

**Report of: Chief Executive**

**Report to: Full Council**

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**Date: 28 March 2018**

**Subject: Devolution**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

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### **Summary of main issues**

This report is intended to update Members on matters in the Leeds City Region Local Enterprise Partnership (LEP) and through the West Yorkshire Combined Authority (WYCA).

The main issues described in this report are related to an update on Devolution and from the latest public WYCA meeting in February 2018.

### **Recommendations**

Members are asked to consider the content of this paper and action that might be needed from Leeds City Council as a result.

## **1. Purpose of this report**

- 1.1 This report is intended to update Members on matters related to the progress of Devolution and matters regarding the Leeds City Region LEP and the West Yorkshire Combined Authority.

## **2. Background information**

- 2.1 Following cross party agreement, this is the fifteenth report to Full Council to provide an update to Members on the progress related to Devolution and the work of the WYCA and Leeds City Region LEP.

## **3. Main Issues**

### **Devolution**

- 3.1 Devolution remains an issue of significant importance to the city region; both in terms of using the powers and flexibilities already devolved, and in making progress towards further devolution.
- 3.2 On 5 March 2018, Leaders and representatives of the 18 local authorities in Yorkshire submitted a letter and the latest Devolution proposal document to the Secretary of State (Ministry of Housing Communities and Local Government), Rt Hon Sajid Javid MP. The latest Yorkshire Devolution Agreement Submission document can be seen in Annex 1 of this report and is also available on the West Yorkshire Combined Authority (WYCA) website. Work is also underway to create a more accessible version of the devolution submission document.

### **West Yorkshire Combined Authority (WYCA)**

- 3.3 The following items were among those discussed at the Combined Authority meeting on the 1<sup>st</sup> February 2018. All WYCA decisions are subject to call-in.
- 3.4 Capital Spend and Project Approvals

WYCA approved the progression of, and funding for, a number of projects, including the West Yorkshire Plus Transport Fund and Growth Deal. Projects progress through a three stage process, from Pipeline Eligibility to Pipeline Development to Delivery and Evaluation.

The total combined funding value for these projects is £20.731m, with £17.062m from WYCA and the remainder from other public/private contributions. A total of £0.657m was sought as part of the report.

<b>Stage 1: Pipeline Eligibility</b>	<b>Stage 2: Pipeline Development</b>	<b>Stage 3: Delivery and Evaluation</b>
Project Beta (Strategic Inward Investment Fund (SIIF))	Leeds City Region Natural Flood Management Scheme	
	Wyke Beck Valley Flood Alleviation	

### 3.5 Leeds City Region Growth Deal Programme Review

WYCA were updated on the implementation of the Growth Deal and seeking agreement of action to manage scheme performance. WYCA also approved the recommendation of in-principle support to projects identified in relevant sections of the report. These include the following:

- LCR Enterprise Zones Programme Phase 2, EZ Local Authorities (seeking £33.8m) – SEP Priority 1
- Institute for High Speed Railways and System Integration, University of Leeds (seeking £10.88m) – SEP Priority 1;
- City Connect Cycle Programme Phase 1 and 2 Extension, WY-wide (seeking £11.402m) – SEP Priority 4b;
- Leeds City Centre Package, Leeds CC (seeking £30.3m)

The Combined Authority also approved that an allocation of £400,000 is to be funded from the Local Growth Fund to undertake the work required in preparation for the Growth Deal Review activity.

### 3.6 Local Inclusive Industrial Strategy update

WYCA were updated on the development of a single city region strategy, owned by both the LEP and WYCA. The report recommendations were seeking WYCA's comments on and approval of the development of the updated Leeds City Region strategic framework, draft vision statement, emerging priorities and proposals and the proposed 'open policy' approach. Further development of the framework, will include establishing a clear set of outcome measures and targets.

This report summarises the emerging priorities and proposals which include transforming private sector leadership in the Leeds City Region to tackle productivity gap, the Leeds City Region transformed by Technology and maximising the impact of HS2 and Northern Powerhouse Rail through the development of inclusive growth corridors in the City Region.

This item further states the intention to adopt an 'open policy' development approach with in particular Districts, Universities and Business representative groups.

### 3.7 West Yorkshire plus Transport Fund Transformational Programme

The Growth Deal approved the West Yorkshire plus Transport Fund (WY+TF) programme which included £12.5m allocated to the development (not construction) of 'transformational projects'.

The Combined Authority was asked to endorse an allocation of £7m from the WY+TF Transformation Fund to develop the LCR Connectivity Strategy Priority pipeline with a further report to Investment Committee and WYCA to seek the

capital approval to spend the £7m allocation subject to approval through the WYCA Assurance Process.

### 3.8 Business Planning and Budget 2018/2019

WYCA approved the proposed annual revenue and capital programme budgets and the transport levy for 2018/19. Moreover, WYCA also approved the further recommendation to consider the outline corporate plan for WYCA for 2018/19 and its strategic aims.

The report states the budget presents a challenging yet robust position for 2018/19 which includes a proposed £1m reduction in the Transport Levy, recognising the on-going pressures on local government funding. The Transport Levy for 2018/19, is proposed to be £100m (of which £94.2m is used to support revenue expenditure) – this is a £1m reduction compared to 2017/18. The Transport Levy is paid by the five West Yorkshire District authorities calculated in proportion to the population of each District.

The report further highlights that the budget also sets the framework for the following two years and seeks to ensure that WYCA can continue to provide acceptable level of services.

### 3.9 Leeds City Region Assurance Framework Annual Review

WYCA was updated on the progress of the proposed changes to the Leeds City Region Assurance Framework following its annual review and with the review of Local Enterprise Partnership Governance and Transparency by Mary Ney (Non-Executive Director of the Ministry of Housing, Communities and Local Government (MHCLG) Board) published in October 2017. This review made several recommendations which were reflected in best practice guidance issued to LEPs by the MHCLG.

WYCA was also asked to provide feedback on the updated assurance requirements, approve the substantive form of the document following the incorporation of further changes requested, and to authorise WYCA's Managing Director to finalise the document in consultation with the Chair of WYCA and the Chair of the LEP Board for submission, and to make further in-year changes as may be required.

### 3.10 Report of the Overview & Scrutiny Committee

WYCA was asked to consider the recommendations of the Overview & Scrutiny Committee in relation to the findings of their cross-party task and finish working group which looked into lessons that could be learnt from a review of the processes and governance regarding the award by the Leeds City Region Local Enterprise Partnership (LCR LEP) of a loan to Oxford GB2 in 2013 for the construction of a hotel near the Leeds Arena.

The particular focus of the working group was to understand the circumstances and factors relevant to the award of the loan and assess lessons learnt and

how these can best be applied to the current decision making processes of the LEP and WYCA.

The work of the Overview & Scrutiny Committee has now been completed and there was a consideration of the report of the task and finish working group's findings and proposed recommendations at their meeting on 24 January 2018. The Overview & Scrutiny Committee agreed the recommendations for improvements to processes and systems and requested that these be brought to WYCA for consideration.

### **3.11 WYCA Procurement Strategy and Changes to Contract Standing Orders**

This report was seeking approval from the Combined Authority of the new WYCA Procurement Strategy to cover 2018 to 2021 and approval of the updated Contract Standing Orders (CSOs). The Procurement Strategy sets out a framework for committing spend and undertaking procurement activities throughout the authority.

Key priority areas were confirmed regarding the development of the new WYCA Procurement Strategy. These areas are covered in the new Procurement Strategy which includes a three year plan for implementing changes. It is also proposed that the strategy is reviewed annually to monitor progress and to update requirements as required. The Contract Standing Orders has been revised to take account of the introduction of the Procurement Team plus new processes.

Following approval, it is planned that both documents will take effect from 1 March 2018.

### **3.12 European Structural & Investment Funds – Sustainable Urban Development**

WYCA was asked in its role as the Intermediate Body for the SUD part of the ESIF programme to approve the reconciled prioritisation list for SUD, undertaken by the Managing Authority (MA), Department for Communities and Local Government (DCLG), to the available budget. WYCA Report states prioritisation list for SUD included in Exempt Appendix 1.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

As this report is providing an update from a WYCA meeting, there hasn't been any specific consultation and engagement.

### **4.2 Equality and Diversity / Cohesion and Integration**

Point 3.6 refers to WYCA's priorities and ambitions for inclusive growth, including in relation to the development of inclusive growth corridors in the City Region which specifically aims to connect some of the most deprived communities in LCR.

- 4.3 **Council policies and Best Council Plan**  
The Best Council Plan priorities refer to aspects of the WYCA work and are undertaken in that context.
- 4.4 **Resources and value for money**  
There are no specific implications as a result of this report.
- 4.5 **Legal Implications, Access to Information and Call In**  
There are no specific legal implications arising from this report.
- 4.6 **Risk Management**  
There is currently a risk identified regarding Devolution on the Corporate Risk Register. This is to ensure that any deal to be considered is in the best interests of the people of Leeds.
- 4.7 **Recommendations**  
Members are asked to consider the content of this paper and action that might be needed from Leeds City Council as a result.
- 4.8 **Background documents**  
None