

# EAST MIDLANDS COMBINED COUNTY AUTHORITY ANNUAL GOVERNANCE STATEMENT 2023/24



## Scope of Responsibility

The Annual Governance Statement reflects the activities of the Combined County Authority for the period from its formation on 28 February 2024 up until the end of the financial year ending 31 March 2024. This is a condensed Governance Statement given that it covers only a month of activities.

The Annual Governance Statement for 2024/25 covers the full financial year from 1 April 2024 until 31 March 2024, as well as reflecting activities up until the approval of that Statement and associated statement of accounts for 2024/25. The reader should therefore refer to the 2024/25 Governance Statement for a more comprehensive description of activities.

The East Midlands Combined County Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently, and effectively.

The Combined County Authority also has a duty under the Local Government Act 1999 to arrange to secure continuous improvement in the way in which its functions are exercised. In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

The Authority was formally established on 28 February 2024 and immediately put in place governance arrangements that it continues to review. The latest copies of its constitution and assurance framework are available on its website. The governance arrangements comply with the principles of the Local Code of Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government 2016 and the National Local Growth Assurance Framework (January 2019)*.

This statement explains how the Combined County Authority has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 Regulation 6.1 (b) in relation to the publication of an Annual Governance Statement.

## The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Authority is directed and controlled and how it engages with and leads the community in those activities for which it is accountable. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

### **The Governance Framework**

## Context

The East Midlands Combined County Authority Regulations 2024 were made on 27 February 2024 and came into force on 28 February 2024.

With the making of these Regulations, the Authority became the first Combined County Authority in the country as well as being one of the largest by both population and geographical area of any of the other Combined Authorities and Combined County Authorities. The Authority has a directly elected mayor, although the mayor was not elected during the period covered by this Governance Statement.

The range powers that are devolved from Central Government to the Combined County Authority are set out in detail in the 2024/25 Annual Governance Statement.

## East Midlands Combined County Authority Governance Structure

The Governance Structure of the Combined County Authority is set out in more detail in the 2024/25 Statement which covers the period when the Mayor was elected and governance structure was fully implemented.

For this limited period, between the coming into force of the East Midlands Combined County Authority Regulations 2024 on 28 February and the end of the financial year on the 31 March 2024 the Combined County Authority Board was the only established governance body within the Combined County Authority.

The Combined County Authority Board consists of the Constituent Authorities of:

- Derby City Council
- Derbyshire County Council
- Nottingham City Council
- Nottinghamshire County Council

There were no appointments to the Combined County Authority Board from the 15 District and Borough Councils across the EMCCA region in 2023/24. This was due to the requirement for the Board to meet and appoint the nominating bodies to nominate representatives for appointment to the Combined County Authority. Therefore, the first meeting of the Board could only take place with Constituent Council membership.

The purpose of the inaugural meeting of the Combined County Authority Board was to establish its governance framework. The meeting of the Board on 20 March 2024 enabled the establishment of the governance framework by agreeing to the following:

1. **Approval of the Constitution** - Within the Constitution is a Scheme of Delegation which provides for the day-to-day management and oversight of the Authority including the responsibilities of the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer.

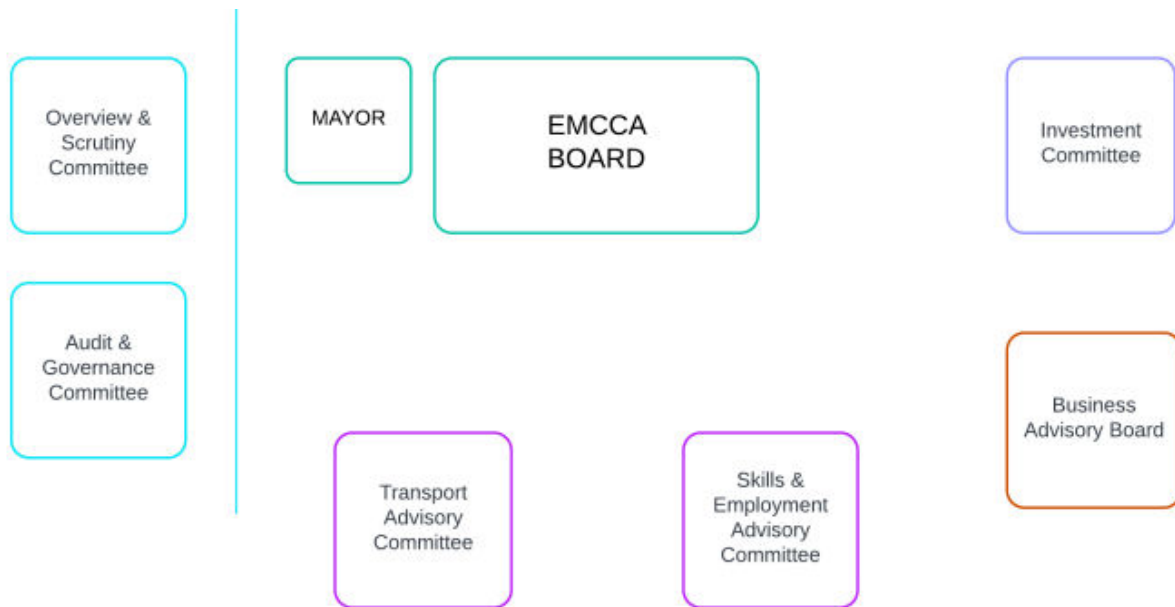
The Constitution confirmed agreement on membership and voting arrangements.

2. **Appointment of Designated Bodies** - Appointed the D2 Strategic Leadership Board (Derbyshire) and The City of Nottingham and Nottinghamshire Economic Prosperity Committee (Nottinghamshire) as nominating bodies to nominate representatives for appointment to the Combined County Authority from the 15 District and Borough Councils.
3. **Adoption of the Assurance Framework** – set out how the East Midlands Combined County Authority will use public money responsibly, openly and transparently, and accountably to achieve best value for money for the East Midlands region. This is a requirement of the English Devolution Accountability Framework, which the proposed Local Assurance Framework was developed in accordance with, as well as the HM Treasury Green Book.
4. **Established an Independent Remuneration Panel** – Agreement to establish required Panel to review and make recommendations, in accordance with legislation, on the Member Allowances Scheme.
5. **Agree the Governance Framework** – Approve committee structure and terms of reference within that structure that would operate in alignment with the following:

Function	Body
Sets the strategic objectives	Board
Approves strategy, key policy and frameworks	Board
Sets the Medium-Term Financial Plan	Board
Non-Mayoral function decision-making	Board
Develops strategy, framework and policy proposals	Advisory Committees
Provides investment guidance and advice	Investment Committee
Undertakes strategic level scrutiny	Overview & Scrutiny
Drives Mayoral and Board accountability	Overview & Scrutiny
Provides oversight and assurance of Standards and the Constitution	Audit & Governance
Provides oversight and assurance of sound financial management, governance and supporting frameworks	Audit & Governance
Provides the business voice	Business Advisory Board

The approved governance framework reflected the key principles agreed by Constituent Councils and was designed to serve as a proportionate and appropriate structure for a new organisation, with identified avenues of focus for future evolution.

The agreed committee structure is set out in the illustration below to come into effect following the Annual General Meeting of the Combined County Authority Board in June 2024.



## Senior Leadership Team

The Head of Paid Service (Chief Executive) is responsible for all staff and leading an effective Senior Leadership Team (SLT). During the period covered an interim management team was in place.

## Strategic Direction

The ten key strategic objectives for inclusive growth contained within the Plan approved by the Board in March 2025 are:

- Growing our economy
- Better transport links
- A greener future
- Fairer opportunities
- Better jobs, higher pay
- Healthier lives
- Skills for success
- More green spaces
- Stronger infrastructure
- More local control

These priorities were subsequently incorporated into **The Combined County Authority's Corporate Plan** and in the **Medium-Term Financial Plan** forms the investment plan for the Combined County Authority and allocates resources to deliver the next stages of these priority programmes.

## Assurance Framework

The Assurance Framework complies with the National Local Growth Assurance Framework and the English Devolution Accountability Framework and was approved by the Board in March 2022 following feedback and sign off from CLGU (Cities and Local Growth Unit). Further details on how this has been applied in the Combined County Authority are set out in the 2024/25 Governance Statement



## Project Delivery

The Monitoring and Evaluation Framework will provide assurance to the Combined County Authority Board, its Investment Committee and to Central Government through robust monitoring and evaluation arrangements for each of the commissioned projects. Monitoring and Evaluation (M&E) is a critical component of an effective performance management regime. Monitoring supports the effective tracking of a scheme or series of policy interventions ensuring that intended outputs are being achieved. Evaluation quantifies and assesses outcomes, including how schemes were delivered and whether the investment generated had the intended impact and ultimately delivered value for money.

## Decision Making

All agendas and reports produced for meetings of the Combined County Authority Board and its associated Committees are issued to members and published on the Authority's website in accordance with access to information requirements as set out in the 2024 Order. All Combined County Authority Board and Committee meetings are held in public, unless there are clear requirements to hold them in private (eg when interviewing applicants for senior roles), in which case the date of the meeting and its reason to be held in private will be publicised in advance.

A Forward Plan identifying strategic decisions that will be made by the Board over a four-month period is updated and presented to the Combined County Authority Board at each meeting. The Forward Plan also includes all forthcoming key decisions which require at least 28 days' notice.

Notice of decisions are also published no more than two days after the meeting and are not implemented until five days after they are published to enable the Overview & Scrutiny Committee to exercise its right to call-in decisions.

The Combined County Authority's constitution is updated throughout the year and sets out how the Combined County Authority operates. It states what matters are reserved for decision by the Board, the responsibilities of committees and the powers delegated to panels, committees and officers. Decision-making powers are not reserved for individual members. The Chief Executive, Monitoring Officer and Section 73 Officer ensure that all decisions made are legal and support the Audit and Governance Committee in promoting high standards of conduct amongst members.

## Financial Management

A key responsibility of the Combined County Authority is determining, agreeing and monitoring appropriate budgets for it to be able to fulfil its strategic objectives.

The Combined County Authority is required to adhere to the CIPFA Financial Management Code. A budget framework has been agreed for setting the budget in future years which takes account of the process laid down in the 2024 Order.

In summary, the draft Budget shall be submitted to the Combined County Authority Board for consideration and approval for consultation purposes before the end of December. The Board will agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities and the Overview and Scrutiny Committee.

Before mid-February, having considered the draft Budget, the consultation responses, and any other relevant factors, the proposed budget for the following financial year, including the Mayor's budget, will be submitted to the Board for final approval. There is also a process for determining the Mayor's budget where no agreement can be reached.

Budget update reports are presented quarterly at Combined County Authority Board meetings to provide information on income and expenditure for the year to date and the forecast outturn position against the approved budget. The reports also provide analysis of material variances for both Revenue Funds and the Capital Programme.

## Internal Audit

Central Midlands Audit Partnership provide the Chief Internal Auditor function for the Combined County Authority.

## External Audit

Mazars LLP have been appointed as the External Auditors for the Combined Authority.

## The Annual Internal Audit Opinion

The Chief Internal Auditor of a Local Authority is required annually to provide their opinion on the overall systems of internal control and their effectiveness. Given that this Assurance Statement only covers a four-week period, this opinion has not been sought for 2023/24. However, a full draft audit assurance opinion and report is provided as part of the 2024/25 Governance Statement, and this provided a Reasonable Assurance opinion. Please refer the 2024/25 Annual Governance Statement for further details.

## Governance Arrangements

A dedicated Governance team has been established to ensure the Combined Authority complies with its regulatory responsibilities and to advise Members, employees and partner organisations.

## Freedom of Information and Environmental Information Regulation Requests

The Combined County Authority is subject to the Freedom of information Act 2000 and the Environmental Information Regulations 2004, and the Governance team will process any such requests.

## Code of Conduct

All Combined Authority employees and members are subject to a formal Code of Conduct.

## Declaration of Interests

The Authority holds a Register of Interests for members.

## Gifts and Hospitality

The Combined Authority has implemented a register of offers of Gifts and Hospitality made to members and officers of the Combined Authority, even if these offers are declined.

## Conclusion

The Combined Authority recognises its responsibilities for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. This has been at the forefront of the initial set up of the Combined County Authority, and in its first weeks of live operation covered by the Statement. This has further developed and evolved during 2024/25 and as set out in the Governance Statement for that year.

Our overall assessment is that the Annual Governance Statement is an accurate reflection of the governance environment for the period 28 February to 31 March 2024

## CERTIFICATION

The Annual Governance Statement for both 2023/24 (this document) and for 2024/25 will be reviewed by the Audit & Governance Committee at its meeting on 11<sup>th</sup> July 2025

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment, and that the Authority has the culture, systems and processes in place in the short period covered.



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Claire Ward

Mayor of the East Midlands



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Amy Harhoff

Chief Executive, EMCCA