



Supplementary Agenda

Audit and Governance Committee

To: Councillors Dave Merrett (Chair), Philip Broadbank, Caroline Goodrick, Andrew Hollyer, Cliff Lunn, Rachel Melly, Clive Pearson and Mark Warters

Date: **Tuesday, 15 October 2024**

Time: **10.00 am**

Venue: **Snow Meeting Room, City of York Council, West Offices, Station Rise, York, YO1 6GA**

The meeting will be available to view once the meeting commences, via the following link – [York & North Yorkshire Combined Authority – YouTube](#). Recordings of previous live broadcast meetings are also available there.

Business

- 7. Constitution Update** (Pages 3 - 18)
- Report of the Monitoring Officer

James Farrar
Chief Executive

Rachel Antonelli
Monitoring Officer

Tuesday 8 October 2024

Enquiries relating to this agenda please contact:

Will Baines, Senior Scrutiny Officer
william.baines@yorknorthyorks-ca.gov.uk

Paul Clark, Governance and Assurance Manager
paul.clark@yorknorthyorks-ca.gov.uk

web: www.yorknorthyorks-ca.gov.uk

AUDIT AND GOVERNANCE COMMITTEE MEETING

15 OCTOBER 2024

CONSTITUTION UPDATE

Report of the Monitoring Officer

1.0 Purpose of the Report

- 1.1 This report provides Members with an update on the review of the Constitution and also amendments made since the last Meeting of the Audit and Governance Committee.

2.0 Recommendations

- 2.1 The Audit and Governance Committee is asked to note the report.

3.0 Background

- 3.1 The York and North Yorkshire Combined Authority, like all Combined Authorities, has to make decisions that have far reaching implications for the way that services are delivered which impact on the lives of local people. Local people need to be confident that such decisions are evidence based and considered openly and accountably.

- 3.2 The Constitution sets out the framework within which decisions are taken and it is therefore imperative that it is accurate to ensure that all decisions taken are within the Combined Authority's powers and are compliant with legislative requirements.

- 3.3 Good governance is essential to ensure decision-making is effective and therefore, the Combined Authority must regularly review its governance arrangements including the decision-making structures as set out in the Constitution.

4.0 Update on Constitution Review

- 4.1 Members will recall that at the last meeting of the Committee, it was resolved that a working group would be established to undertake a review of the Constitution of the Combined Authority and that the working group would report back to the Audit and Governance Committee their recommendations. Shortly after the July Meeting recruitment commenced for a permanent Monitoring Officer, therefore, this work was paused until after appointment, in order that there could be continuity of advice given to the working group.

- 4.2 Members were asked to feedback to Officers if they wished to be a part of the working group and the first meeting of the working group will take place on 29 October including Councillors Lunn, Goodrick, Hollyer and Merrett. This first meeting will scope the method and plan for the review and set the timetable for the work to be undertaken.
- 4.3 The Audit and Governance Committee will be regularly updated with progress made by the working group as this work develops.
- 5.0 Constitution Amendments since last Meeting**
- 5.1 The Combined Authority Constitution provides that the Audit and Governance Committee is to be consulted on any proposed revisions to the Constitution via a report to the Committee. Since the last Meeting of the Committee on 16 July 2024, amendments have been presented to the Combined Authority without there being an opportunity for a report to be presented to the Committee for consideration. The amendments are set out below with reasons as to why this was not possible:
- 5.2 **22 July 2024 – Adult Skills Fund Delegations** – at the start of 2024 the Combined Authority approved the setting up of a Skills and Employability Working Group. Work then progressed for certain delegations to be given to the Chief Executive of the combined Authority, a full list of those delegations can be found at Appendix A. In order to be able to meet the legal requirements in relation to the funding stream and work around this, the delegations were required to be implemented before this October Meeting of the Combined Authority.
- 5.3 **6 September 2024 – Amendments to Business Committee** – the Combined Authority were asked to agree minor changes to the Constitution in relation to the Business Committee, which is now called the Business Board and also to agree to increase the public sector membership to five Members from four and from eight to ten private sector Members. In relation to the public sector membership, a provision was added to permit the appointment to be Members with responsibility for key areas such as business, transport, economy or skills. The provision for the Board to co-opt with Combined Authority approval was removed, in order that the Board could determine where necessary to co-opt Members. The need to have a Business Board in place was critical for the future workings of the Combined Authority, with a Meeting scheduled prior to the October Meeting of the Audit and Governance Committee, therefore, there was insufficient time to report to the Committee prior to the Combined Authority considering the amendments. A track change copy of the amendments can be found at Appendix B.
- 5.4 **2 October 2024 – Update on Business Board** – the Combined Authority were asked to consider an amendment to the Constitution to increase the private sector membership of the Business Board to no more than fifteen Members.

This amendment arose due to the number of applicants for the Business Board with a wide range of experience which would benefit the purpose and aims of the Board. Again, due to the scheduled date of the Business Board it was not possible at the time the Combined Authority Meeting took place to provide a report to this Meeting of the Audit and Governance Committee.

- 5.5 These amendments and timing issues give rise to Members to consider whether the provision of the Constitution requires amendment. Possible amendments could include Officers consulting with Members outside of the usual Meeting cycle on any proposed updates. This would allow the Committee to be consulted on proposals in between the scheduled Meetings.

6.0 Financial Implications

- 6.1 There are no specific financial implications arising from this report.

7.0 Legal Implications

- 7.1 The legal implications are set out within this report.

8.0 Equalities Implications

- 8.1 The review of the Constitution will need to take into account a number of equalities issues to ensure that the final proposals are compliant with equalities legislation.

9.0 Environmental Implications

- 9.1 There are no environmental implications arising directly from this report.

10.0 Combined Authority Areas Impacted (Council Areas/Wards/Divisions)

- 10.1 York and North Yorkshire.

11.0 Recommendations

- 11.1 The Audit and Governance Committee is asked to note the report.

12.0 Reasons For Recommendations

- 12.1 In order that Members of the Audit and Governance Committee are provided with an update on the review of the Constitution and also updates to the Constitution since the last Meeting.

13.0 Contact Details

For further information please contact the author of this Report.

Author

Name:	Rachel Antonelli
Job Title:	Monitoring Officer
Service Area:	Legal and Governance
Telephone:	Rachel.antonelli@yorknorthyorks-ca.gov.uk

Report approved:	Rachel Antonelli
Date:	8 October 2024

Background papers -

Appendices – Appendix A – list of Adult Skills Fund Delegations

Appendix B – draft terms of reference for Business Board

Appendix A - Adult Skills Fund (ASF) Delegations

The Combined Authority will approve the ASF Strategic Skills Plan and will approve any changes to the Strategic Skills Plan following its 3-year review period. The table of delegation below allows the Chief Executive to approve or amend operational documentation in relation to the fund.

Decision	Decision maker	Rationale
To make interim changes to the YNYCA ASF Strategic Skills Plan in response to new emerging economic needs, crisis or responsiveness.	Delegated Authority from the Combined Authority members to the Chief Executive	Decision on interim measures that affect operation, responding to economic needs, in line with sector intelligence. Required for quick decisions needed to minimise any impact of responsiveness on delivery.
To approve the Funding and Performance Management Rules (annually)	Delegated Authority from the Combined Authority members to the Chief Executive	The Funding and Performance Management Rules form part of the suite of contractual documents and are operational in function. Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.
To make interim minor technical or process driven amendments to the Funding and Performance Management Rules in line with strategic direction set by the Combined Authority.	Delegated Authority from the Combined Authority members to the Chief Executive	Any amendments must remain in accordance with the YNYCA ASF Strategic Skills Plan, as approved by the Combined Authority. Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team. Required for quick decisions needed to minimise any impact of responsiveness on delivery – these decisions will be operational and process driven.

<p>To approve the ASF Commissioning & Procurement Plan – inclusive of grant and procurement value methodology (annually)</p>	<p>Delegated Authority from the Combined Authority members to the Chief Executive</p>	<p>In accordance the with the methodology outlined in the YNYCA ASF Strategic Skills Plan, as approved by the Combined Authority members.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
<p>To approve mid year amendments to the ASF Commissioning & Procurement Plan.</p>	<p>Delegated Authority from the Combined Authority members to the Chief Executive</p>	<p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
<p>To agree Grant Agreements.</p>	<p>> £500K - The Combined Authority members</p> <p>< £500K - Delegated Authority from the Combined Authority members to the Chief Executive</p>	<p>Grant allocations will be determined in accordance the with the methodology outlined in the YNYCA ASF Strategic Skills Plan, as approved by the Combined Authority members.</p> <p>In accordance with the Funding and Performance Management Rules, Performance Management Framework, and Grant Agreement terms and conditions.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
<p>To agree Contracts for Services awarded through procurement.</p>	<p>> £500K – The Combined Authority members</p> <p>< £500K – Delegated Authority from the Combined Authority members to the Chief Executive</p>	<p>In accordance with the YNYCA ASF Strategic Skills Plan, Funding and Performance Management Rules, Performance Management Framework, and Contract for Services terms and conditions.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where</p>

		necessary, supported by the ASF Team.
To agree Delivery Plans for providers (annually)	Delegated Authority from the Combined Authority members to the Chief Executive	<p>Will align to the priorities set out in the YNYCA ASF Strategic Skills Plan.</p> <p>In accordance with criteria set out in the Performance Management Framework.</p> <p>In line with the process detailed in Grant Agreements and Contracts for Services.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
To agree variations to Delivery Plans with providers	Delegated Authority from the Combined Authority members to the Chief Executive	<p>Will align to the priorities set out in the YNYCA ASF Strategic Skills Plan.</p> <p>Variations will be approved based on performance.</p> <p>In accordance with criteria set out in the Performance Management Framework.</p> <p>In line with the process detailed in Grant Agreements and Contracts for Services.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
To approve subcontracting where not already approved under current ESFA regulations. ESFA guidance available here .	Delegated Authority from the Combined Authority members to the Chief Executive	<p>In accordance with the Funding and Performance Management Rules which outline strict requirements regarding subcontracting practice.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist</p>

		subject matter expert Officers where necessary, supported by the ASF Team.
To approve overperformance and requests for growth	Delegated Authority from the Combined Authority members to the Chief Executive	<p>In accordance with criteria set out in the Performance Management Framework.</p> <p>In line with the process detailed in Grant Agreements and Contracts for Services.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
To approve underperformance and contract reduction / termination	Delegated Authority from the Combined Authority members to the Chief Executive	<p>In accordance with criteria set out in Performance Management Framework.</p> <p>In line with the process detailed in Grant Agreements and Contracts for Services.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>
To approve funding clawback	Delegated Authority from the Combined Authority members to the Chief Executive	<p>In accordance with criteria set out in Performance Management Framework.</p> <p>In line with the process detailed in Grant Agreements and Contracts for Services.</p> <p>Technical expertise and recommendation will be provided to the Chief Executive by specialist subject matter expert Officers where necessary, supported by the ASF Team.</p>

B. **BUSINESS COMMITTEE BOARD**

The Business Committee Board of the Y&NYCA ~~integrates the former Board of the York and North Yorkshire Local Enterprise Partnership (LEP) into the Y&NYCA in accordance with the terms of the 2023 Order. The LEP was formerly a private sector led~~ voluntary partnership between local authorities and businesses instigated by ~~the Department of Business Innovation and Skills~~ Government to help determine local economic priorities and lead economic growth and job creation within York and North Yorkshire.

1. **Purpose.**

The purpose of the Business Committee Board is

- 1.1 to advise on strategy and policy that will unlock the region's economic potential and stimulate growth and prosperity.
- 1.2 to assist the Y&NYCA in bidding for public funding made available by government in support of economic growth.
- 1.3 to ensure policy and decisions of the Y&NYCA receive the input and views of key business leaders and take account of the views of the wider business community.
- 1.4 to engage with local, national and international businesses to understand the needs of different sectors and markets.
- 1.5 to engage business, opinion former and policy makers at a national and international level in promoting economic growth in the region.

In pursuit of this role the Business Committee Board will:

- 1.6 capture and communicate requirements for changes to, and development of, economic policy.
- 1.7 work collaboratively with all partners, including local authorities and other public and third sector bodies to address barriers to growth and to drive efficiency.
- 1.8 bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the region and secure sustainable growth.
- 1.9 work to create an environment for business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice

the private sector can inform and influence the shape and future direction of local and national government policy.

- 1.10 advocate on behalf of the business sector at regional, national and international levels.

To ensure the Business ~~Committee-Board~~ is effective in this role it has the authority to:

- 1.11 engage in dialogue with Government and advise the Mayor on responses to policy, proposals and opportunities to bid for funding in support of economic growth.
- 1.12 engage with investors, businesses and advisors to investigate growth opportunities.
- 1.13 to advise and consult on regional economic policy, programmes and interventions designed to maximise growth in the region.
- 1.14 to provide advice to the Mayor and the Y&NYCA on leadership in key themes and priorities to promote growth including policy development.
- 1.15 to review policy performance and assist the Mayor in ensuring that the work of the Y&NYCA is providing maximum support to businesses.

2. Legal Status

- 2.1 The Business ~~Committee-Board~~ is an advisory committee of the Y&NYCA. ~~Unless specifically delegated by the Y&NYCA it~~ does not have the authority to take any decisions on behalf of the Y&NYCA and does not have legal status to enter into contracts.

3. Role of Members/Accountability

- 3.1 It is the duty of the Business ~~Committee-Board~~ Members to act in the best interests of the region and in accordance with the policy of the Y&NYCA.
- 3.2 All private sector members of the Business ~~Committee-Board~~ act in their individual capacity and not as representatives of their respective organisations ~~or employers~~.
- 3.3 All Business ~~Committee-Board~~ members are expected to discharge their duties in line with the Nolan Principles for Standards of Public Life. All members must sign and comply with the Y&NYCA Members' Code of Conduct.

4. Membership

- 4.1 The Business ~~Committee Board~~ will comprise of ~~four~~ five public sector members and ~~eight~~ ten private sector members. Private Sector Members will form the majority of the Board. In addition, the Chair can co-opt up to five additional private sector members with specialist knowledge for specific purposes. Co-opted members will not be counted in the private sector majority.
- 4.2 The Mayor will appoint a Chair from the private sector members who will provide strategic leadership on business growth for the region. The Chair will assist the Mayor in building the reputation and influence of the region at national and international levels.
- 4.3 The Chair will be a non-voting Member of the Y&NYCA. The Vice Chair will be appointed to act as substitute who will act in the absence of the Chair.
- 4.4 The Mayor will appoint one Vice Chair from the private sector who will provide day to day support to the Chair and Business ~~Committee Board~~ Members. The Vice Chair will assist the Mayor and the Chair on leading on business relations within the region, including engaging with the SME business community and will deputise for the Chair.
- 4.5 Private Sector representation on the Business ~~Committee Board~~ will be made up of business leaders who are either currently or recently in leading positions within business or who have specific sectoral or other experience relevant to the work of the Y&NYCA.
- 4.6 All private sector members of the Business ~~Committee Board~~ act in their individual capacity and substitute Members will not be allowed to attend meetings should any ~~Committee Board~~ Member be unavailable.
- 4.7 Private Sector ~~Committee Board~~ Members will be appointed based on their experience, leadership skills and commitment to the achievement of the aims and objectives of the Y&NYCA.
- 4.8 Public sector Board Members will consist of the Mayor and two Members appointed from each constituent authority with responsibility for key areas such as business, transport, economy or skills.
- 4.9 All members of the Business ~~Committee Board~~ will be required to complete a Register of Interests and complete all relevant documentation in respect of registering gifts and hospitality as required by the Y&NYCA's Code of Conduct.

4.10 Diversity

4.11 The Y&NYCA is committed to diversity will have regard to ensuring the Business ~~Committee~~ Board has diverse representation, which is reflective of the local business community, including gender, ethnicity, geographical spread, business size, protected characteristics and sector experience. The Y&NYCA's commitment to diversity is articulated through its Diversity Policy.

5. Co-opting

5.1 Where specific skills or abilities are required which are not available among existing members or which the Business ~~Committee~~ Board requires to be supplemented co-optees may be appointed to the Business ~~Committee~~ Board. ~~The appointment will be made by the Y&NYCA in consultation with the Mayor.~~ Co-opted members will not have voting rights and will not count towards the quorum of the private sector majority.

6. Recruitment, Appointment & Termination of Private Sector Membership

Recruitment.

6.1 Recruitment will be undertaken in line with the Y&NYCA Diversity Policy and made through an open, transparent, competitive and non-discriminatory process.

6.2 An Appointments Committee will be convened by the Y&NYCA, and a formal interview panel formed, comprising one Member from each Constituent Authority and the Mayor.

6.3 Interview panels will be advised by the Head of Paid Service.

6.4 Remuneration will be as set out in the Members' Allowances Scheme. Any remuneration will be subject to an Independent Remuneration Panel process in accordance with relevant legislation.

Appointment

6.5 On appointment, Business ~~Committee~~ Board Members are required to sign a declaration affirming their understanding and commitment to the Y&NYCA's Members' Code of Conduct.

Termination

- 6.6 Where a Business ~~Committee Board~~ Member is no longer able to meet the conditions of Business ~~Committee Board~~ membership as defined by these terms of reference and any associated guidance issued by Government, the Mayor of the Y&NYCA following consultation with the Chair and the Head of Paid Service, may terminate a member's appointment to the Business ~~Committee Board~~ before the expiry of their period of appointment, with immediate effect.
- 6.7 Business ~~Committee Board~~ Members who miss three or more of the scheduled ~~Committee Board~~ meetings in a 12-month period will be reviewed by the Chair and their membership may be terminated by the Mayor in consultation with the Chair.
- 6.8 Failure to declare interests at meetings and to complete a register of interests will also be grounds for an appointment to the Business ~~Committee Board~~ to be terminated.
- 6.9 A Business ~~Committee Board~~ Member may resign at any time by giving notice to the Mayor in writing, having immediate effect.

7. Term of Appointment

- 7.1 The term of office for a Private Sector Business Member will be 3 years. This may be extended by the Mayor by up to a further term of three years. In exceptional circumstances, with a clear rationale, Members may be appointed by the Mayor for a further term not exceeding three years.
- 7.2 The Chair, once appointed, will remain in role for a term of three years or until they choose to step down from the position within that term or if removed from the position of Chair by a majority of the Business ~~Committee Board~~ with the consent of the Mayor. In exceptional circumstances, an extension of a further term may be agreed by the Mayor.

8. Public Sector Appointments

- 8.1 The term of office for any Constituent Authority representative appointed by a Constituent Authority (or their substitute) is at the discretion of their ~~appointing nominating~~ authority; Constituent Authorities may terminate their appointment or appoint a representative at any time, by notification in writing to the Y&NYCA's Monitoring Officer.

9. Performance

- 9.1 Private Sector Business ~~Committee-Board~~ Members are expected to attend all Business ~~Committee-Board~~ meetings and any relevant meetings including any working groups to which they are appointed.
- 9.2 All Business ~~Committee-Board~~ members will also be governed by the Constitution and Codes of Conduct of the Y&NYCA and associated legal and government policy requirements.

10. Frequency of Meetings

- 10.1 The Business ~~Committee-Board~~ will meet quarterly.

11. Quorum

- 11.1 Meetings of the Business ~~Committee-Board~~ will be quorate when at least one quarter of the Private Sector Members and at least one quarter of the constituent Public Sector members are present.
- 11.2 A Member who is obliged to withdraw under the Code of Conduct for Members shall not be counted towards the quorum.
- 11.3 The Business Board is not a formal Committee as defined under the Local Government Act 1972, therefore, fFor the purposes of determining whether a quorum is present, a Business ~~Committee-Board~~ Member may be counted in the quorum if they are able to participate in the proceedings of the meeting by remote means e.g. telephone or video line (or equivalent) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.

12. Voting

- 12.1 The Business ~~Committee-Board~~ shall operate on a consensus model, wherever possible. Where a consensus is not achieved, a matter shall be carried by a majority of votes of the members of the Business ~~Committee-Board~~ present and voting.

13. Conflicts of Interests

Register of Interests

13.1 It is the responsibility of ~~Committee Board~~ Members to ensure an up-to-date Register of Interests is maintained. A member must, within 28 days of becoming aware of any change in their interests, provide written notification of this. These will be published on the website and is a condition of appointment.

Declaration of Interests at a meeting

13.2 It is a responsibility of ~~Committee Board~~ members to declare any personal, prejudicial or pecuniary interest on any item of business being conducted at a ~~Committee Board~~ or other Y&NYCA meeting. Where a “pecuniary interest” is declared, Members will leave the meeting, where a “non-pecuniary” interest is declared, Members may remain at the meeting but not participate in business.

14. Urgency Procedure

14.1 In order to ensure that the Y&NYCA can progress its business in an efficient manner, comments on urgent matters may be sought by the Head of Paid Service or other Statutory Officer outside the meeting cycle.

14.2 Members will receive email notification which identifies:

- Details of the matter requiring comment and/or advice and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business)
- The date by which responses are required
- The name of the person or persons making or putting forward the proposal.

14.3 Actions taken and advice provided will be retrospectively reported to the next meeting of the Business ~~Committee Board~~.

15. Working Groups

15.1 With the approval of the Mayor and the Chair, the Business ~~Committee Board~~ may establish a working group to assist it to meet its remit.

15.2 Any such subordinate body set up by the Business ~~Committee Board~~ shall include one or more Business ~~Committee Board~~ Members, as nominated by the Committee. With the consent of the Chair and the Mayor, any such group may also co-opt onto it any person with the relevant expertise on the issues within the remit of these groups.

15.3 The remit and terms of reference for any such subordinate body shall be approved by the Mayor and the Business ~~Committee Board~~.

16. Transparency

Agendas and Reports

16.1 Agendas and reports for the Business ~~Committee~~Board will be available on the website at least five clear working days before the meeting to which they relate.

Access to Information

16.2 Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 or under Schedule 12A of the Local Government Act 1972.

17. Amendments to Terms of Reference

17.1 These terms of reference will be reviewed annually in line with the review of the Assurance Framework ~~and the Annual Governance Review~~. Any changes will be approved by the Y&NYCA.