

Report of: Chief Executive

Report to: Full Council

Date: 11th January 2017

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 type="checkbox"/> Yes	<input checked="" 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:		

Summary of main issues

1. 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).
2. The main issues described in this report are from the latest public WYCA meeting in December.

Recommendations

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

Purpose of this report

- 1.1 This report is intended to update Members on matters in the Leeds City Region LEP and the West Yorkshire Combined Authority.

- 1.2 Specifically, this report provides details of the latest public combined authority meeting in December.

2. Background information

- 2.1 Following cross party agreement, this is the ninth report to Full Council to provide an update to Members on the work of the WYCA and Leeds City Region LEP.
- 2.2 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. The WYCA continue to be in negotiations with Whitehall officials regarding the freedoms and flexibilities of a possible devolution deal that would build on those deals previously concluded, most recently in March 2015.

Main Issues

- 3.1 During the West Yorkshire Combined Authority meeting on the 1st December 2016, the following items were discussed:

- 3.2 West Yorkshire Plus Transport Fund

Project approvals and the inclusion of York in the West Yorkshire Plus Transport Fund was discussed by the Combined Authority. Proposals for the progression of, and funding for, a number of West Yorkshire Plus Transport Fund and Growth Deal projects was considered for approval by the Combined Authority, following consideration by the Investment Committee. These included:

- West Yorkshire & York Broadband Coverage Phase 3 (stage 1).
- Leeds (Aire Valley) Enterprise Zone Power Solution (stage 1).
- Leeds City College – Quarry Hill (stage 2).
- Urban Traffic Management Control Centre. (Pending approval from the Managing Director).
- Tackling Fuel Poverty Phase 3. (Pending approval from the Managing Director).
- University of Leeds – Nexus (University Innovation and Enterprise Centre). (Pending approval from the Managing Director).
- LCR Flood Alleviation for Growth. (Pending approval from the Managing Director).

- East Leeds Orbital Road. (Pending approval from the Managing Director).

3.3 One Public Estate

WYCA discussed an update on the One Public Estate Programme and the successful outcome of support for Phase 4 capacity funding and subsequent Phase 5 bid for further funding (following the initial success of the Expression of Interest and £50,000 funding).

The programme contains four regional themes and Local Authority leads relating to the Services and Assets Delivery Plan (a consideration for Phase 4 capacity funding), which was approved by the City Region Land and Assets Board. Among them, Leeds and York are leading on the city regional theme of Health and Social care integration.

The meeting recommended that:

- The Combined Authority approves the full WYCA One Public Estate (OPE) Programme, incorporating the £330,000 confirmed for Phase 4 and the £712,500 requested for Phase 5 is based on the Health and Social care integration scheme – the bid for which was led by Leeds City Council.
- Note that further revenue funding may be applied for.
- Ongoing approval for individual allocations to projects within the WYCA OPE programme be delegated to the WYCA Managing Director under his existing delegated authority under the officer delegation scheme.

3.4 Leeds City Region Flood Review

The WYCA considered findings of the Leeds City Region Flood review and sought to endorse recommendations:

- The aim was to implement a more consistent and effective approach to flood risk management and mitigation and respond to future flood events across the LCR.
- The need for additional funding of at least £5m per annum over the next 5 years to enable and bring forward flood mitigation schemes to protect more homes, businesses and communities earlier, was discussed.
- Equally, the Combined Authority expressed its wish to be kept updated on progress by the City Region Flood Resilience Group with implementing the recommendations of this review.

3.5 Creating local jobs through major capital schemes

As one of the major strands of the LEP's "Inclusive Growth" task group, WYCA has been working with the Joseph Rowntree Foundation's "More Jobs, Better Jobs"

project, initiated by Leeds City Council on. In particular one strand of work related to major capital schemes and the additional local benefits they could help produce. At the WYCA meeting those present discussed:

- The Combined Authority was asked to agree that a consistent approach should be taken to embedding employment and skills outcomes in the procurement of major schemes by the West Yorkshire Combined Authority.
- It was argued that the scoring criteria and contract clauses developed for the West Yorkshire Transport Fund should be used for the procurement of all major schemes by the WYCA.
- It was also asked to approve the draft “policy statement” for embedding jobs and skills in the delivery of major capital schemes across Leeds City Region.

3.6 Developing the LCR Strategic Economic Plan: Ensuring Good Growth Benefits All

With Inclusive Growth becoming a nationally recognised agenda, the WYCA discussed how the LCR Strategic Economic Plan objective to ensure good growth, where improvements are felt in the most deprived communities, might be the basis for the region’s response. A seconded resource was proposed to lead on this on behalf of all partner authorities, supported by local engagement in the work.

To commence this work, it was recommended that the Combined Authority:

- Endorse the outline project presented, accountable to the WYCA and LEP Board, including analysis of intelligence, an audit of existing activity and deciding collective priorities.
- Support a Leeds City Region-led national conference in Bradford on inclusive/good growth. This will be linked to the RSA’s (Royal Society for the encouragement of Arts, Manufactures and Commerce) Inclusive Growth Commission and its deep-dive of the issues and successes in Bradford.

3.7 City Region responses to Brexit

The Combined Authority considered an ‘in principle’ position to flex established business support programmes, in the view that they offer an effective means of addressing risks as the UK leaves the European Union and could be affected by potential changes to global trade. In doing so, the Combined Authority considered:

- The joint LEP Board / WYCA plan to respond to vote to leave the EU.
- The related outcomes from the recent Autumn Statement.
- Global trading relationships.

3.8 Post NGT funding - Leeds Transport Strategy

The Combined Authority explored the development of the Strategic Outline Case Submission to the Department of Transport, following the department's decision to allow for the funding element for the Leeds New Generation Transport (NGT) of £173.5m to be made available for "public transport improvements in Leeds" after a decision was taken not to grant powers for the NGT scheme.

Leeds City Council and West Yorkshire Combined Authority officers were working jointly on the development of a new Leeds Transport Strategy and also on a Strategic Outline Case for the devolution of the £173.5m. In line with the Department of Transport's expectations, the Strategic Outline Case should be submitted to the Department for Transport in December 2016. The WYCA meeting discussed delegating consideration of the schemes to be incorporated within the SOC to the WYCA Transport Committee.

3.9 WYCA Medium Term Financial Strategy and Budget 2017/18

The Combined Authority considered a draft business plan and budget for 2017/18. Specifically, the Combined Authority discussed:

- Enterprise Zone receipts.
- Concessionary reimbursement.
- Pressures on local government budgets.
- The West Yorkshire plus Transport Fund.
- Other pressures on expenditure.

3.10 WYCA Corporate Plan

A mid-year update was provided on progress and performance against the WYCA Corporate Plan with the aim of identifying areas where changes or further actions are required in order to improve performance. The following areas were discussed:

- Growing business.
- Skilled people, better jobs, better connected.
- Clean Energy and Environmental Resilience.
- Infrastructure for growth.
- Changes to the One Organisation programme.

3.11 Better homes update

The Combined Authority was updated with regards to the delivery of the Better Homes Yorkshire Programme and projects during the first year. It was asked to support the emerging principles underpinning the proposed city region policy in response to the forthcoming flexible element of Energy Company Obligation (ECO) funding. It was highlighted that Green Deal was scrapped in 2015 and ECO funding has considerably reduced; thus top up funding from other sources has been required since 2015.

Key achievements from the better homes programme included:

- Delivering energy efficiency measures to 1,733 homes, with an investment of £7.7m.
- In total 1,246 homes have received measures through the programme, with Green Deal Communities funding of £4.9m invested.
- A Central Heating Fund programme comprising over £1.76m is currently nearing completion. Central heating systems, and often a gas connection, will have been provided to 445 fuel poor households with no existing central heating system.
- Six local authorities (Bradford, Calderdale, Kirklees, Wakefield, York and Leeds) commissioned the consultant BRE in 2015 to model housing conditions across the whole housing stock of 1.3 million dwellings in the Leeds City Region. This also included undertaking Health Impact Assessments funded by Health officials, identifying the extent and distribution of poor housing and estimating the impact on health. The study is nearing completion and the results show that mitigating the main hazards alone (Category 1 Hazards) in private dwellings could save the NHS over £36 million.
- The Better Homes Programme Board has recommended a city region wide consistent policy approach is developed and adopted by WYCA and all local authorities. This would need to be in place by the end of March when the new proposed ECO approach would begin.

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

There are no specific implications for this report.

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 for 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 are no specific implications for this report.

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