



**Statement of Accounts
2023/2024**

**(Period from 20 December 2023 to 31
March 2024)**

York and North Yorkshire Combined Authority

Statement of Accounts 2023/24

Table of Contents

Narrative Statement	3
Explanation of Financial Statements	6
Core Statements	9
Notes to the Core Financial Statements	13
Annual Governance Statement	31

Narrative Statement

Introduction

Welcome to the York and North Yorkshire Combined Authority's Statement of Accounts for the period from 20 December 2023 to 31 March 2024. The Statement of Accounts contains all the financial statements and disclosure notes required by statute. The statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

The York and North Yorkshire Combined Authority (YNYCA) was established on 20 December 2023 under the York and North Yorkshire Combined Authority Order 2023. The Authority is a new legal body that brings together the Local Authorities which serve York and North Yorkshire alongside private sector representation from the York and North Yorkshire Combined Authority Business Board

YNYCA's role is to work with local leaders and communities to invest in ways that will help to make York and North Yorkshire a better place for local residents to live, work and do business. Working across the whole of York and North Yorkshire, YNYCA's purpose is to help grow the local economy, make communities safer and deliver strategies and projects that attract funding and investment.

These financial statements cover the period from establishment of the Combined Authority to 31 March 2024 which was a set-up period for the Authority.

Subsequently on 7th May 2024 the Mayor of North and North Yorkshire -David Skaith (Labour) - was elected to chair the Combined Authority and a number of specific powers were transferred including:

- Police and Crime Commissioner (PCC) Functions:
- Fire and Rescue Authority (FRA) Functions
- Powers to improve local transport,
- Economic Development, Housing and Regeneration powers:
- Management of a £540 million Mayoral Investment Fund over 30 years,

Governance

The inaugural meeting of the Combined Authority took place on 22 January 2024 and was followed by two subsequent meetings in February and March. Over this period the Authority operated in shadow form (prior to the appointment of the Mayor) and focussed on the business of establishing the corporate structure authority including the setting of initial budgets, committee appointments, recruitment of key posts and interim corporate planning.

The Combined Authority includes representatives from both member Local Authorities and is supported by the Combined Authority's Executive Team. The Mayor was elected as the Authority's Chair on 7th May 2024 after the close of this accounting period.

The Authority's Overview and Scrutiny committee was also established in the reporting period and held its inaugural meeting in March 2024.

YNCA is committed to transparency and accountability, with detailed governance and meeting information available on our website.

Performance

Key milestones achieved by the York and North Yorkshire Combined Authority in the review period are as follows:

Legal formation – Following a period of sustained work by the York and North Yorkshire Joint Devolution Committee the Combined Authority came into existence on the 20st December 2023 securing significant new devolved powers for the region and a £540m Mayoral Investment Fund over 30 years.

Combined Authority Launch – Following its Inaugural committee meeting on 22 January 2024 the Combined Authority was operationally launched and on 1 February 2024 with the transfer of staff from the York and North Yorkshire Local Enterprise Partnership.

Brownfield Housing funding secured – £12.7m of new funding was secured for the region from Homes England designed to unlock brownfield land for residential development and support provision of affordable homes whilst also unlocking significant private sector investment.

Net Zero funding secured - £7m of new funding was secured for the region, to create a pipeline of net zero projects designed to create a pipeline of projects bringing jobs and investment to the region whilst improving environmental sustainability and reducing energy costs for business.

Local Economic Framework developed – Work was completed to produce the Local Economic Framework for the region which sets out the initial challenges and opportunities for the subregion and initial priorities for the organisation in order to provide an evidence base prior to the election of the Mayor.

Financial performance

Overall YNYCA incurred £2.5m of expenditure in the period under review. The majority (£1.8m) of these were core operational costs linked to the establishment and ongoing set up costs of the Authority, including £1.4m of pre-launch costs chargeable from local authority partners. The remaining £0.7m of expenditure is attributed directly to programmes transferred into the Authority from the LEP.

All expenditure was fully funded through income receipts in year and the Authority carries forward earmarked reserves of £4,307k and Grants unapplied (£4,321k) to support service delivery in 2024/25 which will be deployed in future years to support delivery

Risks and Opportunities

YNYCA identifies and manages risks through a robust framework, ensuring that potential financial and operational challenges are mitigated. We also actively seek opportunities for additional funding and investment to support our strategic objectives and enhance service delivery.

As the organisation moves into 2024/25 the key risk faced by the Authority is its ability to build capacity and capability to deliver outcomes in support of the priorities identified in the Local Economic Strategy and the Mayor's vision for the region.

The new funding and powers available to the Authority following devolution create significant opportunities to make a difference to local communities and specific priorities are being developed through 2024/2025 alongside the Mayor taking up their post.

Outlook

Looking ahead, YNYCA is focused on maintaining financial sustainability while continuing to invest in critical areas such as housing, transport, and digital infrastructure.

EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts is produced to meet the requirement of the Accounts and Audit Regulations 2015.

The purpose of a local authority's published Statement of Accounts is to give stakeholders and other interested parties clear information about the Authority's finances. The statement should answer such questions as:

- What did the Authority's services cost in the year of account?
- Where did the money come from?
- What were the Authority's assets and liabilities at the year-end?

The following pages summarise the financial activities of the Combined Authority in the across the period since formation on 20 December 2023 and the financial year end of 31 March 2024 and comment upon the most significant matters reported in the accounts. This publication incorporates all of the financial statements and disclosure notes required by statute.

The Authority's accounts for the year 2023/24 comprise of:

The Statement of Responsibilities for the Statement of Accounts. Under the Code of Practice, there is a requirement for the Authority, in addition to the Chief Financial Officer, to certify its approval of the Statement of Accounts.

The Movement in Reserves Statement (MIRS). This statement shows the movement in the year on the different reserves held by the authority. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The Comprehensive Income and Expenditure Statement (CIES). This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis (EFA). Shows how annual expenditure is used and funded from resources. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Balance Sheet. The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their

use. The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement.

The Cash Flow Statement. The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

The Notes to the Financial Statements. These provide additional information about the figures in the core financial statements.

Statement of Responsibilities for the Statement of Accounts

The Authority is required:

- a) To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Authority, that Officer is the Chief Financial Officer.
- b) To manage its affairs to secure the economic, efficient, and effective use of resources and to safeguard its assets.
- c) To approve the Statement of Accounts.

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices set out in the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code).

In preparing the Statement of Accounts, the Chief Financial Officer has:

- a) Selected suitable accounting policies and applied them consistently;
- b) Made judgements and estimates that were reasonable and prudent;
- c) Complied with The Code.

The Chief Financial Officer has also:

- a) Kept proper accounting records that were up to date;
- b) Taken reasonable steps for the preventions and detection of fraud and other irregularities.

Certificate of the Chief Financial Officer

I certify that the Statement of Accounts 2023/24 presents a true and fair view of the financial position of the York and North Yorkshire Combined Authority as at 31st March 2024.



Mike Russell
Director of Resources

Date: 15 January 2025

Core Financial Statements

Movement in Reserves Statement period from 20 December 2023 to 31 March 2024

	General £000	Earmarked £000	Capital Grants Unapplied £000	Total usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 20 December 2023	-	-	-	-		
Surplus on the provision of services	5,372	-	4,321	9,693	-	9,693
Other comprehensive income and expenditure	-	-	-	-	(93)	(93)
Total comprehensive income and expenditure		-	4,321	9,663	(93)	9,600
Adjustments between accounting basis & funding basis under regulations	(65)	-	-	(65)	65	
Net increase/decrease before transfer to earmarked reserves	5,307	-	4,321	9,628	(28)	9,600
Transfers (to)/from earmarked reserves	(4,307)	4,307	-	-	-	
Increase/decrease in the period	1,000	4,307	4,321	9,628	(28)	9,600
Balance at 31 March 2024	1,000	4,307	4,321	9,628	(28)	9,600

**Comprehensive Income and Expenditure Statement for the period from 20 December
2023 to 31 March 2024**

	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Period ended 31 March 2024			
Combined Authority Programmes	734	(1,431)	(731)
Core operating costs	1,784	(1,784)	(4,562)
Cost of Services	2,518	(2,518)	(5,293)
Grant Income			
Capital Grants			(4,400)
(Surplus)/Deficit on Provision of Services			(9,693)
Actuarial losses/(gains) on pension assets/liabilities			93
Other Comprehensive Income and Expenditure			93
Total Comprehensive Income and Expenditure			(9,600)

Balance Sheet as at 31 March 2024

	Notes	31 March 2024 £000
Property, Plant & Equipment	3	65
Non-Current Assets		65
Short Term Debtors		2,469
Payments in Advance		100
Cash and Cash Equivalents	5	11,476
Current Assets		14,045
Short Term Creditors		(2,232)
Income in Advance		(2,186)
Current Liabilities		(4,418)
Pension Fund Liability		(93)
Non-current Liabilities		(93)
Net Assets		9,600
General Reserve		1,000
Earmarked Reserves		4,307
Capital Grants Unapplied		4,321
Total Usable Reserves		9,628
Capital Adjustment Account	6	65
Pension reserve	9	(93)
Total Unusable Reserves		(28)
Total Reserves		9,600

Mike Russell.....
Director of Resources
Date:

Cash Flow Statement for the period from 20 December 2023 to 31 March 2024

	Notes	2023/24 £000
Operating Activities		
Net surplus on the Provision of Services		9,693
Adjustment to net surplus on the Provision of Services for non-cash movements		
Depreciation		13
Movement in creditors		4,418
Movement in debtors		(2,569)
		<u>1,862</u>
Adjustment for items included in the net surplus or deficit on the Provision of Services that are Investing and Financing Activities		(4,400)
Net cash flows from Operating Activities		<u><u>7,155</u></u>
Investing Activities		
Purchase of property, plant and equipment		(79)
Other receipts for Investing Activities - Capital Grants and Contributions Received		4,400
Net cash flows from Investing Activities		<u><u>4,321</u></u>
Financing Activities		-
Net increase in cash and cash equivalents		<u><u>11,476</u></u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u><u><u>11,476</u></u></u>

Notes to the Core Financial Statements

1. Statement of Accounting Policies

1.1 General

The Statement of Accounts summarises the Authority's transactions for the period from 20 December 2023 to 31 March 2024 and its position at the period-end of 31st March 2024. These Accounts have been prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2023/24" (The Code): issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting policies adopted have been used consistently throughout the current and prior period. Any significant non-compliance with The Code is disclosed as part of the relevant Financial Statement.

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Statement of Accounts is prepared on a going concern basis, as per the requirements of The Code. This means that the accounts are based on the assumption that the Authority will continue in operational existence for the foreseeable future.

1.2. Accruals of Income and Expenditure

Activity is accounted for in the year it takes place, not simply when the cash payments are made or received. In particular:

- Income from the sale of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Income from the provision of services is recognised when the Group can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, the value of un-used supplies are carried as inventories on the Balance Sheet at year-end.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3. Cash and Cash Equivalents

Cash equivalents are short-term investments that are of a highly liquid nature. Cash is represented by cash in hand and deposits with financial institutions repayable on short notice without penalty. The Authority has determined that cash equivalents are investments that require no more than 3 months' notice to withdraw.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

1.4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance of the Authority. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.5. Charges to Revenue for Non-Current Assets

Financial statements are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to assets used.
- Revaluation and impairment losses on assets used where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.

- Depreciation, revaluation, and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction between the Capital Adjustment Account (which is shown as a reserve within the Unusable Reserves within the Balance Sheet) and the Movement in Reserves Statement.

1.6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include benefits such as salaries, paid annual leave and paid sick leave, for current employees, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of any type of leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus/deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are ultimately charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement, when the Authority is demonstrably committed to the termination of the employment of an officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Reserve to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at year-end.

1.7. Post-Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which provides members with defined benefits earned as employees working for the Authority. For the North Yorkshire area, this is administered by North Yorkshire County Council.

The LGPS is accounted for as a defined benefit scheme:

- The liabilities of the Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method- i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees;
- The assets are included in the Balance Sheet at fair value;
 - quoted securities at current bid price;
 - unquoted securities at professional estimate;
 - unitised securities at current bid price; and
 - property at market value.
- The change in the net pension's liability is analysed into the following components:
 - **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, debited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - **interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing/Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - **return on plan assets** – the improvement in the value of assets held at the start of the year and includes an adjustment following each triennial valuation;
 - **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, debited to the Pensions Reserve;
 - **contributions paid to the North Yorkshire Pension Fund** – cash paid by scheme participants and the Authority as determined by the regulations;

In relation to retirement benefits, statutory provisions require the General Fund Reserve to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

1.8. Financial Instruments

Financial instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

The Authority's accounting policies that are relevant to financial instruments comply with the requirements of The CIPFA Code of Practice on Treasury Management which sets out a framework of operating procedures in relation to Treasury Management.

The Authority's accounting policies also comply with the adoption of IFRS 9 Financial Instruments by the CIPFA Code of Practice on Local Authority Accounting. The Authority's Financial Assets are cash, on-call deposits, all of which continue to be carried at amortised cost. As per the requirements of IFRS 9, the Authority now reviews all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For the liabilities that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the relevant agreement.

1.9. Grants

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Income in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line or Grant Income in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Reserve in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

The accounting treatment for grants is in accordance with IAS 20 Accounting for Government Grants.

1.10. *Inventories*

Inventories have been included in the Accounts at cost price. In general, obsolete and slow-moving items are written-off during the year. It is considered that this difference in treatment does not have a material effect on the Accounts.

1.11. *Leases*

Leases are classified as Finance Leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as Operating Leases.

A Finance Lease gives rise to the recognition of the fixed asset on the Balance Sheet together with a corresponding liability for future payments. Rental payments made under

a Finance Lease are apportioned between a charge to write down the lease liability within the Balance Sheet and an element for finance charges. These charges are based upon the original rent payable on the lease agreement.

Rentals paid under Operating Leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

1.12. *Property, Plant and Equipment*

Assets that have a physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential i.e. repairs and maintenance is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising;

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are then carried in the balance sheet at depreciated historical costs or existing use value.

Assets are classified into the groupings required by The Code.

De-Minimis

Individual assets below the value of £5k will not be recorded in the asset register and will be charged in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure.

Depreciation

Depreciation is provided for on Buildings, Plant, Equipment and Furniture with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives. Estimates of useful life are determined for each property and where material, for components of those properties
- Vehicles, plant, furniture and equipment are depreciated over a number of years depending on the nature of the asset (e.g. vehicles 5 years, equipment 3 to 5 years).

Remaining useful lives are periodically reviewed and the charge to revenue adjusted if appropriate.

Depreciation is calculated using the straight line method with no residual value at disposal. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposal of Property, Plant & Equipment

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are also credited to the same line in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £5k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve and will only be used to finance new capital investment. Receipts are appropriated to the General Fund Reserve in the Movement in Reserves Statement.

1.13. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance

Sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

Where payments are then made, they are charged to the provision carried in the Balance Sheet. The provisions are reviewed on an annual basis.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

1.14. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Reserve in the Movement in Reserves Statement.

Certain unusable reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority; these reserves are explained in the relevant policies.

1.15. Presentation of Accounting Statements

The Accounts are presented in the format required by the CIPFA Code of Practice.

1.16. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.17. Treasury Management

The Authority has a treasury management arrangement with North Yorkshire Council whereby funds are invested by North Yorkshire Council as an overall investment pool and interest is paid to the Authority based on the actual overall average rate of interest achieved.

1.18. *Critical Judgements in Applying Accounting Policy*

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events involving the following areas:

- Grant Income - Judgement is required to determine whether the Authority can be reasonably assured that the conditions of grant and contribution income received have been met before recognising them as income in the Comprehensive Income and Expenditure Statement. Where conditions require specified expenditure to have taken place, the grant monies will not be recognised until this has happened. Equally where conditions specify that a grant or contribution must be re-paid in the event of non-expenditure, the income is not recognised until the conditions of the grant have been met.
- Leases - The IFRS Code requires the Authority to consider the classification of leases between the categories of finance and operating on an annual basis. The distinction between the two categories is not clearly defined by the IFRS Code and an element of judgement is required to make the assessment in line with best practice.

1.19. *Assumption Made About the Future and Other Major Sources of Estimation*

The Statements of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Property, Plant and Equipment

Assets are depreciated over the useful economic life that the asset (or components of the assets where appropriate) will be operational. The useful economic life of an individual asset is dependent upon maintaining an appropriate level of repair and maintenance expenditure on that asset. Should insufficient expenditure be incurred to properly maintain an asset then it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required.

Pension Liability

Estimation of the net liability to pay future pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. Sensitivity analysis around certain assumptions has identified that the following changes to the

current estimated pension position of £0K would occur if alternative assumptions were to be applied:

- A -0.1% p.a. change in the discount rate to be applied would increase the pension obligation by £77k
- A -0.1% p.a. change in pay growth would decrease the pension obligation by £12k
- A -0.1% p.a. change in inflation would decrease the pension obligation by £66k
- An reduction in life expectancy basing all scheme members on the mortality age rating of someone a year older than them would decrease the pension obligation by £101k

A positive change would result in the above movements being reversed.

The net pensions liability was based on an actuarial valuation on 1 February 2024. It includes a share of the overall Pension Fund investment assets.

1.20. Events after the Balance Sheet Date

Under IAS 10 Events after the Reporting Period, the Authority is required to disclose the date that the financial statements are authorised for issue. This establishes the date after which events will not have been recognised in the Statement of Accounts.

The Draft Statement of Accounts for 2023/24 was authorised on 15 January 2025 by the Chief Financial Officer. The Statement of Accounts is then subject to the External Audit process, before being considered and approved by the Combined Authority members.

1.21. Future Changes to International Financial Reporting Standards (IFRS)

CIPFA continue to consider the implications of adopting IFRS 16 – Leases. This standard was originally expected to be adopted in the Statements of Accounts for 2020/2021 but was then deferred and expected to be adopted in 2024/25.

2. Expenditure and Funding Analysis

Expenditure and Funding Analysis 2023/24	Outturn Figures	Capital Charges	Capital Expenditure Funded from Revenue	Pension Adjust with IAS19	Interest Received	Finance Lease Asset	Net Expenditure in Final Accounts
	£000	£000	£000	£000	£000	£000	£000
Combined Authority Programmes	(700)	13	0	0	0	0	(731)
Core operating costs	0	0	0	0	0	0	(4,562)
Other Services	0	0	0	0	0	0	0
Net Cost of Services	0	13	0	0	0	0	(5,293)
(Gain)/Loss on Disposal							0
Interest Payable							0
Interest Received							0
Net Pensions Interest Cost							0
Grants							(4,400)
Deficit on Provision of Services							(9,693)
Surplus on Revaluation of Fixed Assets							0
Actuarial (gains) / losses on Pension Assets / Liabilities							93
Impairment (gains) / losses on Non-Current Assets							0
Total Comprehensive Income & Expenditure							(9,600)

3. Non-Current Assets Property, Plant and Equipment

	2023/24 Vehicles, Plant and Equipment £000	2023/24 Total £000
Historical or Revalued Gross Cost	-	-
Additions in Year	78	78
Gross Value as at 31st March 2024	78	
Depreciation b/f	-	-
Depreciation for period	(13)	(13)
Net Value as at 31 March 2024	65	65

4. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the next table (including the value of assets acquired under finance leases, together with the resources that have been used to finance it). When capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed as follows:

Capital Expenditure and Financing	2023/24 £000
Opening Capital Financing Requirement	-
Capital Investment	
Property, Plant & Equipment	78
Revenue expenditure funded from capital under statute	34
Sources of Finance	
Capital Grants	(112)
Closing Capital Financing Requirement	-

5. Short term Debtors

	31 March 2024 £'000
Central Government	273
Local Government	2,196
Other entities and individuals	-
	2,469

6 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the Authority's current bank accounts and short term deposit with North Yorkshire Council.

7 Short Term Creditors

	31 March 2024 £'000
Central Government	9
Local Government	1,583
Other entities and individuals	565
	<hr/> 2,157 <hr/>

8. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision the Account is debited with the cost of acquisition or enhancement as depreciation; impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement.

	2023/24 £000
Capital Adjustment Account	£000
Balance as at 20 December 2023	-
Charges for Depreciation	(13)
Revenue Expenditure Funded by Capital Under Statute	(34)
	<hr/> (47) <hr/>
Capital Financing Applied in Year:	
Capital Grants & Contributions credited to I&E	112
	<hr/> 112 <hr/>
	<hr/> 65 <hr/>

9. Defined Benefit Pension Schemes

The Combined Authority participates in the Local Government Pension Scheme, administered by North Yorkshire County Council and called the North Yorkshire Pension Fund. The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned are set out in The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

Unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme, under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations. These liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in the LGPS Regulations 2012 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2024 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, North Yorkshire Council, is responsible for the governance of the Fund. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

The Authority makes contributions towards the cost of post-employment benefits, as part of the terms and conditions of employment of its officers. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

2023/24
£000

Comprehensive Income and Expenditure Statement

Net Cost of Service	
Current Service Cost	55
Past Service Cost	0
Settlement / Curtailments	
Financing and Investment Income and Expenditure	
Net Interest Expense	0
Total post employment Benefits charged to the (Surplus) / Deficit on the Provision of Services	55
Other Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
Recognition and remeasurement of the net defined benefit liability	93
Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	54
Movement in Reserves Statement	
Reversal of Net Charge to the (Surplus) / Deficit on Provision of Services	55
Actual amount charged against the General Fund Balance in the Period	
Employers' contributions payable to scheme	57

Assets and Liabilities in Relation to Post-employment Benefits:

Reconciliation of present value of the scheme liabilities (defined benefit obligation)	2023/24 £'000
Opening balance	(3,612)
Current Service Cost	(57)
Interest Cost	(27)
Contributions by scheme participants	(24)
Remeasurement liabilities	(205)
Demographic Assumptions Gain/(Loss)	51
Benefits Paid	3
Settlements / Curtailments	-
Closing Balance at 31st March	<u>(3,871)</u>

Reconciliation of the fair value of the scheme assets	2023/24 £'000
Opening balance	3,520
Interest on Plan Assets	27
Remeasurement assets	153
Employer Contributions	57
Contributions by scheme participants	24
Settlements	0
Administration Expenses	0
Benefits Paid	(3)
Closing Balance at 31st March	<u>3,778</u>

The actual return on the scheme assets in the year was £180k

Surplus / (Deficit) in the Scheme

Present Value of defined benefit obligations	(3,871.0)
Fair Value of Scheme Assets	3,778.0
Deficit in the Scheme	<u>(93.0)</u>

Actuarial Gains and Losses

	£k	%
Experience adjustments on scheme assets	153	0.040
Experience adjustments on scheme liabilities	9	(0.002)
	<u>162</u>	

As the Combined Authority is in its first period of operation, there is the requirement to set up the Pension Liability and associated Reserve. As a result based on the Deficit within the scheme there have been entries to the balance sheet to reflect the resulting liability and a reserve.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The assessment of the North Yorkshire Pension Fund liabilities have been assessed by Aon Hewitt Ltd, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2023.

	%
Rate of CPI inflation	2.6
Rate of increase in salaries	3.9
Rate of increase in pensions	2.6
Rate for discounting schemes liabilities	4.8
Proportion of employees opting to take a commuted lump sum (not Teachers Scheme)	
Male future pensioner aged 65 in 20 years' time	23.0
Female future pensioner aged 65 in 20 years' time	25.6
Male current Pensioner aged 65	22.1
Female current Pensioner aged 65	24.6
	%
Equity investments	47.9
Government Bonds	12.4
Corporate Bonds / Other Bonds	7.3
Property	5.6
Multi Asset Credit	5.2

Other	17.3
Cash / Liquidity Assets	4.3
	100.0

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Further information can be found in the North Yorkshire Pension Fund's Annual Report which is available upon request from Financial Services, County Hall, Northallerton, DL7 8AL.

10. Related Party Transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence it or to be controlled or influenced by it. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

The Leaders the two constituent Local Authorities serve as members of YNYCA. Details of income and expenditure with the two Local Authorities are set out in the table below:

2023/24	Income Received £000	Expenditure £000
North Yorkshire Council	3,444	1,855
Cit of York Council	-	24
Total	3,444	1,879

As at 31 March 2024 the below balances were held in the groups balance sheet in respect of the constituent authorities

2023/24	Short term debtors £000	Short term creditors £000
North Yorkshire Council	2,188	1,856
Cit of York Council	-	-
Total	2,188	1,856

11. Officer remuneration

Officer remuneration over £50,000

No officers received remuneration of more than £50,000 for the period from 20 December 2023 to 31 March 2024

Senior officer remuneration

Employees are classed as senior officer employees when they are statutory chief officers (per Section 2(6) of the Local Government and Housing Act 1989 as amended), received a salary in excess of £150,000 or received a salary in excess of £50,000 and reported to the Head of Paid Service.

Remuneration of Senior Employees 2023/24						
Post holder information	Salary (including fees and allowances) £	Expense Allowance £	Benefits in Kind £	Total remuneration (excluding pension contributions) £	Pension Contributions £	Total remuneration £
Interim Head of Paid Service (James Farrar)	19,304	-	-	19,304	2,854	22,158

12 External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts and to non-audit services provided by the Groups external auditors:

	2023/24
	£'000
Fees Payable to Forvis Mazars for external audit services	74



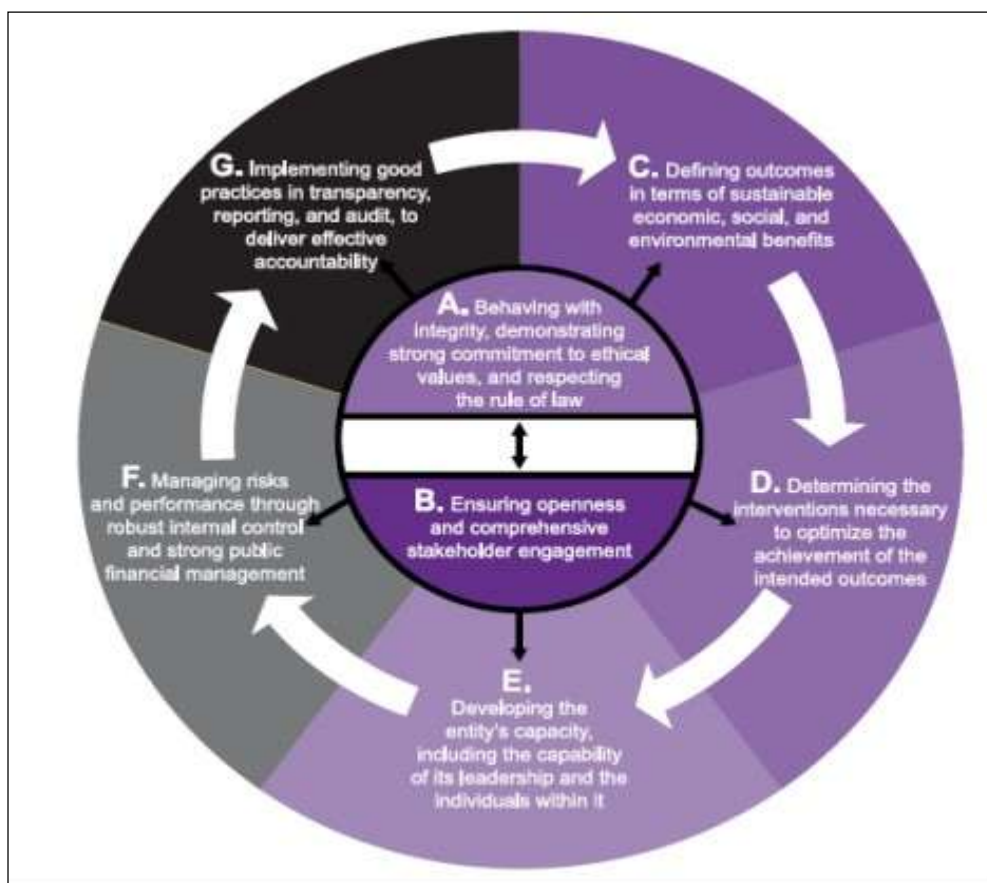
ANNUAL GOVERNANCE STATEMENT
2023-24

CONTENTS

1. Introduction and purpose of Annual Governance Statement
2. Legislative, strategic and policy context
3. Work undertaken to date
4. Scope of responsibility
5. Governance Review activity 2023/24
6. Areas for focus in 2024/25
7. Summary

1.0 Introduction and purpose of Annual Governance Statement

- 1.1 The Annual Governance Statement sets out how the York and North Yorkshire Combined Authority (Y&NYCA) meets its governance standards detailed in the Code of Corporate Governance. It also describes how it meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement to accompany the Annual Accounts.
- 1.2 The Annual Governance Statement is a document which looks back retrospectively over the past year and identifies where the Y&NYCA has demonstrated good governance and looks forward as to areas where focus should be given in relation to governance over the coming year. It should be noted that the Combined Authority has only been in existence since December 2023, therefore, the Statement is limited to work undertaken during the last three months of 2023/2024.
- 1.3 The Y&NYCA's corporate governance framework is structured around the seven good governance principles set out in the 2016 CIPFA guidance:



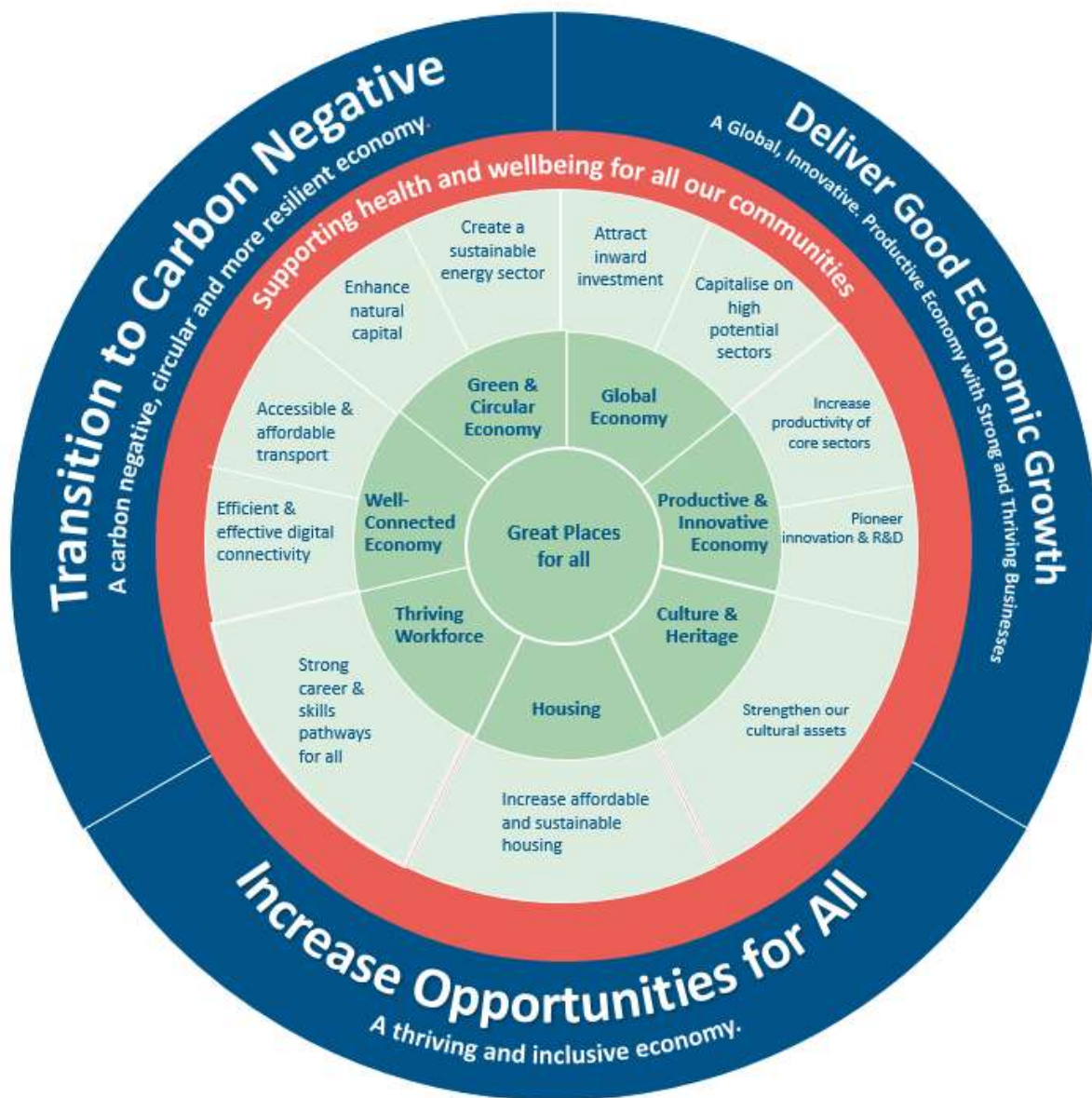
2.0 Legislative, strategic and policy context

- 2.1 The Y&NYCA was established on 20 December 2023 by the York and North Yorkshire Combined Authority Order 2023 (the Order) and for the financial year 2023/2024, comprised four Members, being the Leaders and Deputy Leaders of the Constituent Councils.
- 2.2 The Mayor of Y&NYCA took up office after the election on 7 May 2024 and will remain in office until May 2028. The Mayor is the Chair and fifth Member of the Combined Authority.
- 2.3 The Mayor also has also appointed a Deputy Mayor for Policing and Crime (Jo Coles) who has substantial delegated authority covering policing and crime and also fire and rescue. At this point, Members do not have portfolio responsibilities, however, it is anticipated that this will take place during the coming year. Listed below is the current Member leadership structure:

Member	Representing	Substitute
Mayor David Skaith	Y&NYCA Mayor	N/A
Councillor Claire Douglas (Lead Member)	Leader of City of York Council	Councillor Jenny Kent Councillor Katie Lomas
Councillor Carl Les (Lead Member)	Leader of North Yorkshire Council	Councillor Michael Harrison Councillor Simon Myers
Councillor Gareth Dadd	Deputy Leader of North Yorkshire Council	Councillor Janet Sanderson Councillor Annabel Wilkinson
Councillor Pete Kilbane	Y&NYCA Deputy Mayor Deputy Leader of City of York Council	Councillor Jenny Kent Councillor Katie Lomas
Jo Coles (from 8 July 2024)	Y&NYCA Deputy Mayor for Policing and Crime (with fire and rescue delegations)	N/A

- 2.4 Each Member of the Combined Authority has also nominated two Members who will act as substitute Members of the Combined Authority in their absence.
- 2.5 In addition, the Order provides that the Chair of the Business Board will also be a non-voting Member of the Combined Authority. Work is ongoing to recruit Business Board Members, which will include appointment of the Chair of the Board.
- 2.6 The Combined Authority Members and the Mayor each have one vote, and matters are decided by a simple majority vote of the Members present and voting at that meeting. Such majority must include the Mayor, or the Deputy Mayor acting in the place of the Mayor. No Member has a casting vote.
- 2.7 No business can be transacted at a meeting of a Combined Authority unless the Mayor (or Deputy Mayor acting in the place of the Mayor) and at least one Member appointed by each Constituent Council is present. In the event that a vote is tied on any matter, it is deemed not to have been carried.
- 2.8 There are additional voting requirements in relation to matters concerning the Mayor's budget, certain financial, transport, housing and land matters and approval of the Combined Authority's constitution.
- 2.9 The Business 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 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 to help determine local economic priorities and lead economic growth and job creation within York and North Yorkshire. The Business Board will:
- Advise on strategy and policy that will unlock the region's economic potential and stimulate growth and prosperity;
 - Assist the Combined Authority in bidding for public funding made available by Government in support of economic growth;
 - Ensure policy and decisions of the Combined Authority receive the input and views of key business leaders and take account the views of the wider business community;
 - Engage with local, national and international businesses to understand the needs of different sectors and markets;
 - Engage business, opinion former and policy makers at a national and international level in promoting economic growth in the region.
- 2.10 City of York and North Yorkshire Councils, working with the LEP (now the Combined Authority) developed an economic framework with a shared set of priorities. This framework will now be reviewed in order that it reflects the

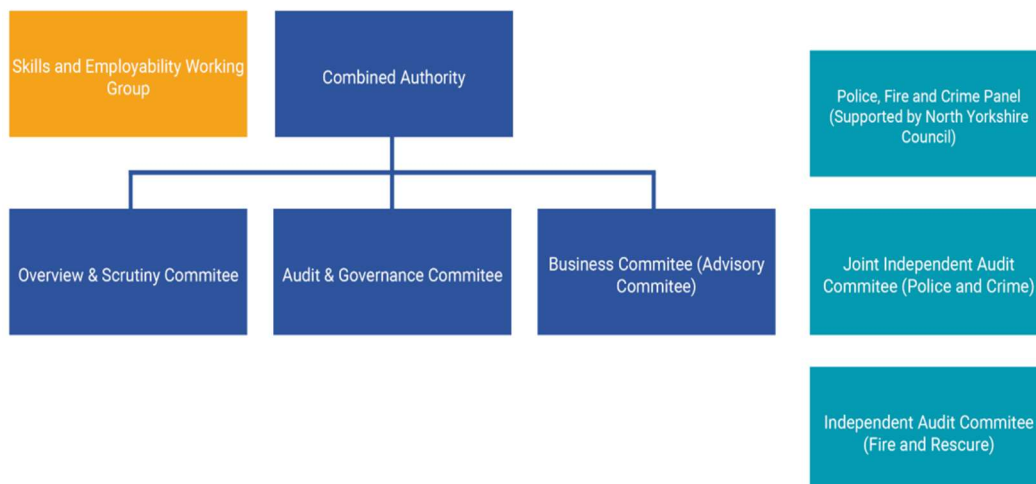
Mayor's priorities now that they are in office. The initial framework is detailed below:



2.11 A range of statutory and non-statutory Member-led Committees and Boards sit below the Y&NYCA. The Overview and Scrutiny function has twelve Members, with responsibility for reviewing and evaluating the performance of the Mayor and the Y&NYCA, and the way they work with their partners to deliver for local people, contributing to policy development in respect of high profile, complex issues affecting the whole of York and North Yorkshire, and investigating more cross-cutting issues, with a particular focus on the Y&NYCA's forthcoming responsibilities.

2.12 Scrutiny of policing and crime and fire and rescue takes place within the Police, Fire and Crime Panel. This Panel is made up of Members from each of the Constituent Councils and is supported by North Yorkshire Council Officers.

- 2.13 The Audit and Governance Committee, as a statutory body, plays a key role in overseeing risk management, governance systems and financial management. The Committee also oversees the ethical standards framework governing all Members of the Combined Authority.
- 2.14 From a policing and crime and fire and rescue perspective, each organisation has an Independent Audit Committee formed of co-opted Independent Members. These Committees sit four times per year. There will be reporting into the Audit and Governance Committee of the Combined Authority from these Independent Committees.
- 2.15 The Mayor (or Deputy Mayor for Policing and Crime) will also Chair a monthly Executive Board where they will make decisions relating to policing and crime and fire and rescue. Any formal decisions made will be published on the website of the Combined Authority and the current website of the Office of Police, Fire, Crime and Commissioning, which is a department of the Y&NYCA.
- 2.16 The Y&NYCA has also appointed Members of the Constituent Authorities and the Mayor to sit on the Transport for the North Committees as part of their membership on outside bodies. The Transport for the North has created a strategic transport plan which sets the vision, strategic ambitions and the long-term strategic transport priorities across the North, working with Government, local transport bodies and delivery bodies across the region. The Transport for the North works to deliver transport decarbonisation, inclusivity, greater biodiversity and sustainable growth in economic productivity.
- 2.17 A Skills and Employability Working Group has been established in order to develop the policies and strategies required by Government to meet their readiness requirements for the Adult Education Budget.
- 2.18 A structure of the Y&NYCA governance is set out below:



3.0 Work undertaken to date

3.1 From a governance perspective, work aligned to the good governance principles includes:

- 3.1.1 The creation of the Constitution of the Combined Authority, a system to deal with Member Code of Conduct complaints and adoption of the Model Code of Conduct for all Members of the Combined Authority. In addition, an Officers Code of Conduct has been established, with further work ongoing to have a singular Code to take account of the transition of Police and Crime and Fire and Rescue colleagues into the Combined Authority.
- 3.1.2 Work is underway to ensure that any processes or work undertaken by the Combined Authority is done so in a way that ensures that all stakeholders are engaged at key stages and that such engagement is comprehensive. Such examples of work undertaken so far includes the creation of the skills and employability working group and the recruitment of the Business Board Members.
- 3.1.3 An economic framework has been approved by the Combined Authority, with work ongoing to ensure that the framework meets the Mayoral priorities now that the Mayor has taken up office.
- 3.1.4 The departments of the Combined Authority, as they have transitioned into the Authority have undertaken work as to how they will be able to achieve the intended outcomes. This has included horizon scanning and pipeline planning of funding streams coming into the Combined Authority and assessing resources required in order to ensure delivery and consideration of the Order to ensure that the Authority meets any legal requirements.
- 3.1.5 An interim leadership team has been implemented with the inception of the Combined Authority. Work has taken place to place the team on a more permanent basis, with the recruitment of the Chief Executive and Head of Paid Service and also the recruitment of the Director of Resources and Section 73 Officer.
- 3.1.6 Internal auditors have been appointed and links with Fire and Rescue and Police and Crime auditors have been built to

ensure that performance and risk management and financial management remains robust and strong.

3.1.7 The Audit and Governance Committee has been established and work has been ongoing to assess the interplay with the Committee and the Independent Audit Committees of Police and Crime and Fire and Rescue, including opportunities for reporting into the Audit and Governance Committee. The Constitution contains provisions around public participation, publication of key documentation and meetings and to ensure that accessibility to meetings is established, which is a particular challenge with the geographical area of the Combined Authority.

4.0 Scope of responsibility

4.1 The Y&NYCA's Code of Corporate Governance sets out how the Combined Authority operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Code of Corporate Governance can be found in Part 7 (Section E) of the Constitution [YNYCA-Constitution-June-2024.pdf \(yorknorthyorks-ca.gov.uk\)](https://www.yorknorthyorks-ca.gov.uk/constitution).

4.2 The Annual Governance Statement demonstrates how the Y&NYCA is delivering its services in the right way in a timely, inclusive and accountable manner and will be certified by the Y&NYCA Chief Executive and the Mayor, after consideration of the draft by the Y&NYCA Audit and Governance Committee. Y&NYCA'S external auditor reviews the Annual Governance Statement as part of the assessment of their value for money responsibilities.

4.3 The Y&NYCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the Constitution and associated protocols – and cultures and values through which the Combined Authority exercises its leadership, fulfils its functions and by which it is held accountable for its decisions and activities.

5.0 Governance review activity 2023/24

5.1 The Y&NYCA Audit and Governance Committee is responsible for overseeing the effective operation of the systems of governance including risk management, internal control and treasury management. It is a legal requirement for the Y&NYCA to have an Audit and Governance Committee as this also ensures a high standard of openness and transparency. The Committee has met informally once since the inception of the Combined Authority, whereby an introduction to Members and Officers and a briefing on the Combined Authority and the role of the Committee took place.

- 5.2 The Audit and Governance Committee oversees all aspects of the Combined Authority including Mayoral functions in line with the Home Office Financial Management Code of Practice. In addition to this, North Yorkshire Police has established a Joint Independent Audit Committee (JIAC) and North Yorkshire Fire and Rescue Service has established an Independent Audit Committee (IAC). These Committees oversee the control environment of the Chief Constable and Chief Fire Officer and the policing and crime and fire and rescue functions of the Combined Authority, performing the function of an Audit Committee.
- 5.3 These Committees assist the Mayor in discharging their statutory responsibilities to hold the Chief Constable and Chief Fire Officer to account and to help deliver an effective police and fire service. To minimise duplication and bureaucracy and to maximise value for money, shared internal audit arrangements are in place to support the Mayor and the Chief Constable/Chief Fire Officer. The Combined Authority Audit and Governance Committee receives the minutes of the JIAC and IAC as part of its agenda and receives the annual report of the Chair of JIAC and IAC. These arrangements form part of the transition of police, fire and crime functions into the Combined Authority and the “as is” position, however, will be the subject of review during 2024/25, including a review of the terms of reference to ensure that the responsibilities for the two Committees are clear.

6.0 Areas for focus in 2024/25

Good Governance Principle	Action	Lead Officer
A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	Appointment of Independent Person onto Audit and Governance Committee to ensure that Member Code of Conduct regime can operate in a legal and robust manner.	Interim Deputy Monitoring Officer
	Audit and Governance Committee review of Officer Code of Conduct and Member Code of Conduct and associated procedure documents.	Interim Deputy Monitoring Officer
	Audit and Governance Committee review of Code of Corporate Governance, declarations	Interim Deputy Monitoring Officer Director of Resources

	of interest and gifts and hospitality.	Governance and Assurance Manager
B - Ensuring openness and comprehensive stakeholder engagement	Embed the Skills and Accountability Task Group and the Business Board within the Combined Authority Governance Structure.	Interim Deputy Monitoring Officer Governance and Assurance Manager
C – Defining outcomes in terms of sustainable economic, social and environmental benefits	Development of Mayoral priorities and embed into Combined Authority framework/priorities and ensure that there is a full understanding across the Combined Authority reporting system.	Chief Executive
D – Determining the interventions necessary to optimize the achievement of the intended outcomes	Ensure that the appropriate governance and decision-making structure is in place to meet the new responsibilities of the Combined Authority, including the transition of Police and Crime and Fire and Rescue functions.	Interim Deputy Monitoring Officer
E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it	Recruitment of statutory officers and leadership team and ensure that they have the resources to be able to deliver against the priorities of the Combined Authority.	Chief Executive Head of Assurance
	Continue the transition work with the Police and Crime and Fire and Rescue functions into the Combined Authority, in particular regularisation of governance arrangements across the organisation	Interim Deputy Monitoring Officer
F – Managing risks and performance through robust internal control and	Development of internal audit arrangements, including Police and	Interim Deputy Monitoring Officer

strong public financial management	Crime and Fire and Rescue function integration.	Director of Resources
G – Implementing good practices in transparency, reporting and audit, to deliver effective accountability	Review of Constitution of Combined Authority.	Interim Deputy Monitoring Officer
	Embed the Overview and Scrutiny and Audit and Governance Committee arrangements.	Interim Deputy Monitoring Officer Director of Resources Governance and Assurance Manager

7.0 Summary

7.1 The Y&NYCA has outlined a commitment to best practice and good corporate governance within the principles of the framework, demonstrated by a proactive adoption of this framework. As the organisation moves forward in 2024, the formulation of the strategy of the Combined Authority will continue to be key in leading on its strategic direction and values. There is a strong focus on delivery with robust arrangements put in place to monitor delivery, performance and risk, underpinned by strong governance arrangements, which are designed to support this delivery. The Combined Authority and its partners across the public, private and voluntary, community and social enterprise sectors are working to deliver on its longer-term ambitions to ensure that York and North Yorkshire is a region in which no resident feels left behind.

Signed by:

(David Skaith, Mayor of York and North Yorkshire Combined Authority)

Signed by:

(James Farrar, Chief Executive on behalf of Members and Senior Officers of York and North Yorkshire Combined Authority)

Date:

