

# Public Document Pack

**EXECUTIVE MEMBER PRIVATE CONSULTATION MEETING**

**WEDNESDAY 18<sup>TH</sup> MARCH 2020**

LATE ITEM –

DEVOLUTION DEAL FOR WEST YORKSHIRE – REVIEW OF GOVERNANCE  
ARRANGEMENTS

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**Report of Chief Executive**

**Report to Executive Board**

**Date: 18 March 2020**

**Subject: Devolution Deal for West Yorkshire – Review of Governance Arrangements**

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

- On 11 March 2020 the Chancellor of the Exchequer announced that an agreement has been reached between the leaders of the five West Yorkshire local authorities and the Government on a devolution deal for West Yorkshire.
- This paper sets out the terms of the deal and the process to now be followed in order to implement it, including asking Executive Board to approve the first stages of this process.

**2. Best Council Plan Implications**

- Securing a devolution agreement for Leeds and the wider region have been a council priority for some time – the agreement of such a deal is a significant step forward in line with the council’s organisational strategy.
- Devolution continues to be a highly complex and dynamic policy agenda with a number of potential short, medium and long term implications for citizens, communities and businesses in Leeds. These will be further considered throughout the implementation process set out in this report.

**3. Resource Implications**

- The Deal contains some significant funding arrangements, including a £38m per year, 30 year gainshare agreement.

## Recommendations

Executive Board is asked to:

- 1) To note and endorse the Deal agreed and attached as Appendix 1 to this report.
- 2) To agree that Leeds City Council should be party, together with the Combined Authority and the other four constituent councils of Bradford, Calderdale, Kirklees and Wakefield to a Review of the Combined Authority's constitutional arrangements and of the functions carried out by the Combined Authority over its area, as set out in section 3 of this report and pursuant to S111 of the Local Democracy, Economic Development and Construction Act 2009.
- 3) To authorise 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.
- 4) To authorise 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 constituent councils and the Combined Authority, subject to the outcome of the Review.
- 5) To note the provisional timetable set out in Appendix 4 to this report and the next steps including, if appropriate, the submission of a summary of the consultation to the Secretary of State by the end of July 2020, so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal.
- 6) To delegate authority to the Chief Executive, in consultation with the Leader of Council, to take any action and decisions necessary which would ordinarily be taken by Executive Board, to ensure progress of the required statutory process and procedural steps for the timely progress of the Deal. That authority must be exercised only if there is disruption / cancellation of Executive Board / Council meetings, and it excludes authority to take the decision to give the council's required consent to an Order.
- 7) To resolve that this decision is exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 4.5.3 of this report.

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

- 1.1 The West Yorkshire “minded-to” Devolution Deal announced in March 2020 offers the opportunity for the region to receive functions and funding additional to that received under previous Deals in return for adopting the model of a directly elected Mayor by May 2021. The Deal has the potential to benefit the region by unlocking central government funding and powers to allow more local and accountable decision making.
- 1.2 The “minded-to” Deal is the starting point leading ultimately to the adoption of a mayoral combined authority model with additional functions which will require an Order of the Secretary of State. Each council and the Combined Authority will need to agree specific actions as part of the statutory procedures which must be followed before the Secretary of State may grant such an Order. These are set out in more detail below, but include carrying out a statutory Review of constitutional arrangements and functions for the proposed electoral area and preparing and adopting a Scheme which will then go out to public consultation. Councils will subsequently have the opportunity to consider the representations received before deciding to submit the Scheme to the Secretary of State setting out the proposed arrangements, along with a summary of consultation responses. The consent of each council and the Combined Authority will subsequently be required to the making of the Order.
- 1.3 This report seeks members endorsement to the “minded to” Deal. It also seeks authority for a statutory Review to be undertaken jointly by Constituent Councils and the Combined Authority, and for a further report to be prepared in due course to include a draft Scheme for consideration (subject to the outcome of the Review).

## **2. Background information**

- 2.1 In December 2019, the Leaders of West Yorkshire and York councils and the Chair of the Leeds City Region Local Enterprise Partnership (the LEP) wrote to the Prime Minister to highlight the importance of making progress on devolution arrangements across the region.
- 2.2 On 29 January 2020 the leaders of the five West Yorkshire councils met with Exchequer Secretary to the Treasury, Simon Clarke MP, and Northern Powerhouse Minister, Jake Berry MP. Following the outcome of their discussions it was agreed that formal negotiations would begin in order to create a devolution deal for the region.
- 2.3 On 5 February 2020 the first formal negotiating meeting took place at an official / officer level between West Yorkshire Chief Executives and senior government officials. In the weeks since detailed negotiations have been taking place between Leaders, Ministers, Chief Executives and Officials to consider the powers, functions and governance arrangements to be contained within a devolution agreement.
- 2.4 On 10 March 2020 the West Yorkshire Leaders wrote to the Secretary of State to indicate their acceptance of the deal, and this agreement was announced by the Chancellor of the Exchequer in his Budget the following day.
- 2.5 On 12 March 2020, during a ceremony at the University of Leeds’s Nexus Leeds building, the West Yorkshire Devolution Deal was signed by Leaders and the Chancellor.

### **3. Main issues**

- 3.1 The Deal will devolve a range of powers and responsibilities to the West Yorkshire Combined Authority, supporting the region to drive economic growth and prosperity within its communities and across the North of England. It will build upon the area's history of collaboration to maximise this investment and increase its contribution to national economies.
- 3.2 The Local Authorities of the West Yorkshire Combined Authority and Government have agreed an initial devolution deal which will provide powers and funding to enable the region to make progress as a significant step forward towards achieving that ambition.
- 3.3 The City Region partnership has grown and strengthened over more than a decade, from the Leeds City Region Leaders Board to the West Yorkshire Combined Authority working with the Leeds City Region Local Enterprise Partnership (LEP).
- 3.4 The West Yorkshire Councils and Leeds City Region LEP secured the area's City Deal in 2012 and a £1bn Growth Deal in July 2014. This success has enabled the City Region to make a strong start:
- bringing close to £3 billion public and private sector investment into the region to boost growth and jobs
  - set to create 20,600 jobs and add £2.1 billion a year to the economy by 2031
  - putting in place a £1 billion package of transport investment to upgrade transport links, making it easier for people and businesses to get around
  - helping 4,800 businesses to grow since 2011, unlocking close to half a billion pounds of private sector investment
  - creating over 4,300 work opportunities for young people aged 16-24, including 3,837 apprenticeships adding an expected £1.4 billion to the economy by 2020 as a result of work over the past four years.
- 3.5 West Yorkshire's ambition is to go much further to address historic and emerging challenges, including the need to improve air quality and tackle the climate emergency. With a population of over 2.3 million people and a GVA of over £55bn p.a., West Yorkshire offers enormous potential. Sizeable parts of West Yorkshire enjoy a great quality of life, good wages, and lower living and housing costs, and for many the region is a great place to live, work, visit and invest. But substantial long-term investment and greater powers are needed, to tackle the challenges facing the region, and to harness its huge economic opportunity for the benefit of people in the region and for the whole UK.
- 3.6 The West Yorkshire deal will unlock significant long-term funding and give the region greater freedom to decide how best to meet local needs and create new opportunity for the people who live and work there. This agreement is the first step in a process of further devolution. The Government will continue to work with West Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling the climate emergency
- 3.7 The following section of the report provides a summary of the key elements of the "minded-to" Deal in terms of key devolved powers and funding commitments; a description of the mayoral combined authority model; the process for its establishment and to provide for other associated changes set out in the Deal; the

Review geography and scope; and the key elements of any subsequent Scheme. A copy of the Deal is attached as **Appendix 1** to this report.

### 3.8 **Deal proposals**

3.9 The devolution deal includes the following headline commitments:

- £38m for 30 years into West Yorkshire Investment Fund with a 25%/75% capital/revenue split
- Government commitment to work with West Yorkshire to develop modern mass transit system through access to a new five-year integrated transport settlement
- £317m from the Transforming Cities Fund to dramatically improve access to public transport, cycling and walking
- Access to bus franchising powers
- Control of the £63m annual Adult Education Budget for West Yorkshire to closer align spending on skills to the opportunities and needs in the local economy
- A £25m heritage fund to support the development of a British Library North in Leeds
- £500,000 of Government funding to support master planning in Bradford City Centre to maximise regeneration opportunities from Northern Powerhouse Rail
- £75,000 to support the creation of a Digital Skills Partnership
- The creation of a West Yorkshire Mayor to be elected in May 2021
- A commitment to work towards policing and crime powers to be transferred to the Mayor in 2024.
- Government commitment to engage with the Combined Authority on priorities emerging from the Future Ready Skills Commission
- Access to the Government's new Brownfield Regeneration Fund to support housing growth and £3.2m to support the development of a pipeline of housing sites across West Yorkshire.
- £200,000 funding to support the work of the Yorkshire Leaders Board

3.10 Under the deal, West Yorkshire Combined Authority would retain its current powers in relation to economic development, regeneration and transport functions (with the Mayor taking responsibility for preparing the transport plan and strategies). Working with the Mayor, these will be strengthened with additional powers as set out in legislation:

- Finance – power to borrow up to an agreed cap for non-transport functions
- Adult education and skills functions
- Economic development – duty to prepare an assessment of economic conditions
- Housing functions relating to compulsory purchase (subject to the consent of the constituent council affected by the exercise of the function), plus provision of housing and land, land acquisition and disposal, and development and regeneration of land

- Transport powers to set up and coordinate a Key Route Network on behalf of the Mayor (unless otherwise agreed locally, all operational responsibility for Key Route Network roads will remain with the constituent councils)
- Powers to collect contributions from utility companies for diversionary works needed as a result of highways works carried out on the Key Route Network
- Powers to operate a permit scheme designed to control the carrying out of works on the Key Route Network
- The Combined Authority will be able to seek consent to raise a Strategic Infrastructure Tariff

3.11 The directly elected Mayor for the West Yorkshire Combined Authority would autonomously exercise their new functions with personal accountability to the electorate, devolved from central Government and set out in legislation. These functions will be:

- The functional power of competence
- Housing and planning
  - Statutory spatial planning powers to produce a spatial development strategy; exercisable with the unanimous consent of the constituent authorities
  - Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (subject to the consent of the council in whose area this would apply)
  - Housing and land acquisition powers (subject to the consent of the council in whose area this would apply) to support housing, regeneration, infrastructure and community development and wellbeing
- Finance
  - Power for the Mayor to set a precept on council tax to fund Mayoral functions (resulting from the setting of the Mayoral budget as set out below)
  - Power to charge business rate supplement (subject to ballot)
- Transport
  - Power to draw up a local transport plan and strategies (The Combined Authority will be able to amend the Mayor's transport strategy if a majority of members agree to do so)
  - Power to request local regulations requiring large fuel retailers to provide Electric Vehicle charging points
  - Bus franchising powers
  - Ability to pay grants to bus service operators
- Police and Crime Commissioner functions from the Mayoral election in 2024

### 3.12 **Mayoral combined authority model**

3.13 To secure the functions and funding set out above, the Government requires a mayoral combined authority to be established and the election of a directly elected Mayor by 2021 for the area of the 5 West Yorkshire authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield (the Constituent Councils).



- 3.14 As reflected in the Deal, the proposed Mayoral Combined Authority would provide local accountability and exercise decision-making including over newly-devolved functions and funding in relation to transport, skills, economic development and regeneration, and allow for strategic prioritisation across the Combined Authority's area and integrated policy development.
- 3.15 **Appendix 2** outlines the key features of any mayoral combined authority.
- 3.16 The Governance section of the Deal (Appendix 1) includes the proposed constitutional arrangements. Key features of the constitutional arrangements are outlined below.
- 3.17 Membership
- 3.18 Voting members to include:
- The elected Mayor
  - Five elected members, one appointed by each of the five Constituent Councils
  - Three elected members agreed by the Constituent Councils to reflect the balance of political parties across the Combined Authority area
- 3.19 In addition there will be:
- An elected member appointed by the city of York Council (which will remain as a non-constituent member of the West Yorkshire Combined Authority)
  - The Chair of the Leeds City Region LEP
- 3.20 These members will be non-voting unless the Combined Authority resolves to give them a vote on any issue.
- 3.21 Voting arrangements in relation to non-mayoral functions
- 3.22 The Mayor will have one vote as will all other voting members of the Combined Authority. Any questions that are to be decided by the combined Authority are to be decided by a simple majority of the members present and voting, unless otherwise provided for in legislation. Where the decision relates to a new function which the Combined Authority acquires pursuant to the Deal, or where required by the Authority's constitution, that majority must include the vote of the Mayor.
- 3.23 In addition, for the following decisions the majority of members must include the consent of three of the five members for the Constituent Councils (but not that of the three additional Constituent Council members appointed for political balance):
- Approving the Combined Authority's budget (excluding decisions which relate to the Mayor's budget)
  - Setting a levy
- 3.24 Constraints on the Mayor's decision-making
- 3.25 The Mayor will be required to consult the Combined Authority on their strategies, and this will be subject to the following specific conditions:
- The spatial development strategy will require the unanimous consent of all five members for the Constituent Councils (but not that of the three additional Constituent Council members appointed for political balance)
  - The Combined Authority will be able to amend the Mayor's budget if five eighths of the members agree to do so

- The Combined Authority will be able to amend the Mayor’s transport strategy if a majority of members agree to do so

3.26 **Process**

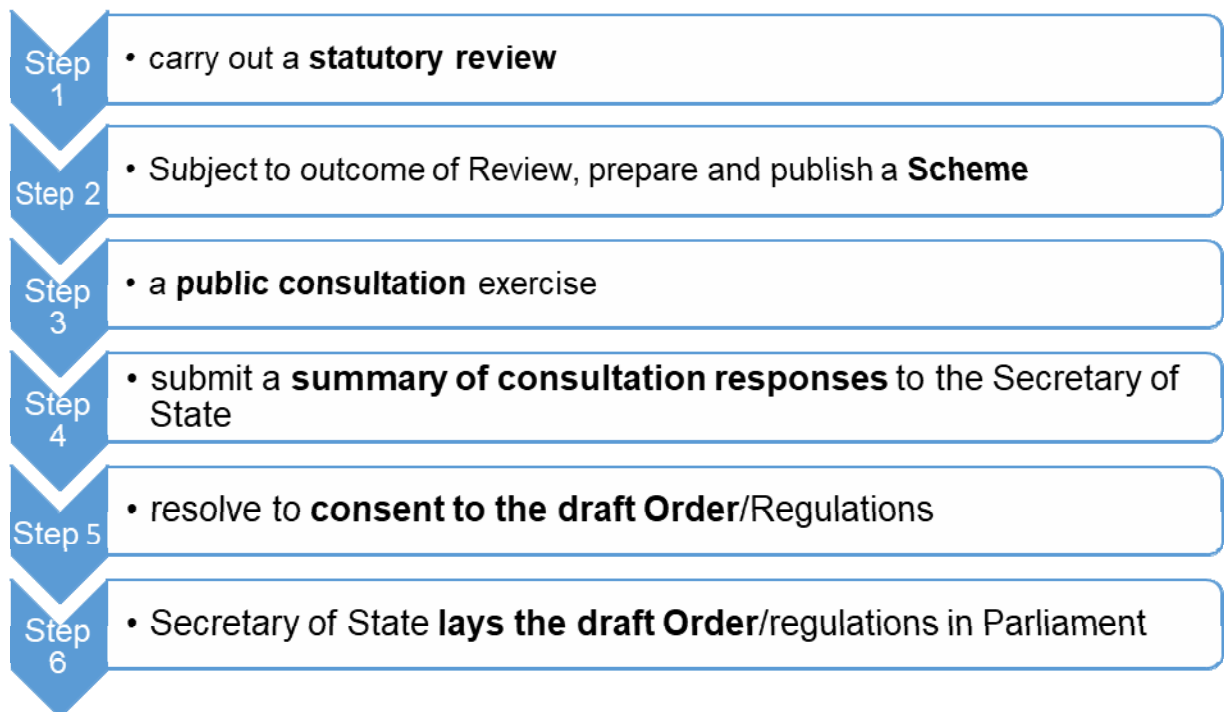
3.27 The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) sets out statutory processes to be followed before any Order is made to:

- Adopt a mayoral combined authority model
- Provide for the Mayor to carry out and delegate mayoral general functions
- Provide for the joint exercise of general functions by the Mayor
- Change the constitutional arrangements of a Combined Authority (voting, membership)
- Delegate Secretary of State functions to the Combined Authority, and
- Delegate local authority functions concurrently to the Combined Authority.

3.28 Each aspect listed in 2.15 above has a specific statutory procedure to be followed. In addition, the consent of each Constituent Council and the Combined Authority is required to any Regulations giving the Combined Authority powers to borrow for non-transport functions.

3.29 It is proposed that the process set out in the flow chart below is followed. This process addresses all statutory procedural requirements, facilitates an understanding of the overall impact of the changes, and maximises engagement with stakeholders including the public. Further details about each step are set out in **Appendix 3**.

3.30 Flow chart of proposed process:



3.31 **Appendix 4** to this report is a timeline which outlines the main decisions and estimated timescales involved in obtaining the necessary secondary legislation to implement the 2020 Deal. Significant parts of the process are outside of the control of the Constituent Councils and the Combined Authority (the Secretary of State drafting the Order and placing it before Parliament).

3.32 The proposals in this report do not include any proposals to progress at this time, the transfer of either PCC functions or fire and rescue functions to the Combined Authority. However, the Deal anticipates that responsibility for PCC functions will be taken on from 2024, but this will be subject to a separate statutory process.

### 3.33 **Review area**

3.34 The proposed area of the Review is the Combined Authority's area, namely the area which comprises the Constituent Councils of Bradford, Calderdale, Kirklees, Leeds and Wakefield. It is proposed that the Combined Authority jointly carries out the review with the Constituent Councils.

3.35 Options to enable wider collaboration will be explored as part of the Review, including the wider City Region, Yorkshire and the North.

### 3.36 **Review scope**

3.37 The Review will be required to test the proposition, including by drawing on evidence from stakeholders, that any Order relating to the proposed constitutional arrangements or conferral of functions to the Combined Authority would be likely to improve the exercise of statutory functions.

3.38 Specifically, the Review would need to consider the relevant systems, structures and procedures that are in place across the area to make decisions, set strategy, manage delivery, assess performance and report on progress. Analysis of options (such as leaving existing governance unchanged, strengthening or restructuring existing governance arrangements, or adopting a mayoral combined authority model) would be undertaken.

3.39 Any final report of the Review process which concludes that the proposed revised constitutional arrangements and the additional functions proposed to be exercised by the Combined Authority would be the most beneficial option in terms of improved outcomes would in effect provide the business case for the mayoral combined authority arrangements. It would inform the preparation of a Scheme of governance.

### 3.40 **Scheme**

3.41 The Scheme would form the basis for a revised Order establishing the mayoral combined authority. It would contain 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, concurrently 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 any property transfers and ensuring transparency via enhanced scrutiny arrangements.

3.42 It will be important to ensure that any revised sub-regional arrangements secure and enhance effective working arrangements between the Mayoral Combined Authority and the Constituent Councils and their democratic arrangements, to facilitate a joined-up and collaborative approach to policy, delivery and decision-making.

### 3.43 **Next Steps**

- 3.44 With regard to next steps, it is proposed that (subject to the outcome of the statutory Review) a draft Scheme is prepared for consideration by Constituent Councils and the Combined Authority before the wider public consultation and with business and other stakeholders. It is proposed that there is one consultation exercise co-ordinated by the Combined Authority, but that this is led by each council in relation to their district. Following this, a summary of consultation responses will be brought back to the Constituent Councils and the Combined Authority to approve before the Scheme is submitted to the Secretary of State.
- 3.45 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.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 As mentioned in paragraphs 1.2 and 3.30, and detailed in Appendix 3, a public consultation exercise will be undertaken on the draft Scheme. The exercise will inform councils' decision to move forward and a summary of the responses will be sent to the Secretary of State.
- 4.1.2 A future report will seek authorisation to undertake a public consultation on an adopted governance Scheme, and set out the consultation process and methodology including digital and other appropriate means in order to ensure accessibility.

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

- 4.2.1 There are no specific equality, diversity, cohesion (EDCI) or integration implications of this report. As the devolution process moves forward, it is possible that EDCI implications may arise, but this will be assessed and considered as appropriate at that time.

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

- 4.3.1 Both the current and several previous versions of the Best Council Plan have been clear that securing a devolution agreement for Leeds and the wider region have been a notable priority for the council.
- 4.3.2 Devolution continues to be a highly complex and dynamic policy agenda with a number of potential short, medium and long term implications for citizens, communities and businesses in Leeds. The full impact of the deal agreed on the council will be considered over the coming weeks, and through the processes set out in this report elected members and members of the public will be able to discuss and influence its implementation.

#### **Climate Emergency**

- 4.3.3 As part of the Deal text, the Government has welcomed West Yorkshire's commitment to becoming a net zero carbon economy by 2038, with significant progress by 2030. Leeds City Council's local commitment – as set out in the March

2019 climate emergency declaration – remains for the city to achieve net zero carbon emissions by 2030.

4.3.4 Although there are no immediate implications on Clean Growth arising as a direct result of the report, the Review and Scheme to be commissioned and considered and consulted upon will look at the potential for Mayoral Combined Authority 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 will be considered as part of the Review and subject to future reports.

4.4.2 In due course, it is possible that the establishment of the Mayoral Combined Authority may have some limited staffing implications for the council. At the current time it is not clear what, if any, these implications may be, but further consideration will be given to this matter at the appropriate point to ensure continued operational effectiveness and efficiency of both the council and the Combined Authority.

#### **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.

4.5.3 With regards to this paper, and specifically to the recommendation made that it is exempt from the Call In process, this is requested on the grounds of urgency. Any delay caused by the Call In process would delay the start of the statutory review of constitutional arrangements required upon agreement of a deal, which would in turn have a detrimental impact on the timeline (as set out in Appendix 4) which would need to be achieved to ensure the successful implementation of a devolution deal for the region. Additionally, it was not possible to bring this paper forward within the agenda as published on 10 March as it was only announced on 11 March and then signed on 12 March.

#### **4.6 Risk management**

4.6.1 There is currently a risk identified regarding devolution on the corporate risk register. This takes account of the need to secure a 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 In light of these recent developments, the corporate risk around devolution will now be reviewed.

### **5. Conclusions**

- 5.1 The agreement of a devolution deal for West Yorkshire provides significant opportunities for the Leeds and the wider region. The freedoms, powers and funding aligned to the Deal will enable local decision makers to make progress on some of the long-term priorities as set out in this paper.

## **6. Recommendations**

- 6.1 Executive Board is asked to:

- 1) To note and endorse the Deal agreed and attached as Appendix 1 to this report.
- 2) To agree that Leeds City Council should be party, together with the Combined Authority and the other four constituent councils of Bradford, Calderdale, Kirklees and Wakefield to a Review of the Combined Authority's constitutional arrangements and of the functions carried out by the Combined Authority over its area, as set out in section 3 of this report and pursuant to S111 of the Local Democracy, Economic Development and Construction Act 2009.
- 3) To authorise 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.
- 4) To authorise 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 constituent councils and the Combined Authority, subject to the outcome of the Review.
- 5) To note the provisional timetable set out in Appendix 4 to this report and the next steps including, if appropriate, the submission of a summary of the consultation to the Secretary of State by the end of July 2020, so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal.
- 6) To delegate authority to the Chief Executive, in consultation with the Leader of Council, to take any action and decisions necessary which would ordinarily be taken by Executive Board, to ensure progress of the required statutory process and procedural steps for the timely progress of the Deal. That authority must be exercised only if there is disruption / cancellation of Executive Board / Council meetings, and it excludes authority to take the decision to give the council's required consent to an Order.
- 7) To resolve that this decision is exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 4.5.3 of this report.

## **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.

# West Yorkshire Devolution Deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including the consent of all councils affected and parliamentary approval of the secondary legislation implementing the provisions of this Deal.



## Signature page



.....  
The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer



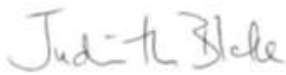
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Simon Clarke MP  
Minister of State at the Ministry of  
Housing, Communities and Local  
Government



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Cllr Shabir Pandor  
Leader of Kirklees Council



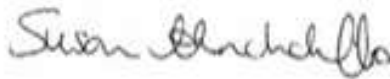
.....  
Cllr Denise Jeffery  
Leader of Wakefield Council



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Cllr Judith Blake  
Leader of Leeds Council



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Cllr Tim Swift  
Leader of Calderdale Council



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Cllr Susan Hinchcliffe  
Leader of Bradford Council and Chair of  
the West Yorkshire Combined Authority



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## Introduction

- 1) This document sets out the terms of a proposed agreement for a Devolution Deal between the government and the Local Authorities of West Yorkshire, comprising Bradford, Calderdale, Kirklees, Leeds, and Wakefield Councils, and the West Yorkshire Combined Authority. This agreement is subject to ratification by those Councils and the Combined Authority, and to the statutory requirements for making the secondary legislation implementing the provisions of the Deal. These statutory requirements include those Councils and the West Yorkshire Combined Authority consenting to the legislation and Parliament approving it. Once that legislation is made the Devolution Deal will be confirmed.
- 2) The deal will devolve a range of powers and responsibilities to the West Yorkshire Combined Authority, supporting the region to drive economic growth and prosperity within its communities and across the North of England. It will build upon the area's history of collaboration to maximise this investment and increase its contribution to national economies.
- 3) Through partnership, West Yorkshire is determined to unleash its full economic potential and in doing so raise living standards for its communities and make a full contribution to the UK economy. The Local Authorities of the West Yorkshire Combined Authority and Government have agreed an initial devolution deal which will provide powers and funding to enable the region to make progress as a significant step forward towards achieving that ambition.
- 4) West Yorkshire is strongest when it works together to deliver for all its communities. Its partnership has grown and strengthened over more than a decade, from the Leeds City Region Leaders Board to the West Yorkshire Combined Authority working with the Leeds City Region Local Enterprise Partnership (LEP).
- 5) The West Yorkshire Councils and Leeds City Region LEP secured the area's City Deal in 2012 and a £1bn Growth Deal in July 2014. This success has enabled the City Region to make a strong start:
  - bringing close to £3 billion public and private sector investment into the region to boost growth and jobs
  - set to create 20,600 jobs and add £2.1 billion a year to the economy by 2031
  - putting in place a £1 billion package of transport investment to upgrade transport links, making it easier for people and businesses to get around
  - helping 4,800 businesses to grow since 2011, unlocking close to half a billion pounds of private sector investment
  - creating over 4,300 work opportunities for young people aged 16-24, including 3,837 apprenticeships adding an expected £1.4 billion to the economy by 2020 as a result of work over the past four years.

- 6) West Yorkshire's ambition is to go much further to address historic and emerging challenges, including the need to improve air quality and tackle the climate emergency.
- 7) With a population of over 2.3 million people and a GVA of over £55bn p.a., West Yorkshire offers enormous potential. Sizeable parts of West Yorkshire enjoy a great quality of life, good wages, and lower living and housing costs, and for many the region is a great place to live, work, visit and invest. But substantial long-term investment and greater powers are needed, to tackle the challenges facing the region, and to harness its huge economic opportunity for the benefit of people in the region and for the whole UK.
- 8) The West Yorkshire deal will unlock significant long-term funding and give the region greater freedom to decide how best to meet local needs and create new opportunity for the people who live and work there. This agreement is the first step in a process of further devolution. The Government will continue to work with West Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling the climate emergency.
- 9) The forthcoming Leeds City Region Strategic Economic Framework, which includes the Local Industrial Strategy, will set out a robust evidence base and shared long-term priorities for boosting productivity, tackling the climate emergency and enabling inclusive growth. This will inform how West Yorkshire uses these significant new powers and responsibilities to maximise their long-term contribution to regional and national prosperity.
- 10) As a Mayoral Combined Authority, West Yorkshire will have an important role and voice across the Northern Powerhouse, and will be a key partner of central government to drive regional growth and productivity, joining the existing Mayoral Combined Authorities and engaging with Government as a Mayoral Combined Authority from the date of this deal – 11 March 2020.

## **Summary of the devolution deal between the Government and the Local Authorities of West Yorkshire, comprising Bradford, Calderdale, Kirklees, Leeds and Wakefield Councils and the West Yorkshire Combined Authority (collectively “West Yorkshire”)**

The Government and West Yorkshire are minded to agree an ambitious devolution deal which will provide the area with significant new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements. A devolution agreement is contingent upon West Yorkshire proceeding through the steps necessary to establish the new Mayoral Combined Authority.

This devolution agreement includes:

- A new, directly elected West Yorkshire Mayor, acting as Chair to the West Yorkshire Combined Authority.
- Control of a £38 million per year allocation of gainshare investment funding over 30 years (25% capital, 75% revenue), to be invested by the West Yorkshire Combined Authority to drive growth and take forward its priorities.
- A five-year integrated transport settlement starting in 2022/23 and exploring the case for West Yorkshire Mass Transit.
- New powers on transport, including bus franchising and control of a Key Route Network.
- Devolution of Adult Education powers and the Adult Education Budget to allow West Yorkshire to shape local skills provision to respond to local needs.
- £317 million from the Transforming Cities Fund, with flexibilities on spend.
- A £25 million Heritage Fund to support the British Library in establishing a potential ‘British Library North’.
- New powers on housing and planning, including statutory spatial planning, compulsory purchase and Mayoral Development Corporations.
- £3.2m to support the development of a pipeline of housing sites across West Yorkshire, with a Strategic Place Partnership with Homes England and the opportunity to bid into a new £400m Brownfield Fund.
- Up to £500,000 for the Bradford Station Masterplan and funding for the next stage of development of the Outline Business Case for Leeds station redevelopment.
- £75,000 for a West Yorkshire Local Digital Skills Partnership, subject to approval of a local proposal.
- £101 million Government funding for West Yorkshire flood risk management schemes, with an ongoing partnership with the Environment Agency on identifying and addressing flood risk management requirements in West Yorkshire.
- A West Yorkshire pilot of emerging green infrastructure benchmarks.
- Agreement to work towards the transfer of Police & Crime Commissioner functions to the Mayor, with a view to electing the first Mayor with these functions in 2024.
- Commitment to working in partnership to explore an “Act Early” Health Institute.
- Strengthened collaboration and partnership with Government, particularly: the Ministry for Housing, Communities and Local Government; HM Treasury; Department for Education; the Department for Work and Pensions; the Department for Business, Energy and Industrial Strategy and its agencies UKRI and Innovate UK; the Department for International Trade; and the Department for Culture, Media and Sport, on West Yorkshire’s ambitions on local growth, skills, education, employment, decarbonisation, innovation, business growth, trade, digital and culture, as well as consideration of how West Yorkshire can go further on devolution.

More detail on these commitments is given in the main body of the document below.

The Deal will support delivery of the Leeds City Region Local Industrial Strategy and the wider Strategic Economic Framework for the region. Further powers may be agreed over time and included in future legislation.

## Governance

- 11) West Yorkshire has already taken bold steps in securing effective and accountable governance arrangements. The Leeds City Region LEP was part of the first wave of LEPs established in 2010 and, in recognition of the City Region's extraordinary growth potential, secured in July 2014 the country's largest Growth Deal. As part of the city deals process, the West Yorkshire Combined Authority was created in April 2014, with Bradford, Calderdale, Kirklees, Leeds and Wakefield as constituent councils, and the City of York Council as a non-constituent council. The Chair of the Leeds City Region LEP is also appointed to the Combined Authority.
- 12) A key advantage of the Mayoral Combined Authority model is its joint governance arrangements for key growth levers such as transport, skills, economic development and regeneration, which allow for strategic prioritisation across its area and integrated policy development. In addition, a directly elected Mayor provides greater local accountability and decision-making power, working in partnership with the Combined Authority and constituent councils.
- 13) As part of this agreement, West Yorkshire will adopt the model of a directly elected Mayor over the Combined Authority's area, with the first Mayoral election in May 2021. The new Mayor will be elected by the local government electors for the areas of the constituent councils of the Combined Authority – Bradford, Calderdale, Kirklees, Leeds and Wakefield. The Mayor will have an initial three-year term. From 2024, Mayoral terms will last four years.
- 14) The West Yorkshire Combined Authority will comprise the following members:

Voting members:

  - the elected Mayor
  - five elected members, one appointed by each of the five constituent councils
  - three elected members agreed by the constituent councils to reflect the balance of political parties across the Combined Authority area.

In addition there will be:

  - an elected member appointed by the City of York Council (which will remain a non-constituent member of the West Yorkshire Combined Authority)
  - the Chair of the Leeds City Region LEP

These members will be non-voting unless the Combined Authority resolves to give them a vote on any issues.
- 15) The West Yorkshire Combined Authority will explore opportunities for further collaboration with its neighbouring councils, including Harrogate, Craven, Selby, York and North Yorkshire County Council, and across the whole of Yorkshire through the Yorkshire Leaders Board. York will remain as a non-constituent member and the Mayoral Combined Authority may invite representatives from other partner councils to attend (and speak) at any Mayoral Combined Authority meeting.

- 16) The Mayor and the other Combined Authority members will be required to work together. Specifically:
- The Mayor will provide overall leadership and chair Combined Authority meetings;
  - The Mayor may choose to delegate function(s) to members of the Combined Authority. Where this is the case the member to which a specific Mayoral function has been delegated will exercise that function on behalf of the Mayor;
  - More generally, members of the Combined Authority may also act to support and advise the Mayor in the exercise of Mayoral functions;
  - The Mayor may appoint one person as the Mayor's political adviser;
  - The Combined Authority may establish an independent remuneration panel to recommend allowances payable to the Mayor.
- 17) Functions contained in this deal document will be devolved to the Mayoral Combined Authority by the Government. Some of these functions will be exercisable by the Mayor and some by the Combined Authority. Where these functions are local authority functions they will be held concurrently with the local authorities in the area to ensure joined up decision making. Arrangements for the concurrent exercise of the functions will be a matter for agreement between the Combined Authority and the constituent councils.
- 18) The West Yorkshire Combined Authority will retain its current powers in relation to economic development, regeneration and transport functions (with the Mayor taking responsibility for preparing the transport plan and strategies). Working with the Mayor, these will be strengthened with additional powers as set out in legislation:
- Finance – power to borrow up to an agreed cap for non-transport functions
  - Adult education and skills functions
  - Economic development – duty to prepare an assessment of economic conditions
  - Housing functions relating to compulsory purchase (subject to the consent of the constituent council affected by the exercise of the function), plus provision of housing and land, land acquisition and disposal, and development and regeneration of land
  - Transport powers to set up and coordinate a Key Route Network on behalf of the Mayor (unless otherwise agreed locally, all operational responsibility for Key Route Network roads will remain with the constituent councils)
  - Powers to collect contributions from utility companies for diversionary works needed as a result of highways works carried out on the Key Route Network
  - Powers to operate a permit scheme designed to control the carrying out of works on the Key Route Network
  - The Combined Authority will be able to seek consent to raise a Strategic Infrastructure Tariff

- 19) The directly elected Mayor for the West Yorkshire Combined Authority will autonomously exercise their new functions with personal accountability to the electorate, devolved from central Government and set out in legislation. These functions will be:
- The functional power of competence
  - Housing and planning
    - i. Statutory spatial planning powers to produce a spatial development strategy; exercisable with the unanimous consent of the constituent authorities (see consent requirements below)
    - ii. Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (see consent requirements below)
    - iii. Housing and land acquisition powers (see consent requirements below) to support housing, regeneration, infrastructure and community development and wellbeing.
  - Finance:
    - i. Power for the Mayor to set a precept on council tax to fund Mayoral functions (resulting from the setting of the Mayoral budget as set out below),
    - ii. Power to charge business rate supplement (subject to ballot)
  - Transport
    - iv. Power to draw up a local transport plan and strategies (The Combined Authority will be able to amend the Mayor's transport strategy if a majority of members agree to do so)
    - v. Power to request local regulations requiring large fuel retailers to provide Electric Vehicle charging points
    - vi. Bus franchising powers
    - vii. Ability to pay grants to bus service operators
  - Police and Crime Commissioner functions from the Mayoral election in 2024.
- 20) No constituent council functions are being removed from those councils. Where existing functions or resources currently held by the constituent authorities are to be shared with the Mayor and the Combined Authority, this must be agreed by the constituent councils. The Combined Authority may exercise functions in relation to its area and may exercise functions outside its area, subject to and in accordance with statutory provisions.
- 21) Proposals for decision by the Combined Authority may be put forward by the Mayor or any Combined Authority Member. The Mayor will have one vote as will other voting members of the Combined Authority. Any questions that are to be decided by the Combined Authority are to be decided by a simple majority of the members present and voting, unless otherwise provided for in legislation. Where the decision relates to a new function which the Combined Authority acquires pursuant to the deal, or where required by the Authority's constitution, that majority must include the vote of the Mayor.

- 22) In addition, for the following decisions the majority of members must include the consent of three of the five members for the constituent councils (but not that of the three additional constituent council members appointed for political balance):
- Approving the Combined Authority's budget (excluding decisions which relate to the Mayor's budget)
  - Setting a levy
- 23) The Mayor will be required to consult the Combined Authority on her/his/their strategies, and this will be subject to the following specific conditions:
- The spatial development strategy will require the consent of the members for each of the five constituent councils (but not that of the three additional constituent council members appointed for political balance)
  - The Combined Authority will be able to amend the Mayor's budget if five eighths of the members agree to do so;
  - The Combined Authority will be able to amend the Mayor's transport strategy if a majority of members agree to do so.
- 24) The following decisions by the Mayor will require the consent of the Combined Authority member (but not the member appointed for political balance), or substitute member acting in that member's place, appointed by the constituent council in whose area the decision will apply:
- the designation of any area of land as a Mayoral development area leading to the establishment, by order, of a Corporation (the consent of the relevant national park authority is also required if the land falls within the designated national park area);
  - the compulsory purchase of land or buildings by the Mayor;
  - any decision that could lead to a financial liability falling directly upon that constituent council; and
  - such other matters as may be contained in the Combined Authority constitution and agreed with the Mayor.
- 25) The Mayor and the Combined Authority will be scrutinised and held to account by the Combined Authority's Overview and Scrutiny Committee(s). The Overview and Scrutiny arrangements currently established for the Combined Authority will be retained, subject to any amendments required to reflect the introduction of the Mayor and any new statutory provisions. The Mayor and the Combined Authority may also seek to enhance scrutiny and develop wider conference with all elected members in the Combined Authority's area to engage on key issues.
- 26) The West Yorkshire Combined Authority Mayor will also be on the board of the LEP, alongside local authority representatives appointed by the constituent councils of the West Yorkshire Combined Authority, recognising the importance of the private sector in delivering West Yorkshire's growth strategies.
- 27) Economic growth is a shared endeavour and is vital in delivering a successful Northern Powerhouse. The Mayor, Combined Authority and LEP will continue to work very closely with the Government for the benefit of the public.
- 28) The West Yorkshire Combined Authority and the LEP commit to working with partners across the North of England to promote opportunities for pan-Northern



collaboration, including the Yorkshire Leaders Board, Transport for the North and the NP11, to drive productivity and build the Northern Powerhouse.

- 29) The proposals in this devolution deal are subject to ratification by each constituent council and the Combined Authority. The implementation of the deal will require consultation with local communities and business on the proposals. Implementation is also subject to the Secretary of State for the Ministry of Housing, Communities and Local Government being satisfied that the required statutory tests have been met, the consent of each constituent council and the Combined Authority and parliamentary approval of the required secondary legislation.

## Finance and Investment

- 30) The West Yorkshire Combined Authority will create a fully devolved funding programme covering all budgets for devolved functions (“West Yorkshire Investment Fund”), accountable to West Yorkshire Combined Authority.
- 31) The joint ambition will be to give the West Yorkshire Combined Authority a Single Pot to invest in its economic growth. This pot will comprise a flexible, multi-year settlement providing the West Yorkshire Combined Authority the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding its statutory duties.
- 32) The West Yorkshire Combined Authority will develop a robust Single Pot Assurance Framework, in line with national guidance, to be signed off by the Ministry of Housing, Communities and Local Government (MHCLG) Accounting Officer prior to funding being released. Within this Assurance Framework, West Yorkshire Combined Authority will demonstrate an objective means with which to assess interventions and programme design so that these are aligned to their balanced economic outcomes for the area.
- 33) The West Yorkshire Combined Authority will use the West Yorkshire Investment Fund to deliver a programme of transformational long-term investment. Government agrees to allocate £38m per annum for 30 years (25% capital and 75% revenue) which will form part of the West Yorkshire Investment Fund. This will be subject to five-yearly gateway assessments to confirm that the investment has contributed to economic growth. Once the Order is made establishing a Mayoral Combined Authority and the Combined Authority has its Assurance Framework signed off, the Combined Authority may have access to the Investment Fund prior to Mayoral Elections, subject to the agreement with Government of suitable caps.
- 34) The West Yorkshire Combined Authority will have the flexibility to secure substantial private and public sector leverage. The Combined Authority will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
- 35) The West Yorkshire Combined Authority will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. The Combined Authority will agree overall debt limits with HM Treasury, and update HM Treasury about any deviation from its underlying borrowing plans in order to support HM Treasury in its duty to monitor and forecast changes in the fiscal aggregates. The West Yorkshire Combined Authority will also provide information, explanation and assistance to support the Office for Budget Responsibility in its duty to produce economic and fiscal forecasts for the UK economy.
- 36) The costs of the Mayoral Combined Authority will be met from within the overall resources of the Combined Authority. To support the Mayoral Combined Authority in its early stages, Government will provide £250,000 in Mayoral Capacity Funding in 2020/21, once the establishing legislation is made and the Assurance Framework agreed with Government. Any future Mayoral Capacity Funding will be subject to decisions at the Spending Review, in line with arrangements made for other Mayoral Combined Authorities.
- 37) The Mayor will have the power to set a precept on local council tax bills to help pay for the Mayor’s work. This precept can only be raised for Mayoral functions.

- 38) The Mayor will have the power to introduce a supplement on business rates for expenditure on a project or projects that will promote economic development in the area, subject to a ballot of affected businesses.
- 39) The West Yorkshire Combined Authority will be able to seek consent to raise a Strategic Infrastructure Tariff. This would allow the Combined Authority to raise funding for strategic infrastructure and would operate alongside any local forms of developer contributions.
- 40) In addition to the funding provided in this deal, and in recognition of the ambitions for closer collaboration across Yorkshire reflecting the Yorkshire brand and its cultural heritage, Government will provide £200,000 in 2020/21 to support the establishment of a Yorkshire Leaders' Board, as a practical step for facilitating greater collaboration on a Yorkshire-wide basis. This is in the context of the Government continuing to work with areas to achieve its ambitions to secure devolution deals for the whole of Yorkshire, and exploring future opportunities with the Leaders Board.

## **Transport**

- 41) A new, directly elected West Yorkshire Mayor and the West Yorkshire Combined Authority will exercise the following powers and functions devolved from central government.

### **Consolidated transport budget**

- 42) The Mayor will be responsible for a devolved and consolidated local transport budget for the area of the West Yorkshire Combined Authority, including all relevant devolved highways funding.

### **Transforming Cities Fund**

- 43) The Government will provide the West Yorkshire Combined Authority with an allocation of £317m from the Transforming Cities Fund to progress all schemes within their 'Low' scenario. In line with flexibility provided to other Mayoral Combined Authorities, West Yorkshire Combined Authority will have scope to prioritise investments above this level. They will also have the ability to assure all Transforming Cities Fund schemes locally irrespective of cost. This builds on the Government's ongoing £173.5m investment in the Leeds Public Transport Improvement Programme.

### **Transport settlement**

- 44) The Government is committing to a five-year, integrated transport settlement with West Yorkshire Combined Authority starting in 2022/23 from a wider £4.2bn envelope. As part of the process of agreeing this settlement, the Government commits to working with the West Yorkshire Combined Authority to explore the case and options for funding Transforming Cities Fund schemes in its core and high scenarios, and a modern, low-carbon West Yorkshire Mass Transit System. Further details on the process for agreeing these settlements will be set out in due course. Resource funding for areas, including West Yorkshire Combined Authority, to support and prepare for these settlements will be considered at Spending Review.

## **Roads**

- 45) The Mayor and the West Yorkshire Combined Authority will take on highways powers to set up and coordinate a Key Route Network on behalf of the Mayor, building on the existing Key Route Network of local roads. The strategy for the Key Route Network will be developed, agreed and coordinated by the Combined Authority on behalf of the Mayor.
- 46) In partnership with constituent authorities, the Combined Authority and the Mayor will develop a single strategic asset management plan, and where practical, work towards streamlined contractual and delivery arrangements across the city region. Unless otherwise agreed locally, all operational responsibility for highways will remain with the constituent Councils.
- 47) West Yorkshire constituent authorities are able to issue permit schemes to manage disruption. New permit schemes across all roads went live in March 2020. By taking on powers over local roads held concurrently with constituent authorities, the Combined Authority will also be able to issue permit schemes to manage disruption, and bid to the

Secretary of State for Transport to seek approval to operate a lane rental scheme, including seeking contributions from utility companies through lane rental, subject to the Combined Authority making a request to the Secretary of State for Transport. The Combined Authority may exercise this power to create an updated lane rental scheme as needed, subject to Secretary of State agreement.

- 48) The West Yorkshire Combined Authority has requested powers relating to moving traffic offences. The Secretary of State has indicated that this year he will consider the issue of implementing Part 6 of the Traffic Management Act 2004 for authorities outside London. In addition, the Government welcomes the city-region's investment in a centralised Urban Traffic Management Control system to improve the resilience and reliability of its key route network and will discuss further opportunities for investment in the context of the Spending Review.
- 49) The West Yorkshire Combined Authority will also be able to enter into agreements with Government, other Local Authorities and Highways England, including to determine shared priorities for its strategic and key road networks.
- 50) Through the Automated and Electric Vehicles Act, the Mayor will have the power to request from the Secretary of State local regulations requiring large fuel retailers to provide Electric Vehicle charging points within the Combined Authority area.
- 51) Government recognises the importance of good links to the motorway network to the economy of West Yorkshire, and will work with the Combined Authority and Local Highways Authorities on the implementation of RIS2 and the development of RIS3, including support for those projects on the strategic road network that help deliver and mitigate the impacts of strategic site allocations as identified in Local Plans. This will include considering any case that the city region may bring forward for de-trunking part or all of the M606 and M621, or exploring alternative ways in which management of these roads can be made more responsive to local priorities. It will also include a shared agreement with Highways England on the timeliness of planning application decisions as the region continues to grow and sees investment in housing and employment sites.

## **Buses**

- 52) Government is committed to delivering improved bus services across the country. It is providing over £200m in 2020/21 and has committed £5bn for buses and cycling over the course of the Parliament. It will publish a national bus strategy in due course.
- 53) As a Mayoral Combined Authority, the West Yorkshire Mayor has access to franchising powers in the Bus Services Act 2017. This will provide the opportunity to develop high-quality bus services as part of an integrated local transport system and help to facilitate the delivery of smart, simple integrated ticketing across all local modes of transport in the city region. West Yorkshire will continue to work with relevant partners – Transport for the North, bus and rail operators and the Department for Transport – to realise this ambition.
- 54) Government will consider the making of relevant regulations to facilitate the transfer of bus functions and funding through the Bus Service Operator Grant to the Mayor, should these regulations be sought in future, subject to approval of a business case.

## **Rail**

- 55) Government will work in partnership with the West Yorkshire Combined Authority so that their priorities can be taken into consideration in future decisions on their commuter network. These priorities will need to be coordinated and compatible with surrounding areas and national priorities.
- 56) Government recognises the region's ambitions for further devolved powers. This issue is being considered by the ongoing Williams Review of Rail.
- 57) Government recognises the aspirations of West Yorkshire for the redevelopment of Leeds station and is working closely with Leeds City Council and the Combined Authority to take forward improvements both in track and services and in the station's accessibility and environment. Subject to endorsement of the Leeds Existing Station Programme Strategic Business Case, funding will be provided to take forward the next stage of development of the Outline Business Case.
- 58) Government also recognises the aspirations of West Yorkshire in relation to Northern Powerhouse Rail and HS2. It will continue to work with the West Yorkshire Combined Authority in seeking to align major rail investment with existing stations and services in the city region. Government commits to providing funding of up to £500,000 to support Bradford's master planning work to explore the regeneration opportunities of potential NPR services. Government will make £100,000 immediately available to fund the first phase of work.

## **Active Travel**

- 59) As mentioned above, the region is developing a transport pipeline and a key part of this will be to include how the region can meet its carbon targets. A major component of this will be a focus on sustainable transport schemes. The West Yorkshire Combined Authority commits to: prioritising investment in the cycling and walking networks identified through relevant Local Cycling and Walking Infrastructure Plans (LCWIPs) and partner council's own cycling and walking strategies, and to follow the latest Department for Transport cycle infrastructure design guidance [LTN2/08 successor], where practical, for all future cycling and walking schemes to deliver a step-change in high-quality active travel provision in the city region. Government recognises that local schemes can be innovative and push the boundaries of best practice and recognises the Combined Authority's role leading innovation in highways and street design beyond guidance. Government will work with the Combined Authority on options for greater local autonomy in implementing measures within existing legislation and consider options for potential changes to enforcement powers.

## Skills and Employment

### Adult Education

- 60) The Government will fully devolve the Adult Education Budget (AEB) to the West Yorkshire Combined Authority from academic year 2021/22 subject to readiness conditions and successful passage through Parliament. These arrangements do not cover apprenticeships or traineeships, even though the latter is funded through the AEB.
- 61) Prior to full devolution taking place the Government will work with West Yorkshire to support their preparations for taking on the relevant functions.
- 62) Upon devolution the West Yorkshire Combined Authority will be responsible for making allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices.
- 63) The Government will consult with the West Yorkshire Combined Authority on any proposed changes to a funding formula for calculating the size of the grant to be paid to the combined authority for the purpose of exercising the devolved functions.
- 64) In order to proceed with devolution the Government needs to be assured of the following readiness conditions:
  - a. The Secretary of State for Education and appropriate accounting officer are assured that the West Yorkshire Combined Authority is operationally ready to administer the adult education budget and is satisfied the required statutory tests have been met
  - b. Parliament has legislated to enable transfer to the West Yorkshire Combined Authority of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances
  - c. Agreement to a memorandum of understanding between the Department for Education and the West Yorkshire Combined Authority that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
  - d. Learner protection arrangements are agreed between parties.
- 65) Following on from the development of the first part of the National Retraining Scheme, Get Help to Retrain, which was rolled out to West Yorkshire in 2019, Government is committed to remain engaged with West Yorkshire to ensure the scheme continues to develop to meet the needs of those who will use it in the local area. In addition, Government will seek views from areas across the country, including from West Yorkshire, on the development of the National Skills Fund to ensure that it effectively helps local people to respond to the changing labour market.

## **Skills and Education**

- 66) The West Yorkshire Combined Authority is currently supporting the Future-Ready Skills Commission which is focusing on post 16-education through to adult skills and career development. Government agrees to consider the findings of this work and engage with the Combined Authority on emerging priorities; for example, via the MCA/GLA Advisory Group.
- 67) Local planning and co-ordination of the skills system is essential to support the delivery of provision that meets the needs of local people and local employers. The West Yorkshire Combined Authority is already working to support providers to deliver on strategic local priorities through the locally established programme of Delivery Agreements.
- 68) The Government recognises the role that the LEP's Employment and Skills Panel (Skills Advisory Panel) will continue to play in bringing together local providers and employers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges; and will continue to support the Employment and Skills Panel including funding in the financial year 2020/21 so that they can continue to build their analytical capability sustainably.
- 69) The Government also recognises the important role that the West Yorkshire Combined Authority has to play across the post-16 skills policy agenda to support the ongoing reform to the technical education system across the country – including through the introduction of T-Levels and the National Skills Fund. The Government will work with the West Yorkshire Combined Authority to explore opportunities for alignment of local and national programmes.
- 70) The Government will work with West Yorkshire to ensure that local priorities shape the provision of local careers advice, through direct involvement and collaboration with the Government in the design of local careers and enterprise provision for all ages, including through further collaboration on the work of the Careers and Enterprise Company and the National Careers Service.
- 71) The West Yorkshire Combined Authority and Government will work together to maximise investment in apprenticeships and promote the benefits of apprenticeships to employers. The Government will support West Yorkshire to convene employers so they can increase the number of apprenticeships available in the Combined Authority area, including via levy transfers.
- 72) The Government recognises the vital role that local Further Education (FE) institutions play in providing skills for people from across the region. Government recognises that further investment is needed in these institutions to ensure that the facilities are up to a standard that will allow providers to deliver on the ambition to create a world leading technical education offer in this country. The Government is committed to providing the investment that is needed into FE colleges and will seek to target this investment into the areas where it is most required to deliver quality further education.

## **Employment**

- 73) The Government recognises the need to ensure that various groups across West Yorkshire facing challenges in accessing and progressing in the labour market have access to appropriate support. There are a number of groups across the region that are



underrepresented in the labour market, including women, people from BAME groups, and those with a disability or health condition. West Yorkshire and Government will continue to work together to prioritise support for these groups including through ongoing engagement with local Jobcentre Plus. The Government and the region will also work together to better target support for these groups by understanding and utilising the analysis provided to the Skills Advisory Panel alongside the ongoing local work on the development of the Leeds City Region Inclusive Growth Framework.

- 74) As part of the development of the Leeds City Region Local Industrial Strategy Government is committed to working with the region on strategic priorities in relation to people including how to provide the targeted support needed for people who are furthest away from the labour market, and those in low pay who need support to stay in work and progress.

## Innovation

- 75) Innovate UK will work in partnership with the West Yorkshire Combined Authority to:
- Drive improved outcomes from the public investment into innovation, through better alignment of national and local strategies to leverage the benefits of co-investment or parallel investment to accelerate the path to impact. Government will work with West Yorkshire stakeholders to ensure they are aware of and considering national programmes and priorities, and that Innovate UK is aware of and considering regional capabilities and investments.
  - Ensure that companies with the ambition and potential to grow and scale are supported. Government will work in partnership with business-facing networks and develop strategic relationships with the Leeds City Region LEP to better reach those SME businesses who would benefit from Innovate UK support.
  - Increase insight and awareness within Innovate UK of West Yorkshire research and innovation capabilities identified through the Local Industrial Strategy.
- 76) The West Yorkshire Combined Authority and Government will establish the West Yorkshire Innovation network through the Connecting Innovation programme. This network will provide a dual-hub for the community of innovative entrepreneurs, start-ups and SMEs in the West Yorkshire ecosystem. This dual-hub will be anchored through a physical presence at the NEXUS Innovation centre (University of Leeds) and the 3M Buckley Innovation Centre (University of Huddersfield) initially, with further regional opportunities to be explored in the future. This network will bring together business support services from the Leeds Growth Hub, local Universities and the Innovate UK 'family' (including Knowledge Transfer Network, Enterprise Europe Network and Catapult network). Activities will be supported through regular 1-2-1 meetings, drop-in surgeries and workshops for our innovation community and in order to raise aspirations and improve the chances of success, for our businesses competing for UK Research and Innovation (UKRI) funding.
- 77) Innovate UK, the Department for Business, Energy and Industrial Strategy (BEIS) and UKRI will work closely with the West Yorkshire Combined Authority and the Leeds City Region LEP to support development of the Local Industrial Strategy, particularly building on local strengths in health tech and data analytics and on the existing MoU with Innovate UK. This will:
- Improve data sharing and referrals:
    - Develop improved business intelligence to better target the right support at businesses with the potential to grow
    - Mechanisms will be explored, and, where possible, established for Innovate UK to share details of businesses who have applied for Innovate UK funding with the LEP
  - Marketing and promotion:
    - Co-designing and delivering targeted local events and workshops to support business led innovation
  - Access to expertise:

- Innovate UK will provide expert opinion on value for money into local investment decisions
  - Recognise the Leeds City Region 'Connecting Innovation' programme as a primary gateway for joined up innovation support in the region
  - Better understand, facilitate and coordinate existing local private sector networks and explore opportunities for the private sector to take a more central role in innovation support
  - Developing co-investment opportunities
    - Regular Innovate UK senior management roundtable discussions with the West Yorkshire Mayor's Office
    - Drive innovation diffusion, particularly around leadership and management practices and technology adoption for those SMEs with growth potential, through schemes such as Innovate2Succeed
    - Explore opportunities for the region to benefit from future Government funding opportunities
- 78) UKRI will work towards building a stronger regional relationship with West Yorkshire, over and above the existing relationship with Innovate UK.
- 79) BEIS is working with UKRI to develop an ambitious Place Strategy for UK research and development to support the strengths of all parts of the UK. Government will engage with industry, the scientific community and civic organisations across the country to develop this strategy and will engage with West Yorkshire, particularly around the areas of health-tech, data and tackling the climate emergency.
- 80) BEIS commit to working with the West Yorkshire Combined Authority to explore opportunities to build capacity for local SMEs to enable them to access national funding competitions from Innovate UK and others.

## Trade and Regional Business Support

- 81) The Department for International Trade (DIT) are committed to working with West Yorkshire and other regions in the North to have a joint plan and working arrangements to 'level up' the North. The exact structure and format of these arrangements will be subject to wider discussion about the governance arrangements around trade and investment activity in the Northern Powerhouse.
- 82) DIT will work with the West Yorkshire Combined Authority to establish an international trade forum which will agree a joint plan and seek to join up activity around key sector and market priorities across West Yorkshire. The extent to which this will allow additional activity will be subject to the agreement of additional funds for the Northern Powerhouse in the budget.
- 83) Government will ensure West Yorkshire receive an appropriate share of export support through the Northern Powerhouse Enhanced International Trade Adviser (ITA) delivery contract and Internationalisation fund. DIT and the Combined Authority will define and agree metrics to measure the performance of export support delivered in West Yorkshire, and look at options for dedicated ITA resource for the West Yorkshire region, particularly when linked to the mission/campaign activity set out in the joint plan.
- 84) DIT will look to embed International Trade Advisors in growth hubs, where relevant and agreed in devolution deals in 2020/21.
- 85) The joint plan between DIT and the West Yorkshire Combined Authority will ensure there is coherent and effective support for businesses of all sizes and experiences.
- 86) DIT and the West Yorkshire Combined Authority will work more collaboratively specifically on areas such as:
  - National trade initiatives: DIT have a comprehensive programme of nationally delivered initiatives. Market-focused teams in DIT (UK & Overseas) will make best endeavours to ensure that the Combined Authority have early warning of these events and activities to support the delivery of initiatives and the engagement with regional businesses.
  - Regional trade partners: Government will continue to work with Enterprise Growth Solutions as the current export delivery contractors for DIT. This will facilitate influence over the key trade activities they deliver over the coming 12 months and to identify specific activities where Government and the Combined Authority can work in partnership. This will then transition in to developing a strong relationship with the new contractors following the award of the new Enhanced ITA contract, due to commence in 2021.
- 87) DIT and the West Yorkshire Combined Authority will work together in the transition of the new contract for the delivery of the Enhanced International Trade Advisor services across the Northern Powerhouse area. It will be important to build effective joint working arrangements to enable delivery of the plan agreed between the West Yorkshire Combined Authority and DIT.
- 88) DIT will support – but not fund – Mayoral visits which are part of the agreed trade and investment plan. In addition, the Mayor, Combined Authority members and West

Yorkshire business leaders will be invited to join where relevant UK overseas trade missions including Ministerial-led trips.

- 89) As part of the agreed plan between West Yorkshire and DIT, and subject to alignment with wider Northern Powerhouse strategies and national campaigns, DIT will seek to support market plans around China, India and other opportunities arising from Northern Powerhouse insights and alignment with national activity.
- 90) West Yorkshire will develop a fintech initiative with Hangzhou in China. Government will consider how best to support this as part of a Northern Powerhouse-wide programme and the UK Fintech Bridge programme.
- 91) DIT currently set a joint FDI target for the Leeds City Region LEP KAM programme and would work with West Yorkshire if agreed through a forward plan and build effective indicative targets to measure progress. DIT could collaborate to identify a target list of investors suitable for opportunities in the region.
- 92) To promote specific commercial opportunities from across the UK to investors overseas, West Yorkshire will take forward their successful Tissue Regeneration & Wound Care proposition from the HPO programme. The Combined Authority is also invited to submit up to two nominations to participate in Round 2 of the programme.
- 93) DIT and the West Yorkshire Combined Authority will work together to ensure that, where appropriate, the West Yorkshire offer is adequately reflected as part of the overall Northern Powerhouse proposition to international businesses and will consider how the GREAT campaign can support this as part of work to promote Northern Powerhouse opportunities.

### **Growth Hub**

- 94) The Leeds City Region growth hub (Growth Service) is the primary one-stop shop for regional business support. In 2018/19, the Growth Service supported over 3,200 businesses, and has supported over 14,000 since its launch in July 2015. West Yorkshire will continue to develop the regional offer, and work with Government and the private sector to ensure it is effectively joined up with the wider growth hub network and the full range of Government initiatives, such as the Made Smarter programme. This will enable the Growth Hubs to reach an even larger proportion of the region's substantial SME stock and provide more intensive support to fuel productivity growth and improve business resilience.
- 95) West Yorkshire is committed to building on the existing strong working relationships with the other Growth Hubs in Yorkshire and Humber, including via its role leading the regional cluster and by continuing to contribute effectively to both the national and Northern Powerhouse Growth Hub networks. The West Yorkshire Combined Authority recognises the importance of making the national Growth Hub offer more consistent and impactful, and is committed to sharing good practice from its own Growth Service delivery over the last four years.

### **Made Smarter**

- 96) Made Smarter is the UK Industrial Digitalisation programme that aims to boost UK manufacturing productivity through the development and adoption of industrial digital technology. West Yorkshire will work with Government to ensure the region takes best

practice and learning from the North West Made Smarter adoption pilot to maximise impact and build on the local work led by the Leeds City Region Made Smarter Board.

### **Business growth**

- 97) Government will support businesses in West Yorkshire through its national programmes to boost productivity, as launched in the Business Productivity Review. These include peer-to-peer networks to facilitate the sharing of best practice between SME business leaders covering productivity enhancing measures such as people management and technology adoption and access to leadership and management training through the Small Business Leadership Programme.
- 98) As part of the development of the Leeds City Region Local Industrial Strategy Government will continue to work with the region on strategic priorities in relation to Business Support and Ideas, including how to provide targeted support to SMEs and supporting businesses to de-carbonise and promote positive behaviours.

## **Housing and Planning**

### **Housing**

- 99) The West Yorkshire Combined Authority will have broad powers to acquire and dispose of land to build houses, commercial space and infrastructure, for growth and regeneration. They will be able to invest to deliver housing for the area.
- 100) The Mayor will have land assembly and compulsory purchase powers, subject to the agreement of the West Yorkshire Combined Authority member (but not the member appointed for political balance) where the relevant land is located, and to the consent of the Secretary of State for Housing, Communities and Local Government.
- 101) The Mayor will have the power to designate a Mayoral Development Area and to create Mayoral Development Corporations, which will support delivery on strategic sites in the West Yorkshire area. This power may be exercised only with the consent of the Combined Authority member(s) (but not the member(s) appointed for political balance) who represent the area in which the Development Corporation is to be established, and the consent of the National Park Authority, if relevant.
- 102) As a Mayoral Combined Authority with strong spatial planning powers, the West Yorkshire Combined Authority will be eligible to bid for a newly established Brownfield Housing Fund, with a £400m envelope. If successful, this funding will support the Combined Authority in bringing more land into development for delivery of housing on brownfield sites beyond existing local plans.
- 103) The West Yorkshire Combined Authority and Homes England will establish a Strategic Place Partnership to work together to identify and develop key opportunities for housing delivery. Government will, subject to annual reporting, provide £3.2m to the West Yorkshire Combined Authority across 2020/21 and 2021/22 to support development of a pipeline of housing sites across the region. Government will explore the potential for investment into housing propositions that emerge from development of this pipeline, including through the Brownfield Housing Fund and future funding streams.

### **Planning**

- 104) The Mayor will receive strategic planning powers. This will give the Mayor the power to create a statutory Spatial Development Strategy for West Yorkshire. This will coordinate strategic land-use planning with strategic transport planning and provide an ambitious framework to achieve a strategic level change in environmental planning policy to reduce carbon emissions and tackle the climate emergency. The scope and preferred approach to a Spatial Development Strategy is a matter for local agreement, in line with the National Planning Policy Framework. This Spatial Development Strategy will need to be approved by a unanimous vote of the five members of the Combined Authority individually appointed by the constituent authorities. This, along with local plans, will act as the framework for managing planning across West Yorkshire.
- 105) In the context of climate emergency, a Spatial Development Strategy provides the ability to coordinate key strategic policies to tackle pressing issues across local government boundaries, adding significant value compared to relying solely on local plans. The Spatial Development Strategy will set a common strategic vision and provide strategic policies to tackle pressing issues including strategic coordination on

energy policy, regeneration, renewal and retrofitting, modal shift, utilising broadband infrastructure, strategic waste management, flood risk management, developing and enhancing blue and green infrastructure and ensuring policies deliver biodiversity net gains. Ambitions on these priorities will be more effectively achieved when planned for at the cross-boundary level.



## **Culture, Heritage and Digital**

### **Cultural strategy**

- 106) The Government recognises local plans to use culture, creative and tourism sectors to drive inclusive and sustainable growth, and will work with West Yorkshire to support an ambitious local cultural framework that makes the most of the distinctive natural and cultural assets to enhance pride and wellbeing, and develop the local visitor economy, alongside improving talent and investment in the area.
- 107) The Leeds City Region cultural framework has been developed with the cultural agencies, the culture ALBs in the region and local authorities, all of whom will work together to ensure its effective implementation.
- 108) The Government welcomes the focus West Yorkshire is putting on the role of culture on promoting wellbeing and economic growth, and will work in partnership with the region to support the cultural ambitions of the region.

### **Heritage**

- 109) In recognition of West Yorkshire's ambition for the conservation and re-use of heritage buildings, the Government will provide West Yorkshire Combined Authority with £25m to establish a Heritage Fund. This will support the work of Leeds City Council with the British Library on establishing a potential 'British Library North'. The funding will be paid into the West Yorkshire Combined Authority Investment Fund in 2020/21. It is provided by Government on the understanding that the West Yorkshire Combined Authority will provide this funding where needed to enable the British Library to find an appropriate site in Leeds for a British Library of the North.

### **Digital skills**

- 110) The Department for Culture, Media and Sport (DCMS) continues to support the development of Local Digital Skills Partnerships (Local DSPs) in six trailblazer regions which bring together cross-sector partners to design, develop and coordinate the delivery of innovative digital skills programmes to upskill the current workforce, tackle digital inclusion and raise awareness of the importance of digital skills regionally.
- 111) DCMS are in early dialogue with West Yorkshire, firstly, to provide an update on the lessons and experience gained from launching the first six Local Digital Skills Partnerships and the impact they have had so far. Secondly, to progress a West Yorkshire Local DSP informed by learning from the first six DSPs, for which DCMS will provide £75,000 subject to the development and approval of a local proposal.

### **Digital enterprise**

- 112) Recognising the importance of the Digital Enterprise programme to West Yorkshire, Government will work with the area to take best practice from the project and subsequently explore how it might be extended and scaled up going forward.

## **Climate, Flooding and the Environment**

- 113) Government welcomes West Yorkshire's commitment to becoming a net zero carbon economy by 2038, with significant progress by 2030. Government will continue to develop its partnership with the Combined Authority to support the region's emission reduction ambitions and improve the resilience of businesses and communities facing the impacts of climate change.

### **Flood risk management**

- 114) Schemes worth at least £101m will be taken forward in West Yorkshire over the course of the six-year programme, as a result of the announcement by the Chancellor at Budget of a £5.2bn envelope.
- 115) The West Yorkshire Combined Authority and the Yorkshire Regional Flood and Coastal Committee will continue to work with the Environment Agency (EA) to explore and understand the local water and flood management needs of the West Yorkshire area, including Natural Flood Management.
- 116) The West Yorkshire Combined Authority and the EA have developed a pipeline of schemes for flood resilience and Natural Flood Management in West Yorkshire. Any projects taken forward through this pipeline will be shaped by the involvement of the West Yorkshire Combined Authority, its constituent authorities and Yorkshire RFCC – and their respective investment priorities – working with the EA and local delivery bodies, businesses and community groups.
- 117) The West Yorkshire Combined Authority and RFCC will also work with the EA to prioritise and direct funding to flood schemes within the region during the next six-year programme within the £5.2bn envelope, within the terms of Defra's partnership funding policy. There will also be close partnership working between the EA and the West Yorkshire Combined Authority to identify and secure new funding for flood defence schemes from within the existing pipeline from a range of public and private sources.

### **Zero Emission Strategic Infrastructure Investment Framework**

- 118) The region's success in becoming a net zero carbon economy by 2038 will depend on reducing emissions from transport, buildings, industry, power generation and land. West Yorkshire Combined Authority will develop a Zero Emission Strategic Infrastructure Investment Framework for the region, with support from Government, where appropriate, to provide feedback as the concept develops.
- 119) This framework will provide direction for infrastructure investment priorities and policies, and provide long-term confidence to those wishing to invest in the region. It will provide an evidence base, upon which the region can prioritise and shape investment in infrastructure. It will support the creation of high-quality green and blue infrastructure, high-quality low carbon developments, zero emissions transport infrastructure, and decarbonisation of energy.

## **Green Infrastructure**

120) The West Yorkshire Combined Authority will work with the Government to explore the potential for an innovative Green Infrastructure Standards pilot. This is in line with the Combined Authority's ambitions regarding Green and Blue Infrastructure and the importance of delivering green infrastructure to provide a range of benefits such as improved health, wellbeing, climate change adaptation and mitigation and nature conservation and enhancement. The pilot will use the emerging green infrastructure benchmarks, mapping and design guidance being developed by Defra and Natural England, to help West Yorkshire to become an exemplar of good green infrastructure delivery, benefitting the economy, people and the environment of the city region, and helping to deliver biodiversity net gain and net zero carbon.

## **Low carbon energy**

121) Government recognises the Combined Authority's progress in developing plans to reduce carbon emissions across West Yorkshire. Government agrees to work with West Yorkshire and to support progress on:

- Public sector decarbonisation
- Building retrofit, including addressing fuel poverty
- Heat decarbonisation
- Building the regional capacity to attract investment that helps the region achieve its net zero carbon ambitions.

## Public Service Reform

- 122) Government supports West Yorkshire in its ambition for public service reform. Government commits to working with the region to explore initiatives to improve the delivery of public services jointly with its constituent authorities, such as how best to support residents with multiple complex needs. Where appropriate, and as part of its levelling up agenda, Government will also consider devolving further powers to the Combined Authority to support public service reform, in relation to the statutory duties held by its constituent authorities.
- 123) Government commits to working in partnership across Departments and having further discussions with West Yorkshire to explore the feasibility and opportunities around an “Act Early” Health Institute, based in the region. The institute would be a whole system test bed to evaluate the long-term health and economic consequences of early life interventions and build an evidence base on long-term outcomes for children.
- 124) The Government, West Yorkshire Combined Authority and the Police & Crime Commissioner for West Yorkshire will work together with the aim of agreeing a governance model and timetable for transferring the exercise of Police & Crime Commissioner functions to the Mayor, with a view to electing the first Mayor with these functions in 2024.

## West Yorkshire's commitments underpinning the Deal

- 125) The West Yorkshire Combined Authority will work with Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan must be approved by Government prior to delivery. Any issues of concern with the subsequent delivery of this Deal will be escalated to Ministers and Leaders to resolve, in keeping with the letter and spirit of devolution.
- 126) The West Yorkshire Combined Authority will be accountable to local people for the successful implementation of the Devolution Deal. Consequently, Government expects West Yorkshire to monitor and evaluate its Deal in order to demonstrate and report on progress. Government will work with the constituent members of the Combined Authority to develop a monitoring and evaluation plan that meets local needs and helps to support future learning, which must be approved by Government prior to delivery. Where relevant, this will include the coordination of metrics, methodologies and areas of focus with other local areas in order to secure the most useful evidence base across the full range of devolution deals.
- 127) The West Yorkshire Combined Authority will be required to evaluate the impact of the West Yorkshire Investment Fund. The Combined Authority and Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authority, but agreed at the outset with MHCLG and HM Treasury, and will take place every five years. The next five-year tranche of funding will be unlocked if Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to economic growth. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes. The assessment should also take into account the latest developments in economic evaluation methodology. Government would expect the assessment to show that the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio and considered in the strategic context of local ambitions for inclusive growth across the whole geography.
- 128) As part of the implementation of the deal, the West Yorkshire Combined Authority and Government will agree a process to manage local financial risk relating to the deal provisions.
- 129) Prior to the first Mayoral elections, Government will work with the West Yorkshire Combined Authority to develop and publish a guide to the deal, which will aim to give the public and stakeholders – including Parliament – a clear understanding of: the powers and funding that are being devolved to West Yorkshire; where accountability sits as a result of this deal; and how decisions are made. This is consistent with the guides published for other Mayoral deals (which can be viewed at <https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean>).
- 130) The West Yorkshire Combined Authority and its members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

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## **Appendix 2: Key features of a mayoral combined authority**

### **Role of the Mayor**

By law, for all mayoral combined authorities:

- the Mayor is Chair of the Combined Authority,
- the Mayor cannot be a constituent Council member- a vacancy arises if Council member is elected as Mayor, and
- the Mayor must appoint a Deputy Mayor to act in their absence.

### **Functions carried out by the Mayor**

A Mayor is responsible for carrying out “mayoral general functions”, on behalf of a mayoral combined authority. These are defined by a bespoke Order for each mayoral combined authority, reflecting the relevant Deal.

A Mayor also has statutory power to exercise bus franchising functions and may (subject to an Order) exercise Police and Crime Commissioner (PCC) functions.

### **Constraints on the Mayor**

An Order may prescribe conditions or limitations on how a Mayor carries out their general functions, such as a requirement that the function is exercised subject to the consent of a relevant local authority.

Decisions made by the Mayor will be subject to overview and scrutiny arrangements, including call-in.

### **Mayoral decision-making arrangements**

Mayoral general functions are exercisable by a Mayor in their individual capacity unless delegated by the Mayor:

- to the Deputy Mayor,
- to another Combined Authority member,
- to a Combined Authority officer,
- to a committee of the Combined Authority - but only where this has been authorised by the Order, or
- under joint arrangements – again, only as authorised by the Order.

### **Non-Mayoral functions**

Any function of a mayoral combined authority for which the Mayor is not accountable, is the responsibility of the mayoral combined authority, (that is, may be discharged collectively by all members of the mayoral combined authority, or delegated to committees or officers).

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## **Appendix 3: Proposed process**

### **Step 1: Statutory review (S111 of the 2009 Act)**

The Combined Authority and the five constituent councils must **carry out a review** of any matter in respect of which the Secretary of State may make an Order relating to the constitutional arrangements for, or the transfer of functions to, the Combined Authority. A review may also include any other matter which the Combined Authority can decide itself, without needing an Order.

### **Step 2: prepare and publish a draft Scheme (S112 (1) of the 2009 Act)**

If, further to the review, one or more of the constituent councils or the Combined Authority conclude that the an Order relating to constitutional arrangements or the transfer of functions to the Combined Authority would be likely to improve the exercise of statutory functions in the Combined Authority's area, they may **prepare and publish a Scheme** relating to any such Order. The proposal to adopt a Mayoral model and to transfer other public authority's functions to the Combined Authority would also be set out in the Scheme.

### **Step 3: Public consultation on the proposals contained in the Scheme**

A public consultation exercise is required before the Secretary of State makes an order relating to constitutional arrangements or the transfer of functions to the Combined Authority. It is proposed that the Combined Authority and the constituent councils would jointly carry out a consultation exercise in connection with any Scheme.

### **Step 4: Submitting consultation responses to the Secretary of State**

A **summary of the consultation responses** must be submitted to the Secretary of State with the draft Scheme. When deciding whether to make any Order relating to constitutional arrangements or the transfer of functions, the Secretary of State must consider whether the Order is likely to improve the exercise of statutory functions in the Combined Authority's area. The Secretary of State must also have regard to the need to

- reflect the identities and interests of local communities, and
- secure effective and convenient local government.

### **Step 5: Consent to a draft Order/regulations**

Some aspects of the Deal (for example, the allocation of general functions to the Mayor) require the Combined Authority and the constituent councils to **consent to a draft Order/Regulations**.

### **Step 6: Secretary of State lays the draft Order/regulations in Parliament**

Once required consents are given, the Secretary of State will lay any draft Order/regulations before Parliament for approval.

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## Appendix 4: timeline

Step	Action/Decision	When – proposed timescales	Who
1	Carry out <b>statutory Review</b>	April - May 2020	Each Constituent Council and the Combined Authority jointly
	Consider Review outcome and resolve: <ul style="list-style-type: none"> <li>that an Order would be likely to improve statutory functions</li> <li><b>agree Scheme for publication</b></li> <li>agree to consult public on the Scheme</li> </ul>	May 2020 (estimate 19 – 21 May)	Each Constituent Council, and the Combined Authority
2	<b>Publish Scheme</b>	End May 2020	Constituent Councils and the Combined Authority jointly
3	<b>Consultation exercise</b>	End May 2020 - early July 2020	Constituent Councils and the Combined Authority jointly
4	Consider outcome of consultation and resolve to <b>submit a summary of responses to the Secretary of State</b>	End of July 2020	Each Constituent Council And the Combined Authority
5	Secretary of State approves proposals set out in Scheme and decides to lay draft Order/Regulations	September 2020	Secretary of State
5	<b>Consent to Order/Regulations</b>	End of September 2020	Each Constituent Council and the Combined Authority
6	<b>Order/Regulations laid</b>	October 2020	Secretary of State
	Order/Regulations made and final deal published	December 2020/January 2021	Secretary of State
-	Notice of Mayoral Election	March 2021	Mayoral Combined Authority
-	Election of Mayor	May 2021	-

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