

**Report of Head of Democratic Services**

**Report to Scrutiny Board (Strategy and Resources)**

**Date: 10<sup>th</sup> June 2020**

**Subject: Devolution Deal for West Yorkshire – Consultation on the published Scheme**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Linked to the West Yorkshire Devolution Deal, the Scheme setting out proposals for changes to the governance and functions of the West Yorkshire Combined Authority is now published for wider consultation.
- In accordance with its remit, the Strategy and Resources Scrutiny Board has previously maintained a watching brief of the devolution agenda. During its meeting on 19<sup>th</sup> May 2020, the Executive Board also continued to acknowledge the important role of the Scrutiny function in ensuring there is a formal, public-facing channel through which the Deal and associated issues can be fully considered by Elected Members.
- This report therefore provides details of the published Scheme, inviting the views of Scrutiny to feed into the formal consultation process.

**2. Best Council Plan Implications**

- If adopted the West Yorkshire Devolution Deal will play a central role in enhancing the Council's ability to respond, working in partnership with others, to the three key pillars which underpin the Best Council Plan – inclusive growth, health and wellbeing, and climate emergency.

**3. Resource Implications**

- The Deal contains significant levels of new funding for West Yorkshire, including a £38m per year, 30 year gainshare agreement.

## **Recommendations**

The Scrutiny Board is asked to:

- (a) Consider the information presented during today's meeting and share its particular views on the published Scheme, to be fed into the formal consultation process;
- (b) Determine what, if any, further Scrutiny it would like to undertake during the course of the consultation process.

## 1. Purpose of this report

- 1.1 Linked to the West Yorkshire Devolution Deal, the Scheme setting out proposals for changes to the governance and functions of the West Yorkshire Combined Authority is now published for wider consultation. The purpose of this report is to provide details of this Scheme and invite the views of Scrutiny as part of the consultation.

## 2. Background information

- 2.1 The West Yorkshire “minded-to” Devolution Deal was announced as part of the Budget on 11 March 2020 (set out in Appendix 1). The deal details £1.8bn of government investment (including £1.14bn over 30 years), which will be subject to local influence and decision making, enabling spend on local priorities, together with a range of devolved functions. This devolution deal is subject to adopting the model of a directly elected mayor (Mayor) over the Combined Area (West Yorkshire) that is, becoming a Mayoral Combined Authority (MCA).
- 2.2 Subsequent to the Budget announcement, each of the five West Yorkshire councils and the West Yorkshire Combined Authority (WYCA):
- Endorsed the “minded to” Deal agreed.
  - Agreed to be party to a Review of the Combined Authority’s constitutional arrangements and of the functions carried out by the Combined Authority of its area pursuant to S111 of the Local Democracy, Economic Development and Construction Act 2009.
  - Authorised the Combined Authority’s Managing Director, in consultation with the Chief Executive of each constituent council, to carry out the Review on behalf of each constituent council and the Combined Authority.
  - Authorised the Combined Authority’s Managing Director, in consultation with the Chief Executive of each constituent council and on behalf of each constituent council and the Combined Authority, to prepare a draft Scheme for consideration by the five constituent councils and the Combined Authority, subject to the outcome of the Review.
- 2.3 In Leeds the decisions noted above were taken on a delegated basis by the Chief Executive following recommendations made by a meeting of the Executive Board, which includes the leaders of the council’s two largest opposition groups. Unfortunately it was not possible to make this a formal meeting, open to the public, at the time as new government regulations surrounding councils’ ability to hold formal public meetings remotely were introduced afterwards. However, the paper considered by board members and the draft minutes were published on the council’s website prior to the Chief Executive formally taking the decisions.
- 2.4 The relevant report and decision notification are [available here](#). This was as a result of Executive Board being unable to meet due to the suspension of meetings in response to the COVID-19 pandemic.
- 2.5 The Executive Board held a further public meeting on 19<sup>th</sup> May 2020 to consider a report from the Chief Executive setting out the next stage of the implementation process in line with statutory processes, as well as outlining the range of work beginning locally to prepare for devolution in Leeds ([Executive Board meeting agenda 19/05/20](#)). In particular, the Executive Board was asked to consider the outcome of

the statutory Governance Review undertaken which had led to the development of a draft Scheme. In doing so, the Executive Board gave its approval to progress to the next phase involving public consultation on the draft Scheme.

### **3. Main issues**

#### **3.1 Draft Scheme**

3.2 Section 112 of the 2009 Act provides that where one or more of the authorities which undertook the Review conclude that the exercise of the power to make an Order under S104 or S105 would be likely to improve the exercise of statutory functions in West Yorkshire, they may prepare and publish a scheme relating to the exercise of the power in question – that is, the making of an order in relation to new transport-related functions, concurrent functions with local authorities, and changed constitutional arrangements (including those changes related to adopting a directly elected mayoral model).

3.3 The Secretary of State may only make an order under S104 or S105 if they consider that to do so is likely to improve the exercise of statutory functions in the Combined Authority's area. In making any such order, the Secretary of State must have regard to the need:

- To secure more effective and convenient local government for the area; and
- To reflect the identities and interests of our local communities.

3.4 The Governance Review, as presented to the Executive Board on 19<sup>th</sup> May 2020, concluded that:

- Current regional governance arrangements – based on a non-mayoral combined authority – do not represent the best model in terms of delivering the long-term ambitions of the authorities within the area for economic growth and delivery of public services;
- There is a limited practical scope for the existing governance arrangements to be meaningfully strengthened, short of creating a mayoral combined authority;
- A change is required to enable the West Yorkshire authorities to pursue their economic policy agenda at greater pace, while continuing to collaborate with the wider Leeds City Region, Yorkshire and the North in pursuit of shared economic objectives; and
- The statutory criteria for preparing and publishing a Scheme are met, i.e. that making an Order under S104 and S105 will likely:
  - Improve the exercise of statutory function in that area.
- In addition, establishing an MCA model of governance for West Yorkshire will:
  - Have a positive impact on the interests and identities of local communities – these proposals build on established regional governance arrangements which cover a coherent functional economic area and which represent the views and interests of local communities; and
  - Secure more effective and convenient local government by reducing complexity and streamlining the delivery of public services within the area.

3.5 The Review proposed that a Scheme is published that confirms:

- Any MCA should cover the area of West Yorkshire;
- A West Yorkshire Mayor would be elected in May 2021;
- The Mayor would become a member of the Combined Authority, and chair meetings of the authority;
- Each council will continue to appoint a member to the new MCA, along with political representatives from opposition groups, and non-constituent members from the LEP and City of York Council would be appointed; and
- The Mayor and MCA will exercise specific statutory functions, and hold some powers concurrently with West Yorkshire local authorities. No functions are being removed from those councils. Where existing functions currently held by West Yorkshire local authorities are to be shared with the Mayor or the MCA, this must be agreed by the constituent councils.

3.6 The Scheme will form the basis for a revised Order establishing the Mayoral Combined Authority. The Scheme therefore contains proposals relating to the adoption of a mayoral model, and the transfer of functions of a public authority to the Combined Authority, in accordance with S107B(2) and S105B(4) respectively. It contains information on:

- Proposed membership, voting and any other constitutional arrangements;
- Functions to be conferred on the mayoral combined authority and how they are exercised, that is, by the Combined Authority, currently with constituent councils, or by the Mayor (including any constraints or limitations to the Mayor's powers);
- Any changes to the way in which the Combined Authority will be funded, including power for the Mayor to issue a precept, or prudential borrowing powers for functions other than transport;
- Practical arrangements, including and property transfers and ensuring transparency via enhanced scrutiny arrangements.

### 3.7 **Formal consultation**

3.8 Having been considered by constituent councils and the Combined Authority, the Scheme is now published for wider consultation. This consultation was formally launched on 25<sup>th</sup> May 2020 for eight weeks, closing on 19 July 2020.

3.9 In line with other Mayoral Order consultations undertaken elsewhere in England, the primary consultation channel being used is an online survey asking respondents their views on the Scheme. The link to the survey and all associated documents is hosted on the Combined Authority's Your Voice consultation and engagement website (<https://www.yourvoice.westyorks-ca.gov.uk/wydevolution>), plus West Yorkshire councils' websites.

3.10 During its meeting on 19<sup>th</sup> May 2020, it was acknowledged by the Executive Board that, given the current COVID-19 situation, a communications plan would be developed, between the Combined Authority and local councils, to promote the consultation to the widest possible audiences using a range of digital and non-digital channels. These will include a combination of:

- Social media – including paid Facebook content
- Press releases targeting local and regional media
- Development of a toolkit so that councils and other partners can promote the consultation via their channels

- Potential local radio advertising and / or interviews
- Direct engagement with community networks and equalities groups to improve accessibility
- Development of an animation and associated assets explaining what devolution means in simple, accessible language
- Mailshots to target postcodes
- Direct e-shots to an extensive stakeholder list

- 3.11 Due to the current social distancing guidelines face-to-face consultation channels are not possible. In order to enhance the accessibility of the consultation for groups and individuals who may not be able to access digital channels, a specialist consultant has been procured to support effective targeting of particular postcode areas and equality groups. Contact has also been made with community and equalities groups and business representative organisations to be sure they have an opportunity to respond and share the consultation with their members to gather their views.
- 3.12 Following the consultation, a summary of consultation responses will be brought back to the constituent councils and the Combined Authority for consideration and approval. To ensure independence of process, specialist consultants have been commissioned to analyse the results and produce the final report. The Consultation Institute have also been asked to provide independent quality assurance and recommendations on the process adopted.
- 3.13 Once approved, the Scheme, along with the summary of the consultation responses and any representations made on behalf of constituent councils, will be submitted to the Secretary of State. Details of the Scheme would then be embodied in the draft statutory Order to establish a mayoral combined authority, and consents sought in due course from each of the constituent councils and the Combined Authority in respect of the draft Order and any related Regulations.
- 3.14 **Consulting the views of Scrutiny**
- 3.15 In accordance with its remit, the Strategy and Resources Scrutiny Board has previously maintained a watching brief of the devolution agenda. During its meeting on 19<sup>th</sup> May 2020, the Executive Board also continued to acknowledge the important role of the Scrutiny function in ensuring there is a formal, public-facing channel through which the Deal and associated issues can be fully considered by Elected Members.
- 3.16 Details of the published Scheme is therefore attached for the Board's consideration (see Appendix 2) as well as the consultation survey document (see Appendix 3).
- 3.17 In view of the consultation timeframe, arrangements have been put in place to provide for the broadest possible considerations to be made during today's meetings. The Chairs of each of the other Scrutiny Boards have been invited to contribute as co-opted additional members as this provides a link and opportunity for members of all Scrutiny Boards to feed into the process via their respective Chairs. However, where considered appropriate, individual Scrutiny Boards may also opt to convene further meetings within the consultation timeframe to examine specific issues in more detail.
- 3.18 In conclusion, the views of Scrutiny will be captured within a composite report to be submitted by the close of the public consultation on 19 July 2020 so they can be considered ahead of any submission which may be made to the Secretary of State.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Invitations have been extended to the Leader of Council, the Chief Executive of the Council and the Managing Director of the West Yorkshire Combined Authority to attend today's meeting to address questions from the Board.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 With regard to the consultation process, the Executive Board was informed during its meeting on 19<sup>th</sup> May 2020 that the Council will continue to work proactively with the Combined Authority – and the consultant – to ensure the widest possible reach for the consultation.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 Securing a devolution deal for Leeds and the wider region has been a significant priority for the local authority for a number of years, as set out in the current and previous versions of the Best Council Plan. Once implemented the powers, funding and freedoms to be devolved from Government to the region will enhance the council's ability to achieve the strong economy and a compassionate city set out as its vision.

#### Climate Emergency

- 4.3.2 As part of the Deal text, the Government welcomed West Yorkshire's commitment to becoming a net zero carbon economy by 2038, with significant progress by 2030. Locally, the council remains committed to achieving net zero carbon emissions by 2020, as set out in the March 2019 climate emergency declaration.
- 4.3.3 The Governance Review and the published Scheme therefore considers the potential for MCA governance arrangements to deliver West Yorkshire's clean growth ambitions.

### **4.4 Resources, procurement and value for money**

- 4.4.1 The Deal includes a number of flagship funding arrangements including £38m for 30 years into the West Yorkshire Investment Fund, £317m from the Transforming Cities Fund and control over the £63m annual Adult Education budget. The implications of these and the other funding provisions contained within the Deal were considered as part of the Governance Review.

### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 Statutory processes need to be followed before any Order or Regulations may be made to implement the Deal.
- 4.5.2 S101(5) Local Government Act 1972 provides that two or more local authorities (defined to include a Combined Authority) may discharge any of their functions jointly and may arrange for the discharge of those functions by an officer of one of the authorities.

## **4.6 Risk management**

- 4.6.1 The council maintains a risk regarding devolution on the corporate risk register. This takes account of the need to secure a good deal and the opportunities this presents for the city. The risk ensures that any deal to be considered is in the best interests of the people of Leeds.
- 4.6.2 This risk will remain under review as the deal implementation process moves forward to provide assurance that any new or emerging opportunities are effectively assessed and acted upon.

## **5. Conclusions**

- 5.1 Linked to the West Yorkshire Devolution Deal, the Scheme setting out proposals for changes to the governance and functions of the West Yorkshire Combined Authority is now published for wider consultation. In accordance with its remit, the Strategy and Resources Scrutiny Board has previously maintained a watching brief of the devolution agenda. This report therefore provides details of the published Scheme and invites the views of Scrutiny so that these can be acknowledged as part of the formal consultation process.

## **6. Recommendations**

- 6.1 The Scrutiny Board is asked to
- (a) Consider the information presented during today's meeting and share its particular views on the published Scheme, to be fed into the formal consultation process;
  - (b) Determine what, if any, further Scrutiny it would like to undertake during the course of the consultation process.

## **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.