

17 June 2016

To: **Members of the Sheffield City Region Combined Authority
Appropriate Officers**

NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Region Combined Authority to be held at THE AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG at 2.00 pm on Monday 27 June 2016 for the purpose of transacting the business set out in the agenda.



Diana Terris
Clerk to the Combined Authority

This matter is being dealt with by:

Craig Tyler	ctyler@syjs.gov.uk	01226 772824
Gill Richards	grichards@syjs.gov.uk	01226 772806

Member Distribution

Councillors: S Houghton CBE (Chair), J Burrows (Vice-Chair), A Syrett, G Baxter, C Read, J Dore, S Greaves, Mayor R Jones, A Rhodes, L Roberts, L Rose, G Watson and A Western

Contact Details

For further information or assistance please contact

Craig Tyler
SCR Combined Authority
18 Regent Street
Barnsley
South Yorkshire
S70 2HG

Tel: 01226 772824
CTyler@syjs.gov.uk

Gill Richards
SCR Combined Authority
18 Regent Street
Barnsley
South Yorkshire
S70 2HG

Tel: 01226 772806
GRichards@syjs.gov.uk

2.00 PM, 27 JUNE 2016

The Technology Centre
Advanced Manufacturing Park
Waverley
Rotherham
S60 5WG

**Sheffield
City Region**

COMBINED
AUTHORITY

AGENDA

	Item	Page
1	Apologies	
2	Announcements	
3	Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be Considered in the Absence of the Public and Press To identify where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting.)	
5	Voting Rights for Non-Constituent Members To identify whether there are any items of business that apply only to the South Yorkshire Members of the Combined Authority i.e. where it would not be appropriate for non-SY Members to have voting rights.	
6	Declarations of Interest by individual Members in relation to any item of business on the agenda	
7	Reports from and Questions by Members	
8	Receipt of Petitions	
9	Public Questions	
10	Local Democracy Economic Development and Construction Act 2009 - Implementation of the Sheffield City Region Devolution Deal Appendices 1 and 2 to follow.	1 - 6
11	SCR Draft Annual Governance Statement 2015/16	7 - 18

This page is intentionally left blank

27 June 2016

**LOCAL DEMOCRACY ECONOMIC DEVELOPMENT AND CONSTRUCTION
ACT 2009 – IMPLEMENTATION OF THE SHEFFIELD CITY REGION
DEVOLUTION DEAL**

Summary

- This report asks the Combined Authority to approve the launch of a statutory consultation process relating to the Governance Review that has been undertaken and the Scheme that has been prepared.
- This approach is further to and consistent with the SCR Devolution Deal which was ratified by the Combined Authority on 31 March 2016.
- The Governance Review is included at Appendix A and the Scheme at Appendix B.

1. Issue

- 1.1. To allow the Authority to progress the implementation of the SCR Devolution Deal through the commencement of the relevant statutory process introduced by the Cities and Local Government Devolution Act 2016 (“the 2016 Act”).

2. Recommendations

- 2.1. It is recommended that the Combined Authority:
 - (1) consider the outcome of a review undertaken under the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) as set out in Appendix 1 to the report;
 - (2) approve a Scheme prepared in accordance with the 2009 Act as set out in Appendix 2 of the report;
 - (3) approve the commencement of a statutory consultation exercise in relation to this Scheme.

3. Background

- 3.1. Following the ratification of the SCR Devolution Deal by the Combined Authority and its constituent authorities on 31st March 2016 work has proceeded to progress the Deal in accordance with the relevant statutory procedure introduced by the 2016 Act.
- 3.2. Chief Executives and the Clerk to the Authority were given delegated approval to give formal consent to an Order made by the Secretary of State to establish a Mayor for the Sheffield City Region Combined Authority. Following that consent the Secretary of State has or will imminently lay an order before Parliament which provides that the Combined Authority will have a Mayor and the first election for the return of the Mayor is to take place on 4 May 2017. Subsequent elections will take place in May 2020 and in every fourth year thereafter.
- 3.3. Creation of the role of an elected Mayor is the first building block to implement Sheffield City Region Devolution Deal.
- 3.4. The additional building blocks require the making of appropriate Orders by the Secretary of State to give the Mayoral Combined Authority (“MCA”) the necessary powers and functions to deliver the Devolution Deal and to make appropriate changes to the governance of the Authority.
- 3.5. The 2009 Act as amended by the 2016 Act provides for the following statutory procedure to be followed to lead to the making of relevant Orders by the Secretary of State:
 - (1) the Combined Authority and/or one or more of its constituent authorities and/or any authority that may wish to become a constituent member may undertake a review;
 - (2) the Combined Authority or other relevant authorities may conclude as a result of that review that the exercise by the Secretary of State of the power to make relevant Orders would be likely to improve the exercise of statutory functions in relation to the Combined Authority area or a proposed area of the Combined Authority;
 - (3) the Combined Authority or other relevant authorities may then prepare and publish a Scheme relating to the exercise of the relevant powers;
 - (4) the relevant authorities may then carry out a consultation exercise in respect of the Scheme proposals;
 - (5) the Secretary of State may make a relevant Order if to do so is likely to improve the exercise of statutory functions in the area or areas to which the order relates;
 - (6) the Secretary of State need not carry out a further public consultation exercise if the authorities have provided the Secretary of State with a summary of their consultation responses and the Secretary of State considers that no further consultation is necessary.

- 3.6. In making an Order Secretary of State must have regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local government.
- 3.7. In order to implement the Orders the consent of the Combined Authority and constituent councils will be required.

4. The Review and Scheme exercise

- 4.1. In accordance with steps 1-2 above, a Governance Review has been undertaken under Section 111 of the 2009 Act as amended by the 2016 Act.¹ A draft Scheme has been prepared in accordance with Step 3 above. These documents are appended to the report as Appendices one and two respectively.
- 4.2. The Combined Authority was advised at its meeting on 31 March 2016 that the context around the Devolution Deal had altered as a result of decisions taken by Bassetlaw District Council and Chesterfield Borough Council to seek full constituent member status which would alter the geographical boundaries of the Combined Authority beyond South Yorkshire and widen the mayoral election mandate. The three remaining existing non-constituent members of the Combined Authority, Bolsover North East Derbyshire and Derbyshire Dales District Councils have indicated their intention to retain that non-constituent membership status within the Sheffield City Region.
- 4.3. The work on the review and draft Scheme has therefore taken into account those decisions and the review exercise addresses in particular the implications of the extension of the geography of the Combined Authority area beyond South Yorkshire; and the case for doing so with reference to the relevant statutory test that to do so is likely to improve the exercise of statutory functions. This is in addition to considering the statutory test with reference to the acquisition of relevant additional powers and functions and appropriate changes in governance to deliver the implementation of the Sheffield City Region Devolution deal. Members will note the detailed analysis undertaken in the review document and the conclusions arrived at with reference to the relevant statutory test. There is a persuasive case that the extension of the geography will enhance the arguments that already exist to support the meeting of the statutory test with reference to the original Devolution Deal.
- 4.4. The Scheme document essentially sets out the way in which the Mayoral Combined Authority would operate in terms of its additional powers and functions and related changes in governance which would form the basis for the Secretary of State to make necessary relevant Orders following the conclusion of the statutory consultation process. It identifies in particular those functions which will be the responsibility of the Mayor alone and those functions which would be discharged by the Combined Authority of which the Mayor would be a member and be appointed as its Chair.

¹ <http://www.legislation.gov.uk/ukpga/2016/1/contents/enacted>

5. Consultation

- 5.1. It is a statutory requirement to undertake consultation in connection with the proposals contained in the Scheme and to provide the Secretary of State with a summary of the consultation responses.
- 5.2. The approach to consultation has been designed with a view to securing extensive opportunities for interested persons to consider and respond to the proposals contained in the Scheme. This has been done with the objective of satisfying the Secretary of State that no further consultation would be necessary so as to enable them to proceed to make the necessary statutory Orders.
- 5.3. It is important to recognise that the consultation exercise is not asking the specific question whether or not the Combined Authority should have an elected Mayor. That principle was already established through the ratification of the Devolution Deal following an earlier non-statutory consultation exercise. The Secretary of State has made/or will imminently make the necessary Order for there to be an elected Mayor and to provide for the date of the first election. The electoral area for the Mayoral election would be the geographical area of the Combined Authority as at May 2017. Therefore if the Secretary of State accepts the case for the extension of the geography of the Combined Authority area to include Bassetlaw and Chesterfield electors in those areas would also be part of the franchise for the election of the Mayor.

6. Implications

i. Financial

- 6.1. The proposed consultation process will have time and resource implications. In the interim, £70K has been earmarked from the existing communications budget to support activity, with a view to calling on 'gainshare' resource in the longer-term.
- 6.2. The proposals set out in the Scheme include giving the Mayor / the Combined Authority control over substantial budgets and revenue raising powers. This will potentially have a significant impact on how the CA budgets and raises resource from partners.

ii. Legal

- 6.3. The steps set out in this report have been undertaken in line with the provisions of the 2009 Act. The statutory consultation exercise proposed is entirely consistent with these provisions.

iii. Diversity / Equality

- 6.4. The Combined Authority must have regard to the equalities implications of its decision with regard to the statutory process to reflect its responsibilities under the Public Sector Equality Duty. The Secretary of State will need to do likewise in deciding whether or not to make the relevant Orders. The requirement is to give due consideration to the impact on any protected characteristics and how they

could be mitigated. Given that the decisions being taken at this stage in the procedure are essentially governance changes any adverse impact would arise in the context of individual decisions taken through the implementation of the Deal and such decisions would in themselves be subject to the PSED. Proper consideration would be given as part of the taking of those decisions as to how any adverse impact could be mitigated.

- 6.5. In taking this approach the Authority is properly discharging its PSED but in addition a bespoke Equalities Impact Assessment is being undertaken with regard to the Scheme Document itself which will be provided to the Secretary of State together with the summary of the consultation responses.

Andrew Frosdick / David Hewitt
Monitoring Officer, Sheffield City Region Combined Authority / Senior Economic Policy Manager

Officer responsible: **Dave Smith**
Sheffield City Region Executive Team
Dave.smith@sheffieldcityregion.org.uk
0114 220 3403

This page is intentionally left blank

20th June 2016

DRAFT SCR ANNUAL GOVERNANCE STATEMENT 2015/16

Summary

- **Members are invited to comment on the content of the draft SCR Annual Governance Statement for 2015/16**

1. Issue

- 1.1. In discharging this overall responsibility, the Authority is responsible for establishing proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of any associated risks.
- 1.2. The final AGS will be included in the final 2015/16 Statement of Accounts, to be presented to the SCR Combined Authority on 12th September.
- 1.3. Additional text to be provided by the Head of Internal Audit will be incorporated in due course.
- 1.4. The draft AGS is at Appendix A to this report.

2. Recommendations

- 2.1. That Members note the content of, and provide comment on, the draft AGS**

3. Background Information

- 3.1. The Sheffield City Region (SCR) Combined Authority is responsible for ensuring that its business is conducted in accordance with statute and proper standards of governance are employed; that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its

functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 3.2. Continuous in-year work undertaken to enable the capture of evidence of governance related improvements, and inform the AGS, is overseen by the SCR Governance improvement Plan and Framework
- 3.3. The Framework evidences the systems, processes, culture and values, by which the Authority directs and controls the activities it is accountable for in order to provide an effective service to the Sheffield City Region.

4. **Implications**

- i. Financial
- ii. Legal
- iii. Diversity
- iv. Equality

Martin McCarthy
Deputy Clerk

Officer responsible: Andrew Frosdick
Monitoring Officer to the SCR Combined Authority

Sheffield City Region Combined Authority Annual Governance Statement 2015/16

1. **Scope of Responsibility**

- 1.1 The Sheffield City Region (SCR) Combined Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with statute and proper standards of governance are employed; that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for establishing proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of any associated risks.

- 1.2 The Authority has continued to develop its corporate governance arrangements in line with its programme of work and in particular the roll-out during the year of its respective Executive Boards which have been set up to deliver against key strategic outcomes. The governance arrangements being developed will comply with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework *Delivering Good Governance in Local Government*. A copy of the Authority's Constitution is available on its website at www.southyorks.gov.uk.

- 1.3 The Authority acknowledges that good governance arrangements are the basis upon which it is able to establish policies and ultimately the efficient delivery of its services and programme of work to communities within the city region. For good governance to be truly effective it must be robust yet permissive and be able to be adapted swiftly to changing circumstances. Public bodies such as the Combined Authority must be responsive to developments in services, public expectations and the actions of other stakeholders. The Annual Governance Statement offers reassurance in part and highlights where improvements are being made, so that a comprehensive and effective governance framework is in place.

2. **The Purpose of the Governance Framework**

- 2.1 The governance framework evidences the systems, processes, culture and values, by which the Authority directs and controls the activities it is accountable for in order to provide an effective service to the Sheffield City Region.
- 2.2 The system of internal control is a significant part of the Framework and the Authority has established a Risk Management Strategy such that strategic risks have been managed efficiently and effectively and taking account of systems and processes in place of those

partner authorities charged with governance responsibilities. Whilst it is not possible to eliminate all risk when delivering the Authority's policies, aims and objectives, it is intended to provide reasonable assurance of the effectiveness of the arrangements in place. The system of internal control is based on an evolving process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives and to evaluate the likelihood of those risks being realised and any likely impact. Once identified, the Authority will seek to manage them transparently, effectively and economically.

- 2.3 Since its inception in April 2014, the Authority's Constitution has continued to evolve in line with its programme of work. It was acknowledged at the time that the Combined Authority's Corporate Governance Framework would be 'work in progress' but that sound systems and processes required implementation as soon as was practically possible.

3. THE GOVERNANCE FRAMEWORK

Context

- 3.1 The key elements of the governance framework, its systems and processes, are outlined below.

- 3.2 The Sheffield City Region Combined Authority comprises the areas of nine local authorities:

Constituent Authorities

Barnsley Metropolitan Borough Council;

Doncaster Metropolitan Borough Council;

Rotherham Metropolitan Borough Council;

Sheffield City Council;

Non-Constituent Authorities

Bassetlaw District Council;

Bolsover District Council;

Chesterfield Borough Council;

North East Derbyshire District Council;

Derbyshire Dales District Council

- 3.3 Its remit is to coordinate and drive forward economic regeneration and transport initiatives for the benefit of citizens and the business community within its boundaries. Transport functions were previously the responsibility of the former South Yorkshire Integrated Transport Authority.

- 3.4 The natural and economic geography of the region has been reflected in the way the Authority does business. There has been a long standing approach to collaborative working amongst the partner authorities firstly through the Sheffield City Region Forum, which subsequently became the SCR Local Enterprise Partnership and in turn aligned with the SCR Leaders Group.

Devolution Deal

- 3.5 The functions and powers of the Combined Authority provide for a stable and effective governance function in support of key strategic policy areas; economic development, regeneration and transport. The Authority's objective, working in tandem with central Government, is to see greater devolution of funding, resources and functions to the city region. The Authority is pleased to announce its agreed Devolution Deal with Government during the period. As part of the process, two non-constituent members have signalled their intention to join the Combined Authority. These members are Chesterfield and Bassetlaw Councils
- 3.6 The Devolution Deal will now be formalised in what is called a "Scheme" which will set out how a new Mayoral Combined Authority will work and how the Mayor's powers will operate. Formal consultation on the Scheme will take place from 27 June 2016 and the consultation results will then go to the Secretary of State for approval. It will then follow agreed parliamentary process, which will be complete by the end of 2016. Mayoral Elections will then take place in May 2017.

Structure

- 3.7 The Sheffield City Region Combined Authority comprises the Leaders and Elected Mayor (Doncaster) of each of the nine councils which constitute the body. It meets every six weeks and is aligned to a number of supporting committees and boards which provide the expected degree of scrutiny and challenge in formulating policy and driving key strategic decision-making.
- 3.8 The Authority's Constitution and operating arrangements have been approved by all nine member bodies and include terms of reference for the SCR Transport Committee and the authority it has both delegated and referred to it. The Constitution sets out the powers and functions of the Combined Authority, including financial procedures, Member and officer Codes of Conduct, the scheme of delegation to officers and arrangements for the operation of a scrutiny and audit committee function.
- 3.9 The Scheme of Delegation provides for the day to day management and oversight of services provided by the Authority. These include the responsibilities of the Head of Paid Service, Clerk, Finance Director and Monitoring Officer. This will expand further as the Authority formalises key work streams and their operation. In further strengthening its governance structure the Authority has implemented a Leader and Executive model for programme management which will maintain robust accountability whilst ensuring decisions are taken in an efficient and timely manner.
- 3.10 In recognition of the evolving and expanding amount of business to be transacted, the CA and LEP have agreed the creation of 5 thematic 'Executive Boards' (Business Growth, Skills,

Housing, Transport and Infrastructure). The roles, remits and responsibilities for the Boards are detailed within the SCR Constitution. Each Executive Board has a Business Plan agreed with the Combined Authority and each is empowered to debate thematic matters in detail on the CA / LEP's behalf ahead of draft 'resolutions' being put to the CA for endorsement.

- 3.11 Each Executive Board has 6 Board Members (2 x SCR Leaders, 2 x LEP private sector Board members and 2 x SCR Chief Executives) and is supported by an a number of local authority, private sector and other stakeholder advisory attendees determined by the agenda for each meeting. All 6 Board Members must agree matters unanimously or escalate a matter for consideration to the CA.

SCR Transport Committee

- 3.12 The SCR Transport Committee is a joint committee of the Combined Authority comprising all nine districts, (four constituent and five non-constituent authorities) at present. The Transport Committee has oversight of a broad programme of work which is carried out by the South Yorkshire Passenger Transport Executive (its executive body), which includes scrutinising the performance of a wide range of public transport operators, monitoring the delivery of a significant capital programme, its revenue spend and overseeing the delivery of a transformational transport policy programme. The Committee has both referred and delegated responsibilities. In respect of the former, which includes approving the revenue budget for transport and its capital programme, the Committee advises the Combined Authority by way of recommendation for approval or otherwise.
- 3.13 In addition to its transport functions, the Committee is responsible for oversight of the South Yorkshire Passenger Transport Pension Fund in accordance with statutory regulations. It appoints an external manager and an external advisor to administer the Fund on its behalf. It is required to publish a Funding Strategy and Statement of Investing Principles. During the last period under review some difficulties in normal service provision as a result of the introduction of new pensions' administration software had been experienced but it is pleasing to report these have been largely overcome. This has not resulted in significant problems for those in receipt of pensions but given the issue it remains on the Authority's Governance Improvement Plan for the forthcoming year and progress on its resolution reported to the Authority
- 3.14 The CA has appointed a Pension Fund Committee whose membership is drawn from the former Passenger Transport Pension Fund Committee of the former Integrated Transport Authority and who are now members of the Transport Committee of the Combined Authority. A review of the arrangements for the management of the South Yorkshire Passenger Transport Pension Fund has been undertaken to consider how the Authority should most appropriately discharge its functions as Administering Authority for the Fund. The Authority has a specific proposal to transfer oversight to the South Yorkshire Pensions Authority as part of the pension pooling arrangements. The Authority has in accordance with The Public Service Pensions Act 2013 established a Pensions Board. For administrative efficiency this is a joint arrangement with the Local Government Pension Scheme Board in South Yorkshire, given the day to day management of the Fund is undertaken by the same body, South Yorkshire Pensions Authority.

South Yorkshire ITA Properties Limited

- 3.15 SY ITA Properties Limited is wholly owned subsidiary company of the Combined Authority. The Company's main activity is property management and disposal of the former Integrated Transport Authority's property holdings. In acknowledging the clear requirement to evidence due-diligence, officers have sought to examine the relationship between the Combined Authority and SY ITA Ltd and its efficiency as a means of supporting the Combined Authority. The Authority's Section 151 Officer commissioned both an external review of the efficiency of the company and as a result the SCR agreed interim changes to strengthen company governance and also to move to close the company and bring the management of its assets in house and on balance sheet during 2016.

Overview and Scrutiny

- 3.16 The Authority has established an Overview and Scrutiny Committee comprising 14 Members drawn from each of the nine constituent and non-constituent Member councils, reflective of political balance within the South Yorkshire City Region.
- 3.17 Meetings are convened on a quarterly basis and provide scope for the work programme and performance of the Combined Authority to be effectively challenged. The Audit Committee was not formally constituted during 2014/15 and therefore has yet to meet.

Internal Audit

- 3.18 Barnsley MBC provides the internal audit service to the Combined Authority. The Head of Internal Audit has liaised with the relevant statutory officers during the year to assist in the development of governance arrangements and on the adequacy and effectiveness of the Authority's existing systems of internal control. Arrangements for internal audit during 2015/16 have been difficult in the context of the Authority developing its governance and control arrangements. As a consequence, Internal Audit support has been largely limited to advising statutory officers, assistance in developing the control, risk and governance framework, the audit of South Yorkshire ITA Properties Limited and work undertaken on the financial systems utilised by the Authority. A full programme of internal audit coverage has been discussed and planned for 2016/17.
- 3.19 The Head of Internal Audit's annual assurance opinion is reproduced below from his annual report to the Overview and Scrutiny Committee.

AWAITING TEXT

Audit Committee Arrangements

- 3.20 The Authority agreed that the distinct roles of the Overview and Scrutiny and Audit Committees will be maintained and acknowledged that in terms of efficiency, Audit Committee meetings will be convened at the rising of the Scrutiny Committee, in effect utilising the same Membership. The two Committees will have distinct and separate programmes of work. As stated above, the audit committee has not met in 2014/15.

Sheffield City Region Local Enterprise Partnership

- 3.21 The Sheffield City Region Local Enterprise Partnership is a voluntary partnership between the constituent and non-constituent local authorities and the business community, playing a key role in determining local economic priorities and growth. The Partnership is a key interface with central Government and the City Region and offers policy advice and strategic direction aligned with the objectives set out above. The Combined Authority works closely with the LEP; the four local authority leaders and the Mayor of Doncaster being members of both bodies.

Decision-making

- 3.22 All agendas and reports produced for meetings of the Combined Authority and its associated Committees are issued to members and published online, www.southyorks.gov.uk in accordance with statutory access to information requirements. All meetings are held in public and meetings of the Transport Committee are streamed (webcast) live over the internet.

Financial Management

- 3.23 A key responsibility of the Combined Authority is determining, agreeing and monitoring appropriate budgets in order for it to be able to fulfill strategic objective setting in the areas of economic development, regeneration and the transport levy on constituent councils.
- 3.24 The Section 151 function is undertaken by the Executive Director of Resources, Sheffield City Council on behalf of constituent and non-constituent authorities. A framework for financial monitoring and an agreed reporting process has been established. Internal control is based on Sheffield City Council's financial systems, which are well established and any identified risks managed in accordance with City Council policies and procedures. So as to ensure absolute transparency, the Combined Authority's funds and any financial systems employed in administering them remain distinct from that of the City Council. Whilst this provides a sound basis for internal control, the fast increasing size and scope of the SCR's business means that financial systems, procedures and resources to support this need to be regularly reviewed.
- 3.25 Quarterly update reports incorporating all areas of corporate operation from both a revenue and capital perspective are presented to the Authority for challenge and scrutiny. The transport element of Authority spend is further considered by the Transport Committee and appropriate recommendations made to the Authority. The Section 151 officer has in addition made presentations to the Scrutiny Committee to ensure an effective understanding of the process is established and an appropriate degree of challenge takes place moving forward.
- 3.26 The Head of Internal Audit has provided commentary in relation to the operation of the Authority's core financial systems.

Risk Management

- 3.27 The Combined Authority's Audit Committee will be responsible for overseeing the Authority's approach to risk management and the establishment and maintenance of its risk register. Statutory officers have ensured that corporate risk has been managed appropriately in the first year of the Authority's operation aligned to their own 'home' authorities systems and processes. During the period the Authority's Officer Governance Assurance Group has worked with colleagues from Barnsley MBC to establish a Risk Management Strategy and system of monitoring for consideration and where necessary challenge.
- 3.28 The Transport Committee, through the Passenger Transport Executive has a well-established risk management strategy in place to provide corporate oversight of its remit.

Managing Performance

- 3.29 The Strategic Economic Plan and Growth Deal set out how the Combined Authority and Local Enterprise Partnership (LEP) will help transform the City Region economy, deliver growth and jobs and in so doing drive up UK exports, expertise and productivity.
- 3.30 Given the level of investment the City Region will be responsible for, it is vital that robust programme management processes are further developed. Integral to their success will be a clearly defined and communicated performance management process, which acknowledges the work taking place across distinct themes and provides scope for collective consideration of outputs and outcomes.
- 3.31 A Performance Management Framework has been established. This features an additional performance dashboard reporting facility which brings together all information from the various SCR funding streams and programmes, and provides output and outcome information.

4. Review of Effectiveness

- 4.1 The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. This includes consideration of systems of internal control and arrangements for internal audit and assurance statement from key officers. The review of effectiveness is informed by the work of its senior officers with responsibility for the development and maintenance of governance, its structures and processes. The process is further supported through the production of the Head of Internal Audit's Annual Report and input from the External Audit Team.

5 Significant Governance Issues 2015/16

- 5.1 The work of the Sheffield City Region Combined Authority has continued apace and the development of a corporate governance framework that is fit for purpose and acknowledges the principles of good governance has evolved similarly.

5.2 The framework continues to develop in line with the exacting programme of work the Authority is establishing in meeting its key operational objectives. Partner bodies continue to ensure the Authority's work programme is delivered with due diligence and in accordance with statute and proper standards.

.....
Councillor Sir Stephen Houghton CBE
Chairman, Sheffield City Region Combined Authority

.....
David Smith
Interim Executive Director,
Sheffield City Region Combined Authority/Local Enterprise Partnership

**The Sheffield City Region Combined Authority
Governance Improvement Plan 2015/16**

Issue	Action Required	Responsible Officer	Date for Completion
Code of Corporate Governance	Establish a Code of Corporate Governance in line with acknowledge the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework <i>Delivering Good Governance in Local Government.</i>	Clerk to the Authority	August 2016
Risk Management	Establishing a robust Risk Management process that is both proportionate and provides transparency in terms of how risk is managed, monitored and reported amongst all key stakeholders.	Clerk to the Authority	COMPLETE
Performance Management	Establish a Performance Management framework that provides scope for the necessary degree of challenge and scrutiny amongst all key stakeholders	Clerk to the Authority	COMPLETE
South Yorkshire ITA Properties Limited	Commission work to consider the appropriateness of the current operation of the Company and following consideration of all options, establish a code of corporate governance that is both proportionate and provides the necessary degree of assurance	Section 151/Monitoring Officer	COMPLETE
South Yorkshire Passenger Transport Pension Fund – Administration Software	Recovery of performance as a result of the introduction of the software.	Clerk to the Authority	August 2016

This page is intentionally left blank