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Hull and East Yorkshire Combined Authority5th March 2025Ergo, Bridgehead Business Park, HesslePRESENT:-

Councillors Handley (Chair), Dad, Ross and Tucker.
J. Evison (Humberside Police and Crime Commissioner).

IN ATTENDANCE:-

M. Rogers (Interim Head of Paid Service), L. Dixon (Interim Monitoring Officer, HEY Combined Authority), J. Neilson (Interim Section 73 Officer HEY Combined Authority), M. Jukes (Chief Executive, HCC), A. Menzies (Chief Executive, ERYC), and L. Hawkins (Senior Democratic Services Officer, HCC).

C. Watts (Director of Economic Development and Communications, ERYC) minutes 8 and 10, and A. Codd (Assistant Director Economic Development and Regeneration, HCC) minute 9.

APOLOGIES:-

None.

Minute No.	Description/Decision	Action By/Deadline
PROCEDURAL ITEMS		
1.	<p>APPOINTMENT OF CO-CHAIRS</p> <p>Agreed – that Councillors Handley and Ross be appointed as co-chairs of the HEY Combined Authority.</p> <p>Councillor Handley then took the Chair.</p>	
2.	<p>APPOINTMENT OF VICE CHAIR FOR THIS MEETING</p> <p>Agreed – that Councillor Dad be appointed as Vice-Chair of the HEY Combined Authority for the duration of the meeting.</p>	

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3.	<p>DECLARATIONS OF INTEREST</p> <p>Councillors Handley and Ross declared an interest in the items that follow below insofar as they were standing as candidates in the HEY Combined Authority Mayoral elections</p>	
4.	<p>MINUTES OF THE HULL AND EAST RIDING UNITARY LEADERS BOARD HELD ON 29TH JANUARY 2025</p> <p>The Interim Chief Executive and Head of Paid Service submitted the minutes of the Hull and East Riding Unitary Leader’s Board held on 29th January 2025 for noting.</p> <p>Agreed – that the minutes of the Hull and East Riding Unitary Leader’s Board held on 29th January 2025 be noted.</p>	
5.	<p>HULL AND EAST YORKSHIRE COMBINED AUTHORITY GOVERNANCE ARRANGEMENTS</p> <p>The Interim Monitoring Officer submitted a report which presented, for adoption, the draft Constitution of the HEY Combined Authority.</p> <p>The Board was informed that the report set out the governance arrangements for the Authority which included the arrangements for the establishment of Overview and Scrutiny Committee and an Audit Committee. The report also set out the proposed appointments of the Chairs of the HEY Business and Skills Boards as Associate Members and the Police and Crime Commissioner as a Non-Constituent Member of the Authority.</p> <p>The Interim Monitoring Officer went on to explain that the HEY Combined Authority had been established by Order in February 2025; that the proposed Constitution set out the legal framework for the Authority; that the Constitution would be regularly reviewed and amended when necessary; that the Constitution had been considered by the Overview and Scrutiny Management Committees of both local authorities and their comments had been provided to members of the Authority, and that</p>	

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	<p>Appendix 2 of the report which set out the proportionality across both authorities had been amended following a recent change to the political balance within Hull City Council.</p> <p>Members thanked the officers for their work in preparing the Constitution.</p> <p>The comments of the Overview and Scrutiny Management Committees of both Hull City Council and East Riding of Yorkshire Council were noted.</p> <p>Agreed –</p> <ul style="list-style-type: none"> a. That the draft Constitution at Appendix 1 as the Constitution of the Hull and East Yorkshire Combined Authority be adopted; b. That the Interim Monitoring Officer be authorised 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; c. That members 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; d. That members 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; e. That members approve the designation of the Hull and East Yorkshire Business Board and 	<p>(a-j) Interim Monitoring Officer</p>
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	<p>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;</p> <p>f. That the Humberside Police and Crime Commissioner be appointed as a Non-Constituent Member of the Authority;</p> <p>g. That the Chair of the Hull and East Yorkshire Skills Board and the Chair of the Hull and East Yorkshire Business Board be appointed as Associate Members of the Combined Authority, and request that each nominate a named substitute to act as a Combined Authority Member in their absence;</p> <p>h. That the appointment of the following Interim Statutory Officers as part of the interim structure for the Authority be confirmed -</p> <p>i. Mark Rogers be appointed as the Interim Chief Executive and Head of Paid Service of the Authority;</p> <p>ii. Julian Neilson, Chief Finance Officer of the East Riding of Yorkshire Council, be appointed as the Interim Section 73 Officer for the Authority;</p> <p>iii. Lisa Dixon, Assistant Director Legal and Governance of Hull City Council, be appointed as the Interim Monitoring Officer for the Authority, and</p> <p>iv. That recruitment processes to appoint to these positions on a permanent basis will be undertaken directly by the Authority.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> To ensure the Authority has a governance framework in place to facilitate its operation in accordance with the 2025 order and other legal requirements. 	
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	<ul style="list-style-type: none"> • The Authority is required to establish a Scrutiny Committee and an Audit Committee. • 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. • Statutory officers to the Authority must be appointed in accordance with relevant legislation. <p>The Humberside Police and Crime Commissioner then joined the meeting.</p>	
6.	<p>COMBINED AUTHORITY BUDGET 2024/25 AND 2025/26</p> <p>The Interim Director of Finance (Section 73 Officer) submitted a report which sought approval of the initial budget for the Hull and East Yorkshire Combined Authority (HEYCA) covering the period from February 2025 through to March 2026.</p> <p>The Members were informed that the Mayoral Election costs had been included within the budget and were the largest operational costs in 2025-26; that it had been proposed to enter into a number of Service Level Agreements for the provision of support services which would be required by the Authority; that a contingency fund of £250,000 had been allocated as there had been a degree of speculation taken whilst the Authority was being set up; that the Authority did not have any reserves as it was a newly formed organisation; that funding of around £27m would be received by the Authority in</p>	

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	<p>2025/26, and that some initial funding for staffing had been included.</p> <p>The Interim Finance Director explained that the Authority was required to have a borrowing policy in place and it had been suggested that the Authority adopted the Treasury Management Policy of the East Riding of Yorkshire Council as an interim measure.</p> <p>Members thanked the officers for their work in preparing the proposed budget. There was acknowledgement that once elected the Mayor may wish to review the budget and it was subject to change.</p> <p>Agreed -</p> <ol style="list-style-type: none"> a. That the Authority approves the proposed budget for 2024-25 and 2025-26 set out in paragraph 5.6; b. That the Authority 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, and c. The Authority adopts East Riding of Yorkshire Council's Treasury Management Policy, Treasury Management Strategy and MRP policy as an interim measure. <p><u>Reason for Recommendation</u> 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.</p>	<p>(a-c) Interim Director of Finance</p>
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7.	<p>APPOINTMENT OF EXTERNAL AUDITORS</p> <p>The Interim Finance Director submitted a report which sought to determine arrangements for the external audit of the statutory annual accounts of the Hull and East Yorkshire Mayoral Combined Authority (HEYMCA).</p> <p>The Authority was informed that it would be required to publish its financial statements for 2024/25. There were three options available for the appointment of an external auditor –</p> <p>Option 1 - Appoint its own auditor, with an individual procurement exercise;</p> <p>Option 2 – Undertake a joint audit procurement and appointing exercise with other bodies, for example those in the same locality, or</p> <p>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’.</p> <p>The Interim Finance Director explained that option 1 would be resource intensive; that option 2 was not viable as another body to undertake a joint procurement exercise had not been identified; that 99% of eligible bodies had joined the existing appointment scheme as outlined at option 3, and that option 3 would allow the required arrangements to be put into place quickly.</p> <p>Agreed –</p> <ul style="list-style-type: none"> a. That the Authority resolves to opt-in to the existing national auditor appointment scheme administered by Public Sector Audit Appointments Ltd (PSAA), and b. Delegates authority to the Director of Finance to make the formal arrangements for opt-in with PSAA. <p><u>Reason for recommendation</u> To ensure that the Hull and East Yorkshire Combined Authority complies with statutory requirements for annual external audit of its published financial statements.</p>	(a-b)Interim Finance Director
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8.	<p>SKILLS FRAMEWORK FOR HULL AND EAST YORKSHIRE COMBINED AUTHORITY</p> <p>The Interim Chief Executive submitted a report which set out a draft Skills Framework for the Hull and East Yorkshire Combined Authority which complemented the priorities and objectives outlined within the Hull and East Yorkshire Strategic Economic Framework.</p> <p>The Director of Economic Development and Communications (ERYC) explained that the development of a Skills Framework was a significant piece of work for the Combined Authority; it was acknowledged that the newly elected Mayor would have their own views however it was important to have a starting point to work from; that the consultation process had now finished; that following the feedback it had been recognised that the framework was not broad enough, and that it needed a wider remit to include learning for life and not just learning for work.</p> <p>It was confirmed that a strategy for the Adult Skills Fund would be submitted to the Authority for consideration in May 2025.</p> <p>Members discussed the following matters –</p> <ul style="list-style-type: none"> i. That the Authority needed to draw on the knowledge and experience of the Business and Skills Boards; ii. That by having a starting framework the Authority would be in a stronger position for further devolved powers included the Apprenticeship Levy; and iii. That skills was an important priority for the Combined Authority to focus on. <p>Agreed – that the Authority approves 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.</p>	<p>Interim Chief Executive and Head of Paid Service</p>
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9.	<p>ADOPTION OF THE HULL AND EAST YORKSHIRE COMBINED AUTHORITY ASSURANCE FRAMEWORK</p> <p>The Interim Chief Executive and Head of Paid Service submitted a report which sought the formal approval of the Assurance Framework for the Hull and East Yorkshire Combined Authority.</p> <p>The Assistant Director Economic Development and Regeneration explained that the Assurance Framework was an important companion to the Constitution; that the relevant Government departments had approved the framework; that the framework was required in order for funding to be allocated to the Authority.</p> <p>Members commented that it was important for the public to see how the Combined Authority spent its funding and that it was demonstrating best value for money.</p> <p>Agreed – that the Authority approves the Assurance Framework at Appendix A for adoption.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> • 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. • 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 	Interim Chief Executive and Head of Paid Service
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	<p>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.</p>	
<p>10.</p>	<p>HULL AND EAST YORKSHIRE UK SHARED PROSPERITY FUND FOR 2025/26</p> <p>The Interim Chief Executive and Head of Paid Service submitted a report which sought 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.</p> <p>The Director of Economic Development (ERYC) explained that the UKSPF would be allocated to the Combined Authority in 2025/26, however it was not possible to wait until the Mayor was in place to commission the proposed programmes. It was acknowledged that 2025/26 was a transitional year and it was proposed to delegate the funding back to the two local authorities.</p> <p>It was confirmed that the proposed split in funding between the two local authorities was in line with the requirements of the Ministry of Housing Communities and Local Government (MHCLG); that the East Riding of Yorkshire would have slightly less revenue allocated, however there was a possibility of other funding being made available; and that the Government had confirmed the continuation of the Rural Prosperity Fund, however it was capital only funding and no allocation had yet been announced.</p> <p>Agreed –</p> <p>a. 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</p>	<p>(a-f) Interim Chief Executive and Head of Paid Service</p>

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	<p>Communities and Local Government (MHCLG) requirements, producing relevant reports to Government, and delegating delivery of programmes and projects to the constituent authorities;</p> <p>b. 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;</p> <p>c. 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;</p> <p>d. 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;</p> <p>e. 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, and</p> <p>f. 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</p>	
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	<p>Council to proceed with delivery of the programme within rural areas as defined by the terms of the grant.</p> <p><u>Reasons for Recommendations</u></p> <ul style="list-style-type: none"> • 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. • Due to the Combined Authority not being legally established until February 2025, decisions were made by the 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. • 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 	
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	the Combined Authority now that it has been legally established.	
11.	<p>WORK PROGRAMME</p> <p>The Interim Chief Executive and Head of Paid Service submitted, for review, the work programme for the Authority.</p> <p>The Interim Monitoring Officer explained that it was expected that there would be additional reports for the meeting to take place on 28th May 2025.</p> <p>Agreed – that the work programme be noted.</p> <p><u>Reason for recommendation</u> 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.</p>	

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