCLG MRP Guidance  
CIPFA Prudential Code

## 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 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 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.

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

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

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

OFFICIAL



**Report to:** Hull & East Yorkshire Combined Authority

**Date:** 5 March 2025

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## Appointment of External Auditors

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

#### 1. **Purpose of the Report**

- 1.1. To determine arrangements for the external audit of the statutory annual accounts of the Hull and East Yorkshire Mayoral Combined Authority (HEYMCA).

#### 2. **Recommendations**

- 2.1 It is recommended that the Combined Authority:
- i) Resolves to opt-in to the existing national auditor appointment scheme administered by Public Sector Audit Appointments Ltd (PSAA);
  - ii) delegates authority to the Director of Finance to make the formal arrangements for opt-in with PSAA.

#### 3. **Reason for recommendation**

- 3.1 To ensure that the Hull and East Yorkshire Combined Authority complies with statutory requirements for annual external audit of its published financial statements.

#### 4. **Background**

- 4.1 Under the Local Government Audit and Accountability Act 2014 ("the Act"), local authorities are required to appoint an auditor to audit its statutory accounts for each financial year. The scope of the audit is specified nationally. It is determined by the Code of Audit Practice (published by the National Audit Office), the format of the financial statements (specified by CIPFA/LASAAC) and the application of auditing standards regulated by the Financial Reporting Council (FRC).
- 4.2 The auditor appointed will undertake the statutory audit of accounts and Best Value assessment of the Combined Authority in each financial year, in accordance with all relevant codes of practice and guidance. Any audit firm wishing to undertake a local authority's audit will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council, therefore not all audit firms will be eligible to compete for the external audit work.
- 4.3 HEYMCA has three potential options to consider:

- Option 1 – Appoint its own auditor, with an individual procurement exercise
- Option 2 – Undertake a joint audit procurement and appointing exercise with other bodies, for example those in the same locality, or
- Option 3 – To opt-in to the existing national auditor appointment scheme administered by a body designated by the Secretary of State as the ‘appointing person’.

- 4.4 In July 2016, Public Sector Audit Appointments Ltd (PSAA) were specified by the Ministry of Housing, Communities and Local Government (MHCLG) as the ‘appointing person’.
- 4.5 For the initial contracting period covering the accounting periods for 2018/19 to 2022/23, 98% of all eligible local authorities chose to join the national appointment scheme administered by PSAA. For the second appointing period for financial years 2023-24 to 2027-28, 470 of the 475 eligible bodies (99%) joined the scheme.

## 5. **Options and Risk Assessment**

### **Individual Procurement (Option 1)**

- 5.1 Option 1 allows for the tendering for external audit services through HEYMCA’s own procurement process.
- 5.2 Currently, there are only nine providers that are eligible to audit local authorities and other relevant bodies, all of these being firms with a national presence. This means that a local procurement exercise, required under options 1 and 2, would have to seek tenders from the same firms as those under the National Scheme in option 3. Smaller, independent local firms could not be invited to bid in the process. Local procurements must deliver the same audit scope and requirements as a national procurement, reflecting the auditor’s statutory responsibilities.
- 5.3 If HEYMCA were to undertake this approach, there would be a requirement to establish an independent audit panel. The Act states that HEYMCA must consult and consider the advice and recommendations of its audit panel on the selection and appointment of a local auditor.
- 5.4 Members of the panel must be wholly or a majority of independent members as required by the Act. Independent members for this purpose are independent appointees and this excludes current (and former where applicable) elected members or employees of HEYMCA and their relatives or close friends.
- 5.5 An individual procurement, although providing the greatest autonomy, will be resource intensive and be the least cost-effective process. Issues to consider include the following:
- Although providing the greatest freedom over the appointment of external auditors, there are currently only nine providers that are eligible to audit local authorities, these being large national firms. Acting as an individual authority would result in a reduced buying power to that of a collective scheme.
  - Running individual procurements will be more resource intensive resulting in HEYMCA incurring additional costs in officer time.
  - The requirement to appoint an independent audit panel would incur additional costs through the need to recruit panel members with relevant skills and expertise.

### **Joint Procurement (Option 2)**

- 5.6 Option 2 is a variation on an individual procurement process where two or more authorities undertake a joint procurement process.
- 5.7 This is not a viable option at the current time as the constituent authorities and other authorities locally are already part way through the contracted appointing period for financial years 2023-24 to 2027-28.
- 5.8 Under this option, there is still the requirement to establish an independent audit panel, which can either be stand-alone or shared between the authorities.
- 5.9 A joint procurement process would reduce the level of freedom over the decision making process but would also reduce the costs involved.

### **The Public Sector Audit Appointments National Scheme (Option 3)**

- 5.10 The Appointing Person scheme operated by PSAA is covered by the following legislation:
- Local Audit and Accountability Act 2014 - (LAAA 2014)
  - The Local Audit (Appointing Person) Regulations 2015 - (LA(AP) Regs 2015)
- 5.11 Under LAAA 2014, a newly established body can either appoint its own auditor or opt into PSAA's national scheme. HEYMCA would be eligible to become an opted-in authority by giving PSAA notice that it wishes to do so. This is set out in s10 LA(AP) Regs 2015.
- 5.12 The decision to opt in must be taken by the members of an authority meeting as a whole. This is set out in s19 LA(AP) Regs 2015.
- 5.13 The opt-in period would cover the remaining years of the current appointing period, that is until completion of the audit for the 2027/28 financial year, at which point HEYMCA could re-evaluate its options for appointing an external auditor.
- 5.14 If HEYMCA take the decision to opt-in to the PSAA scheme, it is recommended that the Director of Finance is provided with delegated authority to make the formal arrangements for opt-in with PSAA. PSAA will identify an external audit provider for HEYMCA from within their existing contractual arrangements alongside an annual 'scale fee' for provision of the external audit. An estimate of £0.170m is provided for within the proposed 2025-26 budget, based on observation of average annual scale fees paid by other combined authorities.
- 5.15 A national scheme procurement conducted by PSAA is likely to produce better outcomes and will be less burdensome for HEYMCA than any procurement exercise undertaken locally. Issues to consider include the following:
- PSAA will continue to pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. This will help ensure that factors that may otherwise increase costs, such as the geographical location of authorities, will be negated.

- Audit costs are likely to be lower than if HEYMCA sought to appoint locally, as national large-scale contracts attract more competitive prices from audit firms.
- Overhead costs for managing the contracts will be shared. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.
- There will be no need for HEYMCA to establish alternative appointment processes locally, including the need to set up and manage an independent audit panel.
- The national scheme can ensure that appointed auditors meet and maintain the required quality standards and can manage any potential conflicts of interest more easily than one an individual authority level.
- PSAA will monitor contract delivery and ensure compliance with contractual, audit quality and independence requirements.
- In the unlikely event that there was complete market failure, PSAA has a fall-back option to extend the existing contracts for two years.
- If an auditor resigns or is removed during the term of office, PSAA would appoint a different auditor from its framework and assist with handover arrangements. No further procurement would be required and there would be no increase in fees as a result of this action.

## **6. Conclusion**

- 6.1 It is recommended that HEYMCA takes the decision to opt-in to PSAA's national scheme for auditor appointments (option 3) for the current appointing period which expires with the completion of the audit for the 2027/28 financial year.
- 6.2 Option 1 will be a more costly and burdensome exercise for HEYMCA, and option 2 is not viable at the current time.

## **7. Equalities Implications**

- 7.1 It is not expected that the implications of any decision made as a consequence of this report will have any adverse impacts on people with protected characteristics.

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

- 8.1 The Local Audit and Accountability Act 2014 requires HEYMCA to appoint an eligible auditor to audit its accounts for each financial year. The Secretary of State has specified Public Sector Audit Appointments Ltd as the "appointing person" to appoint an auditor to audit the accounts of an opted in authority, in accordance with regulation 4 of the Local Audit (Appointing Person) Regulations 2015.

## **9. Financial Implications and Statutory Officer Comments**

- 9.1 The establishment of an external audit of HEYMCA's annual financial statements is a statutory requirement and a cost estimate is included within the HEYMCA's proposed budget. The recommended option should provide best value for money from the three options.

**Julian Neilson**  
**Interim Director of Finance (S73 Officer)**



**Contact Officers:**

Julian Neilson, Interim Director of Finance (S73 Officer)

**Background Papers:**

[Local Audit and Accountability Act 2014](#)

[The Local Audit \(Appointing Person\) Regulations 2015](#)



Report to the Hull & East Yorkshire Combined Authority

5 March 2025

## **Skills Framework for Hull & East Yorkshire Combined Authority**

### **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 sets out a draft Skills Framework for the Hull & East Yorkshire Combined Authority, which complements, and the priorities and objectives outlined within the Hull and East Yorkshire Strategic Economic Framework.

#### **2. Recommendations**

- 2.1 That the Hull & East Yorkshire Combined Authority approve the final structure and wording of the Skills Framework following consultation with Hull and East Riding of Yorkshire Councils and wider stakeholders. The framework is adopted to inform strategic and funding decisions made by the Authority until a full Strategy for Hull and East Riding Combined Authority is agreed and adopted.

#### **3. Reasons for Recommendations**

- 3.1 This paper sets out the initial skills strategy framework that reflects the agreed content from the Hull and East Yorkshire Devolution Deal. It is designed to be a dynamic proposal that will further develop over the coming months to reflect any changes in government policy that may arise. Several key areas of delivery including future use of the Adult Skills Fund and the replacement for the proposed Universal Support will enable the aims and priorities

of the framework to be achieved. The framework also recognises the mayoral investment funds and their potential use for enabling skills delivery to drive the local economy.

3.2 Alignment with the HEY Economic Framework and its overarching ambitions, the Skills Framework will use a refreshed evidence base to prioritise key actions. It aligns with existing successful delivery including Skills Bootcamps, UKSPF delivery outcomes, Multiply, the CEC Careers Hub, the Local Skills Improvement Plan and the future Adult Skills Fund delivery plan and commissioning framework.

3.3 Whilst acknowledging that a Mayor will want the opportunity to shape development of a long-term skills strategy, and Skills Framework will provide initial direction for the MCA and to help with decision-making and prioritisation in advance of the Mayor.

#### 4. **Background**

4.1 This Skill Framework builds upon economic plans, policies and research undertaken by the combined authority's constituent local authorities and the areas former Local Enterprise Partnership. This rich evidence base, developed in partnership with a range of local stakeholders, formed the basis of the bid for devolved power and this document builds further on these foundations.

As part of the preparation for the formation of the Hull & East Yorkshire MCA, and its role as a strategic authority, a suite of frameworks is being prepared. These frameworks are designed to synthesis existing strategies held by individual Local Authorities into one shared approach whilst providing a review of existing data and government policy to provide a local specific approach to promoting appropriate and beneficial economic, skills and transport activity in the Hull & East Yorkshire area.

The Hull & East Yorkshire Skills Framework was devised in Autumn 2024. This has been written to compliment the key themes, sectors and growth opportunities set out in the HEYCA Economic Framework which was adopted by the Joint Leaders Board in September 2024.

The document itself provides a strategic future vision for the delivery of skills in the Hull & East Yorkshire Region before outlining key priorities under the themes of 'Increasing Productivity' and reducing inequality.

This Skills Framework was presented to the inaugural meeting of the HEYCA Skills Board.

A period of consultation was undertaken on the document between the 1st of December 2024 and 31st January 2025. The consultation approach undertaken comprised of a launch mass engagement event via the HEY Skills Network followed by an online form to collect formal comments. A repeat session in the form of a webinar open to all stakeholders was also held online. Additional briefings with key groups have also been delivered including with the Humber Principals Group (Principals from all Humber based Further Education Colleges), Local Authority providers, Independent Training Providers and with the Yorkshire Learning Providers network.

The launch event was held on Monday 2nd December at Craven Park in Hull and enjoyed a good level of engagement with approximately 50 attendees representing public, private, VCS and provider stakeholders engaging positively with the presentations and group exercises.

The web-based consultation ran for 2 months and comments were received on from 17 respondents. These responses included submissions from industry groups such as Further Education College Principles and the Local Skills Improvement Plan Partnership, so the reach of comments is larger than the number of respondents suggests and captures key stakeholder input in a structured way.

The key findings from the consultation were as follows:

- Broad support for the direct of travel outlined in the Draft Skills Framework and its alignment to the draft Economic Framework
- A feeling that the vision requires redrafting to reflect the wider role of skills beyond workforce development and ensure an ambitious and aspirational mission is set out for the region
- A concern that the sectors in the Economic Framework do not wholly reflect the important sectors in the HEY Region. This is a common tension as the sectors outlined in the Economic Framework are focussed on those which it is felt can best drive growth rather than a reflection of those which are currently largest in employment numbers.
- Links with health must be retained both in terms of strategic objectives such as “Good Work” but also in terms of support for members of the community that need assistance to engage positively with the workforce.
- Social mobility and inclusion is recognised as being important but requires further development

- Community engagement and co-production with providers and stakeholders should be central to the framework to ensure the resulting delivery achieves the greatest impact

The strategy document has been altered to reflect the findings of the consultation.

5. **Issues for Consideration**

- 5.1 The attached version of the Economic Framework for the Hull and East Yorkshire MCA represents the content and final wording to be adopted. Work to design the appearance of the document will conclude following adoption of MCA and development of branding guidelines.

6. **Equalities Impact Information**

- 6.1 No equalities implications are anticipated at this point, as the approval sought from the Joint Committee is on a draft framework, subject to further consultation. The Framework identifies that all activity will need to make a contribution to an overarching ambition around increasing opportunities for all.

7. **Options and Risk Assessment**

- 7.1 There are two options in terms of the Development of an Skills Framework at this point, as follows:

Option 1 – (Recommended) Adopt the Skills Framework within the structure of the document attached.

Option 2 – Do not adopt the Skills Framework at this point and wait until a mayor has been elected and is in office.

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

- 8.1 The legal implications are as set out within the report.

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

- 9.1 The financial implications are as set out within the report.

- **Claire Watts – ERYC Director of Economic Development and Communications**

**Contact Officers:**

Claire Watts – Chair HEYCA Skills Task and Finish Group/ Director of Economic Development & Communications, East Riding of Yorkshire Council

Alex Codd – Assistant Director Economic Development & Regeneration, Hull City Council

**Officer Interests:**

None

**Appendices:**

**Appendix 1 – Hull & East Yorkshire Mayoral Combined Authority Skills Framework**

**Background Documents:**

None

# Hull and East Yorkshire MCA Skills Framework

February 2025



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## Introduction

### What is the Hull & East Yorkshire Skills Framework?

This Hull and East Yorkshire Skills Framework sets out the key strategic actions required to ensure the residents of the Hull and East Yorkshire area have the skills and support required to provide a workforce which will drive the economy of the region and in turn allow local people to fully benefit from the opportunities that economic growth provides.

This document reflects the strategic priorities in the Hull and East Yorkshire Economic Framework, and specifically the Skills Framework will use a refreshed evidence base to prioritise key areas of action. The four strategic themes laid out in the Hull and East Yorkshire Economic Framework are:

- 1) **Enhance connectivity** to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world leading digital capabilities to support collaboration and new ways of working.
- 2) **Increase productivity** by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy as well as supporting business innovation and competitiveness.
- 3) **Promote inclusivity** with creates economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health, and low aspiration.
- 4) **Deliver a sustainable future** through clean energy generation, sustainable development, climate adaptation and resilience, and a strategic approach to harnessing our natural capital assets.

This skills strategy will deliver against two of these devolution key themes; Increase Productivity and Promote Inclusivity

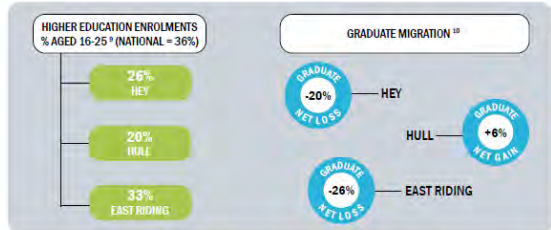
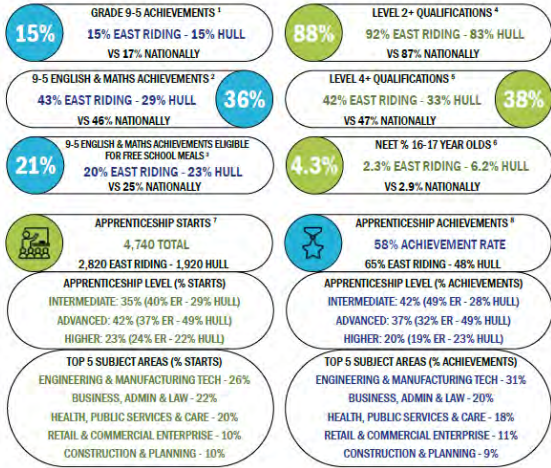
This Skills Framework builds upon economic plans, policies and research undertaken by the combined authority's constituent local authorities and the areas former Local Enterprise Partnership and aligns with existing successful delivery including Skills Bootcamps, UKSPF delivery outcomes, Multiply, the CEC Careers Hub, the Local Skills Improvement Plan and the future Adult Skills Fund delivery plan and commissioning framework. This skills framework is an integral part of the Hull & East Yorkshire Economic Framework.

This document is designed to be a dynamic proposal that will further develop over the coming months to reflect any changes in government policy that may arise following the election of a new government in summer 2024 and election on the Hull & East Yorkshire Mayor in May 2025

Several key areas of delivery including future use of the Adult Skills Fund and the replacement for the proposed Universal Support will enable the aims and priorities of the framework to be achieved. The framework also recognises the mayoral investment funds and their potential use for enabling skills delivery to drive the local economy.

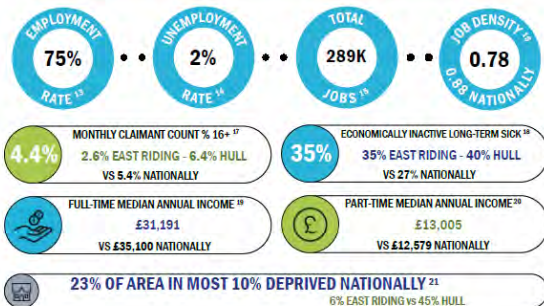
# Key Data for Hull and East Yorkshire

## SKILLS OUTLOOK (NOVEMBER 2024)

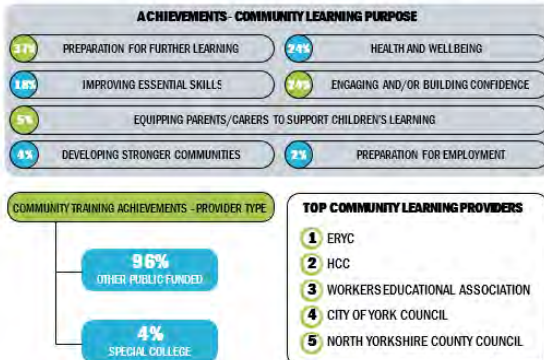
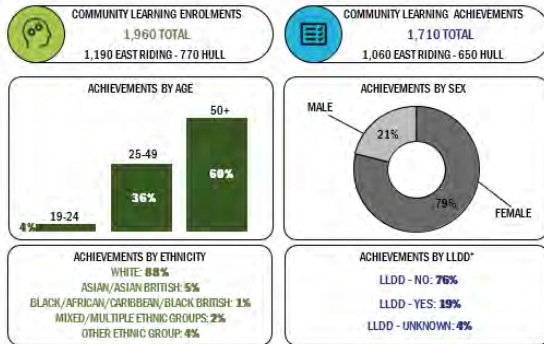
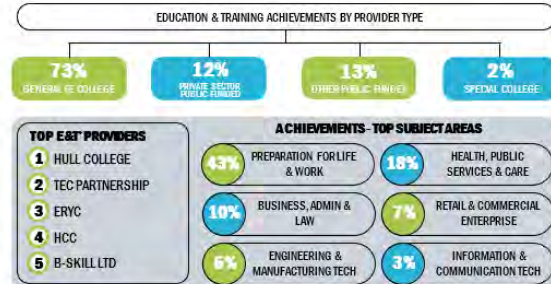
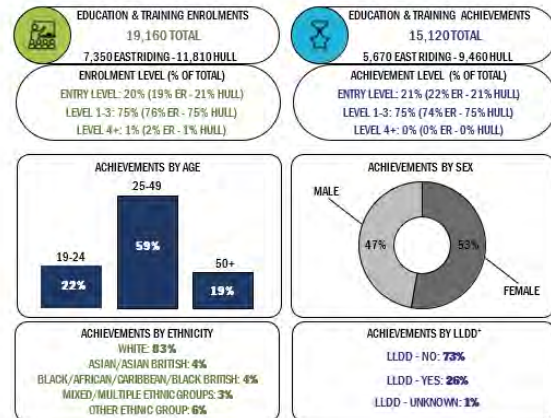


EMPLOYMENT BY INDUSTRY <sup>11</sup>	% EMPLOYMENT IN HEY	% EMPLOYMENT NATIONALLY
AGRICULTURE, FORESTRY & FISHING	2.2%	1.2%
MINING, QUARRYING & UTILITIES	1.4%	1.1%
MANUFACTURING	14.9%	7.3%
CONSTRUCTION	5.6%	4.8%
MOTOR TRADES	2.2%	1.7%
WHOLESALE	3.7%	3.8%
RETAIL	8.5%	8.2%
TRANSPORT & STORAGE	5.2%	6.1%
ACCOMMODATION & FOOD SERVICES	7.4%	7.8%
INFORMATION & COMMUNICATION	2.2%	4.7%
FINANCIAL & INSURANCE	1.0%	3.4%
PROPERTY	1.3%	2.1%
PROFESSIONAL, SCIENTIFIC & TECHNICAL	5.6%	9.7%
BUSINESS ADMINISTRATION & SUPPORT SERVICES	7.8%	8.8%
PUBLIC ADMINISTRATION & DEFENCE	5.2%	4.2%
EDUCATION	8.5%	8.3%
HEALTH	13.8%	13.3%
ARTS, ENTERTAINMENT, RECREATION & OTHER SERVICES	3.3%	4.6%

1. PROFESSIONAL OCCUPATIONS - 23% (VS 27% NATIONALLY)
  2. ASSOCIATE PROFESSIONAL OCCUPATIONS - 14% (VS 15% NATIONALLY)
  3. ELEMENTARY OCCUPATIONS - 10% (VS 9% NATIONALLY)
- TOP 3 OCCUPATIONS BY EMPLOYMENT<sup>12</sup>**



## ADULT LEARNING OUTLOOK (NOVEMBER 2024)



\* EDUCATION & TRAINING: \* LEARNERS WITH LEARNING DIFFICULTIES OR DISABILITIES. EDUCATION & TRAINING DATA SOURCE: DfE, 2022/23

COMMUNITY LEARNING DATA SOURCE: DfE, Q3 2023/24 LATEST DATA

## A Vision for Skills in Hull and East Yorkshire

The Hull and East Yorkshire Skills Framework presents the following vision for skills in the area:

**Vision: To invest in people and enable open access to lifelong learning opportunities for both life, wellbeing and work. Ensure that Lifelong Learning is valued as a critical investment platform for the future, providing transformative opportunities that will drive forward higher levels of social mobility for the individual, our society and economy.**

**Our vision will achieve this through ensuring that people have the skills, confidence, motivation and information to increase their access to both economic and social opportunities, in turn reducing levels of unemployment and under-employment, matching local talent to local jobs and to ensuring that communities can readily engage with learning that supports them to lead active, resilient and fulfilling lives.**

The Hull and East Yorkshire Skills Framework will deliver a more inclusive and responsive skills system that recognises our local assets and opportunities, provides solutions to our challenges, and invests in our people. This will be delivered by enabling local talent to increase access to economic opportunity, and in turn reduce local levels of under-employment and narrow our productivity gap. Successful outcomes will help to grow our local economy by enabling more residents to deploy skills in higher paying jobs and help our area to fully contribute to levelling up the UK.

We will use tailored learning to focus on developing stronger and more proactive communities and enhanced cultural cohesion linking with community planning strategies. The focus on developing personal growth and transforming individuals' life choices will ensure more self-sufficient, connected, and proactive citizenship.

## Priority Theme – Increased Productivity

The skills strategy framework will focus delivery on two of the key themes in the Hull and East Yorkshire Strategic Framework. The first of these is increasing productivity. We aim to boost productivity by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy as well as supporting business innovation and competitiveness.

**The key skills priorities** to deliver this:

- Raising productivity and resilience of our high employment sectors
- Strengthening our competitive advantage in sectors of existing high productivity
- Nurturing and growing employment and innovation
- Creating a dynamic climate for the creation and development of microbusinesses
- Supporting everyone into employment or self-employment

**Actions we will undertake to deliver this priority:**

- With local control over our Adult Skills Fund budget (ASF) we will build a sustainable and inclusive framework for all our skills related activity.
- Building on the legacy of the Hull and East Yorkshire Local Enterprise Partnership (HEY LEP) by establishing a strategic skills hub, we will have more power to equip and upskill and retain our people for the future economy through comprehensive post-16 provision that is tailored to the needs of our area and enhancing study programmes, , bootcamps, Multiply, apprenticeship-based training and the delivery of the careers hub.
- We will partner with employers to help increase productivity by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy. We will support business innovation and competitiveness by providing responsive business support services and access to employee training, including best use of the apprenticeship levy and other funding opportunities.
- We will ensure the Humber Freeport provides employment opportunities and pathways to employment for the local community through an expansion of the Employment Hub, providing support, advice and where possible, access to funding for our people. The Freeport will draw on our existing wider Humber strengths, our good and excellent training and education provision and bring further employer engagement in decisions relating to skills training.

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- We will address barriers to participation and training by informing investment planning to take account of our geographical assets and challenges, our rural and coastal communities, and barriers to participation in employment and training.
- We will ensure that we deliver a comprehensive curriculum that is localised, relevant and capable of meeting the skills needs of today and tomorrow.
- The cross-cutting themes of digital and green skills will be embedded throughout the skills offer to improve awareness, knowledge, and skills; providing a positive impact and preparing people for both work and to make positive contributions to their local community and the region as a whole.
- In order to boost productivity links will be made to maximise the attraction and retaining of talent in the region. This will include coordination of local graduate employment schemes, targeted internships and business partnerships to encourage students who study in the region to stay in Hull & East Yorkshire on the completion of their study.



## Priority Theme: Promote Inclusivity

The second key theme that the Hull & East Yorkshire Skill Framework will focus activity on is promoting inclusivity. The framework aims to contribute to creating economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health, and low aspiration.

**The key skills priorities** to deliver this:

- Raising young people's aspirations and ensuring that they are prepared for adulthood through access to employment and training initiatives.
- Support those furthest from the labour market, providing them the skills they need to take up jobs in our emerging higher value sectors and ensure that the widest possible breadth of the community can reach their economic potential.

**Actions we will undertake to deliver this priority:**

- We will use local control over the ASF to help provide the skills businesses need, including upskilling and employability programmes to overcome barriers to learning and work, especially for people with protected characteristics, from deprived communities or other target groups (e.g., care leavers, SEND and adults with Education Health & Care Plans).
- We will align the ASF with current funding eligibilities in line with national funding policies and continue to deliver statutory entitlements in line with national funding arrangements and requirements.
- Closer working with DWP will help us to deliver a long-term transformational employment programme for some of our most deprived communities which brings together different funding streams to deliver in a more sustained and holistic way. This will be focused on delivering change over a generational timeframe rather than through a short term 3–5-year project window.
- We will recognise our responsibility to consider the health and wellbeing of our communities, ensuring that the health of the population will be a strategic consideration in decision making, reducing inequalities, and linking wealth with health. We will work with our health and social care partners ensure a skilled workforce to improve the delivery of key services that have measurable impact on people's quality of life and their ability to contribute to our region. We will collaborate with partners to remove barriers to inclusion and improve access to flexible working for those who require additional support through schemes such as supported internships.
- We will work with our education and training providers and employers to develop improved and new provision where needed, using freedoms and flexibilities to meet evidenced need. We will measure outcomes of education and training, including employment destinations and progression in work, to consider impact of activity. This will provide the determinants of success, and influence future investment delivery plans. Strong links between schools, colleges and the local business community will be vital.

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- We will ensure access to high quality, holistic, learning opportunities that builds confidence, equips parents and carers to support their children’s learning, promotes health and well-being, develops stronger communities. Improves essential skills in English, ESOL, Maths and Digital and prepares participants for further learning, study, or employment.
- We will continue to collaborate across the region to further widen participation by breaking down barriers such as rurality, low income, lack of motivation, low confidence, or low skills.
- We will ensure that we have robust policies and procedures in place to manage the commissioning function.
- We will collaborate with our community and VCSE partners, enabling them to build resilience as specialist training and service providers, recognising their ability to reach areas of our communities that are less likely to engage with standard services.
- We will measure the impact of our delivery, embed evaluation utilising both economic and social measures, and use this evaluation to ensure that there is a cycle of continuous improvement in our commissioned delivery for the benefit of HEY residents, employers, and employees.
- We will provide a talent pipeline which ensures young people have access to education and training provision which meets their academic needs and is underpinned by inspiring workplace experiences and business mentors.
- We will engage with communities, providers and stakeholders to ensure delivery achieves greatest impact. Tools such as coproduction will be utilised where relevant.

## Case Studies

The following case studies illustrate both the type of activity which can be delivered by the Hull and East Yorkshire Combined Authority but also the areas track record in providing positive skills interventions.

### **Boot Camps**

The Skills Bootcamps in Hull and East Yorkshire received a £5 million funding boost from the government to support 1,603 individuals in Hull and East Riding across various sectors. Hull Training and Adult Education (HTAE) is leading and managing this programme, collaborating with employers, and training providers to help local residents advance into better jobs within rapidly growing industries such as digital, transport, and green skills. This funding, designated for the 2024/25 fiscal year, is part of the government's broader Skills for Life initiative.

The government's investment enables the continuation of the successful Skills Bootcamps programme, which plays a crucial role in equipping individuals with the skills needed for future challenges. It also aligns with the council's focus on in-work progression by enhancing skills and career opportunities. Moreover, this initiative supports the Hull and East Riding Economic Growth Workforce Wellbeing Strategy, contributing to economic growth and workforce development in the region.

### **HEY Careers Hub Case Studies**

The Careers and Enterprise Company (CEC) is a national employer-led organisation that has been set up to inspire and prepare young people for the fast-changing world of work. Its role is to take an umbrella view of the landscape of careers and enterprise provision, enabling improvement programmes, filling gaps in delivery and ensuring coverage across the country.

The Hull and East Yorkshire Careers Hub is part of the Government's Careers Strategy implemented nationally to support secondary schools and colleges in implementing a 'world class' standard of careers guidance. The HEY Careers Hub is currently engaged with 50 schools and colleges and have over 38 Enterprise Advisers, representing a range of sectors volunteering to support these schools and colleges. The HEY Careers Hub operates in partnership with both Hull City Council and The East Riding of Yorkshire Council, the Humber Outreach Partnership and several other committed stakeholders.





## Report to the Hull and East Yorkshire Combined Authority

5 March 2025

### Adoption of the Hull and East Yorkshire Combined Authority Assurance Framework

#### Report of the Interim Head of Paid Service

#### **Report Status:**

This item is not exempt

Therefore exempt reasons are not applicable

#### 1. **Purpose of the Report and Summary**

- 1.1 This report seeks the formal approval of the Assurance Framework for the Hull and East Yorkshire Combined Authority. It is a requirement of government that a Combined Authority has an approved Assurance Framework in place before any capacity and investment funding can be released.
- 1.2 The draft Assurance Framework therefore had to be prepared in advance and was approved by the Hull and East Yorkshire Unitary Leaders' Board in July 2024 and has also since been approved by government.

#### 2. **Recommendations**

- 2.1 That the Authority approves the Assurance Framework at Appendix A for adoption.

#### 3. **Reasons for Recommendations**

- 3.1 The Hull and East Yorkshire Combined Authority requires an Assurance Framework that will set out how the Authority will use public money responsibly, prudently, transparently and accountably to achieve best value for money for the Hull and East Yorkshire area. This is a requirement of the English Devolution Accountability Framework, which the proposed Assurance Framework was developed at local level in accordance with, as well as the HM Treasury Green Book.

3.2 The Ministry of Housing, Communities and Local Government (MHCLG) has approved the framework and has secured the required approvals from the Department for Education (DfE) and the Department for Transport (DfT). The Framework was developed alongside the Authority's constitution and therefore will be subject to a light touch review in the spring/summer of 2025 (once the Mayor is in post) to ensure that all linkages are consistent throughout following adoption of the Constitution.

#### 4. **Background**

4.1 As part of the Devolution Deal, the Authority is required to enter into a Single Assurance Framework (Assurance Framework) with the Government. The Assurance Framework sets out the key roles and responsibilities for decision-making on the allocation of the Investment Fund but has also been designed to include the approach to assurance for all funding streams for which the Authority has responsibility. This should ensure that decision-making and recording of decisions is transparent and that there are procedures in place to deal with any requests for information, conflicts or complaints.

4.2 The Assurance Framework sets out the systems, processes and protocols that are used to provide a consistent and transparent approach to project and programme appraisal, management and performance, ensuring accountability and probity; whilst ensuring value for money is achieved across all investments.

4.3 The Assurance Framework is designed to be accessible to anyone who wishes to use it and can be reviewed by the general public.

4.4 The Hull and East Riding Unitary Leaders' Board (Shadow Combined Authority) approved the draft framework in July 2024.

#### 5. **Issues for Consideration**

5.1 In accordance with the English Devolution and Accountability Framework, the Assurance Framework will be subject to annual review.

5.2 The HM Green-Book compliant business case process includes rigorous appraisal which incorporates independent assessment where appropriate.

#### 6. **Equalities Impact Information**

6.1 There are no direct equalities impacts arising from this report. The Assurance Framework will require all projects and programmes to consider equalities impacts as part of their development.

#### 7. **Options and Risk Assessment**

- 7.1 To approve the Assurance Framework for adoption (Preferred Option)

An Assurance Framework approved by government is essential to enable funds to flow from any department, including the £400m investment fund, transport and skills funding. It is a key document without which the Authority cannot become fully operational.

- 7.2 Not to approve the Assurance Framework

This option is discounted because deciding not to approve the document would mean devolved funding would not be forthcoming from government, including the £400m investment fund. This would mean the Authority would not be able to fulfil its role in the area.

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

- 8.1 The English Devolution Accountability Framework adapts the Improvement and Assurance Framework for Local Government specifically for combined and mayoral combined authorities. Although not based in statute, the Framework contains a toolkit and guidance that encompasses the statutory officer functions, such as S. 73 Finance Officer, the Monitoring Officer and Scrutiny. MHCLG has made it clear that all new combined authorities will be required to adopt and gain governmental approval of their own local Assurance Frameworks based upon the national documents. Once adopted the Assurance Framework will be subject to annual review by the Authority to ensure it aligns with the Authority's Constitution and governance framework.

**Mark Rogers**  
**Interim Head of Paid Service**

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**Officer Interests:**

None

**Appendices:**

Hull and East Yorkshire Single Assurance Framework

**Background Documents:**

None

# Hull and East Yorkshire Combined Authority Single Assurance Framework

January 2025 v7.4



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# 1 Introduction

## 1.1 Purpose of the Single Assurance Framework

This Single Assurance Framework (referred to as Assurance Framework) sets out how the Hull and East Yorkshire Combined Authority (HEYCA) will use public money responsibly, openly and transparently, with best value principles at the centre of decision making.

Good governance and accountability are the fundamental principles of the HEYCA in every aspect of its work.

HM Treasury define an Assurance Framework as: *‘An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation’.*

This document has been developed in accordance with the [English Devolution Accountability Framework \(March 2023\)](#) and [HM Treasury Green Book \(November 2022\)](#). It is designed to demonstrate responsible decision making and accountability to Government, local stakeholders, businesses and communities. Specifically, this framework aims to demonstrate that appropriate and robust systems and processes are in place to effectively manage the investment programme with regularity and propriety.

This document outlines:

- How the ‘Seven Principles of Public Life’ are embedded within the culture, processes, practices and procedures of the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of HEYCA funding. This applies to existing and new funding, and projects that place a financial liability on the Combined Authority.
- The respective roles and responsibilities of HEYCA and the Mayor [when in office] and other parts of the decision making and delivery structure
- The key processes for ensuring accountability, probity, transparency, legal compliance and value for money
- How potential investments will be prioritised, appraised, approved and delivered
- How the progress and impacts of these investments will be monitored and evaluated to ensure that they achieve value for money and projected outcomes in accordance with the Mayor and Executive’s priorities and that risk is effectively managed.

This Assurance Framework sits alongside other key documents including:

- The HEY Devolution Deal agreement which sets out the terms and commitments between HM Government and HEYCA
- The Hull and East Yorkshire Mayoral Combined Authority Order
- the HEYCA Constitution
- the HEY Economic Framework 2025-2035
- The HEYCA Strategic Transport Framework

- the HEYCA Skills Framework
- the HEYCA Investment Plan\*
- the Monitoring and Evaluation Framework\*
- the Performance Management Framework\*
- the HEYCA Corporate Plan\*
- the HEY Risk Management Framework\*
- The HEYCA Medium Term Financial Plan

The Assurance Framework (Assurance Framework) and supporting HEYCA business processes have also been developed in accordance with:

- Local Government Financial Framework, as set out in the Local Government System Statement
- [HM Treasury Guide to developing the project business case](#)
- [HM Treasury Guide to Assuring and Appraising Project: Green Book](#)
- [Orange Book \(Strategic Risk\)](#)
- [Magenta Book \(Evaluation\)](#)

The Devolution Deal agreed between HEYCA and HM Government provides the area with greater local control, flexibility and responsibility over funding streams and their outcomes.

The Assurance Framework provides a robust framework to enable HEYCA to maximise the impact of the Devolution Deal, it is applicable to all funds set out within the Hull and East Yorkshire Devolution Deal. It will be reviewed and updated to incorporate any subsequent funding as and when agreed within HM Government.

The Assurance Framework provides assurance to the Departmental Accounting Officer by explaining how funding granted or devolved to HEYCA is allocated, and that there are robust systems in place to ensure resources are spent with regularity, propriety and value for money.

Within HEYCA, the Assurance Framework is a valuable tool enabling the development and delivery of successful programmes and projects. It provides comfort to decision makers that proposals for funding are evidence based, have a clear and tested rationale for intervention, and meet our strategic objectives.

### 1.2 Updating the Assurance Framework

This Assurance Framework will remain under review. It will be subject to an annual review, demonstrating the Combined Authority's ongoing commitment to governance, transparency and accountability across all of its activities. It will be updated alongside any updates to the English Devolution Accountability Framework, HEYCA's constitutional arrangements or any relevant changes to internal processes.

This document will be reviewed after the proposed Mayoral elections in May 2025.

All updates will be approved by the HEYCA, in cooperation with the Ministry of Housing Communities & Local Government (“MHCLG”), Department for Transport (“DfT”), Department for Business and Trade (“DBT”), Department for Education (“DfE”) and any other government department relevant to this Framework, to ensure the Framework is appropriate to deal with appropriate funds devolved from government.

### 1.3 English Devolution Accountability Framework

The Assurance Framework has been developed in alignment with the first edition of the English Devolution Accountability Framework (EDAF) (2023). The EDAF sets out how Mayoral Combined Authorities will be scrutinised and held to account by government, local politicians and business leaders, and by residents and voters within the Hull and East Yorkshire region.

The Combined Authority meets all requirements set out in the EDAF and will seek to adopt the principles set out in the EDAF Scrutiny Protocol (November 2023) and any further EDAF content.

It is recognised by HEYCA that the provision of more powers and funding flexibilities through devolution brings to the fore the importance of continuing to strengthen governance and accountability arrangements, to ensure they are used appropriately to support regional and national priorities.

### 1.4 Scope of the Assurance Framework (devolved powers and funding)

The Hull and East Yorkshire Devolution Deal provides for HEYCA to have greater local control, flexibility and responsibility over funding streams and their outcomes. HEYCA’s ambition is to establish a single pot investment fund, made up of various devolved funds.

The funds in the scope of this assurance framework are as follows:

- HEY Investment Fund. The HEYCA has established a £400m investment fund over 30 years. This fund comprises 65% revenue and 35% capital. It is subject to five yearly gateway review assessments to confirm investments are contributing to economic growth. The HEY Economic Strategy and Investment Plan will set the priorities and operating principles for the fund.
- Transport allocations as agreed with Government
- Adult Skills Fund (ASF) – from August 2026, HEYCA will assume responsibility for the Adult Skills Fund in the area. The newly created Skills Board will report directly to the Combined Authority on this work.
- Brownfield Land Housing Fund
- UKSPF – HEYCA acts as the lead body for strategic planning of the UKSPF for 2025/26

The combined authority may also have other sources of income including loan repayments, any additional council tax precept, land sales, transport levy and

any other income. The devolution deal will also allow the combined authority to borrow against future funding streams.

In the event other funds are devolved to HEYCA, they will be included as they arise over the lifetime of this Framework through the annual update cycle.

### 1.5 Strategic Framework

HEYCA is developing evidence led strategic objectives that reflect the priorities identified in the constituent councils' local economic and growth strategies as well as that of government through the requirements of devolution.

The devolution deal agreed with Government in November 2023 provided for a transfer of a broad range of powers for employment and skills, transport, housing and investment, along with an investment fund worth £400m over 30 years. This funding will be directed towards an ambitious investment plan focussed on inclusive and sustainable growth.

Section 5 of this Framework provides details of how investment projects are selected and the decision-making process.

### 1.6 HEY Investment Plan

The HEYCA Investment Plan is a ten-year plan that sets out the vision and guiding principles that will support HEYCA investments.

The plan is based on HEY's economic assets and opportunities and long-term vision for the area's economic prosperity. It sets out HEYCA's approach to investment and available funding sources, including requirement for specific funds and how they will contribute to the achievement of HEY's ambitions.

Investments will be made based on robust evidence led decision making, within a Green Book compliant business case framework. There are several stages to investment decisions laid out in this Assurance Framework, designed specifically to support sound investments.

## 2 About the area

Hull and East Yorkshire is home to over 610,000 people, with a diverse and dynamic economy. It comprises the administrative geographies of Hull City and East Riding of Yorkshire Councils. The area is highly self-contained and tightly connected through employment, trade, and culture, 87.9% of people in employment live and work in the area. However, it is an area of significant contrasts. Hull has a high population density and tight urban grain, and East Riding has a more rural and coastal geography.

The work of the combined authority focusses on four strategic themes. These themes are grounded in aspirations to promote good economic growth; enhanced economic performance; integration with wider economic systems; and a sensitivity to the natural assets upon which much of our economy is based.

These four strategic themes are:

- Enhance connectivity to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world-leading digital capabilities to support collaboration and new ways of working.
- Increase productivity by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy, as well as supporting business innovation and competitiveness.
- Promote inclusivity which creates economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health and low aspiration.
- Deliver a sustainable future through clean energy generation, sustainable development, climate adaptation and resilience and a strategic approach to harnessing our natural capital assets.

Positive opportunities exist within the area's economy to contribute to a national increase in productivity and drive good quality employment. The area has infrastructure strengths and sector specialisms that have high-value growth potential and a great ability to enhance the region's world-leading reputation as a cluster for clean growth activity, and a rapidly growing research and innovation capability in areas such as renewable energy, meditech, rail manufacturing and agri-tech.

However, structural challenges of a persistent low skill, low wage economy in some areas, limits the economic prosperity of our communities, with high patterns of deprivation and benefits dependency in Hull, Goole and some of our coastal towns. Nearly a third (28%) of Lower layer Super Output Areas (LSOA) in Hull and East Yorkshire are within the 20% most deprived nationally under the Index of Multiple Deprivation 2019.

Production industries (included in the agriculture, energy, mining and manufacturing sectors) that are critical to the UK economy account for almost 30% of our gross value added (GVA). This is the largest share of total output from these industries of any Combined Authority economy and is 1.6 times the

UK average. In short, the Hull and East Yorkshire area is key to the UK's energy and food supply, and there are opportunities to develop these industries further.

HEYCA will provide the governance, relationship and investment mechanisms to unlock the multitude of opportunities:

- The area continues to be a key trade gateway for the UK and through opportunities such as the Freeport programme HEYCA will seek to enhance this role, developing the area's transport infrastructure in the process.
- Developing prospects for rapid manufacturing by utilising the ultrafast fibre network within the digital and automated sectors provides a great opportunity to Hull and East Yorkshire and the surrounding regions.
- Taking advantage of the sectoral specialisms in medi-tech and social care also provides exciting opportunities to develop new health and care technologies to meet the needs of the UK's future population.

### 3 Strategic Decision Making

#### 3.1 Governance structure

Hull and East Riding combined Authority (HEYCA) is a Mayoral Combined Authority covering the administrative areas of both Hull City Council and East Riding of Yorkshire Council (the Councils). It is an accountable public body established under Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (the Act).

HEYCA was created in 2025 through the [Hull and East Yorkshire Combined Authority Order 2025](#). It is its own Accountable Body for funding received from Government through the 2023 Devolution Deal. As and when Government officially devolves further powers to the Combined Authority, in order to deliver against its policy agenda, this will be reflected in revisions to the Assurance Framework at the appropriate review period.

The first Mayoral election will be in May 2025 and the initial Mayoral term will last four years, with subsequent terms lasting four years.

#### 3.2 Local Leadership – who makes decisions

The Authority's Executive (referred to in this Assurance Framework as the Executive) is the principal decision maker and provides leadership of the Combined Authority. The Executive comprises:

- The Mayor
- Two (2) elected members from each constituent council, one of whom will act as the lead member for their constituent council.
- Up to four non-constituent members, who will be nominated by the following bodies:
  - Humberside Police and Crime Panel
  - Skills Board
  - Business Board
  - Another nominated body to ensure the representative nature of the authority (as identified by the Combined Authority)

Constituent Members of the Combined Authority and the Mayor will have full voting rights. Non-Constituent members will be non-voting unless the Combined Authority resolves to give them a vote on any issue, within the restrictions set out in the Act. (Non-constituent members are individual members of the Combined County Authorities who are nominated as members by a body designated by the Combined County Authorities. Non-constituent members are non-voting unless the voting members resolve otherwise)

Decisions will be made by the Mayor (in relation to mayoral functions) or the Mayor and Executive (in relation to non-mayoral functions) in accordance with the 2024 Order and the HEYCA constitution. Once in office, the Mayor will appoint as Deputy Mayor one of the constituent council members of Executive.



The Combined Authority Executive provides the overall strategic direction for economic growth across Hull and East Yorkshire. The Executive will approve the HEYCA Investment Framework, HEYCA Corporate Plan and Financial Plan which sets out investment priorities.

Portfolio areas maybe included within the HEYCA Corporate Plan, with a member of the Executive appointed as a Lead Portfolio holder. Portfolio lead roles are reviewed annually and confirmed at the Combined Authority Annual Meeting.

### 3.3 Combined Authority Forward Plan of Decisions

The Combined Authority will publish a forward plan of key decisions that will be taken by the Combined Authority at least 28 days before the decision is made to enable members of the public to view and comment on them. Details of all project approvals and minutes of meetings will also be published.

### 3.4 The Strategic Framework

HEYCA has a robust process in place to develop strategic objectives that align with its long-term vision and aspirations for devolution, reflect priorities identified by government through devolution requirements, as well as considering constituent council and Mayoral agendas and the local evidence base.

The Devolution Deal agreed with Government in 2023, provided for the transfer of a broad range of significant powers including those associated with employment and skills, transport, housing and investment.

The creation of HEYCA in 2025 has provided an Investment Fund worth £400m over 30 years which will enable the delivery of an ambitious investment programme focussed on inclusive and sustainable economic growth.

The Assurance Framework stages set out in Section 5 ensure that investment decisions align with the Combined Authority strategic objectives set out in the Corporate Plan and Economic Framework.

The strategic planning process will be evidence based, supported by a regularly updated local economic assessment and consideration of the existing and future investment pipeline to ensure policy priorities reflect identified needs within Hull and East Yorkshire.

### 3.5 Hull and East Yorkshire Draft Economic Framework

The Draft Economic Framework sets the Combined Authority's four strategic themes for action and outlines the objectives that will be delivered in order to meet the area's aspirations. It provides a rich evidence base which was developed in partnership with local stakeholders, building on the constituent authorities' economic plans and strategies. The Framework has been consulted upon with business and other stakeholders and has been approved by the Shadow Combined Authority the Hull and East Riding Leader's Board). It is considered draft until the Mayor is in post.



Four strategic themes underpin the Economic Framework:

- Enhance connectivity to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world-leading digital capabilities to support collaboration and new ways of working.
- Increase productivity by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy, as well as supporting business innovation and competitiveness.
- Promote inclusivity which creates economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health and low aspiration.
- Deliver a sustainable future through clean energy generation, sustainable development, climate adaptation and resilience and a strategic approach to harnessing our natural capital assets.

### 3.6 The Hull and East Yorkshire Investment Framework 2025 -2035

The Investment Framework sets out the vision and guiding principles to underpin HEYCA's investments over the next ten years. It has been produced in a draft format in preparation for stakeholder consultation. The Framework will be published in accordance with the Combined Authority's decision-making processes once the Mayor is in post.

The Investment Framework is aligned to the draft Economic Framework which is also subject to Combined Authority's decision-making processes once the Mayor is in post.

The Investment Framework sets out how HEYCA intends to invest the funds devolved from government, including:

- HEY Investment Fund - a £400m investment fund over 30 years.
- Transport allocations as agreed with Government
- Adult Skills Fund (ASF) – from August 2026
- Brownfield Land Housing Fund
- UKSPF or its successor funding

The Combined Authority also has responsibility for the delivery of existing funds from organisations whose functions have been transferred into HEYCA such as the former HEY Local Enterprise Partnership legacy fund, The Growing Places Loan Fund.

When it is appropriate to do so (eg if the government provides new funding for targeted projects and programmes), the Combined authority will generally aim to use government allocation formula in the first instance, subject to local prioritisation.

The devolution deal also allows the Combined Authority to borrow against future funds which is an opportunity the Combined Authority may seek to utilise to support strategic impactful investments.

The Investment Framework includes several principles designed to guide Investments:

- Local benefit – investments must contribute towards our vision of and sustainable and inclusive economic growth
- Value for money – investments must make a tangible contribution to our strategic objectives and provide good value for money in terms of outputs and outcomes.
- Additionality – investments will be directed to projects that can demonstrate clear additional impact, avoiding displacement, or substitution of funding.
- Social value – investments will meet social value requirements, as well as articulating their relationship to the strategic outcomes set out in the Economic Framework and Assurance Framework.

HEYCA is particularly focused on driving investment into opportunities that create economic benefit across the area, particularly those that unlock further private sector funding and inward investment.

The Combined Authority will explore opportunities for further collaboration with its neighbouring Authorities, including and especially Greater Lincolnshire Combined County Authority through formal pan-Humber working arrangements (the Humber Leadership Board).

### 3.7 The Hull and East Yorkshire Transport Framework

Aligned to the Economic Framework, HEYCA has a Transport Framework that is considered draft until the Mayor is in post. The Framework aims to define the strategic transport priorities for Hull and East Yorkshire and to shape, influence and accelerate the development and delivery of the strategic transport interventions that the region needs. The MCA will work in partnership with Government and its agencies such as Network Rail (and Great British Railways) and National Highways, to promote the necessary strategic transport investment. The framework is underpinned by four strategic principles:

- A Distinctive network, that recognises the area's key features, including the coast, the Freeport, leisure opportunities and the new industries.
- An Opportunistic network that uses technology to alter the way in which we plan, deliver and maintain the network to meet our social, environmental and economic objectives.
- An Engaged network that overcomes current barriers to using sustainable transport modes, to provide everyone with more choice.
- A Maximised network that using available space and ensures a more resilient network whilst considering nature-positive and no-build solutions.

### 3.8 The Hull and East Yorkshire Skills Framework

The Hull and East Yorkshire Skills Framework sets out the key strategic actions required to ensure that local people have the skills and support required to provide a workforce which will drive the economy of the region and in turn allow local people to fully benefit from the opportunities that economic growth provides. It is aligned to the priorities outlined in the Economic Framework, and has been developed from a strong strategic and evidence base, aligned with existing successful delivery including Skills Bootcamps, UKSPF delivery outcomes, Multiply, the CEC Careers Hub, the Local Skills Improvement Plan and the future Adult Skills Fund delivery plan and commissioning framework.

The Framework is currently being consulted upon and with the intention of being ready for when the Mayor is in post. The Framework will be approved by the Combined Authority.

### 3.9 Hull and East Yorkshire Combined Authority Corporate Plan

The Corporate Plan will be published once the Combined Authority is established. It will set out the 'golden thread' from the strategic objectives and Mayoral priorities, through its overarching strategies, organisational objectives to programme and project activity directed through annual business plan activity. The Corporate Plan will set out how the Combined Authority will turn the devolution deal and strategic priorities into reality.

It will set out the Combined Authority's governance structure, resources and ambitions for delivery against Member led portfolios of activity.

Delivery of the corporate plan will be supported by a series of business plans for each area of activity.

## 4 Governance, Transparent Decision Making and Accountability

### 4.1 Introduction

HEYCA, as a Combined Authority is subject to the requirements of the Local Government Accountability Framework. It adheres to this framework and is supported by its governance framework, internal and external audit arrangements, existing assurance framework and annual reporting of its accounts and the Annual Governance Statement.

The Combined Authority recognises and supports the English Devolution Accountability Framework and commits to building a culture of effective scrutiny and accountability through adherence to the framework.

In compliance with the English Devolution Accountability Framework the Combined Authority has put in place this Assurance Framework to ensure appropriate safeguards and standards are in place in the development and delivery of projects and ensure appropriate stewardship of devolved funds.

The Combined Authority meets all the standards set out in Chapter 7 of the Localism Act 2011 and has a robust Member-Officer Protocol in support of its Code of Conduct arrangements. All Members are expected to demonstrate the Nolan Principles of behaviour as outlined in paragraph 4.2 below.

Members of the Combined Authority are expected to act in the interests of the Hull and East Yorkshire area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias.

### 4.2 The Nolan Principles

All HEYCA Members, including voting, non-voting, constituent, non-constituent, associate and the business and skills boards' members will adopt The Seven Principles of Public Life (also known as the Nolan Principles). These seven principles apply to anyone who works as a public office-holder, whether elected or otherwise to ensure the utmost probity as public servants with stewardship of public funds. All public office-holders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

The seven principles are:

- Selflessness - Holders of public office should act solely in terms of the public interest.
- Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their

family, or their friends. They must declare and resolve any interests and relationships.

- Objectivity - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- Accountability - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- Openness - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- Honesty - Holders of public office should be truthful.
- Leadership - Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

#### 4.3 The Mayor and Executive

The Combined Authority is accountable for all funding and income it receives. It is responsible for a range of functions including transport, skills and economic development.

The Combined Authority Executive exercises all its powers and functions in accordance with the law and its Constitution. It sets the overall strategic direction for economic growth across the Hull and East Yorkshire combined area, agreeing all strategies and frameworks and agrees all delegated responsibilities to conduct business.

Decisions will be made by the Mayor (in relation to mayoral functions) or the Mayor and Executive (in relation to non-mayoral functions) in accordance with the HEYCA constitution.

The Constituent Council Members represent the views of their local authorities at the Combined Authority Executive whilst also ensuring that they put the needs and opportunities of the Hull and East Yorkshire combined area at the forefront of all decisions.

Elections for the position of Mayor of the Combined Authority are held every 4 years.

The Combined Authority, through its Executive, has clear roles and responsibilities within its governance framework when it comes to decision-making in regard to strategy and budgets. This power sits within the Executive and is supported through the following roles and responsibilities across its governance framework:

Strategic Role	Responsibility of:
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Provides leadership in terms of proposing the mayor's budget and takes decisions in relation to mayoral functions (see HEYCA Constitution)	The Mayor
Sets strategic vision, objectives and priorities.	Executive
Approves strategic and key policy frameworks	Executive
Set the budgetary framework and Medium Term Financial Plan	Executive
Develops strategy and policy proposals	HEYCA Strategic Leadership Team in consultation with the relevant portfolio holder
Implements approved strategy	Senior Responsible Officers in consultation with the relevant portfolio holder
Maintenance of Assurance Framework	Head of Paid Service
Operational and delivery oversight and provision of operational decision making	HEYCA Strategic Leadership Team
Undertakes strategic level scrutiny	Overview and Scrutiny Committee
Undertakes Mayor and Executive accountability	Overview and Scrutiny Committee
Provides oversight and assurance of standards and the Constitution	Audit Committee
Provides oversight and assurance of governance, assurance and supporting frameworks	Audit Committee

#### 4.4 Induction

New members of the Combined Authority Executive will be supported through induction training that will cover the senior management structure and their roles including conduct, the governance structures including this Single Assurance Framework, how the Combined Authority is funded, its risks, the role of the Mayor, and the aims and objectives of the Combined Authority.

#### 4.5 Code of Conduct

The Code of Conduct is set out in the HEYCA Constitution. The Nolan principles of Public Life provide apply to all officers and public office holders. (see paragraph 4.2)

#### 4.6 Diversity

The HEYCA Executive and committee membership is comprised of elected representatives appointed by the constituent authorities and this membership is outside of the control of the Combined Authority. The Chair the Business Board and Humberside Police and Crime Commissioner (PCC) is appointed by the Executive, as is the membership of any advisory boards. HEYCA is committed to taking steps to appoint a diverse membership to its boards which reflect the community it serves.

#### 4.7 Remuneration

No remuneration is paid by HEYCA to its Executive members other than a Mayoral Allowance which can be paid after a report by an Independent Remuneration Panel (IPR) which recommends an allowance which has been agreed; the allowance cannot exceed the amount on the IRPs recommendation.

#### 4.8 Audit Committee Arrangements

HEYCA has established an Audit Committee, in accordance with the requirements of the Local Democracy, Economic Development and Construction Act 2009, the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework and with reference to CIPFA's guidance on Audit Committees.

The remit and operations of the Audit Committee are set out in the HEYCA constitution.

This committee is a key component of the Combined Authority's corporate governance arrangements and an important source of assurance regarding the organisation's arrangements for managing risk, maintaining an effective control environment, reporting on financial and annual governance processes and for the promotion and maintenance of high standards of conduct by its Members.

The audit functions of the Audit Committee are:

- Reviewing and scrutinising the authority's financial affairs
- Reviewing and assessing the authority's risk management, internal control and corporate governance arrangements
- Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions
- Making reports and recommendations to the HEYCA Executive in relation to the above points.



The Chair of the Audit and Standards Committee is an independent “co-opted” member (i.e. not an elected member) appointed by the Executive following a recruitment process. The other members of the Audit and Standards Committee are appointed by the Constituent Authorities. The appointment of members to the committee reflects the requirements of the Combined Authority’s (Overview and Scrutiny Committees, Access to Information and Audit Committee) Order 2017, being that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together.

#### 4.9 Internal Audit

Internal audit services have been established to provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit provision will conform to the Public Sector Internal Audit Standards which are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

#### 4.10 External Audit

An annual external audit of HEYCA’s statement of accounts is undertaken by a registered external local auditor under the Local Audit and Accountability Act (<https://www.icaew.com/technical/audit-and-assurance/localpublic-audit-in-england>).

External auditors will undertake the audit of HEYCA’s statement of accounts and test value for money arrangements in line with the Code of Audit Practice issued by the National Audit Office (<https://www.nao.org.uk/code-audit-practice/>) in line with the requirements set out in the Local Audit and Accountability Act 2014 and the Accounts & Audit Regulations 2015.

#### 4.11 Overview and Scrutiny Arrangements

HEYCA has established an Overview and Scrutiny Committee, in accordance with the requirements of the Local Democracy, Economic Development and Construction Act 2009, the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework and the principles of the EDAF Scrutiny Protocol.

The remit and operations of the Overview and Scrutiny Committee are set out in the HEYCA Constitution, they have the power to:

- Review or scrutinise decisions made, or other action taken, in connection with the discharge by the Executive or the Mayor of its functions
- Make reports or recommendations to the Mayor and/or Executive, with respect to the discharge of its functions
- Make reports or recommendations to the Mayor and/or Executive on matters that affect the authority's area or the inhabitants of the area.



The terms of reference for the Overview and Scrutiny Committee are available in the Constitution.

The members of the Overview and Scrutiny Committee are appointed by the Constituent Authorities.

The appointment of members to the committee reflects the requirements of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committee) Order 2017, being that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together

The Audit and Standards Committee and the Overview and Scrutiny Committee are key parts of the overall accountability framework of the Combined Authority, ensuring the requirements of the English Devolution Accountability Framework is complied with.

#### 4.12 Business Boards and Representation

HEYCA will host the business voice for the area, the Hull and East Yorkshire Business Board. It is made up of representatives of business interests in the area. The Board provides:

- Strategic business advice to the Combined Authority Executive, Mayor, and officers across all policy areas
- Advices on the development and shaping of economic strategy and oversight of progress on implementation, on behalf of the Executive who decide on and own the strategy
- Represents business across the Combined Authority area.

The Board, in line with the ambitions set out in the devolution deal and existing strategic plans, will help to drive forward Hull and East Yorkshire's priorities for sustainable and inclusive growth.

The Board's nominated person attends the Combined Authority's Executive as a non-voting non constituent member.

#### 4.13 Skills Board

A new dedicated private sector skills board will also support the Mayor, the Combined Authority Executive and officers. The skills board's remit is to help facilitate an efficient and fair local labour market where business can access a suitably skilled workforce, all local people can secure good quality, well paid employment regardless of their background and achieve their full potential.

The membership of this board is drawn from the local business community and wider stakeholder groups.

The Board's nominated person attends the Combined Authority Executive as a non-voting non constituent member.

#### 4.14 Statutory Officers

##### 4.14.1. Head of Paid Service

It is the role of the Head of Paid Service to ensure that all of the Combined Authority functions are properly coordinated, organising staff and appointing appropriate management.

The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989.

The duties and responsibilities of the post include but are not limited to:

- The statutory responsibilities of the Head of Paid Service to manage the budgets and funding allocations available to the Combined Authority, in conjunction with the S73 officer
- Leading the Corporate Management team to deliver the strategic direction for the Combined Authority as outlined by the Mayor and Executive
- Co-ordinated strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the Combined Authority
- Champion the delivery of the strategic priorities of the Combined Authority and its Corporate Plan and put in place the resources necessary to achieve the efficient and effective implementation of HEYCA's programmes and policies across all services and the effective deployment of the authority's resources to those ends
- Advise the Combined Authority Mayor and Executive on all matters of general policy and matters upon which their advice is necessary, with the right attendance at all Executive and other meetings as appropriate
- Advising the elected Mayor on the delivery of strategic priorities
- Represent the Combined Authority at local, regional and national level in partnership with the Mayor
- Act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration
- Exercise urgency powers to make decisions in emergency situations.

##### 4.14.2. Section 73 Officer

The Combined Authority has appointed a statutory Chief Finance Officer under section 73 of the Local Government Act 1985, to

administer the financial affairs of the Combined Authority. At HEYCA the Director of Finance fulfils the role of the Section 73 Officer.

The Section 73 Officer is responsible for providing the final sign off for funding decisions.

The responsibilities of the Chief Financial Officer (CFO) reflect those documented in the CIPFA published document 'the roles of the Chief Finance Officer in Local Government' which details 5 key principles:

- The CFO is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's Policy aims sustainably and in the public interest.
- The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO must lead the promotion and delivery of the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. This includes overall responsibility for ensuring value for money.
- The CFO must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO must be professionally qualified and suitably experienced.

The Chief Finance Officer is a member of the Combined Authority Senior Management Team and has oversight and an ability to influence all major decisions of the Combined Authority.

The CFO has ensured that the Combined Authority has robust systems of internal controls and appropriate separation of duties to ensure the legality and probity of financial transactions.

The CFO reviews all reports to ensure financial implications are correctly identified before they are presented to the Executive, its Committees and constituted boards.

These processes are set out in the Combined Authority's Financial and the Contract Procedure Rules. Other policies such as the Anti-fraud and Corruption Policy are also included in the Constitution and/or published on HEYCA's website.

#### 4.14.3. Monitoring Officer.

A statutory Monitoring Officer has been appointed and discharges the functions in relation to the HEYCA as set out in sections 5 and 5A of the Local Government and Housing Act 1989.

The responsibilities of the Monitoring Officer regarding the Assurance Framework include:

- Maintaining an up-to date version of the Constitution and ensuring that it is widely available for consultation by members, staff and the public.
- Ensuring lawfulness and fairness of decision making
- The promotion and maintenance of high standards of conduct, including supporting any issues raised on standards via the Audit Committee.

The Monitoring Officer and their legal team review all reports to ensure legal implications are correctly identified before they are presented to the Executive, its Committees and constituted boards.

#### 4.14.4. Scrutiny Officer

In accordance with Section 9 of the Local Government Act 2000 and the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committee) Order 2017, the Authority must designate one of its officers as the scrutiny officer of the overview and scrutiny committee(s) to discharge the following functions:

- (a) to promote the role of the overview and scrutiny committee(s);
- (b) to provide support and guidance to the overview and scrutiny committee(s) and to members of such committees;  
and
- (c) to provide support and guidance to Members of the Authority and to the Mayor in relation to the functions of the overview and scrutiny committee(s).

The Combined Authority may not designate as the scrutiny officer any officer of a constituent council of the combined authority.

#### 4.15 Processes and Procedures

All HEYCA's processes and procedures can be found in Part 6 of the Combined Authority's Constitution. <https://www.hullandeastyorkshire.gov.uk/>

##### 4.15.1. Whistleblowing

The Combined Authority has a Whistleblowing Policy in place to enable and encourage employees to raise concerns about wrongdoing by the Combined Authority, the Mayor's Office and/or contractors without fear of reprisal or detriment. All staff employed by the HEYCA are made aware of the whistleblowing policy which is set out in Part 6 of the Constitution.

##### 4.15.2. Anti-fraud, Bribery and Corruption

The Combined Authority has an Anti-fraud, Bribery and Corruption Policy which aims to ensure that the Combined Authority has an effective anti-fraud culture and effective framework to manage the risk of fraud, bribery and corruption. The policy applies to the Mayor, councillors, employees, contractors and agents of the Combined Authority, except where agents have their own policy and procedures in place that already provide at least an equivalent and sufficient framework.

4.15.3. Anti Money Laundering

The Combined Authority has an Anti- Money Laundering Policy. The policy aims to ensure that the Combined Authority has a planned approach should concerns arise in respect of money laundering. All organisations and individuals in the UK have responsibilities in respect of countering money laundering.

4.15.4. Feedback and Complaints

A procedure is in place to ensure that any feedback and complaints are dealt with fairly and effectively, this includes the arrangements, processes or decision making associated with a project.

The Combined Authority's Code of Conduct for Members also includes a process for dealing with complaints of alleged breaches of the Code.

4.15.5. Equality, Diversity and Inclusion.

An Equalities and Diversity Policy (Link to follow) has been established that applies to all employees and anyone who works with the Combined Authority. It covers the work and outputs of the Executive, Boards, and groups, and is updated on an annual basis.

The Combined Authority is fully committed to complying with the Equality Act 2010 and the Public Sector Equality Duty and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion. Before making and implementing decisions, policies, plans, practices and procedures, the HEYCA will show due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. Where decisions have the potential to impact people differently based on protected characteristics, an Equality Impact Assessment will be undertaken.

4.15.6. Gifts and Hospitality

The Code of Conduct for Members and the Code of Conduct for Officers regulate the acceptance of gifts and hospitality by members and officers respectively.

4.15.7. Registration and Declaration of Interests

The Combined Authority's codes of conduct for members, non constituent members, associate members and for officers sets out clear procedures

for dealing with any conflicts of interest which may arise when carrying out the business of the HEYCA.

All Members and Officers are required to declare interests they are aware of, and this is recorded centrally on a register in the HEYCA. This information is reviewed and updated annually.

Executive and Board Members are required to make a declaration of any interest they have in an item of business at meetings. The Combined Authority's code of conduct sets out when a Member's interest requires that they should leave the meeting while the item is considered.

In addition, Constituent Authority members will have completed their Local Authority's Register of Interest.

All HEYCA officers are required to declare any interests they have in contracts. The codes of conduct can be found in the Constitution.

#### 4.15.8. Freedom of Information.

As a public body, the Combined Authority is subject to the Freedom of Information Act 2000, the Environmental Information Regulations 2004 and the Data Protection Act 2018, which includes the General Data Protection Regulation (GDPR).

The Combined Authority will hold records and will deal with statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with this request in accordance with the relevant legislation.

As described below the Combined Authority aims to publish as much information as possible, reducing the need for Freedom of Information requests.

Full details of the Combined Authority's Freedom of Information requests procedures can be found on the HEYCA Website.

#### 4.15.9. Transparency Code

The Combined Authority has in place robust transparency and engagement arrangements. The Constitution sets out how agendas, minutes and papers will be made available to the public and when.

The Combined Authority will ensure it adheres to the Local Government Transparency Code (2015), building on existing good practice from across the constituent authorities.

Information is published on the HEYCA's website, including the following corporate policies and protocols:

- Member's Code Of Conduct
- Officers' Code Of Conduct

- Protocol On Member/Officer Relations
- Members' Allowance Scheme
- Code Of Corporate Governance
- Anti-Fraud And Corruption Policy
- Whistle-Blowing Policy

#### 4.15.10. Treatment of Risk.

The Combined Authority recognises that effective risk management is an integral part of good corporate governance. A key role of the Assurance Framework is to ensure that risk is identified, monitored and managed appropriately, in accordance with HM Treasury Orange Book. This is both at a Strategic level (risks facing the organisation) and at a programme and project level.

A Risk Management Framework has been developed to provide visibility of risk at strategic, operational and programme levels to ensure consistency in approach across the Combined Authority in how risks are identified, managed, monitored and escalated.

The Combined Authority's Risk Management processes will be regularly reviewed to ensure they still meet the Authority's needs as it grows and develops, and also to align to any updated guidance or identified best practice.

The Combined Authority's Risk Management Framework (Link to follow) is agreed by the Mayor and Executive, with the Audit Committee monitoring the risks on a quarterly basis. The SROs in the business areas have responsibility for the identification and management of programme and project level risks. The Senior Management Team (which includes representation from the Statutory Officers) will review programme and corporate risks regularly, advising the Executive accordingly.

At the project level, all projects are required to outline in detail any identified risks as part of the full business case development and due diligence processes. Grant funding agreements require funding recipients to maintain an ongoing risk register and submit updated risk assessments including mitigations on a quarterly basis as part of the monitoring and reporting process.

#### 4.15.11. Publishing Meeting Minutes.

The schedule of meetings for the calendar year is agreed at the Annual Meeting and published on the HEYCA website. The Combined Authority's Executive, Audit and Standards Committee, and Overview and Scrutiny Committee meetings take place in public (although the public may be excluded for confidential or exempt matters).



Executive and other committee meetings maybe livestreamed on the internet. Agendas for Executive and committee meetings are published on the HEYCA's website five clear working days in advance of the meeting.

Where agendas contain commercially sensitive information or are otherwise subject to one of the exemptions under the Local Government Act 1972 Schedule 12A, they are categorised as an exempt item and not published. Advice will be provided by the Monitoring Officer on whether the item should be classified as exempt, but Members have to make a decision to go into a private session unless an item has been declared confidential by the Government in which case it must be dealt with in private.

Decisions of meetings will usually be published within three working days, and draft minutes of the meeting are published as soon as possible after meetings on the Combined Authority's website. Minutes of the meeting are formally agreed at the next meeting of the Executive or the committee and published as part of the Agenda pack.

#### 4.15.12. Publishing Decisions

In the interests of increasing transparency and accountability, and in accordance with relevant legislation the Combined Authority has committed to publish a Forward Plan of key decisions that will be taken by the Executive at least 28 days before the decision is made, and up to 6 months in advance, to enable members of the public the opportunity to view them.

All decisions will be published in accordance with the transparency arrangements set out in the HEYCA Constitution. The Combined Authority ensures compliance with statutory requirements and/or Government guidelines on publication, where appropriate.

#### 4.15.13. Corporate Policies

The Combined Authority's corporate policies are published on the HEYCA website. A list can be found here

- Member's Code Of Conduct
- Officers' Code Of Conduct
- Protocol On Member/Officer Relations
- Members' Allowance Scheme
- Code Of Corporate Governance
- Anti-Fraud And Corruption Policy
- Whistle-Blowing Policy

#### 4.16 Investment Decisions



The HEYCA will be the decision maker for all investment decisions. The business and skills boards will both provide strategic advice on proposed investments.

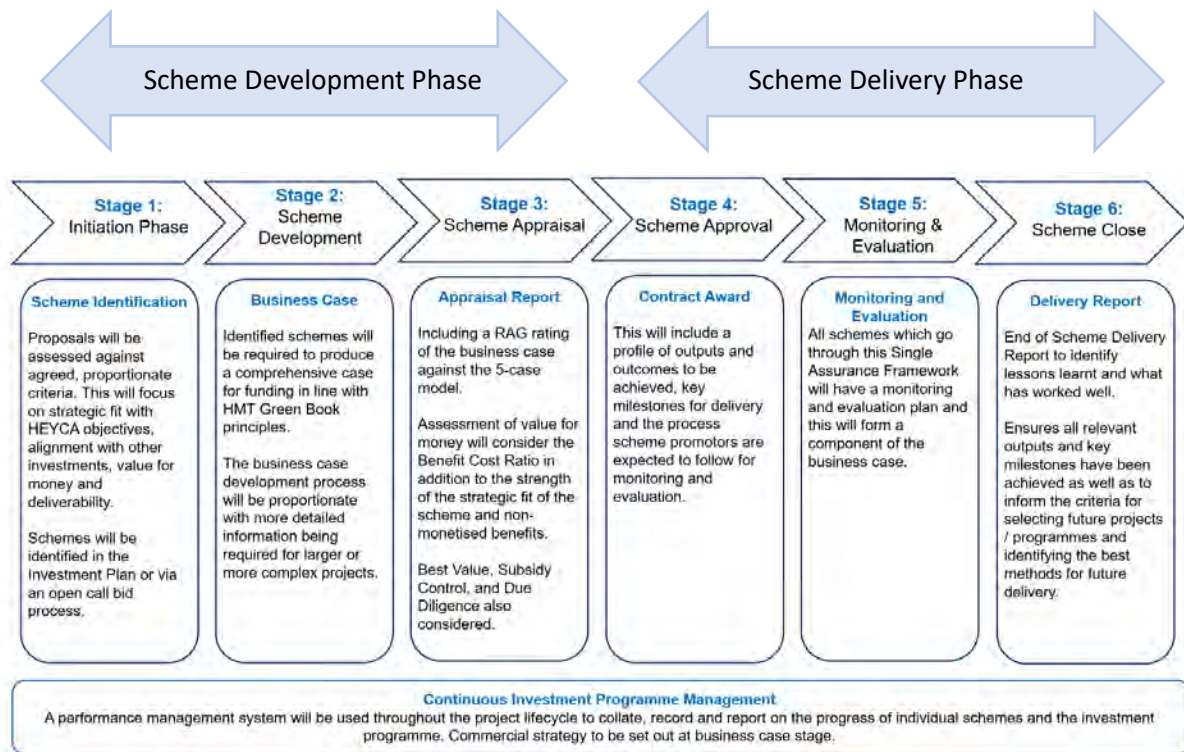
To ensure robust funding decisions are taken, a broader governance process will ensure decisions are taken based on specialist and impartial advice with the appropriate checks and balances in place. This will be an important step when deciding on competing business cases.

The additional steps include:

- **Internal peer review** – relevant officers and specialists from the Combined Authority and both councils will undertake a peer review and light touch strategic assessment of projects, which will be provided to the Combined Authority as advice.
- **Due diligence** – external, independent due diligence will be for projects that are more complex, for example with several partners or stakeholders or where specific technical knowledge is required. Internal due diligence will be applied to all other projects
- **External appraisal** – the Combined Authority will seek to use best practice and commission external project appraisal where required, particularly for projects that are large, complex or require more technical input, or where there are competing business cases as another layer of assessment. Section 5 has more information.

## 5 The Single Assurance Framework Process

The diagram below provides an overview of the Single Assurance Framework process.



### 5.1 Stage 1: Initiation Phase (scheme identification)

The purpose of the first stage is to provide early assurance that investment proposals meet strategic objectives and have the capacity to meet the requirements necessary to progress to a successful full business case. The decision-making process will be informed by the HEYCA Investment Plan, strategic objectives and any new and emerging policy priorities.

The Combined Authority will select projects and programmes for funding in an open and transparent way. The process for how HEYCA identifies, prioritises, assesses and commits funding to investment proposals is guided by HM Treasury's Green Book methodology. There will be an emphasis on the importance of the strategic fit and alignment of proposals with other investments to ensure the approach to decision making and scheme development will help HEYCA to secure positive socioeconomic outcomes.

The Combined Authority will work with the constituent councils to develop a pipeline of schemes for funding.

Scheme proposals will usually come forward from one of two sources, depending on the type of activity HEYCA is seeking to engage in:

- a. **Proposals for funding that fit with the strategic priorities** outlined in the HEY economic strategy, local transport plan and other local plans and strategies. Where relevant, proposals should be in line with the Humber Economic Strategy. These schemes will be identified by either the CA or the constituent councils and will be outlined in the Corporate Plan and the HEYCA Investment Plan. These will be drawn down for business case development in line with the annual business plan and funding availability. The Investment Plan will set out details of the proposals along with the stage it is at, and whether external funding is bid for or offered by a sponsoring Government department. The pipeline will be reviewed at quarterly intervals to ensure proposals continue to remain commensurate with strategic priorities.
  
- b. **Open calls for proposals where there are specific identified needs** will be published openly and will follow a competitive process. This approach will be limited to identified needs which align with strategic priorities and are not already met through the investment pipeline due to resource availability. These calls will be published on the CA's website and will have a specific focus targeted towards a specific investment priority. Applicants will be invited to submit bids that detail a brief description of the proposal, the need for intervention, the outputs (including when, how and who will deliver them), and the associated benefits. This should also include strategic fit, approach to evaluation and detail of finance and risk. This approach will enable HEYCA to assess, prioritise investment proposals and early assurance proposals are in line with strategic priorities, are legally compliant and in accordance with allocated funding.

The following principles will be applied to scheme identification:

- Scheme proposals will be assessed against agreed, proportionate criteria. This will focus on strategic fit with HEYCA objectives, alignment with other investments, value for money and deliverability.
- Transport schemes will be assessed in accordance with DfT's latest appraisal guidance.
- Scheme sponsors will need to include environmental, equality and social impact assessments as part of their applications.
- The CA will assess the overall impact of the proposed scheme.
- Scheme development funding will be subject to approval of a full business case. This will include applicants working with the CA and stakeholders where necessary to appraise options in line with HMT Green Book principles.
- Steps involved in the full process are at appendix 7.2
- In exceptional circumstances, schemes may be fast tracked. The process is at appendix 7.2
- In the event that there is a departure from the process, (for specific reasons such as business critical urgency), the HEYCA Statutory Officers and constituent councils must agree in advance of the CA committing to the scheme. All schemes will be dealt with on a transparent basis.

## 5.2 Stage 2: Scheme Development

Identified schemes will be required to produce a comprehensive case for funding in line with HMT Green Book principles. This should seek alignment to HEYCA strategic objectives and policy aims whilst meeting funding requirements and any milestone dates.

The business case developed for each scheme will require detailed evidence on the options, designs, delivery and outcomes of the proposal, along with strategic fit and value for money information to enable informed decision making. The business case should include a developed Theory of Change to support effective evaluation which sets out clear objectives that the scheme options can be assessed against. This is important to demonstrate schemes have been developed proportionally and are able to deliver intended benefits and impacts.

Where delivery partners are external to the Combined Authority, they will be supported through the process by the lead Business Area within the Combined Authority. Subject Matter Experts within the Lead Business Area from Finance, Legal and Procurement will be engaged in the business case development and its review. Project sponsors may employ analytical experts to support business case development.

The business case development and appraisal process will be proportionate with more detailed information being required for larger or more complex projects or programmes. This will follow HMT's guidance on the five-case business case model (see Section 7.2) The application and appraisal process for the investment programme will involve the following stages:

There are usually 3 business cases produced which are:

- a. Strategic Case (SOC) – this will provide the strategic context, underlying justification for the scheme and will support the prioritisation and programme development stage. For larger schemes (£5m+) or which are innovative/transformational or more complex, an SOC will be required. Smaller or simple schemes can progress straight to OBC, or where appropriate FBC, although in these cases a Strategic justification of the scheme will still be required to be incorporated.
- b. Outline Business Case (OBC) – this will confirm the strategic context and make a robust case for change and identify the preferred option for delivery from a shortlist of options considered. This will include Theory of Change.
- c. Final Business case (FBC) – this will include a detailed business case for the scheme consistent with HMT's guidance on the five-case business case model (see appendix 7.2. This needs to be developed to a point where final approval can be given, it will follow Green Book guidance and take account of scheme specific appraisal guidance (eg DfT for Transport schemes).

All stages will follow Green Book guidance and take account of scheme specific appraisal guidance (eg DfT for Transport schemes).

When multiple schemes contribute to the same strategic objectives, a programme business case approach will be adapted to ensure coherence and alignment across all schemes. This will ensure schemes are managed collectively and contribute to achieving strategic objectives efficiently and effectively. Where appropriate, a single combined financial case could be developed which considers the costs, funding sources and financial risks for all schemes to help understand the overall financial implications and efficient use of resources. A unified management plan will also be developed to oversee the implementation of all schemes and a plan for delivery that phases scheme implementation in a way that maximises benefits.

Where over half of a scheme’s funding has been awarded by another government department (eg Homes England), a separate business case may not be necessary as long as an appropriate FBC is in place that is equivalent to that of the HEYCA. Evidence that another funder has approved the business case will always be required.

### 5.3 Stage 3: Scheme Appraisal

The business case will be subject to a technical appraisal undertaken from outside the Business Area, to provide assurance to decision makers that investment proposals meet the agreed standards and compliance requirements, in line with recognised best practice.

Under a programme business case approach, options will be evaluated in the context of the entire programme to consider interdependencies, synergies and potential conflicts between schemes.

The appraisal process will be in line with HMT’s Green Book and be consistent with any other departmental appraisal processes such as the MHCLG appraisal guidance.

HEYCA s73 Officer will be responsible for ensuring each scheme that goes forward for decision will be accompanied by a signed appraisal report that will include a RAG rating of the business case against HMT’s Green Book Five Case model.

Five Case Model Description	
Strategic Case	The strategic case sets out the rationale for the proposal; it makes a compelling case for change at a strategic level. It should set out the background to the proposal and explain how the project provides fit with the HEYCA’s strategic objectives, as well as any relevant local and/or national strategic priorities.

Economic Case	The economic case is the essential core of the business case and should be prepared according to HMT's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal. (See <a href="#">The Green Book (2022) - GOV.UK</a> for defined appraisal periods that depend on the lifespan of the intervention.)
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question therefore is what procurement does the proposal require, is it crucial to delivery, and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as a programme management or project management case. It confirms that the capacity is available and proportionate to the delivery requirements. The management case must clearly set out management responsibilities and governance and reporting arrangements. If it does not, then the business case is not yet complete. The Senior Responsible Officer should be identified.

### 5.3.1. Assessing value for money

For the investment programme, the CA will make investment decisions based on a range of evidence such as the strategic case and other local impacts and analysis of cost effectiveness, as well as the wider value for money appraisal. This evidence will be consistent with Green Book and other guidance whilst recognising Benefit Cost Ratio (BCR) will remain the universal metric to assess vfm. This assessment will be detailed in the Economic Case of the Business Case and will be provided to support the decision-maker covering assessment of the scheme's efficiency and effectiveness. The assumptions in the Economic Case will be commensurate with the Strategic Case, and across all dimensions of the business case.



In principle, proposals demonstrating a positive BCR will be prioritised. HEYCA will take account of a range of evidence when deciding to invest in a scheme, including local impacts, unlocking investment and transformational change. Recognising some of the development challenges in the area, HEYCA will aim for Acceptable vfm (above 1.2), however, the CA may still decide to invest in exceptional circumstances, based on the wider impacts of the scheme, in line with the strategic case. An assessment of the non-monetised benefits during options consideration will also be included and taken into account as part of the appraisal recommendation.

The following Vfm categories can be defined where public sector costs are positive:

Vfm Category	Implied by....
Very High	BCR greater than or equal to 4
High	BCR greater than or equal to 2 and less than 4
Medium	BCR greater than or equal to 1.5 and less than 2
Acceptable	BCR greater than or equal to 1 and less than 1.5
Poor	BCR greater than or equal to 0 and less than 1
Very Poor	BCR below 0

Assessing the value for money of schemes under a programme business case will consider the costs and benefits over the programme's lifecycle. (See [The Green Book \(2022\) - GOV.UK](#) for defined appraisal periods that depend on the lifespan of the intervention.)

Full Business Cases (including their value for money statements), will be signed off by the s151 officer or Chief Finance officer of the promoting organisation.

Full Business Case Assessment Summary Reports will be signed off by HEYCA's s73 officer and these will be included in the report to the CA for decision making. Where HEYCA is the scheme promoter separation of roles will be ensured and business case sign off will be provided by the s151 officer from one of the constituent Councils.

### 5.3.2. Best Value

In accordance with the requirements of the Local Government Act 1999 the HEYCA will be subject to the same Best Value requirements as all other Public Bodies, which means the CA must demonstrate good governance, including a positive organisational culture, across all functions and effective

risk management. The CA is also required, pursuant to section 3 of the 1999 Act, to consult on the purpose of deciding how to fulfil the Best Value Duty.

#### 5.3.3. Subsidy Control

Subsidy Control will be considered as part of the decision-making process and records of compliance will be kept in line with the transparency requirements of the Subsidy Control Act 2022.

In accordance with the requirements of section 12 of the subsidy Control Act 2022 projects will be assessed to ensure that they are consistent with the subsidy control principles prior to the award of any grants, loans or other forms of financial assistance. (See Appendix 7.6)

#### 5.3.4. Due Diligence

Due diligence refers to the process of undertaking independent verification of key information provided by scheme promoters in support of funding proposals. It is intended to supplement the appraisal process and support the effective management of risk.

HEYCA is committed to undertaking due diligence activities that support effective decision making and scheme appraisal. This will naturally be undertaken as the investment business case application progresses through the options appraisal and shortlisting process. Where necessary to undertake specific analysis, e.g. for complex or very large schemes, this will be undertaken in accordance with HMT's Aqua, to test assumptions and ensure they are robust and the project or programme is fit for purpose.

#### 5.3.5. Transport Schemes

For transport schemes, HEYCA will ensure that appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that it meets current DfT guidance for all schemes on a case by case basis but for schemes with low cost or special circumstances, a more proportionate approach may be taken. In addition to TAG, other robust or evidence-based assessments or methodologies may be employed to prioritise and assess the overall business case for a scheme.  
(See Appendix 7.3)

#### 5.3.6. Adult Skills Fund

The Government will fully devolve the Adult Skills Fund to the Combined Authority from the academic year 2026/27, subject to the meeting the readiness conditions set by DfE. The Governance structures, system, process, and policies that will be developed and implemented by HEYCA as the accountable and decision-making body, will provide the DfE with confidence that it has in place all relevant infrastructure to effectively manage the process and risks associated with the allocation of devolved Adult Skills Fund funding including accountability to:



- the public, via the Overview and Scrutiny Committee and Audit and Governance Committee, including scrutiny of the accounts and local audit reports.
- the UK government. HEYCA will also discharge, on an annual basis, its responsibilities to devolved Adult Skills Fund funding as set out in the English Devolution Framework and produce an Annual Assurance Report alongside other yet to be agreed document such as an Adult Skills Fund (ASF) Assurance Framework document, including project appraisal and value for money processes. (See Appendix 7.4)

#### 5.4 Stage 4: Scheme Approval (contract award)

Following the completed appraisal stage, investment proposals will progress to approval stage. The required approval route is dependent on the level of financial approval that is required. Decisions by the Combined Authority to commit funding on the basis of a business case approval will be made in accordance with delegated powers as set out in the HEYCA Constitution.

<b>Business Case Value</b>	<b>Approach</b>
Up to £500k	Approved by the Head of Paid Service in consultation with the S73 Officer and Monitoring Officer, under the Combined Authority's approved delegated authority. Business cases are progressed for approval following sign off by the relevant Senior officer who approves the business case as complete and takes on responsibility for its progression through the approvals phase. The Head of Paid Service will then consider the business case for approval under delegated authority.
Over £500k	Approved by the Combined Authority. The Head of Paid Service, in consultation with the S73 Officer and Monitoring Officer will make recommendations to the Authority. The relevant Senior Officer is responsible for the project's progression as above.

To ensure the investment programme is managed strategically HEYCA's s.73 officer will be responsible for the overall management of the programme and that linkages are made within the portfolio of proposals seeking investment. The time taken to assess schemes will depend on the nature and complexity of the proposal.

The outcome of independent assessments of the investment programme schemes will be reported to HEYCA as part of the recommendations made on the merits of individual applications. A RAG rated Assessment Summary Table will form an appendix to these reports and will be part of the CA's public agenda pack that will be available to view on the CA's website.

Aside from where HEYCA is the scheme promoter, the CA will prepare a Grant Offer Letter for agreement by the applicant. The offer letter will set out the following which will be monitored by the CA:

- A financial profile including quarterly expenditure.
- A profile of outputs and outcomes to be achieved with key milestones for delivery.
- Projected impacts and a timetable for their achievement.
- Monitoring and evaluation requirements and the process scheme promoters are expected to follow.

## 5.5 Stage 5: Monitoring and Evaluation

Monitoring and evaluation will be a key consideration throughout the delivery of schemes. All schemes which go through this Single Assurance Framework will have a monitoring and evaluation plan and this will form a component of the business case. Monitoring and evaluation for schemes considered within a programme business case will consider how a package of schemes are contributing jointly to the strategic objectives.

HEYCA will have a comprehensive monitoring and evaluation framework, designed in accordance with HMT's Magenta and Green Book principles that will be used to strengthen decision making. (This will be available on the HEYCA website once available).

The framework will set out the key principles for how the CA will manage evaluations across the whole investment plan and measure its overall impact. This will be underpinned by meaningful and locally defined principles of identifying lessons learnt to inform future policy and scheme delivery. This will contribute to creating a culture of decision-making based on best practice.

Through effective monitoring and evaluation, HEYCA will use lessons learned to inform future policy development, allowing HEYCA to:

- Demonstrate local accountability. Show how funding is being spent and benefits achieved against local strategies and action plans, demonstrating the value and effectiveness of local decision making and shaping future priorities
- Comply with external scrutiny. Together with the Assurance Framework, demonstrate progress and delivery to the constituent council members, senior Government officials and Ministers
- Understand what works. Provide a feedback loop and enables the lessons learnt to be fed back into policy making and communicated to stakeholders, as well as supporting the case for further devolution and investment in the area
- Develop an evidence base. Provide a mechanism for collecting, collating and analysing data which can be used across the organisation and by others, following the principle of collecting data once and using many times subject to relevant legal requirements
- Ensure quality assurance. Monitoring & Evaluation plans form part of business case submissions, and these are, in most cases, independently reviewed and published to support decisions by the CA.

### 5.5.1. Monitoring

All project and programme sponsors, scheme promoters and delivery partners will be required to provide regular financial and delivery information, including progress against agreed targets and milestones, tracking progress of the implementation of a project. Monitoring reports will usually be completed on a quarterly basis unless projects or programmes are underperforming or at higher risk, in those circumstances, more regular reporting may be required. Monitoring will continue until schemes are both financially and physically complete with all outputs and outcomes accounted for.

Project and scheme sponsors and promoters are responsible for raising any concerns regarding performance and any changes in cost, timescales or scope for their scheme with the CA. Where there are material changes to a project or programme, the CA may decide to review its decision regarding the scheme.

Regular monitoring reporting will be through the CA's democratic and governance processes.

The CA will report to the relevant Government departments, such as MHCLG, DfE, DfT, as determined by the department.

### 5.5.2. Evaluation

Evaluation will be meaningful and proportionate. The frequency and type of evaluation required will depend on the contract value of the project. The CA will determine the level of evaluation required at OBC stage so that the costs of evaluation can be built into the scheme. Pilot projects will be subject to more extensive and frequent evaluation. (see [HMT Magenta Book.pdf](#))

Monitoring and evaluation will be a key consideration throughout the delivery of schemes, with the aim of assessing whether schemes have led to their intended benefits and impacts.

Lessons learnt from evaluation will be reported to the CA and across the governance framework as required.

Most schemes will be required to undertake a process evaluation to understand a project's pathway to inform future delivery, as well as a progress evaluation, reviewing progression against targets and milestones (outcome, outputs and spend). Impact and process evaluations will be applicable to the majority of schemes except for tried and tested projects or programmes where there is a strong evidence base and where there may be little benefit in allocated additional cost. This will be considered on a case-by-case basis.

### 5.5.3. Enforcement

HEYCA will have appropriate processes in place to recover non-compliant funding. The grant offer letter for each scheme will provide details of what action will be taken if there is evidence of non-compliance. It is the responsibility of the scheme sponsor to identify risks in the FBC for delivery.

HEYCA has the right to withhold funding if agreed scheme delivery expectations are not met within the agreed funding period.

The CA will be subject to an independent panel review to assess the impact of its Investment Fund expenditure. The Five-Year Gateway Review process is intended to provide evaluation of appropriate appraisal, assurance and Value for Money processes within the CA. The Gateway Review will comprise the production and review of a Local Evaluation Framework, a mid-term evaluation of progress made in the delivery of schemes and an impact review to identify achievements and the impact of funded schemes.

## 5.6 Stage 6: Scheme Close

Requirements relating to closure reports:

Scheme sponsors are required to produce an End of Project Delivery Report at the end of the scheme (within 3 months of completion), which demonstrates that:

- All activities have been delivered in accordance with the offer letter.
- All funding has been spent appropriately in line with the projected financial profile for the project. In addition, final grant claims are accompanied by an audit report.
- There are no outstanding risks or actions that need to be taken to sign the scheme off by the CA.
- All relevant outputs and key milestones have been achieved.
- The key successes and lessons learnt from the project or programme to inform best methods for future delivery.
- Confirmation of the evaluation activities to be subsequently undertaken, when these will take place and the lead contact who is responsible for ensuring this occurs.

A summary of these reports will be published on the HEYCA website

## 5.7 Continuous Investment Programme Management

A strategy will be developed as part of the business case process for each scheme under the Investment Programme which considers an effective and comprehensive approach to commercial management regarding:

- cost management/inflation
- risk and contingency
- procurement/commissioning
- contract and change management

### 5.7.1. Performance management system

HEYCA will be accountable through scheme reporting.

A performance management system will be used to collate, record and report on the progress of individual schemes and the investment programme overall. Where schemes do not achieve their milestones for delivery, schemes will need to provide evidence to demonstrate that they will be able to get back on track or seek approval for change via the relevant review and monitoring board. Schemes that consistently fail to meet projected performance (financial and outputs) may have funding withdrawn. Schemes 'at risk' will be reviewed, and the outcomes of this process will be referred to the CA, prior to any withdrawal of funding and decision on expenditure incurred.

There are a number of mechanisms that will ensure effective management of the investment programme to maximise the economic impact within the area.

These include:

- Designation of the CA's s73 officer as having overall responsibility for management and reporting on the performance of the investment programme to the Departmental Accounting Officer within MHCLG.
- Ensuring suitable mechanisms and resources are in place to effectively monitor, evaluate and review the performance of projects in the investment programme in respect of delivery, expenditure and outputs/outcomes.

### 5.7.2. Risk management

HEYCA's chief officer will be responsible for the identification and management of risk for the overall investment programme. Key risks for the investment programme will be added to the CA's Corporate Risk Register and will be monitored (alongside the performance monitoring procedures) and reported to the Audit and Scrutiny Committees. This will be reviewed at annual intervals.

HEYCA will establish a comprehensive Risk Management Framework, which supports the identification and management of opportunities and risks across the Investment Programme. This process will be robust, transparent and invite and support challenge innovation and excellence across the investment programme and its deliverable outcomes. The Framework will be developed in accordance with HMT's Orange Book, Management of Risk – Principles and Concept and will be embedded in the CA's financial and governance processes.

## 6 Humber arrangements/collaboration

HEYCA works with its neighbouring Authorities, especially the Greater Lincolnshire Combined County Authority through formal pan-Humber working arrangements. A Mayoral Joint Committee will be established once the Mayors of both HEYCA and Greater Lincolnshire Combined Authority are in place.

The HEYCA Investment Plan will align with the corresponding plan for Greater Lincolnshire, so both are speaking as one to the same priorities for the Humber.

The Humber Strategy sets out the distinctive Humber opportunities, including:

Strategic growth opportunities and estuary-wide priorities of pan-Humber significance to direct investment for the region, underpinned by a collaborative vision.

Mitigation measures to barriers to growth to catalyse and enable significant and positive change in strategic priority areas.

Game changing and targeted interventions and actions needed across industry and the public sector to realise regional ambitions, unlock the region's potential and to deliver pan-Humber strategic aims.

The Humber Strategy underpins the Humber Investment Plan which aligns with the Humber Freeport Strategy and Humber Energy Board Net Zero Strategy, as well as the emerging Local Growth Plans for both Hull and East Yorkshire Combined Authority and Greater Lincolnshire Combined Authority. The Humber Investment Plan sets out the significant strategic interventions required to realise the Humber's economic opportunities, set out in the Humber Economic Strategy.

The Humber Strategy and Investment Plan will be subject to a triple lock agreement from the Humber Freeport board, the Humber Energy Board and the Mayoral Joint Committee (once established after the Mayors are elected in May 2025).

## 7 Appendices

### 7.1 The Seven Principles of Public Life – The Nolan Principles

The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

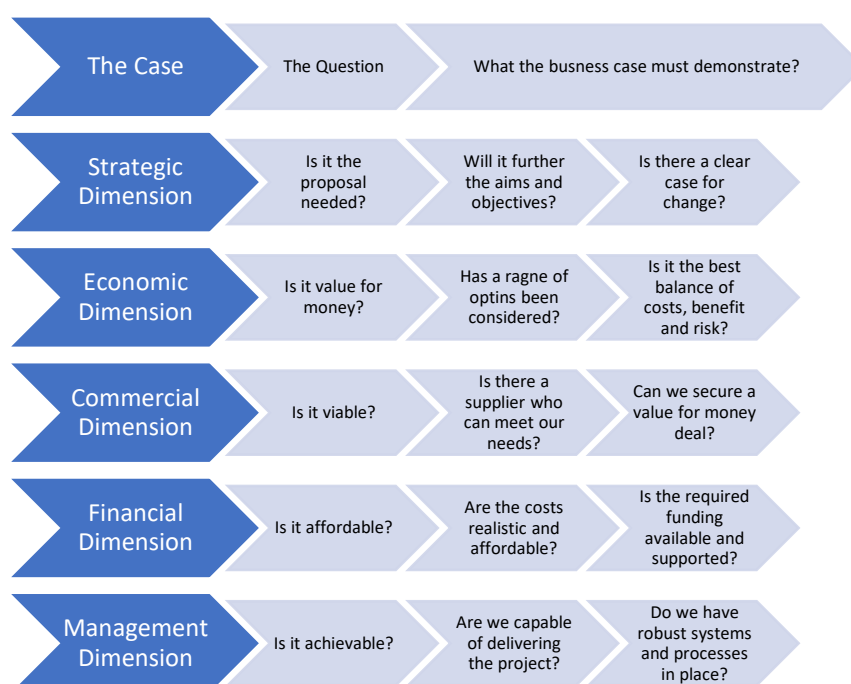
- 1 Selflessness** Holders of public office should act solely in terms of the public interest.
- 2 Integrity** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- 3 Objectivity** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- 4 Accountability** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- 5 Openness** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- 6 Honesty** Holders of public office should be truthful.
- 7 Leadership** Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.



## 7.2 HM Treasury Green Book

The [Green Book](#) is the government's guidance on options appraisal and evaluation. It supports proper consideration of the costs, benefits, and trade-offs of alternative options for delivering policy objectives. The Green Book uses the five-case model (also referred to as the five dimensions) as outlined in the business case guidance for [projects](#) and [programmes](#). This is the government's recommended framework for developing business cases.

The Green Book is supported by supplementary guidance containing more detailed guidance on specific issues and applying the Green Book in particular contexts. It follows the Government's 5 Case (or dimension) model, as described below:



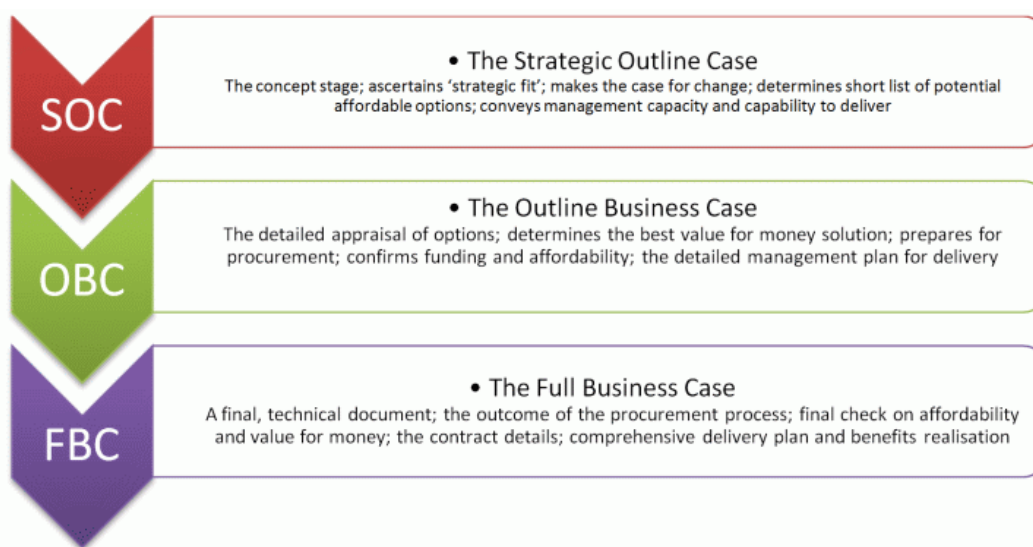
### The Five Case Model

<b>Strategic dimension</b>	What is the case for change, including the rationale for intervention? What is the current situation? What is to be done? What outcomes are expected? How do these fit with wider government policies and objectives?
<b>Economic dimension</b>	What is the net value to society (the social value) of the intervention compared to continuing with Business As Usual? What are the risks and their costs, and how are they best managed? Which option reflects the optimal net value to society?
<b>Commercial dimension</b>	Can a realistic and credible commercial deal be struck? Who will manage which risks?
<b>Financial dimension</b>	What is the impact of the proposal on the public sector budget in terms of the total cost of both capital and revenue?
<b>Management dimension</b>	Are there realistic and robust delivery plans? How can the proposal be delivered?



## The Business Case

There are usually 3 business cases produced which are:



The SOC, OBC and FBC are three separate documents, each one requiring separate approval and support before moving on to the next stage in the overall project life cycle. And each phase requires the five cases to be addressed, with varying levels of detail. How it fits together:

The Five Cases/ Dimensions	Strategic	Economic	Commercial	Financial	Management
<b>SOC</b>	<p><b>Key Step 1</b> Ascertain the strategic fit</p> <p><b>Key Step 2</b> Make the case for change</p>	<p><b>Key Step 3</b> Develop a long list of options and agree a shortlist</p>	Outline the procurement strategy	Estimate costs (revenue and capital) for shortlisted options	Proposed management arrangements
<b>OBC</b>	Review any significant changes and implications	<p><b>Key Step 4</b> Determine value for money (vfm)</p>	<p><b>Key Step 5</b> Prepare for the potential deal</p>	<p><b>Key Step 6</b> Confirm funding and affordability</p>	<p><b>Key Step 7</b> Plan for successful delivery</p>
<b>FBC</b>	Review any minor changes and implications	Confirm value for money	<p><b>Key Step 8</b> Procuring the solution</p> <p><b>Key Step 9</b> Contracting for the deal</p>	Confirm financial implications and financing	<p><b>Key Step 10</b> Ensuring successful delivery (ie comprehensive delivery plan).</p>

More details can be found here: [The Green Book and accompanying guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

## 7.3 Transport Projects

### **Transport Projects**

#### Transport Assurance Overview

For the purposes of the Assurance Framework a transport scheme is defined as any scheme that significantly changes the transport network infrastructure or its operation, whatever the objective of the scheme, including funding for public transport. All transport schemes will be delivered in line with the requirements of the English Devolution Accountability Framework and any additional fund specific requirements set out by Government as necessary.

The Assurance Framework ensures a flexible and proportionate approach, enabling transport business cases to retain the benefits of local assurance in terms of speed of decision making.

For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

In relation to resource funding for public transport, HEYCA will provide annual assurance to DfT that projects continue to provide value for money, in accordance with the Memorandum of Understanding, using DfT templates.

#### Transport Project Prioritisation

The HEY Strategic Transport Framework Action Plan forms a pipeline of key strategic interventions and investment proposals building on the constituent council's transport plans. The Strategic Transport Framework provides an outline transport strategy for the early stages of the CA and is subject to the Mayor's approval (once in post).

In order to be considered for investment through the HEYCA's devolved funds, and for transport funding opportunities provided for by non-devolved funds, projects must be included within the Action Plan or its successor (once the Mayor is in post).

The Transport Action Plan forms part of the project initiation process for transport schemes.

For transport investments, scheme promoters are required to complete a comprehensive case for funding based on transport specific criteria (which is currently in development). At this stage, schemes that do not meet the eligibility criteria will be sifted out.

The criteria upon which transport proposals will be assessed are:

- A qualitative assessment of how the project achieves regional and/or programme objectives

- Value for money, measured either through an economic appraisal that provides a benefit cost ratio (BCR), or a qualitative statement of value for money when an economic appraisal has yet to be conducted
- Deliverability to timescales/funding window
- Risk profile

The prioritisation of transport projects and schemes adopts a model similar to the Department for Transport Early Assessment Sifting Tool (EAST), with clear priorities, driven by HEYCA's strategic priorities.

The process also involves a rigorous review and challenge of any:

- planning powers and/or consents that may be required for the project to progress
- construction issues involved
- the certainty of third-party funding
- consultation evidence on the public acceptability of the proposal.

A scoring mechanism will be used, whereby options are appraised and assigned a score. This will facilitate onwards ranking and prioritisation of options with unfeasible options removed.

The prioritisation process, identifies preferred local transport investments for funding opportunities and is central to local decision making. The process is designed to be robust, evidence based, and transparent in line with best practice.

This process ensures all transport investment will deliver the strategic objectives of HEYCA, described in the Economic Framework, Transport Framework and Investment Plan.

Statutory requirements, conditions of funding and other local transport objectives also form a key component of investment decisions, with the particular objectives and priorities of each funding stream made available by Government taken into account.

Appraisal The appraisal process for the Assurance Framework is consistent with HM Treasury's Green Book and Business Case Appraisal process. For transport schemes this includes supplementary and departmental guidance, such as the Department for Transport's (DfT) TAG appraisal guidance.

HEYCA will ensure Value for Money (VfM) and transparency of transport schemes through Transport Project Business case assessments.

The assessment requirement will be proportionate to the scale of the investment. For novel or contentious investments an additional business case stage comprising of an appraisal summary report may be included.

Decisions will be taken appropriate to the phase of a scheme and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the business case process.

The transport team within the HEYCA will be responsible for ensuring that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that it meets the guidance set out in [TAG](#). In addition to TAG, other robust or evidence-based assessments or methodologies may be employed to assess the overall business case of a scheme.

TAG will be used for all schemes but for schemes with low value (below £5m) a proportionate approach will be taken, in accordance with the Green Book.

VfM for transport schemes will be independently scrutinised on behalf of the HEYCA as part of the appraisal process. This will be undertaken either by expertise in house with responsibility sitting outside of the business area developing or promoting the business case or via a commission to a specialist transport consultant, fully independent from the scheme promoter and with no involvement in the development of the scheme being appraised.

Alternative planning assumptions may be considered as sensitivity tests, the results from this may be considered as part of the decision-making process to approve a scheme. Appraisal and modelling will be scrutinised to ensure it has been developed in accordance with TAG principles. This will be undertaken through the independent appraisal process and overseen by the HEYCA's transport function.

A value for money statement for each scheme in line with published DfT TAG guidance and DfT advice on assessing VfM will be presented for consideration at the approval stages.

### Value for Money Transport Schemes

The Value for Money assessment ensures that there is a robust economic case for the scheme to be supported by HEYCA funding. This follows DfT Transport Appraisal Guidance to generate a consistent presentation of the value for money based on a benefit cost ratio and an assessment of the non-monetised impacts for each scheme. The strategic fit test is driven by the potential contribution of each scheme to the achievement of local objectives, as set out in the Investment Plan and The Local Transport Framework and Action Plan.

There is a general expectation that all schemes must endeavour to achieve the best VfM, where benefits are at least double costs as set out within DfT's guidance, at all stages of the approval process.

Assessment of VfM will be based upon the BCR of the scheme and also consider both qualitative and quantitative evidence of both monetised and non-monetised costs and benefits. It is expected that scheme promoters will reference appropriate and proportionate use of the DfT's guidelines in presenting value for money evidence.

The Combined Authority's S73 Officer (or their delegate) will sign off all Value for Money statements undertaken whether in the form of a business case or in signing off the independent assessment.

### Cycling and Walking Schemes

All cycling and walking schemes must meet the latest standards set out in the current cycling and walking scheme guidance. To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure cycling and walking schemes are designed and delivered to high standards, including compliance with current guidance. HEYCA will work with ATE and all its constituent authorities to ensure the design quality of all active travel schemes funded through the HEYCA is in line with relevant design guidance, with design reviews undertaken prior to any scheme approval.

Business cases will be published on HEYCA website in line with DfT guidance and published where it is appropriate to do so as part of submission for the decision to approve funding.

#### Monitoring and Evaluation

All transport schemes exceeding £5m in monetary value will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes

## 7.4 Adult Skills Fund

All investment decisions made in relation to this funding are undertaken having given full consideration to:

- Statutory duties relating to adult education and training which have been transferred to the Combined Authority under Statutory Instruments.
- Statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant.
- Statutory and non-statutory guidance.

HEYCA's Strategic Skills Framework sets out the strategic vision and priorities for all skills funding and programmes. There is an implementation plan that provides clear direction of how devolved funds should be commissioned. The Strategic Skills Framework supports HEYCA's Corporate and Investment Plans as well as key priorities in the region's Local Skills and Improvement Plan (LSIPs).

### Annual Assurance Report

HEYCA will produce an Annual Assurance Report on the delivery of its Adult Skills Fund functions in line with wider monitoring and evaluation requirements and the English Devolution Accountability Framework. This will be reported to the Department for Education (DfE) by 31 March each year.

HEYCA will also submit its Annual Assurance Statement to the DfE in July each year following consideration by the HEYCA Executive and Skills Board.

### Funding Requirements

HEYCA will publish its Funding & Performance Management Rules specific for each academic year. This document will set out the conditions of Adult Skills Fund funding and apply to all providers who receive Adult Skills Fund funding from HEYCA. HEYCA will publish this in May each year.

### Stakeholder Engagement

HEYCA regularly consults with its key stakeholders, including providers and learners, in order to best inform policy direction and decision making.

### Local Skills Implementation Plan Group (LSIP)

Alongside the HEYCA's Strategic Skills Framework, the priorities of the LSIP in regard of the current and future skills needs of the region will be considered appropriately, in regard of how local provision can help people develop the skills they need to get good jobs and increase their prospects. HEYCA will work with the designated Employer Representative Bodies (ERB's) in the HEYCA area, utilising and sharing local labour market intelligence and analysis to inform the commissioning approach for the Adult Skills Fund.

HEYCA will also ensure that the Adult Skills Fund responds to the employer feedback contained within the LSIPs for our region.

HEYCA will use well established mechanisms such as the HEYCA Skills Network, which includes representative from providers, schools, employers and other stakeholders as an engagement tool, building on the good practise model used in developing the Skills Framework and initial Adult Skills Fund consultation.

### Monitoring and Evaluation

The Adult Skills Fund reporting will operate in line with the English Devolution Accountability Framework, it will be included within the HEYCA monitoring and evaluation submissions as required under the devolution agreement.

HEYCA is currently working on the readiness conditions which will be submitted to the Department for Education by May 2025.

HEYCA's Monitoring and Evaluation Framework will be used for the Adult Skills Fund activity including the use of logic models. It will meet the national requirements together with locally determined requirements (as established through the skills framework and stakeholder engagement) so that it effectively informs and shapes the criteria for future funding awards. This formal evaluation is undertaken on an annual basis.

### Assurance

HEYCA is responsible for assuring the use of funds by all training providers and colleges delivering the Adult skills Fund. Wider assurance includes internal controls such as performance management and monitoring, risk management and quality assurance reviews as well as financial management to monitor the financial viability of those who are in receipt of funding.

7.5 Theory of Change

**Context**

*What are the opportunities and/or challenges the scheme seeks to address? What is the policy context in which the scheme sits? What economic, environmental, or social trends provide important context?*

Objectives	Inputs	Activities	Outputs	Outcomes
<i>What are the objectives?</i> <ul style="list-style-type: none"> <li>•</li> </ul>	<i>What resources are needed to deliver the scheme?</i> <ul style="list-style-type: none"> <li>•</li> </ul>	Detailed Design	<i>What direct outputs can be used to measure performance?</i>	<i>What wider outcomes will the scheme achieve if successful?</i>
		Procurement	<i>What direct outputs can be used to measure performance?</i>	<i>What wider outcomes will the scheme achieve if successful?</i>
		Delivery	<i>What direct outputs can be used to measure performance?</i>	<i>What wider outcomes will the scheme achieve if successful?</i>
		<i>What are the schemes main activities?</i>	<i>What direct outputs can be used to measure performance?</i>	<i>What wider outcomes will the scheme achieve if successful?</i>

**Overall Impacts**

*What overall impact will the scheme achieve?*



## 7.6 UK Subsidy Control

A subsidy is where a public authority provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. This could include, for example, a cash payment, a loan with interest below the market rate or the free use of equipment or office space. Subsidies should be given in the public interest, to address a market failure or equity concern. For example, a subsidy could incentivise businesses to do research and development that increases economic productivity and wider prosperity, to increase the use of low-carbon technology, or to extend access to cultural or educational amenities.

To minimise these risks and increase the likelihood that subsidies achieve positive outcomes, the UK subsidy control regime regulates subsidies given in the UK to prevent any excessively distortive or harmful effects. The regime is designed to be flexible, to allow public authorities to support business growth and innovation, promoting competition and investment in the UK. Under the regime, public authorities can deliver subsidies that are tailored to local needs to deliver their strategic priorities.

In order to ensure that all financial assistance given by HEYCA is compliant with the Subsidy Control Act the following seven step process will be undertaken

### Step 1 – Determine whether the support is a subsidy

1. Is the financial assistance given, directly or indirectly, from public resources by a public authority?

The combined authority will clearly be giving financial assistance from public resource is and is a public authority within the meaning of the act.

2. Does the financial assistance confer an economic advantage on one or more enterprises?

The recipient must be an 'enterprise': any entity engaged in an economic activity, which means offering goods and services on a market. The financial assistance must confer an economic advantage, meaning that it is provided on favourable terms. Financial assistance will not confer an economic advantage if it could reasonably be considered to have been obtained on the same terms on the market.

3. Is the financial assistance specific? That is, has the economic advantage been provided to one (or more than one) enterprise, but not to others?

This covers financial assistance that is provided to specific beneficiaries determined on a discretionary basis by the government, as well as assistance that benefits (directly or indirectly) only enterprises in a particular sector, industry or area, or with certain characteristics.

4. Will the financial assistance have, or is it capable of having, an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory?

To constitute a subsidy, the assistance must have a genuine effect that is more than incidental or hypothetical on competition or investment in the UK, or on international trade or investment.

### [Step 2 – Check whether the subsidy or scheme needs to be assessed against the subsidy control requirements](#)

#### Streamlined Route

Streamlined routes are pre-assessed by the UK government as compliant with the subsidy control principles. There are three streamlined routes available to public authorities supporting the following UK government priorities:

- research, development and innovation
- net zero
- local growth

#### Minimal Financial Assistance (MFA)

Enterprises can receive low value subsidies (up to £315,000) over 3 financial years. MFA subsidies are subject to cumulation rules, under which MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or (SPEI) financial assistance' and include any similar subsidies given under EU state aid de-minimis regulations and subsidies given as small amounts of financial assistance under the UK–EU Trade and Cooperation Agreement after 31 December 2020.

#### Services of public economic interest assistance

A similar exemption to MFA is available for subsidies for services of public economic interest, known as 'services of public economic interest assistance' (SPEIA). These subsidies can be given up to the higher threshold of £725,000 without having to comply with the majority of the subsidy control requirements.

### [Step 3 – Ensure the subsidy or scheme complies with the prohibitions and conditions](#)

There are several categories of Subsidy that are prohibited.

**Unlimited guarantees** - Any subsidy that would guarantee an unlimited amount of liabilities or debts, or that would guarantee a finite amount of liabilities or debts but over an indefinite period, is prohibited.

**Export performance** - A subsidy that is contingent upon export performance relating to goods or services is prohibited

**Use of domestic goods or services** - Subsidies that are contingent on the use of domestically produced goods or services, often known as 'local content' subsidies, are prohibited

The following categories of subsidy may be given, provided they are designed to meet certain conditions.

**Relocation of activities** - A subsidy that contains a condition requiring an enterprise to relocate all or part of its economic activities from one part of the UK to another, where the relocation would not occur without the subsidy is prohibited. However, this prohibition does not apply if a public authority can demonstrate that the effect of the subsidy will be to reduce social or economic disadvantage, in the local area and across the UK, and the subsidy is designed to bring about a change in the size, scope or nature of the existing economic activities of the enterprise.

**Services of public economic interest (SPEI)** - These are essential services (such as postal services) provided to the public that, without subsidy support, would not be supplied in an appropriate way or may not be supplied at all by the market. A public authority intending to provide a subsidy to an enterprise for the provision of SPEI must comply with certain substantive and procedural requirements to provide the SPEI subsidy. These include applying the subsidy control principles and satisfying itself that the subsidy is: limited to what is necessary to deliver the service; transparent; regularly reviewed; and that the duty to include information in the subsidy database is satisfied.

**Rescue and restructure** - The Act also prohibits rescuing or restructuring subsidies to ailing or insolvent enterprises unless certain requirements are met.

#### Step 4 – Design the subsidy to ensure compliance with the subsidy control principles

The 7 principles that must be considered when giving a subsidy or making a scheme are as follows.

- |   |  |
|---|--|
| A. Common interest                                      | subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).                                   |
| B. Proportionate and necessary                          | subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.   |
| C. Designed to change economic behaviour of beneficiary | subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective, and something that would not happen without the subsidy. |
| D. Costs that would be funded anyway                    | subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.  |
| E. Least distortive means of achieving policy objective | subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.  |

- F. Competition and investment within the UK subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition and investment within the UK.
- G. Beneficial effects should outweigh any negative effects subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on competition and investment within the UK, and on international trade and investment.

[Step 5 – Check the criteria for subsidies or schemes of interest or particular interest, and consider referral to the Subsidy Advice Unit](#)

Subsidies of particular interest (SoPI) are subsidies that meet any of the following criteria:

- together with other related subsidies given within the previous 3 financial years
- subsidies granted in sensitive sectors if they are over £5 million, or if they are over £1 million and would cumulate above £5 million together with other related subsidies given within the previous 3 financial years
- restructuring subsidies
- subsidies that are explicitly conditional on relocation and meet the conditions subsidies granted outside of sensitive sectors if they are over £10 million, or if they are over £1 million and would cumulate above £10 million set out for an exemption from the general prohibition in section 18 of the Act, that have a value exceeding £1 million

It is mandatory to refer any such proposed subsidies to the Subsidy Advice Unit (SAU) for independent evaluation before the subsidy is given.

Subsidies of interest (SoI) are subsidies that meet any of the following criteria:

- subsidies that do not meet the criteria for SoPI and that are between £5m and £10m, or that cumulate to such a value together with other subsidies given within the previous three financial years
- rescue subsidies
- tax subsidies
- subsidies that are explicitly conditional on relocation and meet the conditions set out for an exemption from the general prohibition in section 18 of the Act, and that have a value of £1m or below

HEYCA may choose to refer their assessment of the subsidy or scheme to the SAU for independent evaluation before the subsidy is given.

[Step 6 – Publish the subsidy or scheme on the subsidy database](#)

The Act imposes transparency obligations on public authorities awarding subsidies to promote accountability and enable the public to see how money is spent. HEYCA will ensure the details of subsidies awarded, or subsidy schemes made, are uploaded to the subsidy database. This may include information of a commercially sensitive nature to the beneficiaries of subsidies or schemes.

[Step 7 – Understand the risk of challenge](#)

The Competition Appeal Tribunal (the Tribunal) has jurisdiction to review subsidy decisions made by HEYCA

## 7.7 Glossary of Terms

<b>ASF</b>	Adult Skills Fund
<b>BCR</b>	Benefit/ Cost Ratio
<b>BHF</b>	Brownfield Housing Fund
<b>CA</b>	Hull and East Yorkshire Combined Authority
<b>FBC</b>	Full Business case
<b>GBF</b>	Getting Building Fund
<b>Green Book</b>	The government's guidance on options appraisal and evaluation. More details can be found here: <a href="http://www.gov.uk">The Green Book and accompanying guidance - GOV.UK (www.gov.uk)</a>
<b>HEYCA</b>	Hull and East Yorkshire Combined Authority
<b>LGF</b>	Local Growth Fund
<b>MCA</b>	Mayoral Combined Authority
<b>MHCLG</b>	Ministry of Housing, Communities & Local Government (It was previously called the Department for Levelling Up, Housing and Communities)
<b>OBC</b>	Outline Business Case
<b>SAU</b>	Subsidy Advice Unit
<b>SOC</b>	Strategic Outline Case
<b>Sol</b>	
<b>SoPI</b>	
<b>UKSPF</b>	UK Shared Prosperity Fund
<b>VfM</b>	Value for Money



**Report to the Hull and East Yorkshire Combined Authority**

5 March 2025

**Hull and East Yorkshire UK Shared Prosperity Fund for 2025/26**

**Report of the Interim Head of Paid Service**

**Report Status:**

This item is not exempt

This is a decision implementing an existing key decision

**1. Purpose of the Report and Summary**

- 1.1 This report seeks approval to deliver the 2025/26 UK Shared Prosperity Fund (UKSPF) programme through a joint approach by commissioning Hull City Council and East Riding of Yorkshire Council to manage programmes within their Constituent Areas.
- 1.2 The Government has confirmed that funding for the UKSPF will be granted to Mayoral Combined Authorities. Due to the timescales for funding and legal establishment of Hull and East Yorkshire Combined Authority (HEYCA), decisions in principle were sought from Hull and East Yorkshire Unitary Leaders' Board in January 2025, operating in its remit as the Shadow Combined Authority, in order to enable early progress with development of proposals, subject to formal ratification by the HEYCA, once established.
- 1.3 The report's proposed approach will retain HEYCA as the lead authority for UKSPF across Hull and East Yorkshire, with Hull City Council and East Riding of Yorkshire Council delegated to deliver the programme with overall leadership, reporting and accountability retained by the Combined Authority. Adoption of the proposed approach will support delivery within the terms of the grant for completion of projects ahead of the 31 March 2026, which is the final cutoff date for spending the fund.
- 1.4 The report also refers to the Rural England Prosperity Fund (REPF), which was previously awarded to East Riding of Yorkshire Council. The Government has yet to make a formal announcement on funding for 2025/26. However, a decision is sought to adopt the same principles and approach to commission the Constituent Authority to deliver the programme on behalf of HEYCA should funding be confirmed.

## 2. **Recommendations**

- 2.1 That in accepting the local UKSPF allocation, the Combined Authority acknowledges that it will take the lead and accountable body role for management and administration of the UKSPF programme ensuring compliance and assuming responsibility for monitoring and reporting according to Ministry of Housing Communities and Local Government (MHCLG) requirements, producing relevant reports to Government, and delegating delivery of programmes and projects to the constituent authorities.
- 2.2 That the Combined Authority considers the four options, as set out in Section 7 of this report, noting the direct risks to the ongoing provision of key services due to any delays in commencing delivery of the 2025/26 UKSPF programme, and agrees to implement Option 3 enabling delivery of the UKSPF programme whilst seeking a future decision of HEYCA on the allocation of additional revenue funding from the Mayoral Investment Fund
- 2.3 That the Combined Authority agrees to the allocations, as set out in Paragraph 7.3 of the report as the approved option, to the Constituent Councils, subject to them taking on the individual roles for delivery of programmes within their areas to ensure continued working with local stakeholders and their appropriate level of involvement in order to achieve the UKSPF's missions and objectives.
- 2.4 That the Interim Head of Paid Service, Monitoring Officer and Section 73 Chief Finance Officer are delegated to enter into formal agreements with Hull City Council and East Riding of Yorkshire Council for the management and administration of the grant subject to the terms of the overall UKSPF grant set by the MHCLG.
- 2.5 That the Combined Authority receives reports on progress against delivery at its regular meetings on a six-monthly basis, along with a final report at the end of the programme in Summer 2026.
- 2.6 That, dependent on confirmation from the Government on funding for REPF, the same principles and approach to UKSPF are adopted enabling East Riding of Yorkshire Council to proceed with delivery of the programme within rural areas as defined by the terms of the grant.

## 3. **Reasons for Recommendations**

- 3.1 In the Autumn 2024 Budget, the Government announced that the UKSPF funding would be continued for one further year, into 2025/26, but at a reduced rate. Funding details were announced on the 13 December 2024, making clear that the funding would be provided to Hull and East Yorkshire Mayoral Combined Authority (HEYCA), once established, for use across its area in line with the priorities and objectives set out in the previous investment plans for the areas. Funding for Hull and East Yorkshire was announced at a total of £9.4m, made up of £2.9m capital and £6.5m revenue funding.
- 3.2 Due to the Combined Authority not being legally established until February 2025, decisions were made by Hull and East Riding Unitary Leaders Board,



acting as the shadow HEYCA, to enable progress with development work to continue, in order to avert risks to ongoing delivery of key services coupled with a risk to loss of capacity in the VCSE sector as well as within Hull City Council and East Riding of Yorkshire Council due to the need to issue risk of redundancy letters to Council employees as well as delivery organisations in the voluntary, community, and social enterprise sector if action was not taken in sufficient time.

- 3.3 The options and recommendations contained in this report, therefore, seek to now confirm the decisions made in principle by the Hull and East Riding Unitary Leaders Board together with confirming the leadership, management, and funding arrangements for the Combined Authority now that it has been legally established.

#### 4. **Background**

- 4.1 In the 2024 Autumn Budget, the Government announced that the UKPSF would be continued into 2025/26, but at a reduced rate (60% of the original overall UK budget allocation).

For context, the table below sets out the UKSPF allocations awarded to Hull City Council and East Riding of Yorkshire Council for 2024/25, the final year of the 2022-2025 UKSPF programme.

<b>2024/25</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
Hull City Council	£1,155,000	£4,619,819	£5,774,819
East Riding of Yorkshire Council	£1,325,214	£5,300,854	£6,626,068
<b>Hull and East Riding Total</b>	<b>£2,480,214</b>	<b>£9,920,673</b>	<b>£12,400,887</b>

- 4.2 Subsequently, on 13 December 2024, MHCLG confirmed the actual levels of funding for each area with £9,410,482 being awarded to Hull and East Yorkshire Mayoral Combined Authority as the lead authority. HEYCA will be required to take on the role previously held by the individual authorities – signatory to the grant funding agreement, accountable for delivery, monitoring, and reporting arrangements.
- 4.3 The overall allocation to Hull and East Yorkshire represents a reduction of 24% (£2,990,405) rather than a 40% reduction set at national levels, due to the additional weighting for local authorities, like Hull, with high levels of deprivation along with the mayoral capital funding. As can be seen from the table below, the decrease in the levels of revenue funding and the increase in the proportion of capital funding expenditure will represent a real challenge when making decisions for funding of projects during 2025/26.

<b>Allocation Change between 24/25 and 25/26</b>	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
Hull and East Yorkshire 24-25	£2,480,214	£9,920,673	£12,400,887
Hull and East Yorkshire 25-26	£2,876,694	£6,533,788	£9,410,482
<b>Allocation Change</b>	<b>£396,480</b>	<b>-£3,386,885</b>	<b>-£2,990,405</b>

4.4 Allocations for 2025/26 set by MHCLG followed a different formula to the original UKSPF methodology which prioritised areas with the highest levels of deprivation. In England, the Index of Multiple Deprivation was used to identify the 20% of local authorities with the highest level of deprivation before applying an adjustment factor. This ensured that those areas received a lower reduction in funding than other areas. Hull, as the 4<sup>th</sup> most deprived area in England was therefore included in the priority areas. Details of the methodology are available [online](#) and included within the background papers listed at the end of the report.

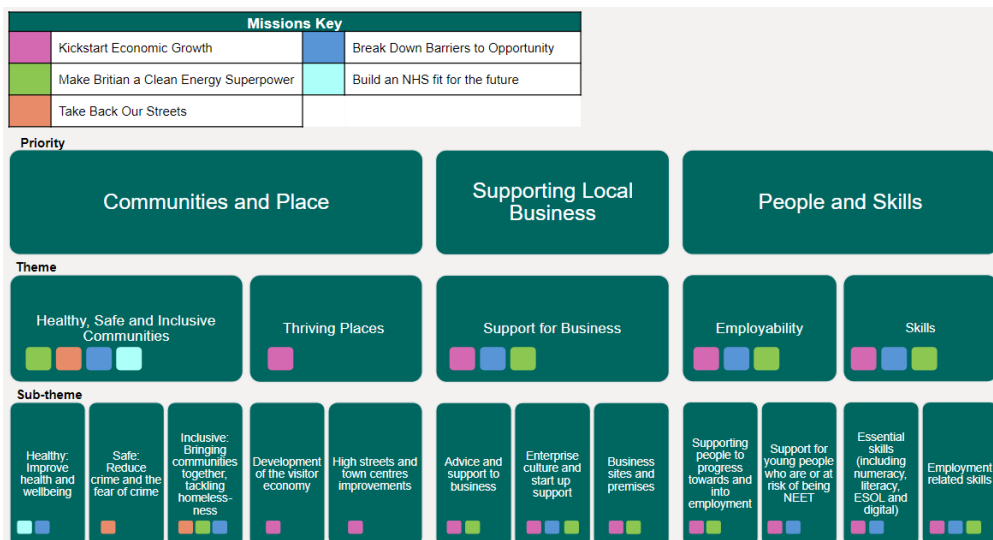
4.5 The table below shows the allocations at Constituent Authority level using MHCLG’s methodology. Overall, HEYCA was awarded £9,410,482, including a reserved budget of £1,698,826, to support delivery of the developing Local Growth Plan. The allocation methodology is not prescriptive in relation to the additional reserved capital provided on the basis of Hull and East Yorkshire being a mayoral combined authority. The table below, therefore, sets this reserved figure out as being allocated on an equal basis to the Constituent Councils:

4.6

	MHCLG Allocation 2025/26			
	Revenue	Capital	MCA Capital	Total
Hull	£3,754,410	£548,507	£849,413	£5,152,330
East Riding	£2,779,378	£629,361	£849,413	£4,258,152
Hull and East Yorkshire Total	£6,533,788	£1,177,868	£1,698,826	£9,410,482

4.7 MHCLG also confirmed a reduced framework for reporting moving away from the 53 interventions set out in the first UKSPF, to align with the 5 UK missions, supported by 12 sub-themes. This should help in reducing levels of administration and also give combined and local authorities more freedom and flexibility to direct funding towards local priorities.

4.8 The five missions and twelve sub-themes are set out below:



- 4.9 Funding to individual areas has been allocated via a stepped process, with a greater proportion of capital funding being allocated to combined authorities, based on a view that they will be more able to deliver this type of project and that it will also help with the movement towards Local Growth Plans (formal guidance is still awaited).
- 4.10 Confirmation of the arrangements for payment of the grant to lead authorities will be made during the next financial year but is not dependent on submission of an Investment / Delivery Plan. The priorities and plans for lead authorities will simply be monitored via the six-monthly reporting arrangements required as part of the grant agreement.
- 4.11 MHCLG has stated that each lead local authority will retain the ability to use up to 4% of their revenue allocation by default to undertake necessary fund administration. However, they, are willing to support local variation in this figure, especially where a different rate has been applied during delivery of the previous UKSPF grant, provided this variation has been agreed locally with partners and nationally with the MHCLG. During the 2022-25 UKSPF programme, Hull utilised 4% of its revenue allocation to administer the fund whilst East Riding requested and was allowed to use 6.5% to cover its management and administration costs and an equivalent apportionment is proposed for 2025/26.
- 4.12 In addition to the UKSPF core funding, funding may also be available for an additional year of the Rural England Prosperity Fund (REPF). However, the Government has yet to make a formal announcement. REPF was awarded as a capital-only fund which sat alongside UKSPF funded by the Department for the Environment, Food and Rural Affairs (DEFRA). In determining which local authorities were eligible to receive REPF, DEFRA used an official statistical definition of [rural areas](#) based on the 2011 Census. Assuming the same determination is followed, any further REPF allocation would only be available to areas within the East Riding of Yorkshire. Previously there has been no separate management and administration allowance to administer this Fund and this has had to be covered from within the UKSPF revenue allocation.

## 5. **Issues for Consideration**

- 5.1 Funding for UKSPF, and REPF should it be confirmed, in 2025/26 will be granted directly to the Combined Authority and given the role of overall management and delivery of the UKSPF and REPF both in terms of management and administration (i.e. accountable body, cash-flow, and administration costs) and also priorities for the area (i.e. whether to set new priorities or support the Constituent Councils in delivering their own local priorities).
- 5.2 The Combined Authority, therefore, retains the overall decision on how to prioritise, allocate, and commission delivery of the programme in order to meet the overall objectives set by MHCLG. Included within the options is the ability for HEYCA to manage the fund directly, delay decisions until the election of a Mayor, as well as, devolving management and delivery to third parties, such as the Constituent Councils. It also includes determining any methodology in the allocation of funding to particular areas.
- 5.3 The Authority is, however, required to complete all activities and expenditure by the 31 March 2026. Delaying decisions would therefore have additional risks due to the ability to seek, commission, and enter into funding agreements with projects within a shortened space of time, in particular those requiring capital expenditure. There would also be an additional risk to capacity being lost in the provision of Business Support, and People and Skills service areas where this is heavily dependent on the availability of staffing to deliver to businesses and residents.
- 5.4 The Combined Authority also retains the ability to allocate funding to programmes and localities according to its own priorities and in accordance with any methodology that it chooses, provided it fits within the terms of the overall UKSPF grant and the policy framework set by the Combined Authority. Currently, the policy framework and priorities relating to this grant are set out within the draft Economic, Skills, and Transport Frameworks.
- 5.5 It is important to note that any underspends of the grant allocation cannot be carried forward beyond the 31 March 2026, with all unspent funding being required to be returned to MHCLG. It is therefore vital that delivery commences at the earliest opportunity in order that this risk is minimised, in order to facilitate the ability to move forward with the delivery of programmes and enter into appropriate grant agreements as soon as possible.

## 6. **Equalities Impact Information**

- 6.1 Investment funded through the UKSPF programme helps to address equalities and diversity through support for activities improving accessibility to work, building strong and resilient communities by safeguarding the most vulnerable, prevention and early intervention and making money go further. The priorities identified within the existing investment plans for Hull and East Yorkshire will

also address the economic challenges set out in the Economic, Skills and Transport Frameworks for the area.

- 6.2 There is no likely adverse effect on any group/s with protected characteristics. Delivery of the UKSPF in line with the priorities set out within the Government Prospectus will have a net positive effect on the life chances and advances equality of opportunity for those who have experienced socio-economic disadvantages.

**7. Options and Risk Assessment**

- 7.1 **Option 1** - Retain UKSPF, and REPF subject to confirmation of funding, within HEYCA and develop an overall programme for delivery.

- 7.1.1 This option provides the ability for HEYCA to commission a strategic programme of work in line with its priorities and to a timetable that it may wish to determine. However, there is a direct risk to the ongoing delivery of key services to support business growth and the provision of employment skills and training opportunities to those distanced from work due to delays in commissioning. There is also a risk in the capacity to deliver at pace due to the early stage in development of HEYCA and the lack of availability in staffing resources in the short term.

- 7.1.2 Furthermore, there is also a requirement during April 2025 to provide MHCLG with an indication of how the 2025-26 UKSPF funds will be apportioned under the three investment priorities and an initial forecast of the outputs and outcomes anticipated to be achieved under the twelve UKSPF 2025-26 sub-themes. Due to the deadline set by MHCLG for completion of delivery of activities of the 31 March 2026, and that a Mayor will not be elected until May 2025 this option is not recommended, as it would prove very difficult to meet the requirement set out above given a strategic programme of work would not have been established at this stage. Outputs and outcomes from the programme may also subsequently need to be reduced due to the reduced timescales available for delivery of the programme.

- 7.2 **Option 2** - Commission Hull City Council and East Riding of Yorkshire Council to deliver the UKSPF programme, and REPF subject to confirmation of funding, in line with MHCLG’s and DEFRA’s funding methodologies and the terms and conditions of the grant, as follows:

Option 2	MHCLG Allocation 2025/26			
	Revenue	Capital	MCA Capital	Total
Hull	£3,754,410	£548,507	£849,413	£5,152,330
East Riding	£2,779,378	£629,361	£849,413	£4,258,152
Hull and East Yorkshire Total	£6,533,788	£1,177,868	£1,698,826	£9,410,482

- 7.2.1 This option would support the decision made by Hull and East Riding Unitary Leaders Board acting as the Shadow Combined Authority at its 29 January

2025 meeting. It would also be in line with MHCLGs methodology for the allocation of funding to areas prioritising funding to those places with high levels of deprivation. The option would also support the ongoing delivery of key services in business support and the provision of employment skills and training by enabling a level of continuity of service with existing providers who are due to end their current funding agreement on the 31 March 2025. Outputs and outcomes for the programme, whilst not guaranteed at this stage, would likely be higher than Option 1 due to the ability to start delivery on the 1 April 2025 without any delay.

- 7.3 **Option 3 (Recommended)**– Commission Hull City Council and East Riding of Yorkshire Council to deliver the UKSPF programme, and REPF subject to confirmation of funding, in line with MHCLG’s and DEFRA’s funding methodologies and the terms and conditions of the grant. Following election of the mayor, both councils to urgently seek an allocation from the Mayoral Investment Fund to bridge the funding gap for East Riding of Yorkshire Council between using MHCLG’s methodology and an allocation based on an equal split between the constituent areas on the overall allocation for 2025/26 in order to maintain delivery of key services.

Option 3	MHCLG + Mayoral Investment Fund Allocation 2025/26			
	Revenue	Capital	MCA Capital	Total
<b>Hull (25/26 UKSPF)</b>	<b>£3,754,410</b>	<b>£548,507</b>	<b>£849,413</b>	<b>£5,152,330</b>
East Riding (25/26 UKSPF)	£2,779,378	£629,361	£849,413	£4,258,152
East Riding (Mayoral Investment Fund ask)	£447,089			£447,089
<b>East Riding Total</b>	<b>£3,226,467</b>	<b>£629,361</b>	<b>£849,413</b>	<b>£4,705,241</b>
<b>Hull and East Yorkshire Total</b>	<b>£6,980,877</b>	<b>£1,177,868</b>	<b>£1,698,826</b>	<b>£9,857,571</b>

- 7.4 This option would support the decision made by Hull and East Riding Unitary Leaders Board acting as the Shadow Combined Authority at its 29 January 2025 meeting and enable both councils to maintain the momentum built during the previous three years of the UKSPF and support the ongoing delivery of key services across the three investment priorities, particularly with regards to the £3m reduction in revenue funding for 2025/26, as shown in the table at section 4.3. The option would also help to mitigate against the significant reduction in revenue funding for East Riding of Yorkshire Council between 2024/25 and



2025/25 providing a dampening effect ahead of future decisions on priorities and resource allocation by HEYCA during 2025/26 in preparation for future years.

- 7.5 **Option 4** – Commission Hull City Council and East Riding of Yorkshire Council to deliver the UKSPF programme, and REPF subject to confirmation of funding, by apportioning the HEYCA total grant award on a 50:50 split basis to recognise the higher levels of deprivation across Hull and the larger population of the East Riding.

Option 4	50:50 Allocation 2025/26			
	Revenue	Capital	MCA Capital	Total
Hull	£3,266,894	£588,934	£849,413	£4,705,241
East Riding	£3,266,894	£588,934	£849,413	£4,705,241
Hull and East Yorkshire	£6,533,788	£1,177,868	£1,698,826	£9,410,482

- 7.6 This option would also support the decision made by Hull and East Riding Unitary Leaders Board acting as the Shadow Combined Authority at its 29 January 2025 meeting and reflect previous discussions regarding apportioning funding awarded to HEYCA on an equal basis. The Combined Authority, as recipient of the funding, now assumes responsibility for the area-wide decision on how to prioritise, allocate, and commission delivery of the programme to meet the overall objectives set by MHCLG.

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

- 8.1 Under S. 113(A) Local Democracy, Economic Development and Construction Act 2009, the Combined Authority may do anything it considers appropriate for the purposes of carrying out any of its functions. This power of competence is confirmed in the 2025 Order establishing the Combined Authority. This enables the Combined Authority to make arrangements at its discretion for the management of UKSPF and REPF, including delegation of delivery to the Constituent Councils.

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

- 9.1 The MHCLG allocation of UKSPF funding for 2025/26, as set out in this report, is included in the recommended HEYCA 2025/26 budget which is the subject of a separate report on this meeting’s agenda. If the 2025/26 budget and option 3 in this report are approved as recommended, the Mayoral Investment Fund remaining after the operational budget and allocation of the UKSPF to the Constituent Councils, will be £14.1m. As noted in the budget report, this does not include several funding streams due to HEYMCA in 2025/26 at this stage because allocations are subject to business case and/or HEYMCA’s allocation is yet to be announced.

**Mark Rogers**  
**Interim Head of Paid Service**

**Contact Officers:**

Kingston upon Hull: Alex Codd, Assistant Director of Economic Development and Regeneration  
East Riding of Yorkshire: Claire Watts, Director of Economic Development and Communications

**Officer Interests:** None

**Appendices:** None

**Background Papers:**

- UKSPF 2025-26 allocations: methodology note:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-2025-26-allocations-methodology-note>
- UKSPF 2025-26 allocations:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-2025-26-allocations>
- UK Shared Prosperity Fund 2025-26: technical note:  
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-2025-26-technical-note>





Report to the HEY Combined Authority Executive Board

Wards: All

5<sup>th</sup> March 2025

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**Hull and East Riding Unitary Leaders' Board - Work Programme 2024/25**

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**Report of the Interim Monitoring Officer**

1. Purpose of the Report and Summary
  - 1.1 The attached work programme sets out the reports planned for consideration by the Board for review and noting.
2. Recommendations
  - 2.1 That Hull and East Riding Unitary Leaders review the Work Programme at each regular meeting to ensure that it remains relevant and guides future decision making appropriately.
3. Reasons for Recommendations
  - 3.1 Progress with devolution and the development of joint-working arrangements across Hull and East Yorkshire will require a range of decisions to be made that support effective decision making and the establishment of an independent organisation (subject to Government policy). In order to effectively manage this process it is vital that a clear plan of action and aligned decisions are agreed.
4. Background
  - 4.1 Implementation of the Devolution Proposal approved by Hull and East Riding Unitary Leaders' Board in March 2024, will require a range of decisions – policy, financial, staffing, and governance – in order to fully establish a combined authority for the area.
  - 4.2 The Work Programme set out in Appendix 1, provides overall indication of the range of decisions and issues that will need to be considered over the coming months.

5. Equalities Impact Information

- 5.1 All reports requiring decision will be subject to appropriate equalities impact assessments.

Contact Officer: Lisa Dixon (Interim Monitoring Officer)

Officer Interests: None

Appendices:

- Appendix 1 – Work Programme

Background Documents:

None.

## Hull and East Riding Unitary Leaders' Board Forward Work Programme

*Note: Timetabling of reports remains subject to future Government policy and decisions alongside local responses.*

Meeting Date	Agenda Item & summary	Type (Decision/Advice)	Key Decision	Contact officers
<b>Inaugural Meeting of the HEYCA 5 March 2025</b>	Outline Budget for Combined Authority	Decision	No	Julian Neilson/David Bell
	Adoption of Constitution and appointment of statutory officers	Decision	No	Lisa Dixon
	Appointment of External Auditor	Decision	No	Julian Neilson/David Bell
	Draft Strategic Skills Framework	Decision	No	Claire Watts/Alex Codd
	Assurance Framework Final	Decision	No	Alex Codd/Claire Watts
	UKSPF Allocations	Decision	TBC	Alex Codd/Claire Watts
	Schedule of Future Meetings / Work Programme	Advice	No	Lisa Dixon / Lisa Nicholson
<b>29 May 2025</b>	Adult Skills Fund Readiness Submission	Decision	TBC	Claire Watts/Alex Codd
	Housing Brownfield Land Project Pipeline	Decision	No	Alex Codd / Claire Watts
	Hull and East Yorkshire One Public Estate	Advice	No	Alex Codd/Nick Howbridge/Claire Watts
	Draft Investment Plan	Decision	No	Alex Codd / Claire Watts