

## Agenda for a meeting of the Governance and Audit Committee to be held on Tuesday, 28 February 2017 at 11.00 am in Committee Room 1 - City Hall, Bradford

### Members of the Committee – Councillors

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
M Pollard	Johnson (Ch) Thornton (DCh) Swallow	J Sunderland

### Alternates:

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
Ellis	Farley Watson	Fear

### Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

### From:

City Solicitor  
Agenda Contact: Fatima Butt  
Phone: 01274 432227  
E-Mail: fatima.butt@bradford.gov.uk

### To:



## **A. PROCEDURAL ITEMS**

### **1. ALTERNATE MEMBERS (Standing Order 34)**

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

### **2. DISCLOSURES OF INTEREST**

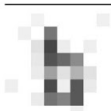
(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

*Notes:*

- (1) Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) Officers must disclose interests in accordance with Council Standing Order 44.*



### 3. MINUTES

#### Recommended –

**That the minutes of the meeting held on 24 January 2017 be signed as a correct record (previously circulated).**

(Fatima Butt – 01274 432227)

### 4. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Fatima Butt - 01274 432227)

## B. BUSINESS ITEMS

### 5. GOVERNANCE ARRANGEMENTS FOR THE BRADFORD DISTRICT COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE

1 - 32

Section 206 of the Planning Act 2008 confers the non-mandatory power on Local Authorities to introduce a new charge on different types of new development in their area, known as 'Community Infrastructure Levy' (CIL). The proceeds of this charge should be spent on infrastructure needed to support growth in the District, a proportion of which must be passed to local communities where development has taken place.

The Strategic Director, Place will submit **Document “AA”** which informs Members of the Committee of the proposed CIL governance arrangements to be put in place following the commencement of the Bradford District CIL as required by the Regulations on 1 July 2017.



**Recommended-**

**That that the proposed Bradford District CIL governance arrangements as set out in Document “AA” as the most appropriate basis by which the Council will manage the collection, spend and monitoring of CIL receipts be considered.**

(Bhupinder Dev - 01274 432012)

**6. OUTDOOR EDUCATION CENTRES**

33 - 40

The Strategic Director, Children’s Services will submit **Document “AB”** which provides the Committee with an update on the progress to make the District’s three Outdoor Education Centres independent of the Local Authority and sustainable into the future.

**Recommended-**

- (1) That the Strategic Director of Children’s Services continue the work to make the three Outdoor Education Centres sustainable and independent of the Local Authority whilst ensuring a high quality outdoor education offer for children and young people.**
- (2) That the Committee notes the progress that has been made towards making the Centres independent and the timetable to complete the work by December 2018.**
- (3) That the Committee notes the decision will be made by the Executive in June 2017 on the option to make the Outdoor Education Centres independent.**
- (4) That the Committee notes that following the Executive decision progression towards implementation of governance arrangements will be overseen by the “Great Start, Good Schools” Priority Outcome Board.**

(Phil Hunter – 01274 439575)



7. **WEST YORKSHIRE COMBINED AUTHORITY (WYCA) AND LEEDS CITY REGION ENTERPRISE PARTNERSHIP (LEP): UPDATE REPORT** 41 - 66

The Strategic Director, Place will submit **Document “AC”** which provides an update report on the West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership with a focus on governance, accountability, reporting and involvement of Bradford Council, its elected members and staff.

**Recommended-**

**That the report (Document “AC”) be noted and an update report be presented to the Committee in 2017/18.**

(Jamie Saunders – 01274 434123)

8. **CERTIFICATION OF GRANT CLAIMS 2015/16** 67 - 72

The External Auditor will submit **Document “AD”** which reports on the external auditor’s certification work on grant claims within the Public Sector Audit Appointment’s grant regime for 2015/16.

**Recommended-**

**That the Governance and Audit Committee considers the letter on the certification work on grant claims (attached to Document “AD”).**

(Steve Appleton – 01274 432392)

9. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) PENSION BOARD HELD ON 9 NOVEMBER 2016** 73 - 82

The Council’s Financial Regulations require the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with the above the Director of West Yorkshire Pension Fund will submit **Document “AE”** which reports on the minutes of the meeting of the WYPF Pension Board held on 9 November 2016

**Recommended-**

**That the minutes of the WYPF Pension Board held on 9 November 2016 be considered.**

(Caroline Blackburn – 01274 434523)



10. **EXCLUSION OF THE PUBLIC**

**Recommended –**

**That the public be excluded from the meeting during the consideration of the items relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel meeting held on 3 November 2016 because the information to be considered is exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972. It is also considered that it is in the public interest to exclude public access to this item.**

11. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 3 NOVEMBER 2016**

The Council's Financial Regulations require the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund will submit **Not for Publication Document "AF"** which reports on the minutes of the meeting of the WYPF Investment Advisory Panel held on 3 November 2016.

**Recommended –**

**That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 3 November 2016 be considered.**

(Rodney Barton – 01274 432317)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



## **Report of the Strategic Director Place to the meeting of the Governance and Audit Committee on 28 February 2017**

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AA

### **Subject: GOVERNANCE ARRANGEMENTS FOR THE BRADFORD DISTRICT COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE**

#### **Summary statement:**

The purpose of this report is to inform Members of the Governance and Audit Committee of the proposed CIL governance arrangements to be put in place following the commencement of the Bradford District CIL as required by the CIL Regulations on 1 July 2017, subject to the formal approval of the CIL Charging Schedule by a resolution of Executive on 7 March 2017 and the Full Council on 21 March 2017.

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Steve Hartley  
Strategic Director of Place

**Portfolio: Regeneration, Planning & Transport**

Report Contact: Bhupinder Dev  
Team Leader – Infrastructure & Local Plan  
Phone: (01274) 432012  
E-mail:  
[Bhupinder.dev@bradford.gov.uk](mailto:Bhupinder.dev@bradford.gov.uk)

**Overview & Scrutiny Area:**  
**Regeneration and Economy**

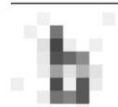


## **1. SUMMARY**

- 1.1 The purpose of this report is for Members of the Governance and Audit Committee to consider the proposed CIL Governance arrangements to be put in place following the commencement of the Bradford District CIL on 1 July 2017, as required by the CIL Regulations, subject to the formal approval of the CIL Charging Schedule by a resolution to Executive on 7 March 2017 and Full Council on 21 March 2017.
- 1.2 In particular Members of the Governance and Audit Committee are advised to note the following:
- The Council will retain 5% of the total CIL receipts to cover administration and implementation costs.
  - In line with CIL Regulations 15% of CIL income will be passed directly to those parish and town councils where development has taken place (the neighbourhood proportion), subject to the cap set in national CIL regulations, or 25% in areas with an adopted neighbourhood plan.
  - The neighbourhood proportion is proposed to be transferred annually, by the 28th April each year
  - In areas where there is no parish or town council, communities will still benefit from the neighbourhood proportion, however the Council will retain the levy receipts. It is proposed that the existing approach used for Planning Obligations (Section 106) is used to direct spending of the neighbourhood proportion in areas without a Parish or Town Council in consultation with ward councillors
  - That priorities for strategic CIL spend are to be decided on an annual basis as part of the Council's budget setting process, in line with the Regulation 123 List, and taking into account the impact of specific and cumulative infrastructure needs arising from new development.
  - Officers will continue to work closely with parish and town councils and other community groups and infrastructure providers, including through the Local Plan Site Allocations Plan and Neighbourhood Planning, with the aim of shared infrastructure planning and maximising use of CIL resources.
  - To ensure that the levy is open and transparent, the council will produce publish a CIL Annual Monitoring Report which sets out CIL receipts, balances and spend, for the previous financial year.

## **2. BACKGROUND**

- 2.1 Section 206 of the Planning Act 2008 confers the non-mandatory power on Local Authorities to introduce a new charge on different types of new development in their area, known as 'Community Infrastructure Levy' (CIL). The proceeds of this charge should be spent on infrastructure needed to support growth in the District, a proportion of which must be passed to local communities where development has taken place.





- 2.2 The CIL is intended as a means of contributing to the funding of infrastructure required to support growth in the District and deliver the policies and proposals in the Local Plan, including the Core Strategy and other Development Plan Documents. It replaces part of the system of Planning Obligations (Section 106 Agreements), the scope of which has been restricted since 6 April 2015 with regard to pooling of developer contributions. The CIL will help to meet the District's priorities by generating funding to provide infrastructure while being set at appropriate rates that will continue to attract investment, create jobs, and deliver new housing.
- 2.3 The Council has previously agreed to progress setting a CIL charge on new development to help fund infrastructure needed to support growth in the District. There have been various stages of formal consultation on the Bradford District CIL as required by the CIL Regulations, followed by an independent public examination in October 2016. The Council has received the CIL Examination Report in December 2016. The Examination Report recommends that the Bradford District CIL charging Schedule may be approved subject to two modifications necessary to meet statutory requirements.
- 2.4 A report will be taken to the Council's Executive on 7 March 2017 seeking the formal approval of the CIL Charging Schedule by a resolution of the Full Council on 21 March 2017.
- 2.5 Leading up to the anticipated approval and commencement of the CIL, work will be progressed in relation to the roll out of the levy. This work relates to two broad areas, namely, the introduction of appropriate procedural measures for the day-to-day operation of the levy, and the establishment of governance arrangements for the subsequent spend of CIL monies collected.
- 2.6 This report will cover the proposed governance arrangements for CIL collection, spending and reporting. The Council will continue to work in partnership with parish councils and local communities to explore the opportunities for maximising the available resources to best meet needs, including through neighbourhood planning.
- 2.7 The committee are advised to consider the following steps which will be undertaken in order to implement CIL on 1 July 2017, subject to the formal approval of the CIL Charging Schedule by a resolution of Executive on 7 March 2017 and the Full Council on 21 March 2017:
- A. The appropriate internal procedures will be put in place to set up the necessary systems for collection, distribution, and monitoring of the CIL income as of 1 July 2017.
  - B. The CIL Charging Schedule will come into effect on the commencement date set out in the Charging Schedule subject to approval by full council on 21



March 2017 and therefore the necessary procedures will be in place from the commencement date of 1 July 2017 and on-going.

C. The Assistant Director – Planning, Transportation and Highways is the officer responsible for CIL implementation.

### **3. KEY ISSUES**

#### **CIL General Principles**

- 3.1 The CIL is a tariff system that local authorities can choose to charge on new development in their area by setting a Charging Schedule. The Charging Schedule will sit alongside the Bradford District Local Plan, but will not form part of the statutory development plan.
- 3.2 Once adopted, CIL is fixed, non-negotiable and enforceable. CIL will be charged on new development. It is charged per square metre on net additional gross internal floor-space of development. CIL is not charged on certain types development including affordable housing and buildings used for charitable purposes.
- 3.3 The amount payable will be set at the time planning permission is granted and payment will be due at the commencement of development. Larger amounts will be payable in instalments over fixed time periods, in-line with any instalment policy.
- 3.4 The process for setting and implementing the Charging Schedule is set out in the CIL Regulations 2010, together with subsequent amended CIL Regulations in 2011, 2012, 2013, 2014 and 2015. Under the CIL Regulations restrictions have come into force for existing planning obligations (Section 106 agreements) from April 2015. This will significantly restrict the current use and pooling of planning obligations.

#### **CIL Governance**

- 3.5 The introduction of CIL necessitates the development of governance arrangements for spending and administering the monies collected. There are a number of key reasons for this. Under CIL, the City of Bradford Metropolitan District Council will act as the designated 'Charging Authority' and 'Collecting Authority'. This confers new statutory responsibilities on the Council. In accordance with the CIL Regulations 2010 (as amended) the Council has an obligation to:
  - Prepare and publish the CIL Charging Schedule
  - Calculate CIL liability and collect CIL monies owed
  - Apply the levy revenue it receives to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support development of its area
  - Pass a percentage of CIL receipts (the neighbourhood portion) to communities where a development has taken place, and:
  - Report on the amount of CIL revenue collected, spent and retained each year.
- 3.6 This report sets out the proposed governance arrangements for the Bradford



District CIL.

### **CIL Collection**

- 3.7 The Council as a CIL charging authority and collecting authority sets the CIL charging schedule, calculates individual levy payments and is responsible for ensuring that payment is made. Part 8 of the CIL Regulations, as amended, sets the legal framework for calculating and collecting the levy. The basic process for collecting and administering CIL is set out below:

Stage 1: When an application comes in determine if the development is eligible to pay CIL

Stage 2: When a CIL eligible application is approved, inform the relevant person(s) who will pay CIL how much is liable (Liability Notice)

Stage 3: When the development commences send the bill (Demand Notice)

- 3.8 As CIL is linked to new development which requires planning permission or general consent approval, any CIL liability is calculated as part of the planning application process. CIL will operate through the exchange of formal notices and for most developments there are just four of these:

- The owner/developer or another interested party assume liability for the levy by submitting an assumption of liability form.
- A Liability Notice is issued by the Council along with the planning permission Decision Notice. It says how much CIL is payable and includes details of the payment procedure.
- Before the development starts, the owner/developer provides the Council with a Commencement Notice giving a date to start works.
- The Council then issues the Demand Notice (the bill). The CIL charge is recorded as a Local Land Charge. The Council issues a receipt for each payment received.

### **Administration**

- 3.9 As the accountable department, the Department of Place – Planning Service will use records that are compliant with the Financial Regulations as set out in Part 3F of the Councils Constitution or those as agreed under Regulation 2 of the Financial Regulations.
- 3.10 Adminstrating the new CIL system will primarily involve the Department of Place – Planning Service and the Department of Corporate Services Accounts Receivable Team. The Planning Service will be responsible for calculating any CIL liability, issuing the CIL Liability Notice and issuing the Demand Notice. The Planning service will also be responsible for processing claims for relief. Department of Corporate Services Accounts Receivable Team and Legal Department may also be



involved if action is required over non-payment. The general division of responsibilities is described below:

1. Planning Service processes the planning application (or notice of chargeable development) and additional CIL Information Form submitted with the application to allow the council to calculate the CIL charge
  2. Planning Service determines any CIL liability and issues the CIL Liability Notice along with the planning permission decision notice.
  3. Planning Service receives the Commencement Notice or determines the 'deemed commencement' date. The Planning Obligations Monitoring Officer then issues the Demand Notice (i.e. the invoice) and the CIL charge is recorded as a Local Land Charge (Regulation 66).
  4. Department of Corporate Services Accounts Receivable Team pursue non-payment and Legal may need to become involved if enforcement is required. Planning will be kept fully informed at all stages should this happen and will have a key role in any debt recovery and/or enforcement action which is pursued.
  5. Department of Corporate Services Accounts Receivable Team will need to maintain appropriate records for reporting purposes and Planning will rely on their records to publish an annual report on CIL revenues and expenditure.
- 3.11 The CIL Regulations allow the Council to retain up to 5% of the CIL receipts in the first three years to fund set up and on-going costs, and 5% annually for on-going costs thereafter. It is therefore proposed that 5% of the CIL receipts be retained by the Planning Service for administration costs, subject to annual monitoring and reporting. Any unspent administration monies will be returned to the CIL infrastructure pots.

### **The Neighbourhood Fund**

- 3.12 In line with CIL Regulations the Council must allocate at least 15% of levy receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This increases to a minimum of 25% where an area has an adopted neighbourhood plan. This is set out in figure 1 below.

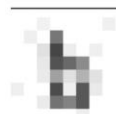
**Figure 1: Relationship between the levy and neighbourhoods**

<b><u>Parish/Town Council area without Neighbourhood Plan</u></b>	<b><u>Parish Council area with Neighbourhood Plan</u></b>
15% of CIL income in that area capped at £100 per existing dwelling per year passed directly to parish/town council	25% of CIL income in that area passed directly to parish/town council



<b><u>Non-parished area without Neighbourhood Plan</u></b>	<b><u>Non-parished area with Neighbourhood Plan</u></b>
15% of CIL income in that area capped at £100 per existing dwelling per year spent by CBMDC in consultation with that community	25% of CIL income in that area spent by CBMDC in consultation with that community

- 3.13 In line with CIL Regulations it is proposed that 15% of CIL receipts will be passed directly to those parish and town councils where the development has taken place. Up to £100 per existing council tax dwelling can be passed to the parish or town council this way each year to be spent on local priorities. Communities with an adopted neighbourhood plan will receive 25% of the levy revenues arising from the development that takes place in their area. This amount is not subject to an annual limit.
- 3.14 Communities without a parish or town council will still benefit from the 15% neighbourhood portion (or 25% portion, if a neighbourhood plan or neighbourhood development order has been made). If there is no parish or town council the Council will retain the CIL receipts but should engage with communities where development has taken place and agree how best to spend the neighbourhood fund.
- 3.15 It should be noted that even at this minimum level some communities will receive substantial CIL funds from development in their area, especially those in the highest CIL residential charging zone, and/or where there is an adopted Neighbourhood Plan. This neighbourhood proportion must be spent on:
- “The provision, improvement, replacement, operation or maintenance of infrastructure; or,
  - Anything else that is concerned with addressing the demands that development places on an area” (CIL Regulations 59C and 59F).
- 3.16 The government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Given that the Council has already put in place a structure to manage activity for spending Planning Obligation monies (Section 106) at a local ward level, it is considered that this is the most appropriate mechanism for managing the spend of the CIL neighbourhood fund in areas without town or parish councils. The Council will need to put in place further guidance to ensure that there is transparency and consistency on these issues. Where neighbourhood plans are in preparation then the designated neighbourhood forum will provide one route for local consultation and it can be expected that the neighbourhood plan will identify local spending priorities. It should be noted that some wards may initially receive little CIL funding in this way given that in some wards there will be limited development, and/or have low/nil CIL rates.
- 3.17 It is therefore proposed to use the council’s existing ward structures to direct spending of the neighbourhood fund in areas without a parish or town council in line with the current approach used for Planning Obligations.



- 3.18 In addition it is proposed that further guidance/protocols should be established to ensure a consistent approach for spending and consultation purposes.

### **Transferring the Neighbourhood Fund**

- 3.19 The Council is free to decide the timing of neighbourhood fund payments themselves. However, in the absence of such an agreement, CIL Regulation 59D specifies that the neighbourhood portion of levy receipts must be paid every 6 months, at the end of October and the end of April.
- 3.20 In town and parish council areas the neighbourhood portion must be passed directly to those local councils, as required by national CIL regulations. In non-parished areas the decisions about spending are proposed to be delegated to the relevant Ward Councillors (as the lowest democratic representative), and the CIL neighbourhood proportion will be ring-fenced by the Council for that purpose.
- 3.21 From adoption there will be a time lag before the Council holds any meaningful CIL receipts as a result. It is therefore initially proposed that the neighbourhood proportion of CIL received from the previous financial year is to be transferred once a year by the 28<sup>th</sup> April of the following financial year.
- 3.22 If a parish or town council does not spend its levy share within 5 years of receipt, or does not spend it on initiatives that support the development of the area, the Council may require it to repay some or all of those funds to the charging authority.

### **The Strategic CIL Fund**

- 3.23 The annual CIL receipt (minus the neighbourhood portion and administration fee) will be pooled into a centralised pot the 'Strategic CIL Fund' for the purpose of delivering strategic infrastructure/improvements on a district-wide basis. The Council must use CIL monies in the Strategic CIL Fund to fund infrastructure to support development across the District. The Council has discretion on how this money is used, subject to it being directed to fund infrastructure of a type identified in the Regulation 123 list.
- 3.24 The CIL regulations that govern how CIL is spent require that it be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the charging authority's area. The definition of infrastructure is broad and includes:
- roads and other transport infrastructure
  - flood defences
  - schools and other educational facilities
  - medical facilities
  - sporting and recreational facilities
  - open spaces





- 3.25 The Regulation 123 List sets out the types of strategic infrastructure within the district that could be funded through CIL. The main purpose of the list is to provide transparency around what the council intend to fund through CIL and those known areas where Section 106 Developer Contributions will continue to be sought. The intention is to ensure that there is no duplication in the use of both CIL and S106 for the same project. Importantly, the list should not be viewed as a spending plan for CIL.
- 3.26 There are many options for how strategic CIL spending might be organised. It is considered that maximum flexibility will be achieved if the strategic CIL funds are retained as a central CIL pot. This would enable CIL funds to be spent on addressing needs arising from growth anywhere in the District, subject to compliance with the Regulation 123 list, and having regard to any identified infrastructure requirements or pressures arising from specific developments. The CIL could be used to part fund schemes where funding is available from other sources, including outstanding S106 funds, New Homes Bonus and the CIL neighbourhood portion. The strategic CIL fund spend could then be agreed as a rolling annual programme as part of the Council's budget setting process. This would enable the CIL spend to reflect corporate priorities and the actual funds available at the time. This flexibility would also enable the balance to vary year on year to respond to changing circumstances and the timing and location of developments and CIL income.
- 3.27 A process for determining the spending of the strategic CIL fund during the budget setting therefore needs to be put in place. It is proposed that priorities for strategic CIL spend are decided on an annual basis as part of the Council's budget setting process, in line with the Regulation 123 List, and taking into account the impact of specific and cumulative infrastructure needs arising from new development.
- 3.28 It is proposed that the Director of Place submits a report to the Council's Executive in November each year making recommendations for Members to consider with a range of options in relation to the allocation of the CIL money derived from the strategic CIL fund. This will allow public scrutiny of CIL spending proposals. The Assistant Director (Planning, Transportation and Highways) will be responsible for producing this report, which will need to be informed by the Council's Local Plan infrastructure evidence (Local Infrastructure Plan) and through consultation with other sections of the Council (education, highways, sport and culture) and external infrastructure providers.
- 3.29 Following the Executive's decision the Authority will then allocate the monies from the strategic CIL fund to the relevant Authority departments with a requirement that this money is ring fenced to fund infrastructure or other appropriate projects in accordance with the CIL Regulations. There will be contracts in place and monitoring mechanisms so as to ensure that money is spent on capital projects. The money will be held in an appropriate account by the Department of Corporate Services Accounts Receivable Team until a suitable capital spend project(s) is identified.



## **Utilising the strategic CIL fund monies to fund capital infrastructure projects**

- 3.30 It is proposed that the strategic CIL fund will be used to fund capital infrastructure projects in the same way as pooled S106 contributions would have been used if they had been secured. The Council have an established process concerning the management of S106 money carried out by the Planning Service and monies are then transferred to appropriate sections of the Council as and when qualifying infrastructure projections (for example school extensions or park or sports field refurbishments) are identified. The spending of this money on particular capital infrastructure projects will then need to be approved by the relevant Head of Service under delegated powers.
- 3.31 It should be noted that CIL income will be limited in the first year or two of operation as much development commenced will be based on applications that pre-date the CIL regime. Therefore, Members may wish to consider 'banking' the first year's or two's receipts so that decisions on spend only commence once a reasonable amount of funding is available.

## **Monitoring and Reporting CIL**

- 3.32 To ensure that the levy is open and transparent, charging authorities must prepare short reports on the levy. The Council must publish a report on its website by 31 December each year, for the previous financial year. The CIL Regulation set out what charging authorities must include in the CIL monitoring report. This includes the following:
- the total CIL receipts for the reported year
  - the total CIL expenditure for the reported year;
  - summary details of CIL expenditure during the reported year including—  
the items of infrastructure to which CIL (including land payments) has been applied and the amount of CIL expenditure on each item;
  - the total amount of CIL receipts retained at the end of the reported year.
- 3.33 The report is required to be published no later than 31 December in the year following the financial year being reported on. It is proposed that this report will be prepared by the Planning Service, using records kept by the Department of Corporate Services Accounts Receivable Team.
- 3.34 Parish and town councils must make arrangements for the proper administration of their financial affairs (section 151 of the Local Government Act 1972). They must have systems in place to ensure effective financial control (Accounts and Audit (England) Regulations 2011). These requirements also apply when dealing with neighbourhood funding payments under CIL.
- 3.35 Parish and town councils must also report on their levy income and spending. For each year when they have received neighbourhood funds through the levy, parish, town and community councils must publish the information specified in Regulation 62A. These reports are to be submitted to Bradford Council annually no later than the 31st December and must include the following:





- Total CIL Receipts for the reported year
- Total CIL Expenditure for the reported year;
- Summary of what the CIL was spent on during the reported year
- Total amount of receipts retained at the end of the reported year and previous years

3.36 They should publish this information on their website or on the Council's website. If they haven't received any money they do not have to publish a report, but may want to publish some information to this effect in the interests of transparency.

3.37 There is no prescribed format to these reports and parish and town councils may choose to combine reporting on the levy with other reports they already produce. The levy neighbourhood funding income and spending will also be included in their overall published accounts but are not required to be identified separately in those accounts.

#### **4. OTHER CONSIDERATIONS**

4.1 If following approval and implementation of the CIL Charging Schedule the Council wishes to stop charging the levy it may do so at any time by making a formal resolution to do so.

#### **5. OPTIONS**

5.1 **Not applicable**

#### **6. FINANCIAL AND RESOURCE APPRAISAL**

6.1 There will be a financial implication with regard to implementing, administering and collecting of CIL. The Council, as the charging authority will be able to use funds from the levy to recover the costs of administering the levy, with the regulations permitting up to 5 per cent of their total CIL receipts to be used on administrative expenses to ensure that the overwhelming majority of revenue from the levy is directed towards infrastructure provision.

##### **Enforcement provisions**

6.2 If the person or parties who have assumed liability for CIL (or the relevant landowner in default) fails to pay CIL, the council as a collecting authority has a range of sanctions available to it to recover CIL debts and to remedy breaches of the CIL regulations. These include imposing surcharges or interest penalties and extend as far as the service of a CIL stop notice (which can require a development to stop until CIL is paid or the stop notice is withdrawn), or applying for a court order to recover CIL debts. Failure to comply with a CIL stop notice or a court order seeking recovery of a CIL debt is a criminal offence.



## **7. RISK MANAGEMENT**

- 7.1 The collection, spend and reporting of CIL is governed by Legislation set out in the Planning Act 2008 (as amended by the localism act 2011) and the CIL Regulations 2010 (as amended). If the Council does not put in place appropriate governance arrangements consistent with the CIL regulations then the council the Council runs the risk of challenges over the use of CIL monies being upheld.

## **8. LEGAL APPRAISAL**

- 7.1 The Bradford District CIL Charging Schedule has been prepared in line with the appropriate, legislation (UK and EU), regulations and guidance. The process for setting and implementing the Charging Schedule is set out in the CIL Regulations 2010, together with subsequent amended CIL Regulations in 2011, 2012, 2013, 2014 and 2015. Under the CIL Regulations restrictions have come into force for existing planning obligations (Section 106 agreements) from April 2015.

## **9. RECOMMENDATIONS**

- 11.1 **That committee considers that the proposed Bradford District CIL governance arrangements as set out in this report as the most appropriate basis by which the Council will manage the collection, spend and monitoring of CIL receipts.**

## **12. APPENDICES**

Appendix 1 – Bradford District Community Infrastructure Levy (CIL) Charging Schedule (July 2017)

## **13. BACKGROUND DOCUMENTS**

Report of the Executive 3 November 2015 entitled “Bradford District Community Infrastructure Levy (CIL) – Draft Charging Schedule”.



Local Plan for the Bradford District

# Bradford District Community Infrastructure Levy (CIL)

## Charging Schedule



# **Community Infrastructure Levy Charging Schedule**

**Approved by Full Council on [date to be inserted following full  
council approval]**

**Charges Implemented on 1 July 2017**

Under the Planning Act 2008 and  
Community Infrastructure Levy Regulations 2010 (as amended)

*The City of Bradford Metropolitan District Council is a charging authority for the purposes of Part 11 Section 206 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development in the Bradford District.*

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**i. Statement of Statutory Compliance**

The Community Infrastructure Levy Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, 2014 and 2015) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011).

In setting the levy rates, the City of Bradford Metropolitan District Council has struck an appropriate balance between:

- a) the desirability of funding from CIL in whole or in part the actual and estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding, and
- b) the potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across the District.

This Charging Schedule was approved by Bradford Council on [date to be inserted following full council approval]

This Charging Schedule will come into effect on 1 July 2017

## **1. Introduction**

- 1.1 The Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money can be used to support development of the area by funding the infrastructure that the Council, local communities and neighbourhoods deem as necessary.
- 1.2 The City of Bradford Metropolitan District Council (the Council) is a charging authority for the purposes of Part 11 Section 206 of the Planning Act 2008 and may, therefore charge the Community Infrastructure Levy in respect of development in the Bradford District. This document is the Charging Schedule for the Bradford District Community Infrastructure Levy (CIL). The document sets out the Charging Schedule, the general principles of CIL and its links to Section 106 planning obligations. It has been prepared in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 as amended by the Community Infrastructure Levy (Amendment) Regulations 2011, 2012, 2013, 2014 and 2015

## **2. General Principles**

- 2.1 The CIL is a tariff system that local authorities can choose to charge on new development in their area by setting a Charging Schedule. The Charging Schedule will sit alongside the Bradford District Local Plan, but will not form part of the statutory development plan.
- 2.2 Once adopted, CIL is fixed, non-negotiable and enforceable. CIL will be charged on new development. It is charged per square metre on net additional gross internal floor-space of development. CIL is not charged on affordable housing and buildings used for charitable purposes.
- 2.3 The amount payable will be set at the time planning permission is granted and payment will be due at the commencement of development. Larger

amounts will be payable in instalments over fixed time periods, in-line with any instalment policy.

- 2.4 The process for setting and implementing the Charging Schedule is set out in the CIL Regulations 2010, together with subsequent amended CIL Regulations in 2011, 2012, 2013, 2014 and 2015. Under the CIL Regulations restrictions have come into force for existing planning obligations (Section 106 agreements) from April 2015. This will significantly restrict the current use and pooling of planning obligations.

### **3. Planning Obligations (Section 106) and CIL**

- 3.1 The CIL is intended to provide infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms, which is the purpose of a planning obligation (Section 106 Agreement). CIL can be collected on a range of developments and then 'pooled' in the style of a tariff. The pooled levy can then be spent on a range of infrastructure, providing greater flexibility in the delivery of local infrastructure.
- 3.2 CIL will not fully replace planning obligations. The existing Section 106 (S106) system will remain in place, but has been scaled back to ensure that CIL is the key mechanism for pooled infrastructure funding. Planning obligations will continue to be the primary mechanism for securing affordable housing through the planning system. In addition, they will still be used to mitigate the direct impact of the development proposed, for site specific measures to make a development acceptable in planning terms.
- 3.3 The CIL Regulations restrict the use of planning obligations to ensure that developments are not charged twice for the same infrastructure type or project (i.e. through both a planning obligation and a CIL charge). The Council is therefore required to publish a list of infrastructure it intends to fund via CIL (Regulation 123 list), to accompany the Charging Schedule. When a CIL charge is introduced S106 requirements will only be used for



those matters directly related to a specific site and which are not set out in the 123 list. Furthermore, from April 2015 the Council can only pool a maximum of five planning obligations towards a particular piece or type of infrastructure, dating back to 6 April 2010.

#### **4. Development Liable for CIL**

- 4.1 The levy is generally payable on the following types of development:
- Development comprising 100 square metres or more of new gross internal floor area.
  - Development of less than 100 square metres of new floor space that results in the creation of one or more dwellings.
  - The conversion of a building that is no longer in lawful use.
- 4.2 The owner of land is liable to pay the CIL, unless another party claims liability such as a developer or planning applicant. This is in-keeping with the principle that those who benefit financially from planning permission being granted should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land.
- 4.3 The levy's charges will become due from the date that a chargeable development is commenced. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement. When planning permission is granted, the Council will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.

## **5. Calculating the CIL Charging Rates**

- 5.1 The local authority must demonstrate that new or improved infrastructure is needed to support development in their area and what other sources of funding are available. It must also show a funding gap for the necessary infrastructure that demonstrates the need to put in place the levy.
- 5.2 In setting rates in a charging schedule the local authority must also have regard to the potential effects of the imposition of CIL on the economic viability of development across its area and, in its informed judgement, strike an appropriate 'balance' between the desirability of funding infrastructure from the levy and the potential impact on viability.
- 5.3 A charging authority must set out its levy rate(s) in a charging schedule. In order to set the CIL rates the Council has considered evidence on the infrastructure requirements and viability of development across the District. Based on this evidence the Council has made a reasoned judgement as to the appropriate level at which to charge CIL.
- 5.4 The Council submitted the CIL Draft Charging Schedule for independent examination on 11 May 2016. The CIL examination hearing was held on 4 October 2016 and the examination report was received by the Council in December 2016. The examination report recommended approval of the Charging Schedule, subject to two modifications considered necessary to meet statutory requirements. Subject to these modifications the examination concluded that the Bradford District CIL Charging Schedule satisfies the requirements of Section 212 of the 2008 Planning Act and meets the criteria for viability in the CIL Regulations 2010 (as amended). The modifications have been made to the final CIL Charging Schedule. The CIL examination report is available to view on the Council's website: [www.bradford.gov.uk/planningpolicy](http://www.bradford.gov.uk/planningpolicy)

## **6. Evidence Documents for CIL**

6.1 The following supporting evidence documents informed the production of the Charging Schedule and were made available for inspection / comment:

- Bradford Community Infrastructure Levy Viability Evidence (DTZ, June 2015)
- Bradford CIL Viability Evidence Update (Cushman & Wakefield (formerly DTZ), December 2015)
- Local Infrastructure Plan (CBMDC, June 2015, December 2015 and March 2016 Updates)
- Council responses to representations on the Preliminary Draft Charging Schedule (CBMDC, 2015).
- Council response to representations on the Draft Charging Schedule (CBMDC, 2016).
- Draft Regulation 123 List (CBMDC)

6.2 The Council submitted the Draft Charging Schedule for examination on 11 May 2016. During the examination period further evidence was presented by the Council and considered as part of the examination.

6.3 All the evidence documents are available on the Council's website:  
[www.bradford.gov.uk/planningpolicy](http://www.bradford.gov.uk/planningpolicy)

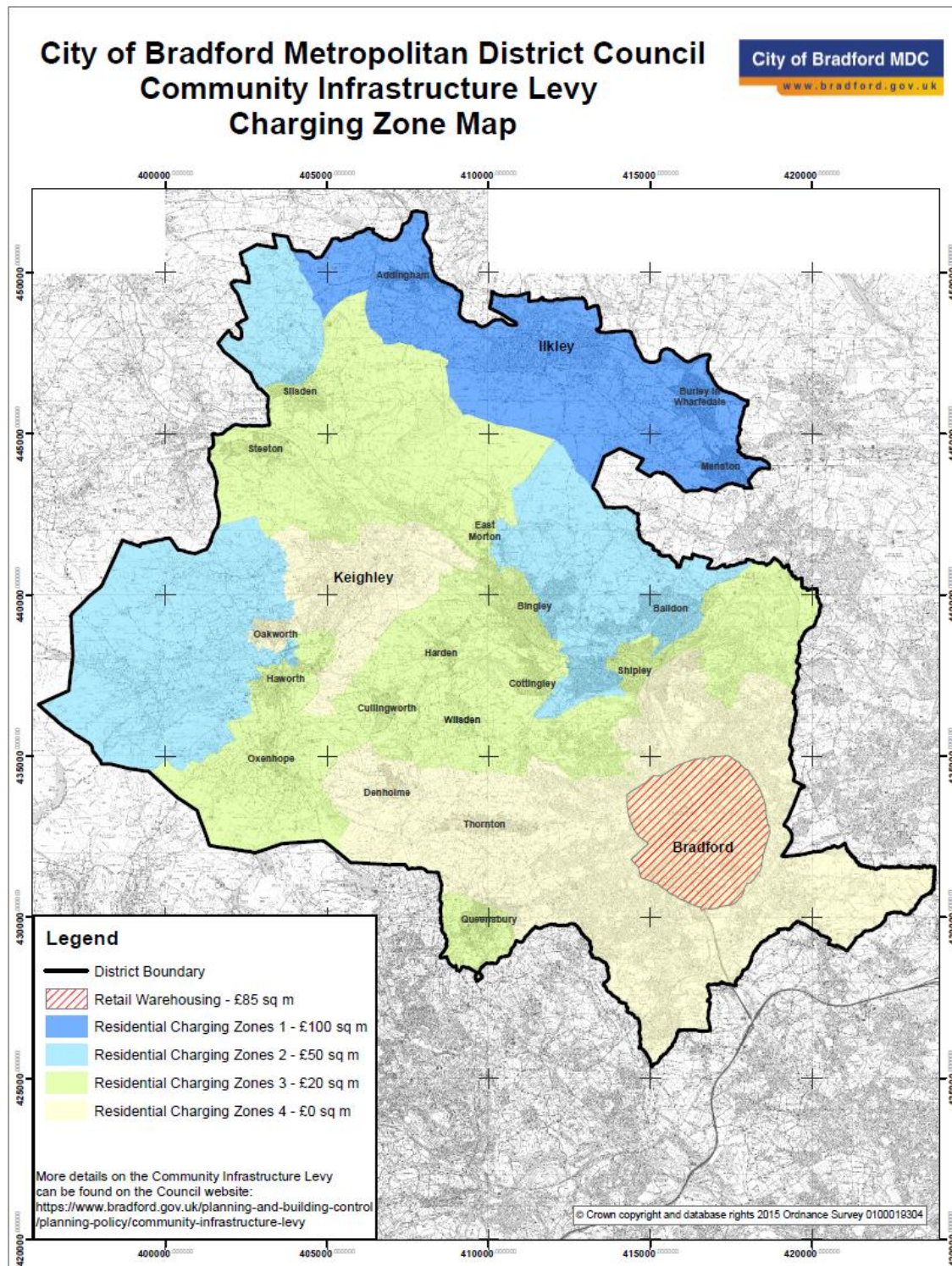
## 7. The Charging Schedule Rates

7.1 The Council's charging rates are set out in the table below. The Charging Schedule is primarily concerned with the rates proposed rather than the Council's mechanism for allocating the revenue.

Type of Development	Charging Schedule
	CIL Charging Rates (per sq. m)
Residential- Zone 1 (C3) <sup>1</sup>	£100
Residential - Zone 2 (C3) <sup>1</sup>	£50
Residential - Zone 3 (C3) <sup>1</sup>	£20
Residential - Zone 4 (C3)	£0
Retail warehousing <sup>2</sup> - Central Bradford	£85
Large Supermarket (>2000 sq m)	£50
All other uses not cited above	£0
<p><sup>1</sup> Excludes specialist older persons' housing (also known as Sheltered/Retirement/Extra Care) defined as residential units which are sold with an age restriction typically to the over 50s/55s with design features, communal facilities and support available to enable self-care and independent living.</p> <p><sup>2</sup> Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.</p>	

7.2 The residential and retail warehousing charging zones are shown on the CIL charging zone map. An interactive version of the map is also available on the Council's website at: [www.bradford.gov.uk/planningpolicy](http://www.bradford.gov.uk/planningpolicy)

## CIL Charging Zone Map



## **8. Regulation 123 List**

- 8.1 The Council is required to set out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the CIL. The list does not identify priorities for spending within it, or any apportionment of the CIL funds across the District, and does not signify a commitment from the Council to fund the projects listed through the CIL.
- 8.2 The list is based on the infrastructure requirements set out in the Local Plan Core Strategy and the Council's updated infrastructure planning evidence (LIP). The Regulation 123 List is available to view on the Council's website at: [www.bradford.gov.uk/planningpolicy](http://www.bradford.gov.uk/planningpolicy)
- 8.3 The Council will review this list at least once a year, as part of the monitoring of CIL collection and spend, and any changes to the list will be justified, clear and subject to appropriate local consultation.
- 8.4 The Council will work with local communities and Parish, Town and Community Councils to agree local priorities for spend. The 'meaningful proportion' held by local communities may be spent on items on the Regulation 123 List, but it does not have to be, provided that it meets the requirement to support the development of the area.
- 8.5 Once the neighbourhood portion of the CIL income has been allocated to the relevant neighbourhood in which the development has taken place, the remaining CIL money will be pooled and spent on strategic infrastructure priorities to support growth and economic development in the District. The infrastructure spending priorities will be informed by the Regulation 123 list. The predicted CIL income will not meet the estimated infrastructure funding gap. Therefore, CIL money will be spent on infrastructure priorities in conjunction with other sources of funding.
- 8.6 The CIL Regulation 123 restricts the use of Section 106 (S106) Obligations to ensure that individual developments are not charged for the



same infrastructure through the duplication of developer contributions. A S106 contribution cannot be made towards infrastructure projects on the Regulation 123 List.

- 8.7 From 6 April 2015, the use of S106 has been scaled back. S106's will still be used to provide affordable housing contributions and site specific matters to make a development acceptable in planning terms. S106 obligations will need to meet the tests in CIL Regulation 122 and 123. There will be a limit of pooling five separate obligations dated back to 6 April 2010 for an infrastructure project or type of infrastructure.
- 8.8 For clarity, the Council will publish a list that will outline the matters that will continue to be secured through S106 Obligations.

## **9. Exemptions and Payment Terms**

- 9.1 The CIL Regulations (as amended 2015) exempt the following from paying the CIL:
- Where the gross internal floor area of new buildings or extensions would be less than 100 square metres (unless the development will result in the creation of one or more dwellings).
  - Development by registered charities of their own land to be used wholly or mainly for their charitable purposes.
  - The conversion of any building previously used as a dwelling house to two or more dwellings.
  - Floorspace resulting from a change of use development where part of the building has been in continuous lawful use for at least six months in the three years prior to the development being permitted.
  - Development of buildings and structures into which people do not normally go (e.g. pylons, wind turbines, electricity sub stations).
  - Buildings into which people go only intermittently for the purpose of maintain or inspecting fixed plant or machinery.
  - Residential extensions, annexes, houses and flats which are built by "self-builders".
  - Social Housing (that meets the relief criteria set in the Regulations).

- A building for which planning permission was granted for a limited period.
- Vacant buildings brought back into the same use.
- Where the levy liable is calculated less than £50 overall.
- Specified types of development as set out in the charging schedule which the Council has decided should be subject to a zero charge rate.

### **Exceptional Circumstances Relief**

9.2 The CIL Regulations allow for the Council to provide further relief, at their discretion, to avoid rendering a site with specific and exceptional cost burdens unviable, should circumstances arise. The Council do not have to offer this relief, but if it chooses to do so, it must adopt a discretionary relief policy. This is not part of the charging schedule and may be published at a different time. Exceptional circumstances should be rare and should not constitute state aid. The Exceptional Circumstances Relief Policy can be viewed as a separate document available on the Council's website. It should be noted that the power to offer relief can be deactivated once a charging schedule is in place, in line with the CIL Regulations.

### **Phased Payments of CIL**

9.3 The CIL Regulations allow for the Council to make provisions for phased payments of CIL. A phased payment approach and / or an instalment policy helps developers with cash flow, assisting in making more development viable, therefore, helping the charging system to be flexible. Phased payments can be permitted where a planning application is subdivided into phases for the purpose of the levy. This is expected to be especially useful for large scale development, which are likely to be brought forward in a number of phases. Each phase would be a separate chargeable development and therefore liable for payment in line with any instalment policy in force. The principle of phased delivery must be



apparent from the planning permission. Bradford Council as a charging authority will consider offering phased payments.

### **Instalments Policy**

- 9.4 The Council may adopt an instalments policy which allows developers to pay their CIL charge in instalments to provide flexibility in the CIL charging regime. Without such a policy, the whole of the CIL charge is liable on the commencement of development. Instalment policies can assist with development viability and delivery by improving the cash flow of a development (as the CIL payment is not paid upfront).
- 9.5 The details of any instalments policy will be set out in a separate document. Any instalments policy is required to be published on the Council's website; and can be revised, or withdrawn as appropriate, in-line with the CIL Regulations.

### **Payments in Kind**

- 9.6 The CIL Regulations allow for the Council to accept payments in kind, in the form of land or infrastructure, to be offset against the CIL liability where agreed by the Council as more desirable instead of monies. The value of both land and infrastructure payments must be equal to the value of the land / infrastructure required.
- 9.7 This must only be done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the area. The Council does not have to adopt a payment in-kind policy, but should it choose to do so, it must publish a policy document which sets out conditions in detail. This is not part of the charging schedule and may be published separately.
- 9.8 Where a levy is to be paid as land or infrastructure, a land or infrastructure agreement must be entered into before development commences. This

must include the information specified in CIL Regulations and be provided to the same timescales as cash payments. This may be by way of instalments if applicable and practicable. Land paid in kind may contain existing buildings and structures, and land or infrastructure must be valued by an independent valuer who, in the case of land, will ascertain its open market value, and in the case of infrastructure the cost (including related design cost) to the provider. This will determine how much liability it will off-set.

- 9.9 Where land is required within a development to provide built infrastructure to support that specific development, it will be expected that any land transfer will be at no cost to the Council and will not be accepted as a CIL payment in kind.

## **10. Review of the Charging Schedule**

- 10.1 Charging authorities must keep the charging schedule under review and ensure that levy charges remain appropriate over time and may revise the charging schedule in whole or in part. Any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule (as specified under the Planning Act 2008, particularly sections 211-214 as amended by the Localism Act 2011 and the CIL Regulations). If the Council wishes to stop charging the levy it may do so at any time by making a formal resolution to do so.
- 10.2 Government does not prescribe when reviews should take place. National Planning Practice Guidance advises that charging authorities should take account of market conditions and infrastructure needs and consider linking a review of their charging schedule to any substantive review of the evidence base for the Local Plan. At this time the Council is unable to set a date for the review of the rates, but it is anticipated that this will be linked to the future progress on the Local Plan. Details of any forthcoming review of the rates will be published on the Council's website, along with the appropriate consultation.

## Appendix A.

### Calculating the CIL Charge (Regulation 40 as amended)

Key points in calculating the CIL charge:

- The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with the CIL Regulations.
- The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.
- Where that amount is less than £50 the chargeable amount is deemed to be zero.
- The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.
- CIL is charged on the net floor area (gross internal area) of development chargeable.

#### 1. The amount of CIL charge must be calculated by applying the following formula:

$$\text{CIL Charge} = \frac{R \times A \times I_p}{I_c}$$

**Where:**

A = the deemed net area chargeable at rate R, calculated in accordance with the section below;

I<sub>p</sub> = the index figure for the year in which planning permission was granted

I<sub>c</sub> = the index figure for the year in which the charging schedule containing rate R took effect

R = the relevant chargeable rate

If it is necessary to apply several rate(s) to a chargeable development, the total amount will equal the sum of the amounts of CIL charge calculated at each relevant rate.

The index is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors: the figure which should be used for a given year is the figure for 1st November of the preceding year.

## 2. Calculation of net chargeable area, A

A is calculated by:

$$\text{Net Chargeable Area (A)} = \frac{\text{GR} - \text{KR} - \{ \text{GR} \times \text{E} \}}{\text{G}}$$

**Where:**

GR = the gross internal area of the part of the chargeable development chargeable at rate R

G = the gross internal area of the chargeable development

KR = the aggregate of the gross internal areas of the following:

- (i) retained parts of in-use buildings, and
- (ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development;

E = the aggregate of the following:

- (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
- (ii) for the second and subsequent phases of a phased planning permission, the value Ex (as determined under below), unless Ex is negative, provided that no part of any building may be taken into account under both the above.

Ex is calculated by:

$$\text{EP} - (\text{GP} - \text{KPR})$$

**Where:**

EP = the value of E for the previously commenced phase of the planning permission;

GP = the value of G for the previously commenced phase of the planning permission; and

KPR = the total of the values of KR for the previously commenced phase of the planning permission.

Produced by the  
City of Bradford Metropolitan  
District Council

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## **Report of the Strategic Director of Children's Services to the meeting of Audit and Governance to be held on 28<sup>th</sup> February 2017.**

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**AB**

**Subject:**

**Outdoor Education Centres**

**Summary statement:**

**This report provides the Committee with an update on the progress to make the District's three Outdoor Education Centres independent of the Local Authority and sustainable into the future.**

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Michael Jameson  
Strategic Director Children's Services

**Portfolio:**

**Education, Employment and Skills**

Report Contact: Phil Hunter  
Phone: (01274) 439575  
E-mail: [phil.hunter@bradford.gov.uk](mailto:phil.hunter@bradford.gov.uk)

**Overview & Scrutiny Area:**

**Children's Services**



## 1. SUMMARY

This report is intended to bring together work on the outsourcing of Outdoor Education Centres to provide information on the progress and forward plan to make them independent of the Local Authority.

It will provide the progress that has been made, give an overview of the current issues, and presents the milestone plan over the next 21 months to make the Outdoor Education Centres independent of the Local Authority.

This report will be used as the basis of an Executive report to facilitate the transfer process.

## 2. BACKGROUND

On 11 July 2012 the Schools Forum recommended the allocation of £1m of Direct School Grant (DSG) one-off monies to support the re-development of 3 outdoor education centres (Buckden House, Ingleborough Hall and Nell Bank). This capital redevelopment alongside a subsequent increase in usage and revenue from the centres was seen as essential in meeting the long term goal for the financial sustainability of the centres. This was to be achieved within the rigour of a new business plan and ownership (Trust) model for the governance of Ingleborough Hall and Buckden House. This sum of money was further supplemented with £273,000 of resource from the Aiming High Short Breaks Fund, to ensure that all three Outdoor Education Centres were fully compliant with accessibility requirements for pupils and adults with mobility difficulties.

The recommendations for the 2014/15 DSG, made in January 2014, included a further commitment from the Schools Forum when it transferred the financing of the DSG's existing annual £228,000 revenue contribution to the outdoor centres to one off monies. This commitment was for 2014/15, 2015/16 and 2016/17. The funding ceases in April 2017, by which time it is expected that the outdoor centres will be financially self-sustaining. At the request of the Local Authority, within the recommendations of the 2014/15 DSG, the Schools Forum earmarked £500,000 that had not been allocated to the 2 year old capital projects as a further contribution to the capital redevelopment costs of the outdoor education centres, which was supported by the Secretary of State.

A target date for the completion of the investment and transfer was April 2017. The majority of the work has been completed, though delays were experienced in the capital programme, negotiations with potential trustees and due diligence. This has resulted in a programme delay and the target for the establishment of the trusts is now September 2017 and being made independent of the Council by December 2018. A high level plan is presented in Appendix A. The headline plan presents more detail on the activity that will lead up to the decision by the Executive in June 2017. It should be noted that revenue support for the centres from the Schools Forum ends on 31<sup>st</sup> March 2017. Improvements to the centres' trading position suggest that overall the three centres should reach breakeven at this point.





It is not proposed that this report should review historical issues regarding the operation of Outdoor Education Centres. These have been extensively reported and are listed in this report under other relevant documents.

Two of the three Outdoor Education Centres are managed by the Council but do not have a co-ordinated approach including governance arrangements. The third is operated by an independent trust and the property leased from the council at a peppercorn rent.

### **3. OTHER CONSIDERATIONS**

A number of options are being considered for the future viability of the three Outdoor Education Centres from retaining the current three Centres or 2 Centres with a complementary offer, or a single Centre with a wider offer. Also there are a number of options being considered for the future governance and management arrangements from 3 separate organisations, 2 separate organisations, or a single organisation. In the event that a trust model is selected as the future option by Executive a Charitable Incorporated Organisation (CIO) will need to be established.

A review has taken place regarding the sustainable futures and commercial possibilities of three outdoor education centres; Buckden House, Ingleborough Hall and Nell Bank, in the context of changing Local Authorities responsibilities and budgets as well as the greater autonomy and diversity in the education sector.

Most schools fund their visits through a combination of parental contributions, pupil premium funding, the school budget and fundraising activities. The day rate, room hire rates and residential rates for each centre offer very good value for money. Schools generally recognise this and state it as a reason for choosing one of the Bradford centres.

Council officers, working with partners and trustees have developed a new business sustainability plan which includes:

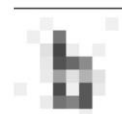
- a. Extending the use and offer of the centres;
- b. Keeping charges to users under review;
- c. Managing costs more effectively; and
- d. Attracting grant or other sources of funding.

### **4. FINANCIAL & RESOURCE APPRAISAL**

As part of the review and appraisal of options for the Executive report for June 2017 the resource and financial opportunities and costs will be thoroughly considered and appraised.

### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

There are a number of considerations to be taken into account regarding the move to CIO status which are the subject of on-going discussion and consultation, these include building liabilities and ownership, staffing arrangements, establishing and electing Trustees and clarifying roles in full.



## **6. LEGAL APPRAISAL**

The outdoor learning service promotes the values in the Council's key strategies and objectives for the education of children and young people.

As a CIO is to be a separate legal entity, independent from the Council, then external legal advice will be required to advise that entity. Legal Services have and will continue to assist the service to ensure any Council interests are included.

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

The refurbishment of the centres included the provision of barrier free access to allow pupils with mobility difficulties to participate in Outdoor Learning. The updating of residential facilities provided additional privacy, making centres accessible by all members of the community.

### **7.2 SUSTAINABILITY IMPLICATIONS**

There are no sustainability issues arising from this report.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no greenhouse gas emission impacts arising from this report.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

Outdoor Learning can be used by schools to better engage pupils and enrich their learning and broaden their horizons beyond what is possible in the classroom. Activities can assist in providing stretching activities and developing positive behaviours.

### **7.5 HUMAN RIGHTS ACT**

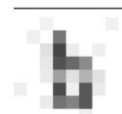
No issues

### **7.6 TRADE UNION**

Consultation with Trade Unions will need to be undertaken when the decision is made by the Executive.

### **7.7 WARD IMPLICATIONS**

There are no Ward or area implications as all children and young people in Bradford and the District have access to the Centres.



## **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

No implications.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None

## **9. OPTIONS**

None

## **10. RECOMMENDATIONS**

1. That the Strategic Director of Children's Services continue the work to make the three Outdoor Education Centres sustainable and independent of the Local Authority whilst ensuring a high quality outdoor education offer for children and young people.
2. That the Committee notes the progress that has been made towards making the Centres independent and the timetable to complete the work by December 2018.
3. That the Committee notes the decision will be made by the Executive in June 2017 on the option to make the Outdoor Education Centres independent.
4. That the Committee notes that following the Executive decision progression towards implementation of governance arrangements will be overseen by the "Great Start, Good Schools" Priority Outcome Board.

## **11. APPENDICES**

Action Plan



## Appendix 1: OUTDOOR EDUCATION CENTRES REVIEW - High Level Action Plan

ACTIVITY	2015				2016				2017												2018											
	Quarter				Quarter																											
	1	2	3	4	1	2	3	4	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	D						
OEC Capital Refurbishments																																
Consideration of OEC Options for Independence																																
Mandate for OEC Option for Independence																																
Status update report to G&A Committee																																
Staff liabilities																																
Consultation - Centre staff/management																																
SD/AD Briefings																																
Chairs briefing/Pre-Exec																																
Executive decision and sign off of option																																
Progress detailed implementation plan - pending chosen option.																																
Legal structure(s) formed ready for transition																																
Mobilisation of transfer of OEC to independence. Including: Asset Transfer; Business Support (payroll, HR, Legal etc.); Financial Systems; TUPE/Staffing; Logistics; Consultation; and Communications and Marketing.																																
Evaluation and review																																
OEC made independent																																



## 12. BACKGROUND DOCUMENTS

Report of the Assistant Director, Access and Inclusion to the meeting of the Governance and Audit Committee. 25<sup>th</sup> September 2015. Subject: Outdoor Education Centres – Future Governance arrangements.



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# **Report of the Strategic Director – Place to the meeting of Governance and Audit Committee to be held on 28<sup>th</sup> February 2017.**

**AC**

## **Subject:**

**West Yorkshire Combined Authority WYCA and Leeds City Region Enterprise Partnership LEP : Update Report**

## **Summary statement:**

**This is an update report on West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership LEP with a focus on governance, accountability, reporting and involvement of Bradford Council, its elected members and staff.**

Steve Hartley  
Strategic Director Place

## **Portfolio:**

**Leader**

Report Contact: Jamie Saunders  
Strategy & Engagement Officer  
Phone: (01274) 434123  
E-mail: [Jamie.saunders@bradford.gov.uk](mailto:Jamie.saunders@bradford.gov.uk)

**Overview & Scrutiny Area: Corporate O&S & Regeneration and Economy O&S, with others as appropriate.**



## 1. SUMMARY

- 1.1 This is an update report on West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership LEP with a focus on governance, accountability, reporting and involvement of Bradford Council, its elected members and staff. The report provides headlines on key developments, practices and issues arising

## 2. BACKGROUND

- 2.1 West Yorkshire Combined Authority (WYCA) brings together Bradford, Calderdale, Kirklees, Leeds, Wakefield and York councils and the Leeds City Region Enterprise Partnership (LEP) as a united force for economic growth and prosperity. WYCA works with private and public sector partners to raise the quality of life in our region through businesses growth, job creation, a trained and skilled workforce and the building of new and affordable homes, underpinned by a modern, integrated transport network. The West Yorkshire Combined Authority is responsible for the £1 billion West Yorkshire Plus Transport Fund, and works closely with business in the region through the Leeds City Region Enterprise Partnership to ensure that business and the regional economy is at the heart of the decisions taken.
- 2.2 A previous report on WYCA/LEP was brought to Governance & Audit Committee on 15<sup>th</sup> April 2016. This report provides an update, highlighting key developments and current plans for 2017-18 onwards for the Committee's consideration.

### DECISIONS:

1. *West Yorkshire Combined Authority (WYCA) and Leeds City Region Enterprise Partnership (LEP): Update Report - Resolved-*

Committee Decisions 15th April 2016	
<i>(2) That the continued improvements and development programme for WYCA/LEP during 2016-17 especially where they enhance accountability, good governance and the active involvement of each of the Constituent Councils, their political leadership and front-line members be supported.</i>	<i>WYCA Progress on organisational development and transformation continue. This includes enhanced political governance, improvements in partnership including partnership statement of intent and related action plans.</i>
<i>(3) That the on-going communications, involvement and influence of Bradford's elected members, officer, partners and public in WYCA and LEP be encouraged.</i>	<i>WYCA have resourced communications and are actively working with each LA on outreach and involvement e.g. on the development of the Strategic Economic Plan, WY Transport Strategy and investment planning.</i>
<i>(4) That the future focus of the WYCA should include the involvement and engagement of all Councillors in light of the importance of democracy, transparency and governance especially given devolution and planned developments to WYCA 2016/17.</i>	<i>Work progressing to support WYCA as a local authority body and as collaboration between and across local government of West Yorkshire.</i>





<p>(5) <i>That more focused arrangements are established to communicate the work of the WYCA to the elected members of each constituent local authority) Bradford, Calderdale, Kirklees Leeds and Wakefield) e.g. by the use of the WYCA website and the Council's own website.</i></p>	<p><i>Additional material published on WYCA website. WYCA minutes brought to CBMDC Executive.</i></p> <p><i>CBMDC website content to be improved for 2017-18.</i></p>
<p>(6) <i>That Members be provided with training on the work of the WYCA/LEP.</i></p>	<p><i>Cross party Member training took place in Autumn 2016, run jointly with CBMDC and WYCA officers.</i></p> <p><i>Dedicated training and induction took place for CBMDC Cllrs directly involved in WYCA arenas – Summer 2016.</i></p>

2.3 Appendix 1 provides details on the current WYCA/LEP structure and involvement of CBMDC members. Nominations and appointments onto WYCA were approved at Full Council 17<sup>th</sup> May 2016. Due to the Cities and Local Government Devolution Act 2016, the WYCA cannot lawfully co-opt members from this or any district council to its Governance and Audit Committee for the Municipal Year 2016/17, unless or until this is provided for by Order of the Secretary of State.

The WYCA previously appointed 3 CA Members to its Governance and Audit Committee at its annual meeting, and the current quorum requires all 3 members to attend, although each CA Member has a substitute who may attend in their place, providing some flexibility. To reduce the risk of an inquorate meeting, the WYCA at its meeting on 1 December allowed for the appointment of an additional CA Member.

Current GAC members are: Roger Marsh, Cllr Andrew Carter, Cllr Tim Swift and Cllr David Sheard.

At the December 2016 meeting WYCA GAC considered a report informing members of a review of the current membership of the Governance and Audit Committee by WYCA and proposed arrangements for the appointment of an independent Chair for the Committee. It was anticipated that, because of a forthcoming legislative Order, the WYCA would be required to appoint an independent Chair for the Governance and Audit Committee. The WYCA agreed that in such an event an interview panel be convened of 3 WYCA members to make recommendations in relation to the appointment and it was proposed that members of the Governance and Audit Committee be involved in the recruitment. It was reported that the WYCA's Independent Remuneration Panel would be asked to advise on appropriate remuneration.

2.4 WYCA also took over the secretariat and accountable body function for the LEP from Leeds City Council

2.5 All external audit issues are now the responsibility of the Combined Authority's auditors, Mazars.



- 2.6 Appendix 2 provides a summary of WYCA Governance arrangements, with Appendix 3 providing an overview of key reporting and publications of WYCA
- 2.7 Appendix 4 provides an overview of WYCA's Governance & Audit areas of work, including details from WYCA GAC Committee and Overview and Scrutiny Committee reports on its key governance and accountability arrangements.
- 2.8 The next WYCA Governance and Audit Committee is scheduled for 6<sup>th</sup> April 2017.
- 2.9 The Bradford District Consultation Sub-committee provides a standing arena for member and public involvement on transport services, investment and related issues; this WYCA sub-committee provides a direct and regular arena for democratic and public engagement.

### **3. OTHER CONSIDERATIONS**

- 3.1 Reports have been taken to Corporate Overview and Scrutiny (O&S) Committee (strategy and value focus), Regeneration and Economy O&S Committee (regeneration, economic and business focus) and Environment & Waste O&S Committee (the latter on the transport schemes, investments and operations of WYCA/LEP). There have been a number of full Council questions relating to WYCA/LEP in general and for specific areas of activity (e.g. most recently Full Council 22/3/16 Q33). A wide-ranging and joint Council O&S review of WYCA & the LEP is being planned for early summer 2017.
- 3.2 Leeds City Council, Kirklees Council, Calderdale Council and Wakefield Council are the other constituent members of the Combined Authority. In addition, York City Council has been involved especially on transport and connectivity matters. Harrogate Council, Selby Council and Craven Council are considering their positions with regards to Leeds City Region as part of the journey to 2020 and beyond.
- 3.3 Changes to the Combined Authority and LEP are under discussion as a result of negotiations between political leadership in the sub- and city-region and Government Ministers. These are at an advanced stage, seeking to secure substantial powers and resources for sub-national regeneration, economic development and public sector reform. The latest position on Devolution was addressed by WYCA on the 2<sup>nd</sup> February 2017
- 3.4 Bradford Council's involvement in WYCA/LEP also supports involvement in and influence over other sub-national and pan-northern arrangements like Rail North, Transport for the North and the informal arrangements for shaping Northern Powerhouse developments and investment.
- 3.5 Key governance issues for 2016-17 are flagged via the Corporate Risk register, for reporting to Governance & Audit Committee and managed on a day-to-day basis through Senior Management.



### 3.6 Some initial issues for Committee attention include:

- > effective governance and management of investment, delivery, spend and impact
- > effective involvement of elected members – including front-line members in Transport Services and Economic Services as well as suitable oversight of the evolving Combined Authority
- > Financial and internal controls overseen by WYCA GAC work programme
- > Leeds City Region Assurance Framework has gone through its annual review, in line with the recently issued “LEP National Assurance Framework. The Framework was presented to WYCA on 2<sup>nd</sup> February 2017.

## 4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 As reported recently to Regeneration and Economy O&S Committee work is progressing on performance and financial profiling for WYCA/LEP.
- 4.2 WYCA / LEP Budgets for 2015-16 and 2016-17 are controlled through WYCA, with a dedicated finance working group and staff support.
- 4.3 Corporate O&S Committee receives reports on the financial, resource, risk and policy aspects of the WYCA & LEP.
- 4.4 WYCA’s treasury management is undertaken jointly by WYCA and Leeds City Council officers, under the terms of a Service Level Agreement (SLA). The SLA has recently been fully updated and signed off by both organisations.
- 4.5 The December WYCA GAC meeting undertook Financial Monitoring of WYCA Revenue Budgets noting the revised forecast for 2016/17 and the proposed draft budget for 2017/18. It was noted that the WYCA had considered a report on the budget position. This had set out the likely closing position for 2016/17 and also the challenges in setting a balanced budget for 2017/18 in view of the difficult local government funding position and the increasing demands on the WYCA. The WYCA budget report outlined the uncertainties regarding the timing of the business rates income from the Enterprise Zone, the challenges in respect of the English National Concessionary Travel Scheme, bus tendered services and the desire from the constituent Councils to see a reduction in the transport levy as well as effective use of shared resources in supporting prosperity and regeneration. The full capital and revenue budgets were considered by the WYCA on 2 February 2017.
- 4.6 In view of the growing levels of investment and funding under local control or influence, it is essential that there are robust, transparent and accountable processes in place to ensure value for money for the public purse. As part of the Growth Deal with Government, a local Assurance Framework was developed in 2015 that covers all funding flowing through the LEP. WYCA, as the accountable body for the LEP, is also covered by this framework. The Local Assurance Framework was approved by the LEP Board and by WYCA as the accountable body in March 2015. It is the key mechanism to ensure that there are robust processes in place to support the developing confidence in delegating central budgets and programmes to the LEP and WYCA. It covers all



significant discretionary projects and programmes funded from Government or local sources that flow through the LEP and WYCA, and has been prepared in accordance with HM Government National Assurance Framework guidance (2014) (see below), and builds on a body of existing good practice. The Assurance Framework must be published on each Local Enterprise Partnership's website, and reviewed annually. A revision to the 2014 "Local Enterprise Partnership National Assurance Framework" Guidance was published by DCLG in October 2016. This brought in a set of new requirements. Further details in Appendix 3.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

5.1 The Annual Governance Statement summary for CBMDC as at 24 January 2017 is set out in Appendix 5.

5.3 WYCA/LEP has its own internal controls and governance framework. The most recent WYCA GAC covered the following elements:

[WYCA External Audit Update](#)

[WYCA Internal Audit Progress Update](#)

[WYCA Internal Audit Plan 2016-17](#)

[WYCA Internal Controls and Financial Monitoring](#)

[WYCA 2016-17 Budget & Treasury Management Policy](#)

5.3 The key element of risk at WYCA relates to the delivery of the Local Growth Deal and the need to ensure expenditure is achieved and that all expenditure is properly managed. A number of measures are in place to support this including the Assurance Framework and the Single Appraisal Framework. These are managed to ensure they remain relevant as the delivery of the Growth Deal develops, and to bring together the Transport Assurance Framework and the LEP Assurance Framework into one document and management process.

5.4 In support of this, work has been undertaken to develop a Finance handbook which sets out details for how schemes within the Growth Deal should be costed, how approvals are sought, how funding will be advanced and the responsibilities and accountabilities of different parties working on these schemes. Production of the handbook has been a collaborative piece of work. Following the receipt of Growth Deal funding for both transport and non-transport schemes the remit of the handbook has been broadened to include all Growth Deal projects. There is some further refinement of the handbook required to fully address the particular issues relating to the non-transport schemes but the principles within the handbook remain valid.



5.5 Bradford Council has some of these key risks and governance issues reflected in its Annual Governance Statement and Council Risk Register, as well as managing them on a day-to-day basis through political leadership, engagement and management involvement in key functions, ambitions and shared business processes.

5.6 The Annual Governance Statement 2015-16 identified the following as key 2016/17 Governance Challenges:

- Establishing sound governance structures pertaining to the West Yorkshire Combined Authority ensuring democratic accountability at the local level.
- Impact on governance structures arising from developing policies for the delivery of regional devolution

5.7 The December 2016 WYCA GAC considered a report and confirmed arrangements covering:

- The annual audit letter for 2015/16
- Future appointment of external auditors
- Consultation on the work programme and fees for 2017/18
- Mazars planning for the 2016/17 audit.

5.8 The Committee considered a report on work undertaken by the Internal Audit Section from 1 September 2016 to 30 November 2016. Details of progress made to date in completing the Audit Plan for 2016/17 were provided.

Review	Opinion
Payroll & HR Records	Controlled
Apprenticeship Grants for Employers	Requires Improvement
Tendered Subsidised Bus Services	Controlled
Skills Capital Funding	Requires Improvement
Green Deal Communities Fund	Certification of expenditure
L-CREATE	Certification of expenditure

In addition to completion of the above, audit reviews had also been undertaken in relation to West Yorkshire & York Broadband Programme, Growing Places fund and Treasury Management. A summary of the results from those reviews will be provided at the April meeting. The Internal Audit Plan 2017/18 is being prepared.

5.9 WYCA has approved the use of Public Sector Audit Appointments (PSSA) as the appointing body for future auditors and a formal acceptance to the proposal, which would run for up to 5 years, is in place.

## **6. LEGAL APPRAISAL**

6.1 WYCA is a Statutory Combined Authority and it is governed and operated on that basis. LEPs are more informal strategic business partnerships with a primary focus on enterprise, business growth and economic development.



6.2 A range of related functions and arrangements are being progressed by the Government. The Cities and Local Government Devolution Act 2016 is one such recent change paving the way, as an enabling framework, for local growth, public sector reform and administrative changes to powers and resources. The Leeds City Region devolution proposal and negotiation fits within these changes.

*This report does not cover the proposed devolution process for Leeds City Region or sub-national developments directly at this time. Should the devolution proposals proceed to agreement with Government then further information will be brought to the Committee as soon as it is available.*

## **7. OTHER IMPLICATIONS**

### **7.1 EQUALITY & DIVERSITY**

In working with and through WYCA/LEP as a Local Authority body it has its own arrangements for meeting equality & diversity legislation, policy and practices

### **7.2 SUSTAINABILITY IMPLICATIONS**

WYCA/LEP enables Bradford Council, businesses and other partners to support, develop and invest in strategic and operational matters that secure immediate regeneration priorities and services. Organising the functions and resources both within and beyond the district can support prosperity, well-being and resilience for present and future generations

### **7.3 GREENHOUSE GAS (GHG) EMISSIONS/ IMPACTS**

N/A – not directly covered by this report though WYCA/LEP ensure appropriate environmental management and GHG emission management as well support wider Green Economy ambitions, priorities, investment and practical solutions.

### **7.4 COMMUNITY SAFETY IMPLICATIONS**

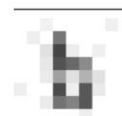
N/A – none arising directly from this report.

### **7.5 HUMAN RIGHTS ACT**

N/A – none arising directly from this report.

### **7.6 TRADE UNION**

There are no direct Trade Union or staffing implications arising from this report. Further changes to WYCA/LEP and its relationships, functions, collaboration and investment through the changing sub-national arrangements are likely but not yet confirmed at this stage.





## **7.7 WARD IMPLICATIONS**

WYCA/LEP both engage on strategy development, investment planning, scheme preparation, and delivery with the Council and includes specific locations and sites. This includes transport and passenger transport services and operations.

## **8. NOT FOR PUBLICATION DOCUMENTS**

8.1 None

## **9. OPTIONS**

9.1 Bradford Council remains a constituent Council and founding member of the West Yorkshire Combined Authority as well as a joint partner in the business partnership for Leeds City Region.

9.2 The arrangements for collaboration, investment, delivery and operations through WYCA/LEP and the related use of resources is fundamental to the prosperity, well-being and resilience of Bradford District and provides direct benefits to citizens, partners, places and businesses. It remains critical that there is a proactive and structured approach to engagement, day-to-day working and good governance.

9.3 Specific areas of improvement may be identified through the Committee discussion and resolutions could be communicated to WYCA/LEP or as they relate to the Council (CBMDC) progressed as appropriate to the Executive.

## **10. RECOMMENDATIONS**

*10.1 This report is noted*

*10.2 This Committee requests an update report as part of its 2017-18 work programme*

## **11. APPENDICES**

- **Appendix 1 – Current Structure and CBMDC Member / Officer involvement 2016-17**
- **Appendix 2 – Summary of WYCA Governance arrangements.**
- **Appendix 3 - Overview of key reporting and publications of WYCA/LEP**
- **Appendix 4 - Overview of WYCA/LEP Governance and Audit & O&S arrangements**
- **Appendix 5 - CBMDC Annual Governance Statement – 24th Jan 2017 report – Extract**







## 12. BACKGROUND DOCUMENTS

- WYCA [Successes Briefing Sheet](#) – January 2016
- LEP Little Book of Big Impact – March 2016
- WYCA Business Plan 2015-16, 2016-17
- WYCA Corporate Plan & Budget 2016-17 – provisional as presented to WYCA 2<sup>nd</sup> February 2017
- LCR Assurance Framework 2015, 2016
- WYCA Papers 2015-16, 2016-17
- WYCA Bradford Consultation Sub-Committee Papers 2015-16, 2016-17
- WYCA Governance and Audit Committee Papers 2015-16, 2016-17
- WYCA Governance & Audit Committee [Terms of Reference](#) (link 17/3/16)
- WYCA/LEP Growth Deal Assurance Framework 2015-16
- WYCA Overview & Scrutiny Committee Papers 2015-16, 2016-17
- WYCA O&S [Terms of Reference](#) (link 17/3/16)
- WY&Y Investment Committee Papers 2015-16, 2016-17
- WY Transport Committee Papers 2015-16, 2016-17
- LEP Papers 2015-16, 2016-17
- WYCA Development Programme for 2016-17
- WYCA News and press release 2015-16, 2016-17
- LCR Devolution Deal March 2015
- LCR Devolution Proposal September 2015
- *Leeds City Region Devolution Proposal March 2016 (HM Treasury embargoed publication)*
- *WYCA Devolution Report 2<sup>nd</sup> February 2017*
- *WYCA Leaders Devolution Statement 26<sup>th</sup> January 2017*



- Cities and Local Government Devolution Act 2016 and guidance
- LGA Get in on the Act, Cities and Local Government Act 2016
- Regeneration and Economy O&S Report, [Bradford in the Leeds City Region](#), 9<sup>th</sup> March 2016
- Regeneration and Economy O&S Report, [Leeds City Region Strategic Economic Plan: Progress and Ambitions](#), 9<sup>th</sup> March 2016
- Corporate O&S Committee, [West Yorkshire Combined Authority Introduction & Update](#), 13<sup>th</sup> February 2014
- Governance & Audit Committee, [Annual Governance Statement 2015/16](#), 24<sup>th</sup> January 2017
- Governance & Audit Committee, [West Yorkshire Combined Authority: Governance Update](#), 4<sup>th</sup> April 2014
- Governance & Audit Committee, [Minutes](#), 4<sup>th</sup> April 2014
- Governance & Audit Committee, [Annual Governance Statement 2014-15](#), 26<sup>th</sup> June 2015
- Council, [WYCA Appointments and Nominations](#), 20<sup>th</sup> February 2014
- Council, WYCA Appointments and Nominations, 2015, 2016

Full Council Minutes, 17 May 2016



## **Appendix 1 – Current Structure and CBMDC Member / Officer involvement 2016-17**

Over-and-above the Leader being a member of the WYCA and involved directly in WY&Y Investment Committee (on behalf of WYCA), she is also a member of the LEP. The Council has a number of members directly involved in other key bodies through nomination including the Transport Committee, WYCA O&S Committee as well as the Bradford District Consultation Sub-committee.

Due to changes in legislation, the WYCA cannot co-opt any Member from this or any district council onto the WYCA's Governance and Audit Committee for the Municipal Year 2016/17.

The details of Bradford District Councillor involvement in WYCA for 2016-17 is summarised below:

Appointments made to the West Yorkshire Combined Authority:

West Yorkshire Combined Authority Member : Councillor Hinchcliffe

West Yorkshire Combined Authority Substitute Member; Councillor V Slater

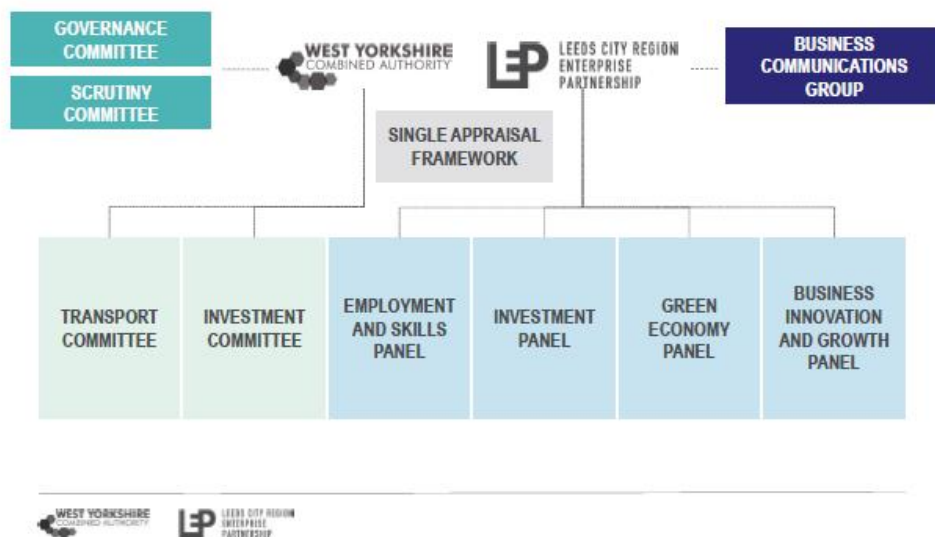
Cllr Hinchcliffe	Cllr Alex Ross-Shaw	LEP Board	WYCA O&S Committee	WYCA Governance and Audit Committee	WYCA Bradford District Consultation Sub-committee *
<p>LEP Board</p> <p>WYCA</p> <p>WY&amp;Y Investment Committee</p> <p>WYCA LCR Partnership Committee</p> <p>LEP LCR Employment and Skills Panel</p> <p>LEP LCR Land &amp; Assets Board</p> <p>LCR Inclusive Growth group</p>	<p>WY&amp;Y Investment Committee</p> <p>WYCA Transport Committee</p> <p>With Cllr Abid Hussain, ; Cllr Hassan Khan, ; Cllr Rebecca Poulsen, Cllr Taj Salam,</p>	<p><i>Chair: Roger Marsh</i>  <i>Dave Harris, Regional Director, RBS Corporate Banking in Yorkshire;</i>  <i>Ian Cherry, Chief Financial Officer, Nexus Vehicle Management;</i>  <i>Joanna Robinson, Managing Director, Mansfield Pollard &amp; Co Ltd; Andrew Wright, Reliance Precision Limited ; Stephanie Burras - Chief Executive, Ahead Partnership; Paul Hamer - Chief Executive Officer, WYG; Professor Bob Cryan - Vice-Chancellor, University of Huddersfield;• Rashik Parmar - President, IBM Academy of Technology</i></p> <p><i>With LCR Leaders</i></p> <p><i>Roger Marsh, LEP Chairman sits on Producer City Board</i></p>	<p>Cllr F Shaheen (Lab)</p> <p>Cllr Nussrat Mohammed (Labour)</p> <p>Cllr M Ellis (Cons)</p>	<p>N/A</p>	<p>WYCA Transport Committee members:  Cllr A Hussain (Lab)</p> <p>Cllr M Johnson (Lab)</p> <p>Cllr R Poulsen (Cons)</p> <p>Chair of the Consultation Committee: Cllr T Salam (Lab)</p> <p>Bradford Cllrs:  Cllr M Ellis (Cons)</p> <p>Cllr R Jamil (Lab)</p> <p>Cllr H Khan (Lab)</p> <p>Cllr M Swallow (Lab)</p>



**WY+Y Combined Authority:** **Leeds** CC: Cllr Judith Blake/Tom Riordan; **CBMDC:** Cllr Susan Hinchcliffe/Kersten England; **Wakefield:** Cllr Peter Box/Joanne Roney; **Calderdale:** Cllr Tim Swift/Merran McRae; **Kirklees:** David Sheard/Adrian Lythgo **York:** Cllr David Carr/Mary Weastell  
**Plus for LCR:** **Harrogate:** Cllr Richard Cooper/Wallace Sampson; **Selby:** Cllr Mark Crane/Janet Waggott, **Craven:** Cllr Richard Foster/Paul Shevlin, **Barnsley:** Cllr Steve Houghton/Diana Terris, & **NYCC:** Cllr Carl Les/Richard Flinton

[\*]Public Representatives for 2015-16 : Jane Gibbon, Fred Gilbert, Andrew Jewsbury, Peter Ketley, Gordon Lakin, Gareth Logan, Graham Peacock, John Prestage, Keith Renshaw, Barry Rigg, Rosie Watson, Andrew Wowk.

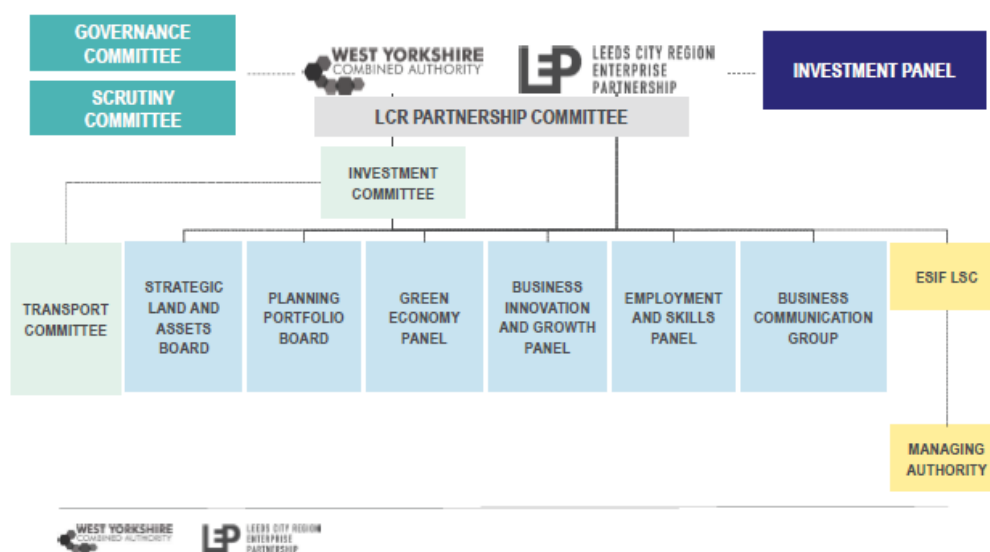
## WYCA/LEP DEMOCRATIC STRUCTURE 2016-17



Source: WYCA 2016  
 WYCA Committees and main LEP Panels



## WYCA/LEP DEMOCRATIC STRUCTURE 2016-17



Source: WYCA 2016  
Leeds City Region Enterprise Partnership main panels and advisory groups

## **Appendix 2 – WYCA governance developments**

LCR Assurance framework also in place through the LEP/WYCA.

The Assurance Framework must be published on each Local Enterprise Partnership's website, and reviewed annually. A revision to the 2014 "Local Enterprise Partnership National Assurance Framework" Guidance was published by DCLG in October 2016. This brought in a set of new requirements. A summary of the substantive changes, which are being incorporated, is provided below:

- A strengthening of guidance to ensure that it is unambiguous about who has the authority for decision making;
- To include rules for the conduct of LEP Board members to ensure greater transparency around LEP reporting and engagement with local stakeholders and the wider public;
- Greater clarity in setting out LEP processes and arrangements relating to Value for Money, including;
  - setting out processes that ensure all funding decisions are based on impartial advice;
  - setting out arrangements around the active management of risks;
  - providing clarity of the processes in place used to assess Value for Money, including the degree of detail required; and
  - specifying the requirement that LEPs must ensure that the commercial, financial and management arrangements are appropriate for effective delivery.

The WYCA Section 151/Section 73 Officers are required to write to HM Government by 28 February 2017 ahead of next year's Local Growth Fund payment to certify that the WYCA Local Assurance Framework is compliant with the national framework.

The latest version of the Assurance Framework is available [online](#) on the WYCA website.

### **Finance & accounts**

**Regulations covering finance, accounts, audit and expenditure.**

#### **Audit**

**We publish accounts, audit opinions and certificates at each financial year end. You can find these on our Freedom of Information (FOI) 'What we spend and how we spend it'.**

#### **Financial Regulations**

**The Authority has in place Financial Regulations which govern how responsibility for management of budgets and expenditure is delegated within the officer structure of the Authority.**

**Financial Regulations - available online**

**Members' Allowances Scheme**



**WYCA formally adopted the Members' Allowances Scheme on 25 June 2015 following the recommendations of an Independent Remuneration Panel.**

**Allowances and expenses paid to members and the Scheme document is available from our FOI pages, 'What we spend and how we spend it'.**

**Members' Allowances Scheme - available online.**

### Organisational Governance

Corporate governance is essential for effective control and accounting. The Authority operates a system based on a framework of standing orders, financial regulations and administrative controls including codes of conduct and administrative policies and procedures.

#### Standing Orders

The following Standing Orders have been adopted by the WYCA:-

Procedure Standing Orders deal with the conduct of the meetings and business of the Authority; recording the decisions of the Authority; application to the conduct of committees of the Authority and matters such as quorum, order of business and conduct during meetings.

#### Access to Information Annex Code of Practice for Recording WYCA Meetings

Scrutiny Standing Orders govern the conduct of meetings of the Overview and Scrutiny Committee, the ambit of its terms of reference and the procedure for calling in decisions of the Authority and its committees for scrutiny.

Contracts Standing Orders govern how the Authority procures goods and services and the proper procedures to be followed by officers of the Authority.

#### Officer Delegation Scheme

The Officer Delegation Scheme sets out the functions which are delegated to officers by the Authority.

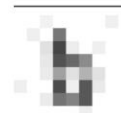
#### Annex to Officer Delegation Scheme (Written Record of Officer Decisions)

#### Code of Corporate Governance

At its Annual Meeting on 25 June 2015, the Authority adopted a Code of Corporate Governance which is consistent with the principles of the best practice guidance issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and is based on six core principles.

#### Code of Conduct for Members

The Code of Conduct, which was adopted by the Authority on 1 April 2014, sets out the conduct that is expected of members in relation to their conduct in office and includes procedures for their declaration and registration of disclosable pecuniary interests.



The Authority also has in place arrangements for dealing with allegations of a failure to comply with the Code of Conduct by members.

#### Policies of the Combined Authority

On the 1 April 2014, the Authority adopted the general policies of the former West Yorkshire Integrated Transport Authority which were in force to enable the business of the Authority as the local transport authority to continue.

Policies of the Combined Authority – available online

<http://www.westyorks-ca.gov.uk/about/governance/>

#### Equality Objectives

**The West Yorkshire Combined Authority is committed to promoting equality and values diversity, encouraging fairness with equal chances for all to work, learn and be free from any barriers, discrimination or victimisation.**

#### **Our equality aims**

WYCA is committed to ensuring that its customers and employees are treated equally and fairly, through pursuing two aims:

- Ensuring that everyone in West Yorkshire has equal access to their services.
- Managing diversity within the workforce to benefit employees and organisational performance.

#### **The Equality Act 2010**

The Equality Act 2010 replaced and harmonised all previous equality law contained in the Race Relations Act, the Sex Discrimination Act and the Disability Discrimination Act.

#### **Equality and Human Rights Commission website**

#### **WYCA's equality responsibilities**

The Equality Act places a 'Public Sector Equality Duty' on public authorities like WYCA to eliminate discrimination, advance equality of opportunities and foster good relations between people.

#### **How we achieve our equality aims and fulfil our equality responsibilities**

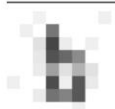
WYCA achieves its equality aims and objectives through promoting equality internally, through its Equality and Diversity Policy. WYCA also sets objectives to achieve specific equality outcomes. As with all of our work, these objectives flow from, and help to deliver, the third West Yorkshire [Local Transport Plan](#) (LTP3).

#### **Equality Impact Assessments**

WYCA consider the equality impact of any new project or service that they are planning to introduce, and any significant change in existing projects and services. They assess impacts early in the process of change in order to build equality from the start, using a consistent analytical approach that incorporates best practice.

Examples of their equality impact assessments include:

- [Castleford Bus Station equality impact assessment](#)
- [New Generation Transport \(NGT\) equality impact assessment](#)
- [Bradford bus network review](#)
- [Bradford bus network review, consultation appendix](#)





- [Wakefield bus network review](#)
- [Wakefield bus network review, consultation appendix](#)
- [Senior rail fares - July 2011](#)
- [Increase in concessionary fares for children, July 2011](#)

### **Equality information**

In setting equality objectives and considering equality impacts WYCA analyses a wide range of information relating to its customers and its employees. However, WYCA are unable to collect or publish some information relating to one or both of these groups. This is often because there is insufficient justification, under the provisions of the Data Protection Act, for requesting and holding the data (for example, collecting data on bus passengers' religious beliefs or sexuality).

In other instances the numbers of staff sharing a protected characteristic are so low, because WYCA have a relatively small workforce of only 400, that there is a serious risk that publication could lead to identification of individuals.

For these reasons the list of information relating to equality and diversity that WYCA publishes is necessarily limited. The information that they can publish is:

- [Disciplinary, Conduct & Capability Policy](#)
- [Recruitment Equality Data - April 2014](#)
- [Workforce Equality Data - April 2014](#)



### **Appendix 3 – Overview of key reporting and publications of WYCA/LEP**

The West Yorkshire Combined Authority ("the Authority") is committed to open government and the proactive release of the information it holds

- Equality objectives
- Who we are & what we do
- What we spend & how we spend it
- Our priorities
- How we make decisions
- Policies & procedures
- Lists & registers
- Services we offer

<http://www.westyorks-ca.gov.uk/what-we-do/foi/>

Members, partners and the general public have access to West Yorkshire Combined Authority public papers electronically and through direct contact with WYCA itself, in writing or by telephone.

WYCA has a clear policy on openness and transparency as a local authority body and uses its website as the main route for this – [www.westyorks-ca.gov.uk](http://www.westyorks-ca.gov.uk)

Papers, reports and minutes for key committees are available via:

- [West Yorkshire Combined Authority](#)
- [WY & Y Investment Committee](#)
- [WY Transport Committee](#)
- [WY&Y Overview and Scrutiny Committee](#)
- [WYCA Governance and Audit Committee](#)
- [WYCA Leeds City Region Partnership Committee](#)

In addition, Cllr Cooke (Conservative Group Leader) receives WYCA information as a Conservative member of WYCA (Substitute). Cllr Sunderland receives materials as a Liberal Democrat Member on WYCA.

On Transport operations, developments and schemes, especially in regard to passenger services there is a dedicated [Bradford District Consultation sub-Committee](#). Details on the sub-committees for Leeds, Wakefield, Calderdale and Kirklees are also published.

Group leaders and members are updated through their regular briefings on matters of concern or significance, including investment, development and performance. Information at key stages of strategy development (e.g. Single Transport Plan, Local Transport Plan Implementation Plan etc.), scheme and investment planning, delivery and reporting involve front-line members in conjunction with CBMDC management and officers.

Reports have been taken on WYCA (and Leeds City Region Enterprise Partnership LEP) to CBMDC Executive, Governance & Audit Committee (with a focus on accountability, reporting and governance issues), Corporate Overview and Scrutiny (O&S) Committee,



Regeneration and Economy O&S Committee (with a focus on economy and business) and Environment & Waste O&S Committee (with a focus on transport investment, schemes and operations)

WYCA is a local authority body, with the five councils as constituent core member councils. There are development plans in place for the year ahead to enhance communications, collaboration and partner arrangements as part of the continued development of the organisation and its fundamental relationship with the West Yorkshire and associated Councils.

As a public body, the West Yorkshire Combined Authority ("the Authority") is [committed to open government](#) and the proactive release of the information it holds. The Authority has a publication scheme and reviews this on an annual basis. However, material contained within the classes of information will be updated as required and any out-of-date information will be removed. The publication scheme is maintained by the WYCA Information Officer

Details on Leeds City Region Enterprise Partnership LEP which is now looked after through WYCA are available via <http://www.the-lep.com/> and specifically through their [governance and funding pages](#)

## **Appendix 4 – Overview of WYCA/LEP Governance and Audit – key reports**

### **WYCA Governance & Audit Committee**

#### **01 December 2016**

[Minutes of the Meeting held on 29 September 2016](#)

[Revised Committee Membership](#)

[Treasury Management Presentation](#)

[External Audit Matters](#)

[Internal Audit Progress Report](#)

[Internal Controls and Financial Monitoring](#)

#### **29 September 2016**

[Minutes of the Meeting held on 28 July 2016](#)

[Appointment of External Auditors - New Arrangements](#)

[Internal Audit Progress Report](#)

[Approval of Annual Accounts 2015/16](#)

[Internal Controls and Financial Monitoring](#)

#### **28 July 2016**

[Minutes of the meeting held on 19 April 2016](#)

[Terms of Reference and Forward Plan of Work](#)

[Internal Audit Charter](#)

[Annual Internal Audit Report and Opinion](#)

[Internal Audit Progress Report](#)

[Review of Internal Control and Effectiveness of Internal Audit](#)

[External Audit Update](#)

[Internal Controls and Financial Monitoring](#)

#### **19 April 2016**



[WYCA Minutes of the meeting held on 9 February 2016](#)  
[WYCA External Audit Update](#)  
[WYCA Internal Audit Progress Report](#)  
[WYCA Internal Audit 2016/17](#)  
[WYCA Internal Controls and Financial Monitoring](#)

### **9<sup>th</sup> February 2016**

[WYCA Minutes of Meeting 19<sup>th</sup> November 2015](#)  
[WYCA External Audit Update](#)  
[WYCA Internal Audit Progress Update](#)  
[WYCA Internal Audit Plan 2016-17](#)  
[WYCA Internal Controls and Financial Monitoring](#)  
[WYCA 2016-17 Budget & Treasury Management Policy](#)

### **19 November 2015**

Treasury Management : Presentation (Verbal)  
[WYCA External Audit Update](#)  
[WYCA Internal Audit Progress Report](#)  
[WYCA Internal Controls and Financial Monitoring](#)

### **28 July 2015 Minutes**

[WYCA Forward Plan of Work](#)  
[WYCA Internal Audit Progress Report](#)  
[WYCA Audit Charter](#)  
[WYCA Quality Assurance and Improvement Programme 2015](#)  
[WYCA Annual Internal Audit Report and Opinion](#)  
[WYCA Review of Internal Control and Effectiveness of Internal Audit](#)  
[WYCA Internal Controls and Financial Monitoring](#)  
[WYCA Medium Term Financial Strategy : Treasury Management and Reserves Policies](#)  
[WYCA Approval of Annual Accounts for 2014/15](#)

### **22 April 2015 Minutes**

[WYCA External Audit Update and Plan](#)  
[WYCA Internal Audit Progress Report](#)  
[WYCA Internal Controls and Financial Monitoring](#)  
[WYCA Review of Governance Arrangements](#)  
[WYCA Appointment of Independent Persons](#)

### **3 February 2015 Minutes**

[WYCA External Audit Update](#)  
[WYCA Internal Audit Progress Report](#)  
[WYCA Internal Audit Plan 2015/16](#)  
[WYCA Internal Controls and Financial Monitoring](#)

**Continued for WYCA O&S**



## WYCA Overview and Scrutiny

22 March 2017 - pending

### 25 January 2017

[Minutes of the meeting of the Overview and Scrutiny Committee held on 7 December 2016](#)

[LEP Grants and Spend Activity](#)

Transport Issues and Priorities (Verbal - No Report)

[Corporate Plan and Budget](#)

[Leeds City Region: Assurance Framework Review](#)

Devolution Update

[Forward Programme of Work \(PDF : 109KB\) \(Opens in New Window\)](#)

Items for Information

- [Draft Minutes of the meeting of WYCA held on 1 December 2016 \(PDF : 194KB\) \(Opens in New Window\)](#)
- [Update of the Strategic Economic Plan Delivery Working Group and Transport Plan Delivery Working Groups \(PDF : 87KB\) \(Opens in New Window\)](#)

Items for Feedback to WYCA (Verbal - No Report)

### 07 December 2016

[Minutes of the Meeting of the Overview and Scrutiny Committee held on 22 September 2016](#)

LEP Priorities (Presentation - No Report)

[Devolution Update](#)

[Forward Programme of Work](#)

Items for Information

- [Draft Minutes of the meeting of WYCA held on 29 September 2016](#)
- [Update of the Strategic Economic Plan Delivery Working Group and Transport Plan Delivery Working Groups](#)

Items for Feedback to WYCA (Verbal - No Report)

### 22 September 2016

[Minutes of the Meeting of the Overview and Scrutiny Committee held on 13 July 2016](#)

[Flood Response](#)

[WYCA Corporate Plan, Budget and Priorities](#)

[NGT Decision](#)

[Devolution Update](#)

[Governance Update](#)

[Forward Programme of Work](#)

Items for Information:

- [Draft Minutes of the Meeting of WYCA held on 28 July 2016 \(pdf : 233k\)\(Opens in a new window\)](#)
- Verbal Update of the Transport Plan Working Group held on 8 September 2016 (No Report)
- Verbal Update of the Strategic Economic Plan Delivery Working Group held on 12 September 2016 (No Report)

Items for Feedback to WYCA

### 13 July 2016

[Minutes of the meeting of the Overview and Scrutiny Committee held on 23 March 2016](#)

[Appointment of Vice Chair](#)

[Governance Issue](#)

[Future Programme of Work](#)

[Flood Resilience](#)

[Devolution](#)



## [NGT Decision](#)

Items for Information

[Minutes of the meeting of WYCA held on 31 March 2016 \(PDF : 833K\) \(Opens in New Window\)](#)

Items for Feedback to WYCA (Verbal - No Report)

## **23 March 2016**

[Minutes of the Meeting of the Overview and Scrutiny Committee held on 16 February 2016](#)

[Flood Resilience in the Leeds City Region](#)

[Devolution Update](#)

[Forward Programme of Work](#)

For information : [Draft minutes of the meeting of WYCA held on 4 February 2016 \(to be approved at the meeting of WYCA to be held on 31 March 2016\)](#)

Items for Feedback to WYCA

## **16 February 2016**

[Minutes of the Meeting held on 2 December 2015](#)

[Transport Issues and Priorities](#)

[Devolution](#)

[Floods Response](#)

[Forward Programme of Work](#)

[Reporting to WYCA](#)

Items for Information:

[Minutes of the Meeting of the WYCA held on 20 November 2015](#)

[Notes of the Meeting of the Priorities Task & Finish Group held on 19 January 2016](#)

2nd December 2015 including WYCA [2016/2017 Budget and Business Plan](#)

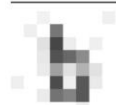
Meetings also took place on 23 September 2015; 23 July 2015; & 28 April 2015

Bradford District Engagement Sub Committee - <http://www.westyorks-ca.gov.uk/your-ca/bradford-district-engagement/>

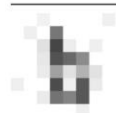


## Appendix 5 CBMDC Annual Governance Statement – 24th January 2017 report – Extract

Governance Challenge – AGS 2015-16	Response reported in AGS 2015-16	Update at January 2017
Establishing sound governance structures pertaining to the West Yorkshire Combined Authority ensuring democratic accountability at the local level.	Projects funded by the West Yorkshire Combined Authority (WYCA) are controlled under their Assurance Framework. A rigorous project management system is in place for all Growth Fund and West Yorkshire+ Transport Fund projects. Reports have been presented to CBMDC Governance and Audit Committee and to Corporate O&S Committee on WYCA/Leeds City Region Enterprise Partnership (LEP). Governance arrangements are set through WYCA with direct involvement of the Leader of CBMDC on the Board and in the WY&Y Investment Committee. The Deputy Leader is also directly involved on transport, planning and housing matters. CBMDC elected members are also involved in WYCA's own Governance and Audit Committee and Overview & Scrutiny committee and activity. The Leader of the Conservative Group is a political substitute member on the WYCA. The Leader of the Liberal Democrat Group, CBMDC sits on WYCA representing Liberal Democrats. Further changes to WYCA for legal compliance and effective operation are being progressed through the Business Plan 2015-16 and a Development Programme, including the recruitment of a Managing Director post to oversee the next significant phase of WYCA efficiency and transformation. This sees the WYCA, as a local authority body, working with the five primary Local Authority constituent members, including CBMDC. Governance and Audit Committee received an update on WYCA and LEP in Spring 2016. Established governance structures and arrangements are in operation with monitoring and continuous improvement. More substantial changes may be necessary in the light of sub-national devolution and other processes – local government & public services reconfiguration, public sector reform, democratic renewal etc. for 2016.	Work has continued through political and managerial leadership to ensure the effective accountability, controls and reporting for WYCA and by association the Leeds City Region Enterprise Partnership (as the city-regional business partnership). WYCA has its own organisational controls, corporate plan and a dedicated transformation programme for 2016-17 onwards to reshape itself as the driving force for regeneration working with its member Local Authorities. Specific attention is being paid to financial, risk, performance and delivery matters under the new arrangements, organisational structure and appointments. WYCA involves the Leader of the Council directly, as well as the Leader of the Conservative Group – for political balance. The Leader of the Council's Lib Dem Group is also an alternate and received the CA papers and briefings through that route. Members and Officers are also involved in key strategy and direction setting for WYCA/LEP including the recently adopted Leeds City Region Strategic Economic Plan 2016-36. CBMDC Governance and Audit Committee, Corporate O&S, Regeneration and Economy and Environment and Waste O&S have all been involved in local scrutiny of WYCA and the Leeds City Region Enterprise Partnership (LEP). This has complemented information and debate at Full Council, member training (November 2016) and involvement of the Executive in WYCA briefings. Bradford also has involvement through local nominations and CA appointments on the WY&Y Investment Committee, the Transport Committee and on the CA's own Overview and Scrutiny arrangements. Arrangements for CA Governance and Audit Committee have altered recently and these will be reported to CBMDC GAC Committee in 2016-17
Impact on governance structures arising from developing policies for the delivery of regional devolution.	A Devolution deal was agreed in March 2015 and implementation plan developed with Civil Servants on the technical aspects relating to transport, housing, business support, employment and skills. Since the General Election and under the new Government, devolution ambitions and expectations are progressing including specific legislative proposals set out in the Cities and Local Government Devolution Act. Leeds City Region Devolution agreement was adopted in March 2015. This did not include mayoral combined authority or fiscal devolution measures and was focussed on practical measures for greater efficiency and delivery. Regional devolution for Leeds City Region continues to be discussed and developed during 2016-17 and remains controlled by the Government through HM Treasury. Report to the Governance & Audit Committee – AGS 2015-16. Response reported 2015-16. Update as at January 2017 Cities and Local Government Devolution Act, Buses Bill and Housing and Planning Bill amongst others. Further negotiations are in progress with HM Government and civil service. Governance structures, procedures and implications are being considered and developed, within the emerging legislative framework, to protect and promote the interests of local places	Leeds City Region Devolution agreement was adopted in March 2015. This did not include mayoral combined authority or fiscal devolution measures and was focussed on practical measures for greater efficiency and delivery. Regional devolution for Leeds City Region continues to be discussed and developed during 2016-17 and remains controlled by the Government through HM Treasury. West Yorkshire, Leeds City Region and regional Leaders are involved in scoping and shaping this. Matters of geography, executive leadership, powers and resources as well as the direct and democratic involvement of local government and local people in the potential arrangements remain under negotiation. HM Government remain committed to a mayoral model for large cities and for clear accountability and delivery. Combined Authorities also remain the favoured organisation for financial management and control of subnational public funding for key aspects of regeneration and transport. Rail North and Transport for the North (TfN) have both developed over the last 12 months, the latter moving towards full public body status. Local Transport Authorities, LEPs and Combined Authorities from the whole of the North of England are acting collectively as TfN to work with Government, Highways England, HS2 Ltd and Network Rail on the Transport Strategy for the North.



	<p>and local government. These developments are expected to continue into 2016 and to secure appropriate opportunities, powers, resources and risk management to support local prosperity, economic growth, regeneration and investment. This is subject to Government policy and resource decisions, especially those to be pursued through the Spending Review 2015. This remains an open-ended process with political and senior management involvement from CBMDC with attention on powers and resources to achieve outcomes and the related governance arrangements to support democratic and civic interests. This remains a continuing challenge in 2016-17 for CBMDC given refinements to WYCA governance and operations, further Government policy change and subnational devolution developments.</p>	<p>The Plan is to be completed by March 2017. Other matters of Public Sector reform, including Health and Social Care, Community Safety and Policing, Skills and Employment are being taken forward by the Government on a case-by-case basis at present. These may feature in any subsequent devolution agreement and as the other areas taking forward decentralisation and devolution become models of reform</p>
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## **Report of the External Auditor to the meeting of Governance and Audit Committee to be held on 28 February 2017.**

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**Subject:**

**AD**

**Certification of grant claims 2015/16**

**Summary statement:**

**The letter summarises the external auditor's certification work on grant claims within the Public Sector Audit Appointment's grant regime for 2015/16.**

---

Mark Kirkham  
Partner  
Mazars LLP  
Report Contact: Steve Appleton  
Phone: (01274) 432392  
E-mail: [steve.appleton@mazars.co.uk](mailto:steve.appleton@mazars.co.uk)

## **1. SUMMARY**

This letter summarises the external auditor's certification work on grant claims within the Public Sector Audit Appointment's (PSAA) grant regime for 2015/16.

## **2. BACKGROUND**

As the Council's appointed external auditor we act as agent of PSAA to certify specified claims in line with certification instructions issued by PSAA.

## **3. OTHER CONSIDERATIONS**

None.

## **4. OPTIONS**

Not applicable.

## **5. FINANCIAL & RESOURCE APPRAISAL**

Not applicable.

## **6. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None.

## **7. LEGAL APPRAISAL**

Not applicable.

## **8. OTHER IMPLICATIONS**

### **8.1 EQUALITY & DIVERSITY**

Not applicable.

### **8.2 SUSTAINABILITY IMPLICATIONS**

Not applicable.

### **8.3 GREENHOUSE GAS EMISSIONS IMPACTS**

Not applicable.

### **8.4 COMMUNITY SAFETY IMPLICATIONS**

Not applicable.

## **8.5 HUMAN RIGHTS ACT**

Not applicable.

## **8.6 TRADE UNION**

Not applicable.

## **8.7 WARD IMPLICATIONS**

Not applicable.

## **9. NOT FOR PUBLICATION DOCUMENTS**

None.

## **10. RECOMMENDATION**

That the Governance and Audit Committee considers the letter on the certification work.

## **11. APPENDICES**

The letter on the certification of grant claims

## **12. BACKGROUND DOCUMENTS**

None.

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Members of the Governance and Audit Committee  
City of Bradford Metropolitan District Council  
City Hall  
Norfolk Gardens  
Bradford  
BD1 1UH

25 January 2017

Dear Members

### Results of certification work 2015/16

As the Council's appointed auditor, we acted as an agent of the Public Sector Audit Appointments (PSAA). The Local Audit and Accountability Act 2014 transferred the Audit Commission's responsibilities to make certification arrangements for specified claims and returns to PSAA. For 2015/16 the only claim or return within this regime was the Housing benefit subsidy return. This letter reports the findings from this work.

In 2015/16 the prescribed tests for our Housing benefits work were set out in the HBCOUNT module and BEN01 Certification Instructions issued by PSAA. For the Housing benefit subsidy return, on completion of the specified work we issue a certificate. The certificate states whether the claim has been certified either without qualification; without qualification following amendment by the Council; or with a qualification letter.

The concept of materiality does not apply to certification of claims and returns in that any matters arising, other than agreed amendments, are reported to the grant-paying department in a qualification letter. Where we issue a qualification letter, or the claim or return is amended by the Council, the grant paying body may withhold or claw-back grant funding.

We issued a qualification letter to the Department of Work and Pensions (DWP) on 29th November 2016, in line with PSAA's certification instructions, primarily relating to errors in the calculation of earned income.

The table below details our findings.

Claim or return	Value of claim or return	Amended (1)	Qualified (2)
Housing benefit subsidy	£176,251,191	Yes – total subsidy increased by £9 from £176,251,182	Yes

Mazars LLP – Mazars House - Gelderd Road - Gildersome - Leeds - LS27 7JN  
Tel: +44 (0) 113 204 9797 – Fax: +44 (0) 113 387 8760 – [www.mazars.co.uk](http://www.mazars.co.uk)

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Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.

- (1) Where an error was identified and it was possible to quantify the impact of the error across the whole population, the Council amended its return. Adjustments in 2015/16 related to 5 modified scheme cases in which annual up-ratings were found to be incorrect.
- (2) Where an error was identified in sample testing and it was not possible to quantify the error the matter was reported as an extrapolated error in a qualification letter to the Department.

As a result of errors identified in 2014/15 due to earned income being input incorrectly, extended testing on an additional 40 cases has been completed. This testing identified 1 error which resulted in benefit being overpaid by £3.90.

We reported in our qualification letter that given the nature of the population it was unlikely that even significant additional work would allow us to conclude that the relevant cell in the subsidy claim is fairly stated. If the DWP decide to extrapolate the identified errors from the test sample to the whole relevant population it would reduce subsidy by £877.

We also noted in the qualification letter that the error rate has reduced from last year and management continues with targeted checking of earnings calculations to reduce the likelihood of errors.

#### **Fees**

PSAA set an indicative fee for our work on the Council's Housing benefit subsidy return. This indicative fee, and the final fee charged for 2015/16, is detailed in the table below:

<b>Claim or return</b>	<b>2015/16 indicative fee</b>	<b>2015/16 final fee</b>	<b>2014/15 final fee</b>
Housing benefit subsidy	£16,520	£16,520	£12,670

Yours faithfully

**Mark Kirkham**

Partner

*Our reports relating to the 2015/16 financial year are prepared in the context of Public Sector Audit Appointments Ltd's 'Statement of responsibilities of auditors and audited bodies.' Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.*

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## **Report of the Director West Yorkshire Pension Fund to the meeting of Governance and Audit Committee to be held on 28 February 2017.**

---

**AE**

**Subject:**

Minutes of West Yorkshire Pension Fund (WYPF) Pension Board held on 9 November 2016.

**Summary statement:**

The role of the Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the LGPS.

City of Bradford Metropolitan District Council (the Council), as Scheme Manager, as defined under section 4 of the Public Service Pensions Act 2013, has delegated legal and strategic responsibility for West Yorkshire Pension Fund (WYPF) to the Governance and Audit Committee.

The minutes of the WYPF Pension Board meeting are to be submitted to this committee.

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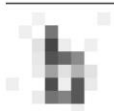
Rodney Barton  
Director

**Portfolio:**

**Leader of Council & Strategic Regeneration**

Report Contact: Caroline Blackburn  
Phone: (01274) 434523  
E-mail: [caroline.blackburn@wypf.gov.uk](mailto:caroline.blackburn@wypf.gov.uk)

**Overview & Scrutiny Area:**



## **1. SUMMARY**

The minutes of the WYPF Pension Board meeting are to be submitted to this committee.

## **2. Appendices**

Minutes of the WYPF Pension Board 9 November 2016.





# Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Wednesday, 9 November 2016 at 10.10 am in Aldermanbury House, 4 Godwin Street, Bradford BD1 2ST

Commenced 10.10

Concluded 11.15

## PRESENT

Employer Representatives	Member Representatives
Councillor M Slater (Chair) - Bradford Mr J Morrison - Employer	Mr G Nesbitt – GMB Mr M Binks – Unison Mr C Sykes – Unison Mr M Morris - Unite

## Councillor Slater in the Chair

### 1. DISCLOSURES OF INTEREST

All those present who were members or beneficiaries of the West Yorkshire Pension Fund disclosed, in the interests of transparency, an interest in all business under consideration.

**Action:** *City Solicitor/Director, West Yorkshire Pension Fund*

### 2. MINUTES

**Resolved –**

**That the minutes of the meeting held on 16 March 2016 be signed as a correct record (previously circulated).**

(Jane Lythgow – 01274 432270)

### 3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents

### 4. NEW BOARD MEMBERS TERMS OF OFFICE

The Chair reported the names of new members of the West Yorkshire Pension Board and asked Members to agree the terms of office for those new members.



**Resolved –**

**That in accordance with the Terms of Reference Councillor M Isherwood be appointed to the Board until April 2017 and Councillor G Hyde be appointed to the Board until April 2019.**

***ACTION: Director, West Yorkshire Pension Fund***

**5. INVESTMENT REFORM CRITERIA AND GUIDANCE - INVESTMENT POOLING**

The Director, West Yorkshire Pension Fund, presented a report, (**Document “A”**) which explained that, in the July Budget 2015, the Chancellor had announced the Government’s intention to work with Local Government Pension Scheme (LGPS) administering authorities to ensure that they pooled investments to significantly reduce costs while maintaining overall investment performance. On 25 November the Investment Reform Criteria and Guidance were issued, which set out the criteria to be applied to the pooling of LGPS assets. Authorities were invited to submit their initial proposals for pooling by 19 February 2016. West Yorkshire Pension Fund (WYPF) together with Greater Manchester and Merseyside duly submitted its proposals by the deadline. The submission and the Minister’s response were contained on the WYPF website. A more comprehensive proposal had been submitted to the Government on 15 July 2016. That submission would be assessed against the criteria in Document “A”.

The Merseyside Local Pensions Board (LPB) considered pooling arrangements at its meeting in April, and had requested that its resolution be considered by the Local Pension Boards of the other two members of the Northern Pool. The resolution was attached as Appendix F to Document “A”.

The level of the Merseyside Local Pensions Board’s involvement in the pooling process was questioned and it was explained that, like all other pension boards, that board was a scrutiny, not decision making body. Members were advised that each Pension Fund must establish a local Pension Board comprising of 50% employee and 50% member representatives. The only difference between Bradford and Merseyside was that their Pension Board was chaired by an independent person. It was agreed that details of the officers at each fund, who were responsible for arranging pension board meetings, could be provided so if boards wished to meet they could do so.

**Resolved –**

- 1. That the submission to the Government, contained in Document “A”, and the continued development of pooling arrangements, subject to the Government response, be noted.**
- 2. That the Merseyside LPB resolution, contained in Document “A” be supported.**

***ACTION: Director, West Yorkshire Pension Fund***



## 6. THE LOCAL GOVERNMENT PENSION SCHEME (MANAGEMENT AND INVESTMENT OF FUNDS) REGULATIONS 2016

The Director, West Yorkshire Pension Fund, presented **Document “B”** which advised Members that the Department for Communities and Local Government (DCLG) had laid the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which enabled the pooling of investments.

The new regulations, in summary, made three changes:-

- The introduction of an Investment Strategy Statement (replacing the Statement of Investment Principles) and the removal of the prudential limits.
- The requirement for funds to pool their assets.
- The introduction of the power for the Secretary of State to intervene where an Investment Strategy is deemed not acceptable, a fund does not make satisfactory pooling arrangements, or a fund does not make suitable arrangements to make investments determined by the Secretary of State.

It was reported that there had been over 23,000 responses to consultation and that the majority of those responses had been in objection to the powers of the Secretary of State to intervene. Despite those representations the regulations had not been amended and had come into force from 1 November 2016.

### **Resolved –**

**That it be noted that the Regulations do not cause any concerns on the matters pertaining directly to investments, but that there have been no restrictions applied to the power of the Secretary of State to intervene in local authorities investment decisions, which does not support the policy objective of making local authorities clearly accountable for their decisions by removing the schedule of investment limits.**

***ACTION: Director, West Yorkshire Pension Fund***

## 7. ACTUARIAL VALUATION 2016

The report of the Director, West Yorkshire Pension Fund, (**Document “C”**) advised Members that the triennial actuarial valuation of the West Yorkshire Pension Fund (WYPF) was being prepared based on the situation at 31 March 2016, and would determine the level of employers' contributions from April 2017 onwards.

It was explained that a meeting between the Funds Actuary and the Joint Advisory Sub Group made up of the Chair, Deputy Chair and Union Representative had been held in October 2016 to agree the assumptions to be



used in valuing the fund. No assumptions had yet been agreed but it was hoped to be in a position to let employers know the contribution rates shortly.

Concern was raised that the actuaries position appeared to be hardening towards admitted body employers as their viability was less certain. The employers, previously allowed scheduled body rates, would be severely affected. The benefit to the fund of those organisations, which were admitting new members, was raised. In response it was explained that auto enrolment had increased the membership of scheduled bodies.

The notification of potential increases two months prior to implementation was acknowledged as a matter for concern. Members questioned if there was a limit on potential increases and it was explained that the pension regulations required the fund to try to set stable contribution rates, however there were no restrictions placed on the actuary.

The sanction on bodies that may not pay increased contributions was queried and it was explained that bodies were liable to pay the level of contributions set by the actuary.

The effect on increases on employee contributions was questioned and it was explained that those contributions were not affected by the process.

It was stressed that no decision had yet been made not to underwrite the admitted bodies and that for the previous six years a sensible approach had been taken by the actuary.

**Resolved –**

**That the report be noted.**

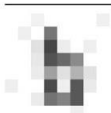
***ACTION: Director, West Yorkshire Pension Fund***

## **8. REGISTER OF BREACHES OF THE PENSIONS REGULATOR'S CODE OF PRACTICE**

The Director, West Yorkshire Pension Fund, presented **Document “D”** which reported that, in accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes came under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) imposed a requirement to report a matter to The Pensions Regulator as soon as was reasonably practicable where that person had reasonable cause to believe that:

- (a) a legal duty relating to the administration of the scheme had not been or was not being complied with, and
- (b) the failure to comply was likely to be of material significance to The Pensions Regulator in the exercise of any of its functions.



A register of any breaches of the Pensions Regulator's Code of Practice was maintained in accordance with the WYPF Breaches procedure.

The Register of Breaches 2016 and the Late Payment of Contributions April 2016 were appended to Document "D". It was revealed that the only breach had been that some employers had made late payments. The steps taken to notify employers of their requirements and measures to ensure the breaches were not repeated were discussed.

In response to a suggestion that employers be 'named and shamed' members were advised that the register could be made available on the WYPF web site.

Assurances were provided that the Pensions Regulator was mainly concerned with material failures and the breaches identified were not in that category.

**Resolved –**

**That the entries on the Register of Breaches of the Pensions Regulator's Code of Practice, all of which relate to late payment of contributions by employers, and that the action taken in each case is noted as part of the entry, be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **9. CONSULTATION ON AMENDMENTS TO THE LOCAL GOVERNMENT PENSION SCHEME 2014**

The report of the Director, West Yorkshire Pension Fund, (**Document "E"**) updated Members on changes and proposed changes to the Local Government Pension Scheme (LGPS) 2014 to implement the Fair Deal for staff transferring out of the public sector, freedom of choice access to Additional Voluntary Contribution pots and a number of technical amendments required for efficient administration.

Document "E" revealed that on 27 May 2016 the Department for Community and Local Government had issued a further consultation which included draft amendment Regulations. The consultation had closed on 20 August 2016 and a copy of WYPF's response was appended to the report.

Members requested that they be informed when changes to the LGPS were implemented and it was agreed to add Pension Board members to the register of employer alerts.

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***



**10. UPDATE ON THE GUARANTEED MINIMUM PENSION (GMP) RECONCILIATION EXERCISE.**

The report of the Director, West Yorkshire Pension Fund, (**Document “F”**) provided an update on the Guaranteed Minimum Pension (GMP) Reconciliation Exercise.

The report explained that the exercise was to wind up the contracted out element link between the LGPS (Local Government Pension Scheme) and the SERP's (State Earnings Related Pension Scheme) which affected members with service between 6 April 1978 and 5 April 1997, and is planned to begin in January 2017.

Members were advised of the additional workload required and of software issues which had been experienced by all funds. The work had been delayed but was now scheduled to commence in January 2017 which was within the timescale required. It was agreed that a progress report would be provided at the next meeting.

**Resolved –**

**That the report be noted and the potential additional workloads anticipated from the exercise be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

**11. WEST YORKSHIRE PENSION FUND JOINT ADVISORY GROUP MINUTES 28 JULY 2016**

The report of the Director, West Yorkshire Pension Fund, (**Document “G”**) reminded Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Joint Advisory Group were submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

The Review of Additional Voluntary Contributions Providers (minute 11) and that concern had been raised that Prudential were more expensive was discussed. A Member reported his experience with that organisation and his belief that they were more user friendly than some providers. In response it was confirmed that officers had met with that company that they were reviewing their charges.

A member commented that Scottish Widows did not provide cash or deposit funds, however, it was confirmed that this was not the case.



**Resolved –**

**That the minutes of the West Yorkshire Pension Fund Joint Advisory Group, meeting held on 28 July 2016, be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **12. TRAINING, CONFERENCES AND SEMINARS**

The Director, West Yorkshire Pension Fund, presented a report (**Document “H”**) which informed Members that their training to understand the responsibilities and issues which they would be dealing with was a very high priority. The date of the next meeting was also reported.

Details of training courses, conferences and seminars were provided and Members were encouraged to attend. The Chair advised that he had found the LGPS “Trustee” Training Fundamentals event useful.

It was also suggested that if Members required any specific training through one to one meetings with the in house team that could be arranged.

Assurances were provided that the new Pension Board members had been informed of the training available to them.

**Resolved –**

**That the date of the next meeting on 19 April 2016 be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

## **13. EXCLUSION OF THE PUBLIC**

**Resolved –**

**That the public be excluded from the meeting during the consideration of the item relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel meetings held on 28 April 2016 and 28 July 2016 because information would be disclosed which was considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).**

**It was considered that, in all the circumstances, the public interest in maintaining this exemption outweighed the public interest in disclosing the information as it was in the overriding interest of proper administration that Members were made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.**





**14. MINUTES OF THE WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 28 APRIL 2016 AND 28 JULY 2016**

The report of the Director, West Yorkshire Pension Fund, (**Document “I”**) reminded Members that the role of the West Yorkshire Pension Fund Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of the meeting of WYPF Investment Advisory Panel were submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

**Resolved –**

**That the Not for Publication minutes appended to Document “I” be noted.**

**ACTION: Director, West Yorkshire Pension Fund**

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Committee.

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THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

