



SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Friday, 10th May, 2013 at 10.00 am

(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)

MEMBERSHIP

Councillors

- S Bentley - Weetwood;
- J L Carter - Adel and Wharfedale;
- N Dawson - Morley South;
- P Grahame (Chair) - Cross Gates and Whinmoor;
- R Grahame - Burmantofts and Richmond Hill;
- J Hardy - Farnley and Wortley;
- A Lowe - Armley;
- C Macniven - Roundhay;
- R Wood - Calverley and Farsley;

Please note: Certain or all items on this agenda may be recorded

Agenda compiled by:
Guy Close
Governance Services
Civic Hall
LEEDS LS1 1UR
Tel: 39 50878

Head of Scrutiny and Member
Development:
Peter Marrington
Tel: 39 51151

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Chief Democratic Services Officer at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p>No exempt items have been identified on this agenda.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notifications of substitutes.</p>	
6			<p>MINUTES - 22ND APRIL 2013</p> <p>To confirm as a correct record, the minutes of the meeting held on 22nd April 2013.</p>	1 - 6
7			<p>EXECUTIVE BOARD MINUTES - 24TH APRIL 2013</p> <p>To receive for information the minutes of the Executive Board held on 24th April 2013.</p>	7 - 22
8			<p>REVIEW OF GOVERNANCE ARRANGEMENTS IN WEST YORKSHIRE</p> <p>To receive and consider a report from the Head of Scrutiny and Member Development presenting the review of governance arrangements in West Yorkshire considered by Executive Board on 24th April 2013.</p>	23 - 82

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p>RESPONSE TO THE RECOMMENDATIONS ARISING FROM SCRUTINY INQUIRY ON WELFARE REFORM</p> <p>To receive and consider a joint report from the Chief Officer (Statutory Housing) and Chief Officer (Revenues and Benefits) outlining Environment and Neighbourhoods and Revenues and Benefits responses to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.</p>	83 - 92
10			<p>DATE AND TIME OF NEXT MEETING</p> <p>This is the last meeting of the 2012/13 municipal year.</p>	

Agenda Item 6

SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

MONDAY, 22ND APRIL, 2013

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, J L Carter,
N Dawson, J Hardy, J Jarosz, A Lowe,
C Macniven and R Wood

105 Chair's Opening Remarks

The Chair welcomed everyone to the April meeting of the Scrutiny Board (Resources and Council Services).

106 Late Items

There were no late items.

107 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting, however in relation to the item entitled, 'Community Centre Charges', Councillor Lowe drew the Board's attention to her role in Touchstone and this organisations use of Council's premises. (Minute No 114 refers)

108 Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Councillor R Grahame.

Notification had been received for Councillor J Jarosz to substitute.

109 Minutes - 18th and 22nd March 2013

RESOLVED – That the minutes of the meetings held on 18th March and 22nd March 2013 be confirmed as a correct record.

110 Community Centre Charges

The Director of Environment and Neighbourhoods submitted a report on current charging arrangements for the use of the Council Community Centre portfolio. This also included a suggested list of guiding principles as a basis for improving future charging arrangements.

The following were in attendance:

- Councillor Peter Gruen – Executive Member Neighbourhoods, Planning and Support Services

Draft minutes to be approved at the meeting
to be held on Friday, 10th May, 2013

- Debra Scott – Head of Performance and Service Review, Environment and Neighbourhoods
- Trudie Canavan – Programme Management Officer, Environment and Neighbourhoods.

In brief summary, the main areas of discussion were:

- The complicated and bureaucratic arrangements in place for the use of community centres.
- The apparent lack of transparency in how charging subsidies were provided to some organisations.
- The numerous charging rates and there complicated application.
- The involvement of numerous Directorates in the process and the consequential lack of accountability and plethora of bureaucratic recharges.
- The need for continued involvement of Area Committees in the process.

RESOLVED –

- (i) To agree the guiding principles outlined in the report in terms of providing a basis for future policy and procedures and as a means of bringing consistency and transparency to the charging arrangements.
- (ii) To request that officers come back to a future meeting of Scrutiny to report on progress made to address the identified failings in the current process.

111 Occupational Health and Safety

The Chief Officer (HR) presented to the Board a report setting out information as to how health and safety is managed within Leeds City Council.

The following officer was in attendance:

- Chris Ingham – Head of Health and Safety.

In brief summary, the key areas of discussion were:

- Roles and responsibilities
- Roles of Elected Members
- The role of staff training to reduce incidents of accidents and incidents particularly verbal and physical assaults
- Sensible Health and Safety
- How Leeds City Council manage Occupational Safety and Health
- Priorities for the future
- Performance.

Responding to a specific question it was agreed that additional training for Elected Members with regards to their roles and responsibilities should be developed by the Head of Health and Safety and Member Development.

RESOLVED –

- (i) To endorse the priorities identified for 2013/14
- (ii) To request that the Head of Health and Safety and Member Development deliver an appropriate training session for Members.

112 Agency workers, Overtime and Consultants

The Chief Officer (HR) submitted a report setting out progress on the cost of agency workers and overtime and also the position of consultants.

In brief summary, the main points of discussion were:

- How staffing budgets were built up.
- The budgeted FTE for 2013/14.
- The triangulation of Overtime/Agency spend and FTEs to better understand costs and activity.
- The level of enhanced overtime within the overtime bill.
- The need for Scrutiny to address its questions direct to Directorates.

RESOLVED –

- (i) To note the additional information requested
- (ii) To revisit this issue in the new municipal year.

113 Council Business Plan Review 2013-17

The Assistant Chief Executive (Customer Access and Performance) submitted to the Board the draft Best Council Business Plan 2013-17. The Scrutiny Board was asked to provide its views and feedback on the proposals.

The following were in attendance:

- Councillor Keith Wakefield – Leader of Council
- Tom Riordan – Chief Executive.

In brief summary, the main issues of discussion were;

- Clarification about the audience for the plan. It was agreed that this was primarily internal (both officers and Members) as it aims to provide a clear set of priorities for the council. But as we are a public facing organisation with links to the City Priority Plan and the Best City outcomes then it also had an external audience.
- The need to look at the language used to ensure it is clear and accessible.

- The need for targets/success measures to be more measurable with some related discussion about the balance between what we want to achieve by the end of 2013/14 verses what we want to achieve by March 2017.
- Members felt that they needed more detail on the accountability arrangements to enable them to better fulfil their role as a critical friend.
- Discussion about changing culture, the difficulties of doing this and the ways in which the draft plan might do this. This included discussion about all staff and managers needing to be more flexible and adaptable to changing needs; working better across the council and with partners; the need for the council to be more enterprising to find innovative solutions to the problems we face and that this is essential to achieving the savings over the next four years. There was recognition of progress in this area but also that there was work still to be done.
- Discussion around the mind-set and culture related to the objective on maximising income and trading. Members were keen that thought is given to potential un-intended consequences of trading where the council might be competing with local businesses.
- The need for the document to acknowledge that there will be some services the Council may stop doing.
- Specific gaps in the following areas:
 - No mention of mental health and in particular the employment issues related to this, whilst acknowledging that this is in the process of being agreed as an “obsession” in the Health and Wellbeing City Priority Plan.
 - No mention of using the Council’s assets effectively or of community asset transfer to community or voluntary organisations. There was also some discussion about the accountability and responsibility more broadly for the Council’s asset base with a view that this could be clearer.
 - Housing need - there was some concern about whether the targets around housing need especially for social housing go far enough to meet the needs of the city and a related concern about the leadership of this work going forward.

(Cllr Lowe and Cllr Bentley left the meeting at 11.30am during this item)

RESOLVED –

- (i) To thank the Leader and Chief Executive for their attendance
- (ii) Request that the comments made by the Board be considered by Corporate Leadership Team as the Best Council Plan is developed and that as part of the Budget and Policy Framework Procedure Rules, the comments of Scrutiny Board be submitted to Executive Board.

114 Work Schedule

The Head of Scrutiny and Member Development submitted a copy of the Board's work schedule. An additional meeting has been called for 10th May 2013 to consider, 'West Yorkshire Governance Arrangements'.

RESOLVED –

- (i) To note the Board's work schedule
- (ii) That the following items be put on a 'pending' list to be considered in the new municipal year: Community Right to Challenge (Update), HR recruitment, translation services, community centre charges.

115 Date and Time of Next Meeting

RESOLVED – To note the date of the next meeting as Friday, 10th May at 10.00am.

(The meeting concluded at 11.55 am)

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EXECUTIVE BOARD

WEDNESDAY, 24TH APRIL, 2013

PRESENT: Councillor K Wakefield in the Chair

Councillors J Blake, A Carter, M Dobson,
S Golton, P Gruen, R Lewis, L Mulherin,
A Ogilvie and L Yeadon

213 Late Items

With the agreement of the Chair, a report entitled, 'Charges for Non-Residential Adult Social Care Services' was admitted to the agenda as a late item of business. The final stage of the extensive consultation process was the consideration of related matters by a working group of the Scrutiny Board (Health and Wellbeing and Adult Social Care), which met on 12th April 2013. In order to enable the outcomes from that working group meeting to be signed off by all attendees and presented for Executive Board's consideration as part of the overarching report, this matter was submitted to the Board as a late item of business. (Minute No. 231 referred).

In addition, with regard to agenda item 9, entitled, "West Yorkshire Plus" Transport Fund', it was noted that an updated version of paragraph 3.35 had been circulated to Board Members for their consideration, following the publication of the agenda (Minute No. 217 referred).

214 Minutes

RESOLVED – That the minutes of the meeting held on 13th March 2013 be approved as a correct record, subject to Minute No. 201 entitled, 'Housing Delivery' being amended to reflect that Councillor Golton voted against the decisions taken in respect of this report, rather than abstaining.

DEVELOPMENT AND THE ECONOMY

215 Elland Road Master Plan Update and Park and Ride Scheme Proposals

Further to Minute No. 236, (11th April 2012), the Director of City Development submitted a report providing an update on the progress made at Elland Road, in the context of the Masterplan adopted in 2007 to 'kickstart' the wider regeneration of the site. Specifically, the report outlined the current position including the progress on the proposed development of an ice rink, the progress on the construction of the West Yorkshire Police Authority (WYPA) divisional headquarters on the former Greyhound Stadium site, the progress on the development of a Strategic Park and Ride facility on the site, the acquisition of the Castle Family Trust Land and Leeds United F.C.'s plans for the redevelopment of the East Stand.

Responding to a Member's specific enquiry, the Board was provided with information regarding the considerations which had been given to ensuring that wherever possible, any potentially significant future developments on site would not be prejudiced by the proposals detailed within the submitted report.

Having noted the concerns which had been raised by local Ward Members arising from proposals regarding the development of an on site Strategic Park and Ride facility, and in acknowledging the representations made by Beeston Community Forum, the Chair advised that dialogue with relevant parties would continue and that further work would be undertaken in a bid to address any concerns that the local community currently had, with any related matters being revisited by the Board in due course.

RESOLVED –

- (a) That the current position with regard to the proposed developments at Elland Road within the context of the Masterplan be noted.
- (b) That the use of Elland Road for park and ride and, subject to negotiation, the terms of occupation of a site for park and ride use for up to five years in the first instance be agreed in principle.
- (c) That the further development of a Park and Ride scheme be approved, which includes the submission of a planning application, detailed design of the car park and public consultation; together with further development of site and operational management proposals.
- (d) That the principle of income arising from parking activities being re-invested into the support of appropriate transport measures be further endorsed, specifically services relating to the Elland Road park and ride scheme.
- (e) That a further report be submitted to Executive Board seeking detailed approval to the scheme once the above processes have been concluded.

216 Wade's Charity: Proposed Contribution Agreement for the use of Future Capital Receipts

The Director of City Development submitted a report regarding a proposal from Wade's Charity for the equal sharing of any capital receipts received from the future disposal of assets owned by Wade's Charity and leased by Leeds City Council. The report specifically sought agreement to the proposal from the Charity that the Council's proportion of such receipts was earmarked to future projects to improve property and land leased by the Council, from Wade's, with work being undertaken to develop a priority list of projects between Wade's and the Council for which such receipts would be used. In addition, the report also outlined a specific proposal from Wade's to dispose of land at Cross Green Approach, subject to Ward Member consultation, which would provide Wade's with a capital receipt of £222,500 before the equal division of any surplus between Wade's and the Council.

RESOLVED –

- (a) That the equal sharing of any capital receipts received from the future disposal of assets owned by Wade's Charity be approved.
- (b) That approval be given for the Council's proportion of such receipts to be earmarked to future projects in order to improve property and land leased by the Council, from Wade's.
- (c) That the development of a priority list of projects between Wade's and the Council for which these receipts would be used, be approved.
- (d) That the terms for the division of sale proceeds for land at Cross Green Approach upon disposal be approved subject to Ward Member consultation, which gives Wade's a capital receipt of £222,500 before the equal division of any surplus between Wade's and the Council at less than best consideration.

217 "West Yorkshire Plus" Transport Fund

The Director of City Development submitted a report providing an update on the progress made to date with regard to the development of a 'West Yorkshire Plus' Transport Fund across West Yorkshire and York.

An updated version of paragraph 3.35 of the submitted report had been circulated to Board Members for their consideration, following the publication of the agenda.

Responding to a Member's enquiry regarding the funding of the NGT Trolleybus scheme in Leeds, the Board received details of the reasoning behind why that project was not being incorporated into the 'West Yorkshire Plus' initiative.

Members highlighted the importance of ensuring that all participating Local Authorities were kept engaged and on board for the life of the initiative.

In conclusion, the Board welcomed the all-party support which the initiative had gained and briefly discussed the long term benefits the scheme could provide, together with the options available in respect of maximising the fund's potential.

RESOLVED –

- (a) That the principle of establishing a £1 billion 'West Yorkshire Plus' Transport Fund together with the associated, indicative levels of financial commitments, be supported, subject to:-
 - A satisfactory conclusion to on-going City Deal negotiations, specifically including securing clarity and agreement on an acceptable level of Earn Back funding from future additional business rates in West Yorkshire and York; and
 - An in principle agreement being made by all West Yorkshire District Authorities.

- (b) That in principle agreement be given to the scope of improvements to be included in the Fund, as referenced within the submitted report and Appendix A, subject to appropriate on-going engagement and consultation with local Members and other relevant partners and communities during scheme design.

218 Review of Governance Arrangements in West Yorkshire

The Director of City Development submitted a report providing an update on the review of governance arrangements in West Yorkshire, and the proposed next steps towards establishing a West Yorkshire Combined Authority. Specifically, the report sought the Board's views on a draft statutory Review of transport and economic governance arrangements in West Yorkshire; sought the Board's views on the draft governance Scheme, which set out the role and governance arrangements for the proposed Combined Authority; and requested authorisation to consult on the draft Review and Scheme with partners and stakeholders.

Members highlighted the integral role to be played by democratic accountability in the development of such arrangements.

RESOLVED –

- (a) That the draft Review of governance arrangements relating to transport, economic development and regeneration be noted together with any comments made in relation to such matters at the meeting, which pursuant to Section 108 of the Local Democracy Economic Development and Construction Act 2009 and Section 82 of the Local Transport Act 2008, concludes that for the area of West Yorkshire, the Integrated Transport Authority should be dissolved and a Combined Authority created, both as the best option for the area going forward in terms of delivering the City Deal and because it would be likely to improve:
- the exercise of statutory functions relating to economic development, regeneration and transport in the area;
 - the effectiveness and efficiency of transport; and
 - the economic conditions in the area.
- (b) That the draft Scheme for the establishment of a Combined Authority for West Yorkshire which would form the basis for public and stakeholder consultation by the individual West Yorkshire District authorities and the Integrated Transport Authority, be noted along with any comments made in relation to such matters at the meeting.
- (c) That approval be given to the partner and stakeholder consultation exercise, as outlined within section 4.1 of the submitted report, which will test the findings of the draft Review and seek views on the provisional proposals contained in the draft Scheme for a Combined Authority, including how it will interact with these organisations, with the Review and Scheme documents being referred to the Scrutiny Board (Resources and Council Services) for consideration.

- (d) That a further report be submitted to the Executive Board by June 2013 advising Members of the outcomes from the consultation exercise, and having regard to the responses received, proposing a final Review and draft Scheme for a Combined Authority, for the purposes of endorsement by Members and also to seek a recommendation that Council provides the necessary approvals, to facilitate submission to the Secretary of State in July 2013.

NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES

219 Reducing Reported Domestic Burglary in Leeds

Further to Minute No. 218, (7th March 2012) the Director of Environment and Neighbourhoods submitted a report providing a position statement on the delivery of the city's multi-agency Burglary Reduction Programme, which commenced in September 2011. Specifically, the report sought approval to extend the current programme of activity for a further 12 months using funding allocated to the city by the West Yorkshire Police and Crime Commissioner.

Having noted the positive results which had been achieved overall since the commencement of the Burglary Reduction Programme, Members highlighted the important role of the Police and the effective multi-agency approach which had been taken as part of the programme.

The Board then considered those parts of the programme which had been most effective, and discussed the priorities of the Police Crime Commissioner which included burglary reduction. In addition, Members noted the evolving trends in Leeds with respect to drug and alcohol dependency, the evolving trends with regard to certain elements of criminal activity, and how such trends were reflected within the burglary figures.

RESOLVED – That expenditure of up to £484,000 to 31st March 2014 be approved, in order to enable the existing programme of activity, aimed at reducing domestic burglary, to continue for a further year, and thereby support further work to embed good practice and a lasting legacy in relation to burglary reduction for the future.

220 Lettings Policy Review 2013

Further to Minute No. 137 (12th December 2012), the Director of Environment and Neighbourhoods submitted a report providing information on the review which had been undertaken on the Council's Lettings Policy, advising of the outcomes arising from the consultation carried out with the public and Members, and highlighted details of the proposals together with the proposals relating to the updated Lettings Policy document.

In presenting the report, the Executive Member for Neighbourhoods, Planning and Support Services highlighted the importance of a policy which was flexible, intelligent, proactive, visible and which also recognised the importance of 'Local Connection'.

Members noted the work which was ongoing in respect of the proposals and their impact upon certain groups within the community, such as carers and vulnerable adults.

RESOLVED –

- (a) That the contents of the submitted report be noted.
- (b) That the options outlined within section 6 of the submitted report be noted and that the revised Lettings Policy, to be implemented from May 2013, be approved.
- (c) That the new approach towards centralising the assessment of housing need, together with the training programme for officers involved in lettings issues, be approved.

221 Proposed changes to the Rent Arrears Recovery Procedures

The Director of Environment and Neighbourhoods submitted a report providing information on the proposed changes to the Rent Arrears Recovery Procedure and the anticipated impact of the Housing Benefit changes which came into effect from April 2013. In particular, the report outlined the measures developed to ensure that tenants affected by the welfare changes were appropriately informed of how such changes would affect them and were made aware of the options open to them.

As part of the introduction to the report, emphasis was placed upon the need for the procedures to be conducted sensitively but earnestly. Members welcomed the increased staffing resource which would provide intensive support to tenants and highlighted the expertise which existed within financial institutions across the city which could also potentially be utilised. In addition, the Board also highlighted the prevalence of 'loan shark' companies which currently existed and emphasised the actions which needed to be taken at a national level to address this issue.

In conclusion, it was requested that further reports be submitted to the Board in due course which provided updates upon the actions being taken by the Council and other agencies to support and inform individuals who were struggling with their personal finances.

RESOLVED –

- (a) That the expected impact of the welfare benefit changes coming into effect from April 2013, be noted.
- (b) That the proposed changes to the Rent Arrears Recovery Procedure, be approved.
- (c) That further reports be submitted to the Board in due course which provide updates upon the actions being taken by the Council and other agencies to support and inform individuals who are struggling with their personal finances.

222 Design & Cost Report for Property Maintenance Software Package

The Director of Resources submitted a report which sought approval to replace the existing Synergy ICT system used by Property Maintenance. The report also sought authority to incur expenditure in relation to this project for the sum of £750,000.

RESOLVED – That the replacement of the Synergy ICT system used by Property Maintenance be approved, and that authority be given to incur expenditure of £750,000.

(Under the provisions of Council Procedure Rule 16.5, Councillor A Carter required it to be recorded that he abstained from voting on the decisions referred to within this minute)

223 Leeds City Council's Procurement Strategy

The Chief Officer for the Public Private Partnerships and Procurement Units submitted a report which sought the Board's approval of a refreshed Procurement Policy for the Council. The refreshed approach aimed to secure a range of benefits for the Council including: improved outcomes, improved value for money, improved governance and assurance, improved engagement and transparency and improved support for the Council's wider ambitions.

Responding to an enquiry on how the Council encouraged a greater number of small and medium sized enterprises (SME's) to become involved in the Council's procurement exercises, the Board highlighted the importance of SME's to the local economy and noted the actions being taken by the Council to engage with SME's, together with the areas for potential improvement. In addition, emphasis was placed upon the need for consistency around the level of payments being provided to both the Council's contractors and sub-contractors.

In conclusion, officers undertook to provide Board Members with quarterly updates on the number of SME's that the Council had contracts with.

RESOLVED –

- (a) That the Strategy, as outlined within the submitted report be approved as the Council's refreshed Procurement Policy, centred upon a category management and whole lifecycle approach.
- (b) That Board members be provided with quarterly updates on the number of SME's that the Council had contracts with

CHILDREN'S SERVICES

224 Corporate Offer to Foster Carers and Care Leavers

The Director of Children's Services submitted a report outlining the need for a Corporate Offer for Foster Carers and Care Leavers and which detailed what such offers were and highlighted the further work which was being undertaken to improve them.

Responding to a Member's enquiries, the Board received information on the current position in respect of the ongoing work being undertaken around the provision of fees and allowances for foster carers. In addition, the Board also received details of the work being undertaken to ensure that Looked After Children and Care Leavers were provided with the necessary support and skills to gain employment, which included their access to initiatives such as the '250 Opportunities Programme'.

RESOLVED –

- (a) That the work which has taken place to provide Corporate Offers for Foster Carers and Care Leavers be noted.
- (b) That it be agreed that the Corporate Offers for Foster Carers and Care Leavers provide a clear and practical example of how an organisation can offer a range of benefits which support vulnerable children and take forward the ambition that Leeds becomes a truly Child Friendly City.

225 Review of the School Clothing Allowance - Outcome of Consultation and request to Cease with effect from June 2013

Further to Minute No. 190 (15th February 2013), the Director of Children's Services submitted a report detailing the outcomes arising from the consultation undertaken to review the provision of the school clothing allowance. Further to this, the report recommended that the Board approved the ceasing of the current school clothing allowance policy, with effect from June 2013.

Members discussed the role to be played by individual schools and their governing bodies in ensuring that uniforms were both affordable and good value for money.

RESOLVED –

- (a) That the findings from the consultation process undertaken in respect of school clothing allowance provision be noted.
- (b) That the recommendation to end the current school clothing allowance with effect from June 2013, be approved.

226 City Learning Centres

The Director of Children's Services submitted a report which sought approval of the proposed new arrangements relating to the funding and use of Leeds' four City Learning Centres (CLCs). The proposals detailed within the submitted report aimed to build upon the practice currently available in the CLCs whilst also maximising the potential use of those valuable resources as citywide assets.

RESOLVED –

- (a) That it be noted that the Dedicated Schools Funding used to support the running of the City Learning Centres ended on 31 March 2013 and

that the interim funding made available through Children's Services is only in place until 31 August 2013, after which all Council funding for the CLCs will cease.

- (b) That approval be given to the inclusion of the Derek Fatchett CLC site as part of the City of Leeds academy proposals and that approval also be given to the inclusion of the CLC staff in the ring-fence for posts in the proposed new academy in addition to TUPE, should that apply based upon continued delivery of existing provision.
- (c) That approval be given to the development of an agreement for an initial period of two years for the West Area Inclusion Partnership (AIP) to take over the running of the West CLC for use as an Inclusion Centre, on the understanding that there will be no budget transferring.
- (d) That the development of an agreement with the North East AIP be approved, to run the North East CLC for the next two years, on the understanding that there will be no budget transferring and that TUPE is likely to apply to some staff based upon proposed future use. (This to be followed by further discussions with the AIP around the use of the CLC by one or more schools to enable them to increase their 11-16 capacity from 2015 onwards).
- (e) That the transfer of the South CLC to the South Leeds Learning Trust be approved in order to enable them to increase their 11-16 capacity on the understanding that there will be no budget transferring.
- (f) That the responsibility of implementing the resolutions (as detailed above) for the four City Learning Centres be delegated to the Director of Children's Services.

227 Primary Basic Need Programme - Outcome of statutory notices for expansion of primary provision for 2014.

Further to Minute No. 141 (12th December 2012), the Director of Children's Services submitted a report detailing the representations made in response to the publication of the statutory notices for the expansion of Little London Community Primary School, Rufford Park Primary School and Sharp Lane Primary School. In light of the representations made, the report invited the Board to make final decisions on each of the expansions proposed.

The Board noted that the proposal regarding Tranmere Park Primary School had not been progressed, as further work was being carried out in the area in order to determine whether any alternative solutions were available, and that any such matters would be revisited by the Board as and when appropriate.

Responding to a Member's request, officers undertook to submit a report to a future meeting of the Board which provided the context in respect of the pressures being placed upon the provision of school places throughout the city, together with the long term plans being developed to address such

pressures, whilst also providing data illustrating the sources of population growth across Leeds.

RESOLVED –

- (a) That the proposal to expand the physical capacity of Little London Community Primary School from 210 to 630 pupils, with an admission number increasing from 30 to 90 and with effect from September 2014 on the adjacent site at Oatland Green, be approved.
- (b) That the proposal to expand the physical capacity of Rufford Park Primary School from 210 to 315 pupils, with an admission number increasing from 30 to 45 and with effect from September 2014 on its existing site, be approved.
- (c) That the proposal to expand the physical capacity of Sharp Lane Primary School from 420 to 630 pupils, with an admission number increasing from 60 to 90 and with effect from September 2014 on its existing site, be approved.
- (d) That a report be submitted to a future meeting of the Board providing the context in respect of the pressures being placed upon the provision of school places throughout the city, together with the long term plans being developed to address such pressures, whilst also providing data illustrating the sources of population growth across Leeds.

228 Governance Arrangements for the South Leeds Youth Hub (SLYH)

The Director of Children’s Services submitted a report informing of the progress which had been made in respect of a potential Community Asset Transfer (CAT) of South Leeds Youth Hub (SLYH) to a “not for private profit” organisation.

Responding to Members’ enquiries, the Board received assurances with regard to funding streams, should a CAT take place. In addition, the Board received further details regarding the potential benefits which may be realised from a Community Asset Transfer of the SLYH.

RESOLVED –

- (a) That the start of a Community Asset Transfer process, for the SLYH, to a “not for private profit” organisation be approved.
- (b) That support be given to the progressing of a lease for SLYH (at least for the life of the MyPlace grant which expires on 28 October 2028), with details for a rental agreement being determined as part of the process.
- (c) That a reducing revenue contingency over 4 years be approved, with the aim that immediate pressures of any transfer are overcome as the new “building manager” works towards achieving financial sustainability over the term.

- (d) That the establishment of a Partnership Advisory Group be approved, in order to support the management of the Council's investment, in the event that a "not for private profit" organisation submits a successful business plan.

LEISURE AND SKILLS

229 Leeds Let's Get Active

The Director of City Development and the Director of Public Health submitted a joint report providing further information relating to the City Council's 'Leeds Let's Get Active' bid to Sport England's "Get Healthy, Get into Sport" health pilot programme. In addition, the report sought retrospective support for the 'Leeds Let's Get Active' bid and approval to accept a grant offer.

Members welcomed the report and highlighted the fact that it was a good example of effective cross-directorate working.

Responding to an enquiry, the Board received details in relation to how users would be able to access the scheme.

RESOLVED –

- (a) That the contents of the submitted report be noted and that the 'Leeds Let's Get Active' project be supported.
- (b) That approval be given for the Director of City Development to accept the Sport England grant funding award of £500,000.
- (c) That a report be submitted to the Board at the end of the project, evaluating the outcomes arising from it.

ADULT SOCIAL CARE

230 Update - Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care System Requirements

Further to Minute No. 45, (18th July 2012), the Director of Adult Social Services submitted a report providing an update regarding the progress made by the Adult Social Care Systems Programme, since the decision to enter into a partnership agreement with Calderdale Metropolitan Borough Council to replace the existing Adult Social Care case management system (ESCR) with Calderdale's Client Information System (CIS), was released for implementation in August 2012.

Members discussed a number of issues around the associated timescales and the budgetary implications arising from the development of the Adult Social Care Systems Programme.

RESOLVED –

- (a) That the progress made since the decision was released for implementation be noted, and it also be noted that the programme is on track to planned timescales and within planned budget.

- (b) That the work that which has gone into the formal partnership agreement to ensure that risks are appropriately managed throughout the successful implementation of CIS in Leeds and which also provides a high level of on-going protection to the Council, be noted.
- (c) That agreement be given to the Council's Corporate Governance and Audit Committee continuing to review progress at 6 monthly intervals, in order to provide assurances in respect of the programme's successful implementation.

231 Charges for non-residential Adult Social Care Services

The Director of Adult Social Services submitted a report which presented the outcomes arising from the consultation undertaken on the review of charges for non-residential adult social care services and which made recommendations for changes to such charges.

Following the presentation of the report, the Board noted the difficult decisions which needed to be made in respect of charges for non-residential Adult Social Care services, given the current economic climate.

Members welcomed the thorough consultation exercise which had been undertaken in respect of this matter, and the changes which had been made in response to the feedback received during that exercise.

RESOLVED –

- (a) That the outcomes of the consultation and the way in which such outcomes have been addressed, as set out within sections 4 to 6 of the submitted report, be noted.
- (b) That the outcomes of the Equality Impact Assessment and the way in which such outcomes have been addressed, as set out in section 9.2 of the submitted report, be noted.
- (c) That the changes to charges for non-residential services, as set out within section 5 of the submitted report, be approved.
- (d) That the revised Adult Social Care Charging and Contributions Policy Framework, as set out within Appendix 9 to the submitted report, be approved.
- (e) That the Care Ring and Telecare Eligibility and Prioritisation Policy, as set out within Appendix 10 to the submitted report, be approved.

(Under the provisions of Council Procedure Rule 16.5, Councillor A Carter required it to be recorded that he voted against the decisions taken within this minute specifically regarding charges to the Care Ring (Pendant Alarm) service and the Care Ring and Mobile Response service)

232 Assistive Technology Hub for Leeds - Approval to Proceed

The Director of Adult Social Services submitted a report providing information on the proposals to develop an Assistive Technology (AT) Hub for Leeds by refurbishing 81, Clarence Road, which had been identified as the only suitable site within the Council's portfolio. In addition, the report outlined the drivers behind the development, which included the need to relocate Leeds Community Equipment Store from Roundhay Road, as well as the strategic and financial benefits that would be realised. The report also sought the Board's approval of expenditure worth £2,170,963 from the Community Capacity Grant in order to fund this development.

The Board welcomed the proposals detailed within the submitted report, and in response to Members' enquiries, the Director of City Development undertook to provide Board Members with further information and assurances regarding the level of associated car parking provision (including blue badge parking provision) which would be available for users of the AT Hub.

RESOLVED –

- (a) That authority to spend a total of £2,170,963 funded by the Community Capacity Grant (Department of Health) be approved for the development, as detailed within the submitted report.
- (b) That the Director of City Development provide Board Members with further information and assurances regarding the level of car parking provision (including blue badge parking provision) which would be available for users of the AT Hub.

RESOURCES AND CORPORATE FUNCTIONS

233 Financial Health Monitoring 2012/13 - Month 11 report

The Director of Resources submitted a report which presented the Council's projected financial health position for 2012/13, after eleven months of the financial year.

Members noted that the next financial monitoring report would be a final outturn report for 2012/2013, which would be submitted to the June 2013 Executive Board meeting.

In noting the projected underspend of £4,600,000, the Board considered how best to utilise any underspend from the 2012/2013 financial year, and whether any of this sum should be invested into highways maintenance. In conclusion, it was requested that any underspend from the Council's 2012/2013 budget was added to the General Fund Reserves until all information from the 2012/2013 financial year was known, at which time further consideration could be given to how any underspend was utilised.

RESOLVED –

- (a) That the projected financial position of the authority after eleven months of the financial year, be noted.

- (b) That any underspend from the Council's 2012/2013 budget be added to the General Fund Reserves until all information from the 2012/2013 financial year is known, at which time, all relevant information be submitted to the Board in order to enable the Board to determine how any such underspend should be utilised.

234 Farsley and Calverley Charities

The City Solicitor and the Director of Resources submitted a joint report regarding the proposed lifting of current restrictions which related to capital monies being released in respect of both the Farsley Public Purposes Charity and the Calverley Charity – The Workhouse Allotment, so as to enable the aims of both of those charities to be carried out more effectively and efficiently.

RESOLVED - That any restrictions which apply as to the use of the current capital funds of Farsley Public Purposes Charity (Charity No. 500559) and The Calverley Charity – The Workhouse Allotment (Charity No. 504497) be released with effect from 24th April 2013, in accordance with Section 281 of the Charities Act 2011.

235 Extension of Discretionary Business Rate Relief Scheme

The Director of Resources submitted a report which sought approval to undertake consultation upon proposals regarding the extension of the guidelines for the award of discretionary rate relief from 2013/14 to 'for profit' organisations which met agreed criteria, as now permitted under Section 69 of the Localism Act 2011.

Members highlighted the importance of small and medium sized enterprises (SME's) to the local economy, and emphasised the need for the Council to effectively engage with such companies as part of this initiative. Emphasis was also placed on the integral role to be played by organisations such as the Federation of Small Businesses and the Chamber of Trade in any proposals relating to the extension of the Discretionary Business Rate Relief Scheme.

RESOLVED – That consultation with representative bodies, including the Chamber of Trade and Leeds & Partners on the proposals to extend the guidelines for the award of discretionary relief for Business Rates, be approved.

HEALTH AND WELLBEING

236 The Health & Social Care Act - Establishment of the Health and Wellbeing Board

The Director of Adult Social Services, the Director of Children's Services and the Director of Public Health submitted a joint report providing information on the role and functions of the Leeds Health and Wellbeing Board, informing of the progress which had been made to establish the Board in its shadow form and providing the Executive Board with an opportunity to consider the proposed governance arrangements for the Health and Wellbeing Board, prior to it being formally established by full Council on the 20th May 2013.

Draft minutes to be approved at the meeting
to be held on Thursday, 9th May, 2013

RESOLVED –

- (a) That the progress which has been made during the shadow period of the Health and Wellbeing Board be noted.
- (b) That the statutory functions of the Health and Wellbeing Board, as set out in its proposed terms of reference, as detailed within appendix 1 to the submitted report, together with the Board's intended role, be noted.
- (c) That the Leader's proposal to nominate 5 Councillors to the Board (3 Executive Members, and one further Councillor from each of the two largest opposition groups) be endorsed.
- (d) That the following be recommended to the General Purposes Committee with regard to the proposed governance arrangements for the Health and Wellbeing Board:-
 - (i). that membership and voting arrangements for the Board are as set out in the attached appendix 2 to the submitted report;
 - (ii). that the Health and Wellbeing Board have a quorum of four members, to include one Councillor and a Clinical Commissioning Group (CCG) representative;
 - (iii). that substitutes for Councillors on the Health and Wellbeing Board are appointed via nomination from the relevant Group Whip; and
 - (iv). that substitutes for other voting representatives are relevant non-voting representatives, if these are appointed by the Board.

ENVIRONMENT

237 Wrap Up Leeds Final Report

Further to Minute No. 101 (12th October 2011), the Director of Environment and Neighbourhoods submitted a report providing a summary of the key achievements and lessons learnt from the 'Wrap Up Leeds' initiative which was launched in January 2012 and which had secured over £3,300,000 worth of private sector investment and had reduced heating costs by almost £1,400,000 per annum.

Responding to a Member's enquiry, officers provided the reasons as to why the ratio between the number of customers contacted and the number of measures installed ranged significantly on a Ward by Ward basis. In conclusion, it was emphasised that future initiatives, such as the 'Green Deal Demonstrator' would build upon the positive work already undertaken and would continue to target those residing in deprived areas of the city.

RESOLVED - That the contents of the submitted report and the success of the 'Wrap Up Leeds' project be noted.

CHILDREN'S SERVICES

238 Submission of Petition entitled: 'To Retain Free School Transport to/from home and school for Children Attending their Nearest Faith School on the basis of their Denomination or Faith'

Councillor A Carter advised the Board that prior to the meeting he had received a petition entitled, 'To Retain Free School Transport to/from home and school for Children Attending their Nearest Faith School on the basis of their Denomination or Faith'. He formally submitted the petition to the Executive Member for Children's Services for consideration as part of the proposals currently being developed in respect of the Children's Services Transport Policy and Strategy.

DATE OF PUBLICATION: 26TH APRIL 2013

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: 3RD MAY 2013 (5.00 P.M.)

(Scrutiny Support will notify Directors of any items called in by 12.00 p.m. on 7th May 2013)

Draft minutes to be approved at the meeting
to be held on Thursday, 9th May, 2013

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Resources and Council Services)

Date: 10 May 2013

Subject: Review of Governance Arrangements in West Yorkshire

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible 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 of main issues

1. The Leeds City Region City Deal was agreed with national Government in July 2012. This secured for Leeds City Region genuine freedoms and flexibilities to raise funding and to invest in transport and economic infrastructure, alongside measures to improve skills, and to promote trade and investment. There is now a need to ensure the right governance arrangements in place to oversee and manage the investment resulting from City Deal, and to help secure further devolution from Whitehall of powers and funding to promote economic growth.

2. The Government's requirement for implementing the City Deal fully and for devolving further powers is that West Yorkshire Local Authorities covering Bradford, Calderdale, Kirklees, Leeds and Wakefield put in place a Combined Authority for West Yorkshire by spring 2014.

3. A draft statutory Review of governance arrangements in West Yorkshire has now been undertaken. This was required legally to encompass economic development and regeneration, as well as transport. The conclusions of the draft Review are that there is a strong case for a Combined Authority to secure further funding and devolved powers. The proposed main focus of a Combined Authority is on transport, with it also having general power of competence on economic well-being matters of cross-boundary significance.

4. A draft governance Scheme has been produced to set out the proposed roles and structure of a Combined Authority. This was reported to Executive Board on 24 April and a copy is attached to this report. The purpose of the report to Executive Board

was to provide an update on the Review of governance arrangements in West Yorkshire, and the proposed next steps towards establishing a West Yorkshire Combined Authority. Executive Board in April approved the recommendations in the Report. Executive Board Members highlighted the importance of democratic accountability in the development of the detailed proposals for a Combined Authority.

5. There will now be consultation on these proposals. This Scrutiny Board is being formally consulted as part of that process. A further report on the outcome of the consultation and consideration of the responses received will be considered by Executive Board in June for endorsement by Members, and a recommendation to Council to approve for submission to the Secretary of State in July.
6. Main issues relating to the consultation on the Draft Scheme setting out the proposed roles and structure of a Combined Authority include:

Roles and extent of powers – it is proposed that a Combined Authority would have extensive transport powers including those held currently by the West Yorkshire Integrated Transport Authority (which would be dissolved). It is proposed that the powers in relation to economic development and regeneration would be fairly modest, limited to overseeing strategic city region investment funds, and a general power of competence (which would be held concurrently) with the individual Local Authorities.

Approach to working with individual Local Authorities – the main focus for a Combined Authority is to secure further devolution of powers from Whitehall, not to pool together powers held currently by individual Local Authorities.

Decision making structures – it will be important to ensure decision making structures are effective, involve the right range of elected Members, and there are appropriate scrutiny arrangements.

Recommendation

7. Members are asked to consider the review of governance arrangements in West Yorkshire as set out in the report of the Director of City Development, and make any comments or recommendations.

Background papers¹

None used

¹ 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.

Report of Chief Economic Development Officer

Report to Executive Board

Date: 24th April 2013

Subject: Review of Governance Arrangements in West Yorkshire

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input 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 of main issues

1. The purpose of this report is to provide an update on the Review of governance arrangements in West Yorkshire, and the proposed next steps towards establishing a West Yorkshire Combined Authority.
2. The Leeds City Region City Deal was agreed with national Government in July 2012. This secured for Leeds City Region genuine freedoms and flexibilities to raise funding and to invest in transport and economic infrastructure, alongside measures to improve skills, and to promote trade and investment. There is now a need to ensure the right governance arrangements are in place to oversee and manage the investment resulting from city deal, and to help secure further devolution from Whitehall of powers and funding to promote economic growth.
3. The City Deal included a commitment towards establishing a Combined Authority for West Yorkshire. A draft statutory Review of governance arrangements in West Yorkshire has now been undertaken. This was required legally to encompass economic development and regeneration, as well as transport. Consideration has also been given as to how York could be included in a potential Combined Authority.
4. The conclusions of the draft Review are that there is a strong case for a Combined Authority to secure further funding and devolved powers. The proposed main focus of a Combined Authority is on transport, with it also having general power of competence on economic well-being matters of cross-boundary significance. A draft

governance Scheme has been produced to set out the proposed roles and structure of a Combined Authority.

5. This report seeks the views of Executive Board/Cabinet on:
 - The draft Review (which is contained at Appendix A) which finds that a Combined Authority is the most appropriate option for the area of West Yorkshire.
 - The draft consultation Scheme for a West Yorkshire Combined Authority (at Appendix B).
6. Subject to authorisation of Executive Board, it is proposed that a consultation and engagement exercise with partners and stakeholders is undertaken on the draft Review and the draft Scheme. Following this exercise, it is proposed that Executive Board and Council receive a report by July 2013 to consider a final review and draft Scheme for submission to the Secretary of State.

Recommendations

7. It is recommended that Executive Board:
8. Consider and comment on the draft Review of governance arrangements relating to transport, economic development and regeneration, pursuant to Section 108 of the Local Democracy Economic Development and Construction Act 2009 and Section 82 of the Local Transport Act 2008, which concludes that for the area of West Yorkshire, the Integrated Transport Authority should be dissolved and a Combined Authority created, both as the best option for the area going forward in terms of delivering the City Deal and because it would be likely to improve:
 - the exercise of statutory functions relating to economic development, regeneration and transport in the area;
 - the effectiveness and efficiency of transport; and
 - the economic conditions in the area.
9. Consider and comment on a draft Scheme for the establishment of a Combined Authority for West Yorkshire to form the basis for public and stakeholder consultation by the individual West Yorkshire District authorities and the Integrated Transport Authority.
10. Authorise the partner and stakeholder consultation exercise outlined in Section 4.1 to test the findings of the draft Review and to seek views on the provisional proposals contained in the draft Scheme for a Combined Authority, including in terms of how it will interact with these organisations and to refer the Review and Scheme to the Resources Scrutiny Board.
11. Receive a further report by June 2013 advising members of the outcome of the consultation and having regard to the responses received, proposing a final Review and draft Scheme for a Combined Authority, for endorsement by members and recommendation to Council to approve for submission to the Secretary of State in July 2013.

1 Purpose of this report

1.2 This report provides an update on the Review of governance arrangements in West Yorkshire, and the proposed next steps towards establishing a West Yorkshire Combined Authority.

1.3 This purpose of this report is to:

- Seek the views of Executive Board on a draft statutory Review of transport and economic governance arrangements in West Yorkshire, including on its finding that a Combined Authority would be the most beneficial option for the area;
- Seek the views of Executive Board draft governance Scheme, setting out the role and governance arrangements for the proposed Combined Authority;
- Request authorisation from Executive Board to consult on the draft Review and Scheme with partners and stakeholders; and
- Seek agreement for a further report to be prepared for consideration by Executive Board and Council, including a final Review and final draft Scheme of governance for a Combined Authority.

2 Background information

2.1 The Leeds City Region has a population of around 3 million, and 1.3 million jobs. The case for powers and funding to be devolved from Whitehall is based on the size and significant of Leeds City Region and its importance to the national economy.

2.2 The Leeds City Region City Deal, concluded in July 2012, includes the offer of significant devolved powers and funding. As a condition, the Government's requirement is that West Yorkshire Local Authorities covering Calderdale, Bradford, Kirklees, Leeds and Wakefield put in place a Combined Authority for their area by spring 2014.

2.3 In order to secure Government approval for a Combined Authority, the West Yorkshire Local Authorities, including the Integrated Transport Authority, have been required to undertake a statutory Review of strategic economic and transport functions, under the provisions of the Local Democracy Economic Development and Construction Act 2009. The purpose of the Review has been to ensure the governance arrangements are sufficiently visible, stable and accountable at the West Yorkshire level, and to consider whether a Combined Authority for West Yorkshire would be appropriate.

2.4 Executive Board received a report in October 2012 on the proposal to undertake the Review of governance arrangements. Executive Board noted the following points.

- As a condition of the City Deal, the Government's requirement is that West Yorkshire's Local Authorities of Calderdale, Bradford, Kirklees, Leeds and Wakefield put in place a Combined Authority for the area by spring 2014.
- A Combined Authority is a statutory body which takes on the roles of Local Transport Authority and Economic Prosperity Board for an area. A Combined Authority can only be established by the agreement of the constituent Local Authorities, including the Integrated Transport Authority, and with Government.

- The constituent Local Authorities, including the West Yorkshire Integrated Transport Authority which would need to be dissolved with the introduction of a Combined Authority, will be required to undertake a statutory Review of strategic economic and transport functions. The Review is to ensure that the governance arrangements for these are sufficiently visible, stable and accountable and to test whether a Combined Authority for the area would be the most appropriate future governance model.
- A governance Scheme would be needed which would include: the area of the Combined Authority; its proposed membership; voting arrangements; its proposed functions (to be exercised by the Combined Authority concurrently with the constituent District authorities); the way in which it will be funded; and any practical arrangements, including staffing, property transfer, and supporting structures.

2.5 Executive Board agreed that:

- The Council should be party, together with other West Yorkshire Authorities (including the West Yorkshire Integrated Transport Authority), to a Review of governance arrangements relating to transport, economic development and regeneration in West Yorkshire pursuant to Section 108 of the Local Democracy, Economic Development and Construction Act 2009 and Section 82 of the Local Transport Act 2008;
- For the Chief Executive, in consultation with the Leader, to commission the preparation of the Review, in consultation with the other West Yorkshire Authorities; and
- For the Chief Executive, in consultation with the Leader, to commission the preparation (in consultation with the other West Yorkshire Authorities) of a draft Scheme for a Combined Authority for consideration by Executive Board and Council, if the Review recommends that a Combined Authority would be the most beneficial option for West Yorkshire.

2.6 As authorised by Executive Board, a review of governance was commissioned. The draft Review recommends that a Combined Authority would be the most beneficial option for West Yorkshire. Therefore the Chief Executive has, in consultation with the Leader and the other West Yorkshire Authorities, commissioned the preparation of a draft Scheme for a Combined Authority.

3 Main Issues

3.1 Statutory Review

3.1.1 The draft Review covers how statutory transport and economic investment functions are managed currently in West Yorkshire and assesses whether having better decision making arrangements could lead to improvement in the delivery of these statutory functions to support economic growth. The Review, which is included at Appendix A, covers:

- the evidence that West Yorkshire (and the wider City Region) economy are not performing to their full potential;

- the opportunities and commitments related to securing devolved powers and funding through the City Deal which could address these issues;
- an overview of the current West Yorkshire and wider City Region governance arrangements;
- an appraisal of the options for improving West Yorkshire governance against the relevant statutory test and their comparative ability to support delivery of the City Deal; and
- conclusions.

3.1.2 The draft Review concludes that the economy of West Yorkshire (and the wider City Region), is not doing as well as it should when compared to other areas, nationally and internationally. It concludes that for West Yorkshire to do better, its Local Authorities should work more closely together on transport and economic investment.

3.1.3 The draft Review considers the alternative options of: retaining the current arrangements; improving existing arrangements incrementally; creating an Economic Prosperity Board; and establishing a Combined Authority. It concludes that the current arrangements would not enable Leeds City Region to draw down significant powers and funding on offer through the City Deal and that, for the following reasons, the best option would be to create a Combined Authority.

- There is currently no single strategic transport and economic development decision making body at the West Yorkshire level.
- There is evidence of fragmentation and lack of integration in decision making, which will be an impediment to delivering proposals to establish a £1bn West Yorkshire Plus Transport Fund.
- Current governance arrangements not being optimal is one of the reasons why the West Yorkshire and wider City Region economy is underperforming.
- The existing governance arrangements in West Yorkshire can be improved upon.
- Various options have been considered, including leaving arrangements unchanged, strengthening or restructuring existing governance arrangements, and establishing a Combined Authority.
- A Combined Authority would be able to bring together key decision making powers into a single body.
- A strong Combined Authority, exercising appropriate strategic transport and economic functions, would provide a visible, stable and statutory body, it could for example act as the accountable body for a city region Single Capital Pot proposed in the Heseltine Review, building on the proposed Leeds City Region £400m Economic Investment Fund.
- A Combined Authority would attract greater devolved powers and funding, which would otherwise be controlled by Whitehall.
- With appropriate wider representation, including e.g. Local Enterprise Partnership and York associate membership, a West Yorkshire Combined Authority would also streamline the relationship between the individual authorities and the Leeds City Region Local Enterprise Partnership and Leeds City Region Leaders Board.

- A Combined Authority would help in engagement with national agencies and create the opportunity for various types of collaborative effort with adjoining and other Combined Authorities in the north of England to put in place a much needed counter-balance to London and to Scotland e.g. for devolving the power to let rail franchises at the pan regional level.
- The economic conditions of West Yorkshire and the wider City Region would be improved by putting in place a Combined Authority.

The main issues for Leeds City Council relate to the scope of the Combined Authority. The Combined Authority will replace the Integrated Transport Authority. The principle of pooling transport powers is accepted widely and already established. Beyond transport, there has been concern that a Combined Authority could cut across the strategic roles of Leeds City Council in areas such as economic development, regeneration and spatial planning.

The main conclusion from the Review of governance is that beyond transport, the proposed remit of the Combined Authority would be fairly limited. It is proposed that it would oversee economic investment, and would provide a mechanism for drawing down from national Government additional funding powers, for instance through a second City Deal, and in the context of the Government's response to the Heseltine Review.

These proposed powers are fairly limited given the potential scope of a Combined Authority. The main focus is on securing devolution of powers and funding down from Whitehall rather than pooling together what are currently local responsibilities. The proposals are in line with the principle of subsidiarity. The proposed general power of competence of the Combined Authority to promote economic well-being will be held concurrently with the Districts. The proposed powers of the Combined Authority are less extensive than those of the Greater Manchester Combined Authority.

3.2 Draft Consultation Scheme

- 3.2.1 If a Combined Authority is to be created in line with the Leeds City Region City Deal Implementation Plan, there is a legal requirement to prepare and publish a 'Scheme' which will be the basis for the creation of the new body. The Scheme must contain certain prescribed information which will then be included in the statutory order that is needed to create the new body. This information includes details of the area of the Combined Authority, its proposed membership, voting, its proposed functions (to be exercised by the Combined Authority or with the constituent District Local Authorities), and the way in which it will be funded. Other details to consider include any practical arrangements, including staffing, property transfer, and supporting structures. This would have to be submitted to Government by July 2013 and if the Secretary of State agreed, he or she would then propose the new arrangement to Parliament for approval. If Parliament agreed, a Combined Authority could be created in April 2014.
- 3.2.2 The draft consultation Scheme at Appendix B proposes that a Combined Authority should be created under Section 103 of the Local Democracy Economic Development and Construction Act 2009 covering the five West Yorkshire District

authorities. The creation of the Combined Authority would require the West Yorkshire Integrated Transport Authority to be dissolved, pursuant to Section 91 of the Local Transport Act 2008. The Combined Authority would not be a directly elected body. It is proposed that District authority Leaders represent directly their individual councils on the Combined Authority, in the best long term interest of the local economy, to include other political representatives from opposition groups.

- 3.2.3 West Yorkshire and York Leaders have written to the Minister for Cities to confirm their ambition to include York in the Combined Authority. This would raise some technical issues which it might be possible to resolve by a legislative change at a later date. In the short term, it is proposed York should be invited to become an associate member, as should a representative from the Local Enterprise Partnership.
- 3.2.4 It is proposed that a Combined Authority would have power to act for economic investment and transport. This would allow many of the benefits of the City Deal to be gained. A Combined Authority could control powers and funding that would otherwise be managed from Whitehall.
- 3.2.5 The draft Scheme sets out a proposed Governance structure for a Combined Authority. It is proposed a Combined Authority would comprise the five West Yorkshire Authority Leaders, the Leader of York, three opposition Members from across West Yorkshire, and the Chair of the Leeds City Region Local Enterprise Partnership. The proposed sub-structures are yet to be determined, but it is envisaged these will provide opportunities for the involvement of a wider range of elected Members.
- 3.2.6 For those areas of activity which a Combined Authority would have power to act directly it could become the employer of officers delivering those activities. The final Scheme would need to consider whether it required additional committees to oversee the delivery of its activities.
- 3.2.7 Further work is to be undertaken to consider the staffing structures to support the Combined Authority.

4. Corporate Considerations

4.1 Strategic Consultation and Engagement

- 4.1.1 The Government's consultation on draft statutory guidance for establishing a Combined Authority states that relevant authorities will need to engage partners and stakeholders very closely both to receive their input into the design of the new body and to determine how the new body will interact with these organisations. Whilst there is no legal requirement to carry out a formal public consultation the authorities may wish to consider doing so, and the Secretary of State will wish to see evidence that the views of stakeholders have been sought and taken into account when preparing the Scheme. The Scheme or accompanying documents should therefore make clear what consultation has been carried out and provide a summary of the views received.

4.1.2 Whilst it is not proposed to carry out a formal public consultation exercise, it is proposed that the draft Review and Combined Authority Scheme are published subject to Executive Board. The following organisations and businesses will be directly consulted during April and May 2013:

- Leeds City Region Local Enterprise Partnership;
- Other City Region Local Authorities (York, Craven, Selby, Harrogate, North Yorkshire County Council and Barnsley);
- Chambers of Commerce (Bradford Chamber of Commerce, Mid Yorkshire Chamber of Commerce, and Leeds and York and North Yorkshire Chamber of Commerce);
- Confederation of British Industry (CBI);
- Institute of Directors;
- Federation of Small Businesses;
- Sector organisations such as: the Calderdale and Kirklees Manufacturing Association; EEF (the manufacturers' organisation for UK manufacturing); Institute of Chartered Accountants in England and Wales (ICAEW); National Federation of Builders; Print Yorkshire; and Royal Institute of Chartered Surveyors;
- Local key employers and business businesses including HE and FE providers;
- Yorkshire MPs and Peers;
- Government Departments, including DfT, DECC, DCLG, BIS, and the Cabinet Office;
- Government agencies, such as HCA, Highways Agency and Network Rail; and
- Infrastructure providers and operators, eg Utility companies, Bus Operators and Rail Operators.

4.1.3 In addition, Executive Board are recommended to refer the proposals to the relevant Scrutiny Board (Resources).

4.1.4 The proposed Consultation questions are shown at Appendix C, which seek to prompt views of the above partners and stakeholders along with members of the public.

4.1.5 It is proposed that the consultation exercise is commissioned by the West Yorkshire Chief Executives and the Clerk to West Yorkshire Integrated Transport Authority, and supported by the officer task group established to undertake the Review and prepare the Scheme.

4.2 Equality Diversity / Cohesion and Integration

4.2.1 As the proposals for the Combined Authority are developed, due regard will be given to equality, diversity, cohesion, and integration matters.

4.3 Resources and value for Money

4.3.1 The draft Review continues that:

- As a strategic body for West Yorkshire, a Combined Authority has potential to be cost neutral, subject to the creation of no significant new staffing structures and by utilising existing capacity within the constituent District authorities and, in the case of statutory transport duties, the Passenger Transport Executive;
- There is no proposal to create an additional layer of bureaucracy; the Integrated Transport Authority would be dissolved upon the creation of a Combined Authority, which would assume all of its transport powers duties and functions; and
- Prior to submission to the Secretary of State, it is proposed that any governance Scheme would need to be tested as far as possible for financial efficiency and impact.

4.4. Legal Implications, Access to Information and Call In

4.4.1 There are no specific legal implications arising from this report. If a Combined Authority is established in due course this will have a separate legal identity from the Council and the other constituent authorities and will have separate statutory powers and duties.

4.5 Risk Management / Options Analysis

4.5.1 The devolution in relation to powers and funding on transport contained in the LCR City Deal are contingent upon the establishment of a Combined Authority. Failure to establish a Combined Authority may therefore constitute a risk to the pace and scale of future growth in the Leeds City Region.

4.5.2 The process for establishing a Combined Authority is not fully under the Council's control and its establishment by April 2014 in line with the City Deal implementation Plan is subject to approval by the other West Yorkshire Authorities, including the Integrated Transport Authority, and also by Parliament.

4.5.3 The recommendations contained in the final Review and Scheme should be consistent with the Council's commitment to accountability and decision making at the local level and this will be an important element to consider to achieve an appropriate balance between sub-regional and local need.

5.0 Conclusion

5.1 The draft Review of governance has concluded that a West Yorkshire Combined Authority is the best option to ensure the delivery of the existing Leeds City Region City Deal, and to secure from Whitehall further devolution of powers and funding to support economic growth. The draft Scheme sets out the proposed role and structure of a Combined Authority. It is proposed that a Combined Authority would have extensive transport powers, and would take on the functions of the Integrated Transport Authority (which would be dissolved). It would also have powers to oversee economic investment, and a general power of competence to support economic well-being which would be held concurrently with the District Authorities. Consultation is proposed on the draft Review and the draft Scheme, and it is proposed that the final proposals will be considered by Executive Board in June, to

make a recommendation to Council to approve for submission to the Secretary of State in July 2013.

6. Recommendations

6.1 It is recommended that Executive Board:

6.2 Consider and comment on the draft Review of governance arrangements relating to transport, economic development and regeneration, pursuant to Section 108 of the Local Democracy Economic Development and Construction Act 2009 and Section 82 of the Local Transport Act 2008, which concludes that for the area of West Yorkshire, the Integrated Transport Authority should be dissolved and a Combined Authority created, both as the best option for the area going forward in terms of delivering the City Deal and because it would be likely to improve:

- the exercise of statutory functions relating to economic development, regeneration and transport in the area;
- the effectiveness and efficiency of transport; and
- the economic conditions in the area.

6.3 Consider and comment on a draft Scheme for the establishment of a Combined Authority for West Yorkshire to form the basis for public and stakeholder consultation by the individual West Yorkshire District authorities and the Integrated Transport Authority.

6.4 Authorise the partner and stakeholder consultation exercise outlined in Section 4.1 to test the findings of the draft Review and to seek views on the provisional proposals contained in the draft Scheme for a Combined Authority, including in terms of how it will interact with these organisations and to refer the Review and Scheme to the Resources Scrutiny Board.

6.5 Receive a further report by June 2013 advising members of the outcome of the consultation and having regard to the responses received, proposing a final Review and draft Scheme for a Combined Authority, for endorsement by members and recommendation to Council to approve for submission to the Secretary of State in July 2013.

7 Background documents¹

None

8 Appendices

8.1 Appendix A: The draft Review of Governance in West Yorkshire.

8.2 Appendix B: The draft consultation Scheme for a West Yorkshire Combined Authority

¹ 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.

8.3 Appendix C: Proposed questions for the consultation on the draft consultation Scheme for a West Yorkshire Combined Authority

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Draft

Local Democracy Economic Development and Construction Act 2009 and Local Transport Act 2008 West Yorkshire Authorities Statutory Review

Executive Summary

1 The economic situation is challenging and is likely to remain so for some time to come. Leeds City Region, its LEP and the constituent local authorities, has been and will continue to be an engine for growth in the North. But not all parts of the City Region have benefited from that prosperity. Despite our successes we are still a net spender of UK tax revenues, and there is not enough local control over the policies which affect our economy.

2 Our City Deal, agreed with Government in July 2012, is the key to change that – based on a ‘coalition of the willing’ model to become more self-reliant and unlock our economic potential, ensuring we become a net contributor to the UK tax base by delivering our shared ambitions for growth, jobs and lasting prosperity. To do this we need to drive productivity growth by investing in infrastructure, skills and business trade and investment. Different economic times require different interventions: the partner councils, working with the Local Enterprise Partnership, are best placed to take the tough decisions about where to focus these interventions, drive delivery and be accountable for the results. The Leeds City Region Partnership has therefore developed a long term vision to build “a world-leading dynamic and sustainable low carbon economy that balances economic growth with a high quality of life for everyone”.

3 The City Deal offers devolved powers and greater freedom over funding provided it can show that the way it is all managed is fit for purpose. Government has therefore invited the West Yorkshire councils of Leeds, Bradford, Wakefield, Calderdale and Kirklees to consider whether collaborating more formally in what is called a “Combined Authority” might be a better way of improving delivery and of stimulating local economic growth across the City Region, and exercising greater local control.

4 If a Combined Authority were to be created, it would require a proposal (legally called a “scheme”) to be written and given to the Secretary of State for approval. A scheme has to include the area of the Combined Authority, its proposed membership, voting, its proposed functions (to be exercised by the Combined Authority or with the constituent District authorities), the way in which it will be funded, and any practical arrangements, including staffing, property transfer, and supporting structures. This would have to be done by July 2013 and if the Secretary of State agreed, he would then propose the new arrangement to Parliament for approval. If Parliament agreed, a Combined Authority could be created in April 2014.

5 Government have said that if the West Yorkshire local authorities wish to do this the Government will give them more money and more power to do what they think is right in their area. But first it is a legal requirement that there must be a

review of the existing arrangements to make sure that the case for change is a good one. Local authorities will also consult with partners before moving forward with any change.

6 The leaders of the five West Yorkshire councils, together with the Chair of the Integrated Transport Authority, have asked their Chief Executives to conduct this statutory review. The Review must cover how transport, economic development and regeneration are managed now. The main priority is whether having better arrangements could improve the delivery of statutory transport and economic functions and therefore stimulate economic growth. The leaders believe that economic development should be handled by most local administrative level possible. They have also agreed that the City of York council must do their own review running side by side with the one in West Yorkshire. The council leaders and the Chair of the Integrated Transport Authority have also asked their officers to prepare for a consultation on the idea of a Combined Authority.

7 The idea of authorities working together on some activities is not new. In West Yorkshire for example, there is already joint work the West Yorkshire local plan for transport (LTP). Archives and Archaeology and Emergency Services are further examples of this joint working. In the Combined Authority proposal, the review has looked at statutory economic development and transport functions as defined by the legislation covering the establishment of a Combined Authority. The review concludes that West Yorkshire is not doing as well economically as it should when compared to others, particularly nationally and internationally. It also concludes that for West Yorkshire to do better the five councils plus York should work together on economic investment and transport and that the best way to do this would be to create a Combined Authority covering these activities.

8 Putting some economic investment and transport functions together in a Combined Authority would bring responsibility for funding pots such as the proposed £1bn West Yorkshire Plus Transport Fund. Government have said in the City Deal that such a development would lead to a ten year deal for funding major transport schemes, with local freedom to decide priorities without further reference to Whitehall. Such an arrangement could also be accountable for the bringing together of a series of economic investment funding streams across the City Region into a Single Pot worth £400m. A Combined Authority would also help to clarify the respective roles and improve the relationship between the councils and the Local Enterprise Partnership (LEP).

9 It is proposed that the “scheme” (see paragraph 4 above) confirms that a Combined Authority should for now just cover the five West Yorkshire District authorities. The Combined Authority would not be a directly elected body. The leaders wish to directly represent their individual councils on the Combined Authority, and the leaders believe it would be in the best long term interest of the local economy to include other political representatives from opposition groups to ensure there is stability over time.

10 Including York in the Combined Authority area raises some technical issues which it might be possible to resolve by a legislative change at a later date. In the meantime, it is proposed York should be invited to become a partner member, as

should a representative from the LEP, with door being left open for other partner members over time.

11 The current thinking is that the Combined Authority would have power to act on its own for economic investment and transport as this would allow many of the benefits of the City Deal to be gained. It would enable the control over powers and funding which would otherwise be managed from Whitehall. There is also the possibility that the Combined Authority could take on other responsibilities in the future if its member Councils decide that this would be a good idea. These, together with any Economic and Transport functions would be specified in the "Scheme". All other functions not mentioned would remain the direct responsibility of individual District authorities.

12 For those areas of activity which the Combined Authority would have power to act on directly it could become the employer of the people delivering those activities should that be determined subsequently as the best delivery mechanism. In addition, the Scheme would need to consider whether it required additional committees to oversee the delivery of its key activities.

1. Introduction

Context

- 1.1 The economic climate remains challenging. Recovery has been slow and hesitant and particular sectors remain at well below capacity (e.g. construction). And whilst the Leeds City Region (LCR) has been relatively successful in making the transition from a predominantly industrial to a more diverse economy there remain challenges, including in the West Yorkshire area of the City Region in terms of labour market participation, skills and levels of economic activity. Without co-ordinated and well-targeted locally determined investment, these issues will remain unaddressed.

Vision

- 1.2 The Leeds City Region Partnership has therefore put in place long-term vision to build **‘a world-leading dynamic and sustainable low carbon economy that balances economic growth with a high quality of life for everyone.’**
- 1.3 In 2011 the LCR Partnership launched an economic Plan, outlining its priorities and strategy to help achieve this vision. There are three key targets:
- to accelerate output growth to an average 2.6% per year to 2030
 - to create 60,000 new jobs by 2016
 - to achieve a substantial reduction in City Region carbon emissions

City Deal

- 1.4 The LCR City Deal, agreed with Government in 2012, is a coherent package to help these targets to be achieved. Taken together, its propositions to improve skills, increase exports and deliver much higher levels of investment in transport and other infrastructure – followed by further discussions with Government on business friendly planning and low carbon – will remove many of the barriers that are currently preventing the City Region from realising its full economic potential.
- 1.5 If these proposals are implemented, a big step will have been taken towards a faster-growing City Region and a start made towards generating extra tax revenues for the national purse. For example, a 10% reduction in LCR unemployment will generate an extra £1.3bn for the Exchequer over the next decade as a result of the extra taxes received and lower benefit spending by Government. What is asked from Government is that Departments work with local partners to devolve the freedoms and flexibilities that will enable us to fulfil our ambitions for Leeds City Region and play our full part in the UK’s economic recovery.
- 1.6 Delivery of the City Deal is through a sub regional ‘coalition of the willing’ model, based on the principles of self-help such as active resource pooling and investment in those assets and infrastructure which will do the most to correct market failures. For example, road congestion and rail over-crowding

leading to poor connectivity and access to jobs within and between Districts and to markets, has been holding back our economic prosperity. This is being addressed via the commitment to establish a £1bn Transport Fund between WY and York, which includes as part of the City Deal a devolved 10 year allocation of £182m from DfT's major transport scheme budget. It is anticipated that prioritising £1bn of investment against a Single Appraisal Framework and in line with the LCR Plan will create uplift in GVA of 2% (£1bn p.a.) and increasing permanent jobs by some 20,000 in the medium term.

Requirement for a Statutory Review

1.7 As a result of the substantial package of devolved funding and powers on offer, in particular in relation to Transport, the City Deal also commits the West Yorkshire authorities to formally reviewing the governance arrangements for their area of the City Region¹. Going forward, this is to ensure that these arrangements are fit for the purpose of delivering the ambition of the City Deal. This Review is to test the proposition that a Combined Authority (CA) is the best governance option against the Statutory test under Part 6 of the Local Democracy, Economic Development and Construction Act, 2009 (LDEDC) by and s82 of the Local Transport Act 2008 being likely to improve:

- the exercise of statutory functions relating to transport, economic development and regeneration;
- the effectiveness and efficiency of transport; and
- the economic conditions of the area.

1.8 Therefore in addition to the Review required under the LDEDC Act 2009, a further review is required under the Local Transport Act 2008. The LTA review is required to look specifically at benefits of the transfer of the current functions of the ITA to a CA and the abolition of the ITA thereafter. These matters are inextricably linked with the LDEDC review, and this Review proposes to deal with both matters at the same time.

Key steps

1.9 Subject to the outcome of the Review, the City Deal commits West Yorkshire partners to preparing a draft Scheme for consideration by the Secretary of State by July 2013. The Secretary of State would consult, including with the Authorities concerned, and if he concludes a CA will reflect the interests of local communities and secure effective and convenient local government, a draft Order would then need to be approved by both Houses of Parliament to

¹ West Yorkshire covers the local authority districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield and also the West Yorkshire Integrated Transport Authority, which is the Local Transport Authority for the area. Subject to the legislation and agreement by each local authority, others would also have the opportunity to join the Combined Authority, so in the future this could expand to cover the whole LCR LEP area including York and potentially the North Yorkshire Districts of Selby, Craven and Harrogate. There are separate proposals for Barnsley, which is also part of LCR, to be part of an adjoining Sheffield City Region CA.

bring the new body into being by April 2014, in line with the City Deal Implementation Plan.

- 1.10 A key point to note is that the creation of a CA will necessitate the transfer to the CA of all the transport powers, functions and duties of the current local transport authority, WYITA. The WYITA would then be dissolved.
- 1.11 By November 2012 the five WY District authorities and the ITA had therefore individually agreed to:
- be party to a Review of governance arrangements relating to transport, economic development and regeneration in WY pursuant to Section 108 of the LDEDC Act 2009 and Section 82 of the Local Transport Act 2008;
 - authorise Chief Executives in consultation with Leaders to prepare the Review including a consultation draft Scheme for a CA, subject to the findings of the Review;
 - note the provisional timetable for delivering the City Deal commitment to establishing a CA by April 2014, in order to be in a position to receive significant devolved powers and funding via the City Deal (this would require a final Scheme of governance to be submitted to the Secretary of State by July 2013); and
 - also, along with York, the ITA have agreed to a WY and York geography for the devolution of post 2014 major transport Scheme funding.
- 1.12 WY Chief Executives have progressed with the preparation of this Review in line with the Government's consultation on draft statutory guidance through an officer task group chaired by the Hon Secretary of the Association of West Yorkshire Authorities (AWYA) and drawn from the District authorities including York and the ITA².

A note on the CA Model

As the areas covered by functional economic market areas (illustrated by, for example, travel to work areas) are typically significantly larger than the areas of individual local authorities, there is considered to be scope for improvements to be made to economic outcomes through joint decision making and close coordination of delivery activity across these economic areas.

- 1.13 A CA is statutory body which takes on the combined role of Local Transport Authority and Economic Prosperity Board (EPB) for an area by agreement with the constituent District authorities and Government. In an area which already has an ITA as the Local Transport Authority, the ITA would need to

² The draft Review has drawn upon the views of key external stakeholders, including the LCR LEP, and also an independent panel of experts chaired by John Jarvis, former Director of Transport for the Northern Way, and including Jim Steer, founding Director of Steer Davies Gleave, Professor Peter Mackie, University of Leeds Institute of Transport Studies, and Professor Mike Campbell, former Director of Research and Policy of the UK Commission for Employment and Skills.

resolve to be dissolved so that its functions could be transferred to the CA. The constituent District authorities need not cede any functions to the CA, such as highways or economic development functions, although they may choose to do so or to share appropriate functions with the CA, where this would demonstrably improve economic conditions. The CA provides an opportunity to take on powers and funding which would otherwise be managed from Whitehall.

- 1.14 The CA model therefore allows groups of relevant Authorities to work closely together on a voluntary basis to provide a framework to deliver improvements in transport across their sub-regions and appropriate economic investment activity. They are intended to support improved strategic decision making on these issues.
- 1.15 By establishing a CA, a group of relevant Authorities is able to create a sub-regional 'body corporate' with legal personality that can act across their combined area in conjunction with the constituent authorities. This body would be able to take on agreed transport and economic investment functions providing a mechanism for governing and managing these activities at a strategic and integrated level across the sub-region. As a Combined Authority has a separate legal identity from the constituent authorities it is able to hold budgets, employ staff and enter into contracts (e.g. to act as accountable body for funding distributed by Government) and to collaborate with local authorities within the wider LCR functional economy. The activities of the CA are governed by its members, a majority of whom must be elected members of the constituent local authorities, ensuring its local democratic mandate. A CA makes the delivery of strategic decisions more streamlined and efficient, e.g. by removing the requirement for each district authority to ratify the same decision separately.

The Review document

- 1.16 The remaining sections of this document cover:
- the evidence that WY (and the wider City Region) economy are not performing to their full potential;
 - the opportunities and commitments related to securing devolved powers and funding through the City Deal which could address these issues;
 - an overview of the current WY and wider City Region governance arrangements;
 - an appraisal of the options for improving WY governance against the relevant statutory test and their comparative ability to deliver the City Deal; and
 - conclusions.

2. Evidence that the WY economy is not performing to its full potential

LCR context

2.1 Leeds City Region, of which West Yorkshire forms a key sub area, has a diverse and resilient economy³ that possesses a combination of economic heft and unique assets which create an inherent critical mass and potential for economic growth:

- the largest recognised City Region in the country outside London, with a population of 3 million;
- generates 5% of English economic output with annual GVA of £52bn;
- the largest number of manufacturing workers anywhere in the UK and the largest number in financial and business services outside the capital;
- possesses nationally and internationally competitive clusters in
 - **health and life sciences** – particularly biotechnology, advanced surgical instrumentation, pharmaceuticals, regenerative medicine and telehealth
 - **low carbon industries** – home to: substantial renewable and low carbon energy capacity in on-shore wind, biomass, energy-from-waste and micro-generation; leading manufacturers in the low carbon supply chain and strong environmental consultancy expertise
 - **digital and creative industries** – including the Airedale digital cluster, whose turnover is on a par with that of Cambridge
 - nationally and regionally significant hubs of activity in **financial & business services** (notably finance and legal services) and **manufacturing** (notably textiles, food & drink, aerospace components, automotive engineering, printing & publishing and construction fabrication) but based on a core of precision engineering;
- quality of life is outstanding, from the internationally renowned landscape of the Yorkshire Dales to world-class cultural assets that include being the home of modern British sculpture;
- a location at the heart of national railway and motorway networks provides easy access to global markets and means LCR is ideally placed as a location for the logistics industry; and
- innovation assets of the highest quality including
 - one of the largest concentrations of higher education in Europe, with 8 institutions producing 36,000 graduates each year
 - 2 universities in the world's top 100
 - 36% of combined LCR university research is ranked as world-class, and 10% is world-leading in fields such as business & management, medical & healthcare technologies, pharmaceuticals and biotechnology, nano-technology, advanced engineering and advanced textile technology
 - 15 FE colleges teaching 110,000 students and

³ *Index of Economic Resilience*. Report by Ekosgen for Yorkshire Cities, 2011.

- 11 centres for industrial collaboration, a variety of specialist research institutes and 23 knowledge transfer partnerships.

2.2 Like all areas, the City Region economy faces challenges in achieving its full growth potential. These include:

- skill levels in the workforce that have improved, but remain below average;
- a national and international profile that is not strong enough in comparison with competitor City Regions, which has hampered our ability to attract new inward investment in recent years⁴ ;
- below-average export rates - recent business survey data shows that only 10% of firms in the City Region export outside the UK.⁵;
- business start-up, survival and growth rates that lag behind the national average;
- smaller-than-average private sectors in some parts of the City Region; and
- low levels of public sector investment in some sectors, which have left the supply of infrastructure lagging behind what is needed to support a world-leading economy⁶

2.3 As a result, although productivity levels match those of most of the core City Regions, they are still not improving overall economic performance relative to national or international competitors. Since the start of the recession the City Region has lost jobs twice as fast as the national average.

WY economic performance

2.4 Although LCR is the area's recognised functional economic market area, West Yorkshire represents its core, and in its own right evidences strong elements of economic self-containment but with clear linkages and interdependency with the wider City Region economic footprint in terms of a wider labour and housing market area⁷:

- 96% of WY's working residents work inside the West Yorkshire area;
- the proportion of the workforce residing inside West Yorkshire is 91%;
- 36% of those WY residents working outside of the area work in the rest of LCR, with some 7% working in York; and
- 40% of the WY workforce residing outside of WY lives in the rest of LCR.

2.5 The headline economic data shown in the table below indicates that for a sub region of its scale and demographic composition (2.2m population with a fast

⁴ A recent report by fDi Intelligence, part of the *Financial Times*, found that West Yorkshire ranked 15th in the country for inward investment, behind Birmingham, Manchester, Tees Valley and Newcastle.

⁵ *Leeds City Region Business Survey*. Yorkshire Cities, 2011.

⁶ For example, public sector investment in housing in Yorkshire & Humber has consistently seen the lowest allocation per capita of any region, while investment in transport has remained at much lower levels than in London and the South East for many years.

⁷ Data supplied by Javelin Group 2013

growing younger age group than nationally), WY is not punching at its weight and is falling behind.

ECONOMIC INDICATOR	WY PERFORMANCE
GVA	<ul style="list-style-type: none"> • WY GVA per person stood at £17,600 in 2009 • This has grown by 46% since 1997 (making no allowance for inflation) – against UK growth of 60% • GVA per person in relation to the UK average has dropped from 96% of the average in 1997 to 88% in 2009
EMPLOYMENT	<ul style="list-style-type: none"> • The WY employment rate fell from 72% to 67% between 2005-2012 • The UK employment rate fell from 72.5% to 70% over the same period • i.e. West Yorkshire was close to the UK average in 2005, and is now well below
UNEMPLOYMENT	<ul style="list-style-type: none"> • The WY unemployment rate rose from less than 5% to over 10% between 2005-12 • The UK unemployment rate rose from less than 5% to 8% over the same period • i.e. West Yorkshire was in line with the UK average in 2005, and is now much higher
EARNINGS	<ul style="list-style-type: none"> • Average earnings of those living in West Yorkshire in 2012 were 94% of the UK average • Average earnings of those working in West Yorkshire in 2012 were 97% of the UK average
SKILLS	<ul style="list-style-type: none"> • West Yorkshire skills levels are improving: more people have degrees; fewer with no qualifications • But the WY still lags behind UK and hasn't closed the gap: <ul style="list-style-type: none"> ○ 27% with degrees in 2011, compared to 33% in UK ○ 13% with no qualifications in 2011, compared to 13% in UK

Realising economic potential

- 2.6 To improve productivity and jobs in those urban areas with several centres, such as WY, there is a need to better connect the key towns and cities to reduce congestion, reduce journey times (shrink distances) between places,

and improve freight transfer⁸. In contrast, the same study finds that in urban areas with a dominant single centre such as London, there should be a focus on connecting the centre with its suburbs, also connecting it with more distant urban centres. For all types of urban area, there is also an economic case for improving Airports links to boost international trading and GDP.

2.7 The LCR City Links report⁹ finds that more complementary economic relationships between our towns and cities, supported by improvements in transport connectivity, would generate higher levels of sustainable economic growth and development. It finds that neighbouring cities and towns can maximise economic benefits by focusing on how their distinctive assets affect their links. Another conclusion is that policy priorities should vary according to place. For West Yorkshire, the priorities should be an integrated approach of:

- improving transport links to ensure residents can access and benefit from economic opportunities e.g. the LCR Enterprise Zone (EZ), city centre and Local Development Framework (LDF) employment sites; and
- and up-skilling programmes for local residents.

2.8 In a major international comparative study into the determining factors encouraging and holding back local economic prosperity, the OECD¹⁰ has identified room for improving not just internal connectivity in LCR such as between York and West Yorkshire, but also connectivity to other City Regions in particular to the Manchester and Sheffield City Regions, and across the wider regional territory for both passengers and freight.

The case for governance and institutional reform

2.9 A compelling case for reform is made by the same study. The region's ability to pull everybody together is seen by the OECD to be affected by its polycentricity, geographic dispersion, and institutional complexity, with a large number of Unitary and District authorities covered by the LCR territory. It is noted these factors have made it harder to generate effective communication, strong co-ordination and a common sense of purpose. There is also a developing thought, as yet unfulfilled, dialogue about the potential of stronger integration between the relatively close economies of Leeds, Manchester and Sheffield City Regions which has yet to be fully explored, despite evidence showing that stronger linkages could be beneficial to the City Regional, regional and national economies. Another study¹¹ has found that the level of commuting between Leeds and Manchester is about 40% less than would be expected given the physical distance between them, and that this is a significant constraint on economic prosperity.

⁸ EU DG for Regional Policy, 2012

⁹ Northern Way, 2009

¹⁰ Promoting Growth in All Regions, OECD, 2012

¹¹ See Northern Way report: Strengthening Economic Links between Leeds and Manchester, SERC/LSE, November 2009

2.10 The OECD concludes that LCR would benefit from strengthened and more established local governance arrangements, with the lack of effective mobilisation of all key stakeholders currently acting as an important barrier to growth and that:

“Institutional factors are crucial in ensuring successful consultation and co-ordinating among stakeholders within regions, with other regions and central government... Thus, governance matters.”

3. Devolution through the City Deal

- 3.1 The City Deal builds on the Multi-Area Agreement (2008) and City Region Pilot status (2009), which recognised the importance of the LCR economy to the North and that, without an ambitious package of devolution and local governance reform with particular reference to transport, skills and economic development, its full potential would not be realised.
- 3.2 A step change in progress has recently been made in agreeing the basis of and terms for the devolution of powers from Government to LCR through the City Deal. The detailed project plan for delivering the agreement was signed off by the Deputy Prime Minister and the Cities Minister and LCR partners on 19th September 2012).
- 3.3 The signing of the City Deal recognised the role which the City Region plays in the national economy and its potential to rebalance the economy. The City Deal contains ground breaking powers and responsibilities with regard to skills, transport, creating a low carbon economy, planning, trade and investment, and infrastructure investment, empowering the City Region as a driver of national growth. In summary, the outcomes the City Deal will deliver are as follows:

Transport

- Government will grant unprecedented freedoms to build, manage and sustain a local £1bn WY Plus Transport Fund to drive economic growth, subject to establishing WY CA governance arrangements to oversee the operation of the Fund. The freedoms and funding will include:
 - a ten year £182.8m post 2014 major transport scheme funding allocation devolved to WY and York as part of the £1bn WYTF, and in return for dealing with DfT's compliance requirements (Local Transport Body - LTB);
 - consideration by HMT in the next Spending Review of an additional programme of strategic local schemes;
 - revenue funding as part of the ten year allocation, enabling a broader range of high profile sub regional social and economic issues to be tackled, including subsidising travel to help NEETs and disabled people into employment, education and training;
 - devolved funding paid in advance of incurring costs locally, creating flexibility in sequencing delivery of WYTF schemes;
 - working with HMT to increase the associated local share of public spending for re-investment to create a self-sustaining Fund; and
 - locally determined prioritisation based on a 'Green Book' compliant Strategic Appraisal Framework.
- Ministers are considering the WY, GM and SY expression of interest submitted for local areas to take on the Northern and Trans Pennine rail franchises in 2014. In addition to transforming local accountability, the devolved operation of these franchises would deliver a step change in the economic impact, service quality, and efficiency of rail operations in the North. Putting in place sufficiently strong, stable and visible local governance such as a CA is considered a prerequisite to forming a credible and accountable pan Northern franchising counterparty.
- A compact will be put in place, for example, with the Highways Agency and DfT Rail to ensure that the national strategic transport network, including the Motorways and rail network, support rather than stifle, local productivity growth.

LCR Economic Investment Fund

LCR partners (including WY, York and Harrogate) will create a £400m Economic Investment Fund backed by £200m of pooled local resources, including CIL, retained Business Rates, EU, RGF, GPF and EZ receipts. Investments in scope will include economic infrastructure to promote housing growth, low carbon and flood alleviation, based on a shared investment strategy and the proposed Single Appraisal Framework. Key features of this fund will also include:

- a shared investment programme with the HCA, and conclude discussions about how their assets can contribute to the Investment Fund;
- a Single Capital Pot from central Government in the next Spending Review – this is a key proposal within the Heseltine Review; and
- working with HMT to increase the associated local share of public income for re-investment to create a self-sustaining Fund.

Trade and Investment

The City Deal seeks to close the LCR Balance of Payments gap. This will be achieved through a joint City Region Trade and Investment Plan committing LCR and UKTI to form a new joint Board which is backed by enhanced delivery capacity drawn from local and national resources.

Skills and Worklessness

LCR will offer a Guarantee to the Young, supporting its long term ambition to become 'NEET free'. New initiatives will include a 14-24 Academy and Apprenticeship Hubs. As part of the City Deal, LCR will also take on a leadership role on skills more generally in order to align the skills investments of Government, employers and individuals with real growth sectors in the LCR economy.

Business friendly planning

Local commitment to delivering an effective and business friendly planning system that promotes and accelerates e.g. housing and employment site development and growth, whilst safeguarding the area's natural assets (as per the Planning Charter).

Local Carbon

LCR will deliver the Low Carbon Pioneers programme in collaboration with DECC, alongside a range of other steps to deliver a low carbon built environment.

- 3.4 As a result of the above substantial package of devolved funding and powers on offer, in particular in relation to Transport, the City Deal also commits West Yorkshire authorities to formally reviewing the governance arrangements for their area of the City Region going forward, to ensure that these arrangements are fit for the purpose of delivering the ambition of the City Deal. The next Section considers the existing governance arrangements for West Yorkshire and the wider City Region arrangements.

4. Current governance arrangements

The Association of West Yorkshire Authorities (AWYA)

- 4.1 Collaboration between District authorities at the West Yorkshire level is well established through the Association of West Yorkshire Authorities (AWYA) which has been in existence for almost 20 years. Its Council group, which consists of the Leaders of the five member Authorities, meet every six weeks. In recognition of the strong economic links to West Yorkshire, the City of York Council has recently become an associate member of the AWYA.
- 4.2 The role of the AWYA is to:
- Consider matters which are of West Yorkshire-wide significance. Recent issues have included: transport funding; shared services, including highways and transportation; capacity building; City Regional issues; community cohesion; community safety and policing, and waste management.
 - Monitor the budgets of all joint West Yorkshire Authorities and offices, including, the WYITA, the WY Police and Crime Commissioner (WY PCC), the Fire Authority (WYFA) and Joint Services (WYJS), and make nominations to the Boards of the Authorities.
- 4.3 In response to the financial crisis and recession, a focus of the AWYA over the past two years has been on driving local economic growth by for example putting in place, in partnership with the WY Integrated Transport Authority (ITA), a £1bn West Yorkshire Plus Transport Fund to transform the sub regional transport system. This ambition, which is central to delivering the City Deal, will inevitably involve local partners taking robust decisions on assembling a fund of sufficient scale to make an impact and deciding between competing investments. However as is set out in the City Deal, the prize is great: ***KPMG has estimated that £1bn of well-targeted investment in major improvements to the WY transport network will create in the medium term more than 20,000 new jobs in the sub region adding £1bn of economic output per year which is equivalent to an uplift in GVA of 2%.***

Metro

- 4.4 Currently in West Yorkshire, a range of duties, powers and functions for transport and highways is split between the West Yorkshire Integrated Transport Authority (WYITA), the West Yorkshire Passenger Transport Executive (WYPTE), and the five District authorities. The WYITA and WYPTE (collectively known as “Metro” in WY) are both statutory bodies created under the Transport Act 1968 to secure public transport services and facilities required for WY. Under the Transport Act 1985 Metro is also responsible for procuring public passenger transport services following the de-regulation of the bus market. Metro has a duty as the Local Transport Authority to ‘secure or promote the provision of a system of public transport which meets the needs of the area’.

- 4.5 The membership of the WYITA is currently comprised of 22 elected members drawn proportionately from each of the WY District authorities, and based on the legal requirement for politically balanced representation. In 2011, in order to streamline decision making, the ITA created a politically balanced Executive sub-committee with delegated power to carry out all the functions of the full ITA that it was lawfully possible to delegate. It replaced 22 working groups with four functional committees to:
- scrutinise passenger services and integrated transport
 - cover audit and governance issues; and
 - manage the Local Transport Plan (LTP)
- 4.6 The role of ITAs was further strengthened with the Local Transport Act 2008 which introduced their sole role for developing integrated transport strategies for their areas. In West Yorkshire, this includes producing key transport strategy documents:
- The Statutory Local Transport Plan and management of the transport allocation from DfT
 - WY Freight Plan
 - Network Management Plan
 - Rail Plan; and
 - Cycle Plan
 - Transport Asset Management Plan (TAMP)
- 4.7 The District authorities retain control of highways functions including highways maintenance and traffic management. The WYITA is also:
- empowered to create bus franchising schemes and bus services strategy
 - responsible for administering the English National Concessionary Travel Scheme for subsidising public transport;
 - party to rail franchise agreements;
 - responsible for reviewing rail passenger services and advising DfT under the Railways Acts.
 - Responsible for delivering passenger transport information and facilities
- 4.8 The WYITA funds the WYPTE which, as its statutory executive body, has the responsibility of implementing WYITA policies. WYITA is funded by
- the levy on the District Authorities.
 - DfT rail and other grants
 - DfT major scheme grant funds

LCR Partnership

- 4.9 At the wider functional economic market area level of the City Region¹², the eleven participating District authorities, including the 5 WY District authorities and the ITA have been collaborating on the economic growth agenda for almost a decade. This has been on the basis of the City Region being one of the most economically self-contained functional economic areas in the country (having some 95% of people working in LCR residing in its boundaries).
- 4.10 In April 2011, the LCR Local Enterprise Partnership (LEP)¹³ was established as one of the first in the country. And later that year the LEP Board and Leaders Board launched their jointly agreed Plan. Work is currently being undertaken to develop an overarching Strategic Appraisal Framework to provide the basis for transparent assessment of transport and economic investment. Further back, the LCR partnership became formalised as legally constituted Joint Committee of Leaders in 2007 (the LCR Leaders' Board). Under Section 2 of the Local Government Act 2000, the Leaders Board is empowered to discharge, on behalf of the member Councils, the promotion and improvement of the economic wellbeing and competitiveness of the City Region.

LEP

- 4.11 In addition to working with the Leaders Board, the LCR LEP's additional key areas of focus and interest include delivery of the Growing Places Fund, Inward Investment, Skills, and Low Carbon. These agendas are supported through the LCR Employment and Skills Board, the Business Innovation and Growth Panel, and the Green Economy Panel respectively.
- 4.12 Further, DfT has stated that LEPs are expected to play a key role in transport:
- via membership of the Local Transport Body (LTB) which is required by DfT to prioritise and allocate devolved post 2014 major scheme funding (under the LCR City Deal, DfT has confirmed a ten year allocation of £182.8m to the non-contiguous geography of WY and York);
 - to inform national decision making e.g. on the Highways Agency and DfT Pinch Point Fund programmes; and
 - with Leaders, to support the case for national infrastructure investment, e.g. HS2.

Leaders Board

- 4.13 The LCR Leaders' Board has a number of specific roles:

¹² Leeds City Region's geography comprises the local authority areas of West Yorkshire, plus Barnsley, York, and the North Yorkshire District areas of Selby, Craven and Harrogate.

¹³ LCR has three LEPs covering all or part of its area: LCR, Sheffield City Region (which includes Barnsley) and the York and North Yorkshire LEP (which includes York and the North Yorkshire Districts of Selby, Craven and Harrogate)

- To work with the LCR (LEP) on the delivery of the LCR Plan objectives (Section 1.4 above refers).
- To prepare, review and oversee delivery of other key City Region policy and strategies, including:
 - LCR Transport Strategy (LCR Transport Panel, 2009);
 - LCR Employment and Skills Strategy (LCR Employment and Skills Board, 2010);
 - LCR Housing and Regeneration Strategy (LCR HCA Board, 2010);
 - LCR Innovation Capital Programme (LCR Business Innovation and Growth Panel, 2010); and
 - Green Infrastructure Strategy (LCR Green Economy Panel, 2010)
- To work with other key partners
 - to seek to promote housing growth and aligning investment via the advisory HCA LCR Board and
 - to advise Leaders on issues, such as HS2 and the evidence base, such as the Yorkshire Rail Network Study, via an Advisory Transport Panel which includes relevant membership including the ITA, Businesses, Network Rail and the Highways Agency.
- Alongside the LCR LEP, to make the case for significant devolved powers and funding from Government, including the City Deal.

4.14 Having outlined the City Region's economic conditions, its vision and objectives, the opportunity presented by the City Deal, and existing governance arrangements, the remainder of this Review considers the appropriateness of the governance for the WY area going forward against other possible options, including a Combined Authority, in terms of delivering the ambition of City Deal and the LCR Plan.

5. Option assessment criteria

- 5.1 The key driver for reviewing West Yorkshire's governance arrangements is to ensure that the significant powers and funding on offer via the City Deal, which would otherwise remain under the control of Whitehall, and that will create local benefit in terms of economic prosperity, can be drawn down in full. The focus of the City Deal is on overseeing effective delivery, such as the proposed £1bn WY Plus Transport Fund, and also the £400m LCR Economic Investment Fund.
- 5.2 Leaders and the LEP have agreed with Government that the primary focus on delivery does however raise questions about the on-going appropriateness and accountability of current sub regional governance arrangements. This Section therefore considers if there are more appropriate arrangements for WY going forward, including a Combined Authority model. The assessment therefore considers the extent to which the options could fulfil local ambitions to:
- add value to the wider LCR partnership's delivery of the economic outcomes contained in the Plan by making working between local government and the LEP clearer and more transparent;
 - enable control over funding and powers which would otherwise be managed from Whitehall, such as in the current and future City Deals;
 - work more effectively in partnership with others:
 - at WY level, e.g. in creating and managing a £1bn Transport Fund
 - at City Region level e.g. to put in place and manage a £400m Economic Infrastructure Fund; andacross the North of England, for example on the Rail Devolution agenda for the Northern and Trans-Pennine Franchises;
 - apply the core principle that strategic decisions on economic investment and transport should be made at the most appropriate administrative and geographic level; and
 - enable where appropriate efficiency savings to be realised;
- 5.3 To ensure compliance with the relevant LDEDC and Local Transport Act legislation in order to consider creating a CA for West Yorkshire, a formal governance Review is needed to establish if a CA would likely bring about an improvement in the area in the following:
- the exercise of statutory functions relating to "economic development, regeneration and transport" in the area;
 - the effectiveness and efficiency of transport; and
 - the economic conditions in the area.
- 5.4 DfT has also confirmed they are looking for partners to address the following headline issues in formulating governance arrangements:

- effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration.
 - robust and streamlined decision making arrangements which allow necessary decisions to be taken on complex and difficult issues in a timely and transparent manner.
 - a real enhancement of delivery capability and capacity by taking a coherent and integrated approach to managing currently fragmented transport planning and delivery skills and capacity.
- 5.5 The Review will also consider the above statutory test against the options, noting that whilst the Government's guidance on governance reviews under the Local Transport Act has been available for some time, guidance under the LDEDC Act was only published in consultation draft form and no clear definition has been provided of 'economic development and regeneration'.
- 5.6 This Review also respects there are limits to comparisons between the options, in particular between potential options and the status quo. The existing governance arrangements are context specific and a known quantity, and the alternative potential options are considered at a high level in the abstract and would inevitably require further development in due course in order to quantify, for example, their potential impact on efficiency savings.
- 5.7 It is recognised also that creating appropriate governance structures alone is unlikely to achieve in full the ambitious vision for the City Region. The importance of issues of policy design, culture and values is also key. The optimal governance model needs also to:
- confront the need for evidence and vision;
 - create the capacity for experts to talk to politicians and business and vice versa and for clear agreement to be reached on the most challenging strategic issues; and
 - create the space for debates that national politicians find difficult to manage and thereby demonstrate the capacity for greater devolution of responsibility in future.

6. Option Assessment

6.1 This Section examines the effectiveness of existing governance structures at the West Yorkshire level and considers their appropriateness against that of other possible governance models. Analysis of the following options is provided:

- leaving existing WY governance unchanged (status quo);
- strengthening the existing governance arrangements;
- establishing an Economic Prosperity Board (EPB); and
- creating a CA.

Status quo

6.2 The governance status quo at is described in Section 4; at WY level the arrangements have proved durable for the following reasons¹⁴:

- the District authorities and the ITA have generally developed sound transport strategies and programmes under LTP;
- the current range of powers at local authority level is generally understood and able to ensure that local interests are served in a flexible and broadly accountable way, with a direct political mandate and legitimacy from the electorate;
- the local authorities have progressively modernised their constitutions and have proved increasingly able to balance their own local needs with the wider economic and social interests of the City Region;
- likewise, there are instances where the local authorities already accept the political, practical or efficiency arguments for cross-boundary co-operation and pooling of resources, such as between WY Authorities on procurement and, via the City Deal, in developing the WY Plus Transport Fund; and
- comparative experience from elsewhere in the UK and overseas does not generally support the case for radical structural reform and major re-distribution of powers, and tends more towards “evolution” rather than “revolution.”

6.3 The existing strategic bodies for which consider arrangements for the District authorities are the AWYA and the LEP. AWYA has no strategic transport remit, as this rests with the ITA. Neither AWYA nor the LEP are statutory bodies, and they have no legal personality; they can therefore hold no functions or funding in their own right. They are not able to take on the devolved powers and funding on offer via the City Deal.

6.4 Economic development functions remain within the District authorities, and transport functions sit with the ITA and the PTE.) There is currently no single streamlined and accountable body in place across WY to make decisions, manage risk, set strategy, manage delivery, assess performance and report on progress in relation to the City Deal.

¹⁴ See also the Review of Transport Governance in Leeds City Region, Atkins, 2008

6.5 The following are some illustrative examples of the strategic fragmentation which currently exists and why the status quo is sub optimal in terms improving economic outcomes in line with the LCR Plan and the statutory test:

- As part of the City Deal, DfT has announced a working ten year post 2014 devolved major transport scheme funding allocation of £182m for WY and York. Unless governance is reformed this funding will be split between the two local transport authorities – WYITA and City of York Council. This funding will however form a key part of the proposed £1bn WY Plus Transport Fund, which is being driven by the economic agenda led by AWYA and the District authorities.
- Prior to the Local Transport Act 2008, the preparation of the LTP had been a joint responsibility of WYITA and the five WY District authorities. The ITA is now solely responsible for formulating and delivering the LTP, in consultation with the Districts. Delivery of highways schemes and implementation of schemes within the Districts still requires the approval of the relevant Districts. Creation of a CA could dispense with the need for this extra layer of reporting and ratification.
- The fragmentation of strategic transport and economic development responsibilities has also resulted in some significant delivery lead times. The WYTF process has called for debate and buy-in to shift from a strongly local focus to agreeing to pool funding at the sub regional level and to invest to maximise net jobs and growth at the sub regional level. Each key stage of agreement (fund objectives, appraisal methodology, and schemes in scope for prioritisation) has needed individual authorisation from the five WY District authorities and the ITA, with each in turn operating to different timescales. Although transparent and democratically accountable, the approach to strategic decision making has been complex, fragmented and cumbersome. It is also wasteful of resource as it requires six separate individual, but largely identical, reporting streams, in addition to steering discussion by AWYA Council. As the Fund moves towards launch and delivery, the status quo approach to sub regional decision making will only become a bigger barrier to effective Fund prioritisation, delivery and management.
- It is anticipated that some similar barriers will be encountered in establishing the proposed £400m Economic Investment Fund. Moreover, there will be a specific challenge of taking on accountable body status in respect of Government's proposals to devolve a single pot from Whitehall and also EU funding in the absence of a single statutory Economic Development body either at the WY or City Region level.
- Freight is an illustrative example of a major cross boundary issue for West Yorkshire because road congestion has increased uncertainty and transport costs for our businesses, and this is undoubtedly deterring investment. The WY Freight Plan, prepared by Metro, identifies some of the potential solutions, for example improving the management of the WY road network, and also seeks to encourage supportive LDF policies

on land use planning. However, the relevant strategic functions and duties, e.g. to assess road traffic conditions and manage the local network, are vested not within Metro but instead at the District highway authority level and with the Highways Agency in respect of major trunk roads and motorways. Despite proposals to develop protocols with the Highways Agency as part of our City Deal, this fragmentation of roles still presents a practical barrier to regional co-ordination, e.g. progressing a LEP level dialogue with the Highways Agency to improve regional freight connectivity by better linking the productive capacity of LCR with access to European markets afforded by the Humber.

- 6.6 It can be concluded that the status quo option is sub optimal because relevant transport and economic development functions and roles are currently fragmented and there is no single accountable body to take strategic decisions, therefore opportunities will almost certainly continue to be missed across the whole area and beyond for:
- investment in major improvements to transport and economic infrastructure;
 - securing business investment; and
 - drawing down funding and devolved powers to enhance the economy which would otherwise be controlled by Whitehall.

Strengthening the existing governance arrangements

- 6.7 Some of the strategic fragmentation issues described above could be partially addressed through the option of more formalised partnership arrangements, such as putting in place a Joint Committee of WY District authorities and the WITA (Under Section 101 of the Local Government Act 1972) in order to jointly oversee for example the WY Transport Fund, and to address specific issues, such as freight across the sub region. However there are a number of drawbacks associated with this option.
- 6.8 The functions, duties and powers which the constituent members are able to delegate to a Joint Committee are limited. Where key decisions are needed, a Joint Committee would in many cases be required to refer the decision back to the Districts to authorise. For example, under current legislation, the ITA would not be able to delegate its levy raising powers, which are key to financing and operating the WYTF.
- 6.9 Further, a Joint Committee would not be a body corporate with legal personality. It would exist only for so long as the constituent members wished, and consequently would not have the permanence and accountability that Whitehall requires to devolve the ten year allocation of major scheme transport funding agreed in the City Deal, or potentially to agree to an arrangement that would grant local areas access to a greater share of fiscal growth.
- 6.10 Rather than enabling partners to respond to the drivers for change outlined in Section 5, strengthening existing governance arrangements, such as via the

creation of a Joint Committee, would effectively add, rather than remove, another layer of bureaucracy, and is not therefore considered an optimal option.

Economic Prosperity Board

- 6.11 A third option is to put in place an Economic Prosperity Board (EPB) under the 2009 LDEDC Act for the area of West Yorkshire. As a statutory body it would share many of the features of a Combined Authority in that it would have legal personality and would provide a strong basis for taking on devolved powers and funding relating to economic development and regeneration, e.g. accountable body status for an economic development single pot or EU funding. The ITA would however remain as a separate body responsible for transport. Because the EPB could not raise a levy, nor have borrowing powers to fund investment, it would not provide an appropriate governance arrangement for the creation and management of the proposed WY Transport Fund, which is a key driver for governance reform. Further, fragmented strategic transport and economic development governance at WY level would not provide a convincing proposition to Government for taking on with others, including Sheffield and Manchester, the devolved northern Rail franchises.
- 6.12 The consultation on draft statutory guidance for establishing EPBs and CAs similarly concludes:

“ITAs and EPBs can coexist without forming a combined authority, but, as there are obvious benefits to be gained from a coordinated approach to economic development, regeneration and transport, and to avoid the proliferation of different structures at the sub-regional level, it is likely that a combined authority will be more appropriate than separate ITAs and EPBs in the same area. This means that where there is already an ITA in an area, relevant authorities that have concluded that similar arrangements would be appropriate for economic development and regeneration functions (which may include the ITA itself) should expect to establish a combined authority that incorporates the ITA, rather than establishing an EPB in the same area.”

Combined Authority

- 6.13 The above options of: status quo; improving existing arrangements; and creating an EPB have considerable strategic weaknesses, in particular their fitness for the purpose going forward of supporting the ambition of the City Deal and the LCR Plan. The fourth option considered is for the establishment of a Combined Authority for the area of West Yorkshire. As described above, a CA model brings together the functions of an EPB and strategic transport, and in WY this would therefore necessitate the abolition of the ITA. Consideration is given below to the extent to which a CA model could address the weaknesses of the other options and the benefits that would be delivered.

- A CA would provide a visible, stable and streamlined body corporate to which Government can be confident in devolving powers and funding, such as via the City Deal, which would otherwise be controlled by Whitehall. It would for example be ideally placed to act as the accountable body for:
 - a 10 year £182m allocation of post 2014 devolved major transport scheme funding agreed in the City Deal (LTB);
 - the accountable body for a City Region single capital pot of £400m for economic infrastructure which, because they are not statutory bodies, neither the Leaders Board nor the LEP could take on this role; and
 - in the longer term, to be accountable for an agreed share of the fiscal uplift created by locally driven economic growth.
- It would significantly reduce the negative impact on growth stemming from role ambiguity and fragmentation in relation to strategic transport and economic investment. An effective CA would create the opportunity for various types of collaborative effort:
 - as WY represents a significant (and as the evidence shows in Section 2, an economically self-contained) part of the Leeds City Region, a CA for the area would bring a much more authoritative position on transport and the economy to the table for debate and agreement with the LCR Leaders Board and LEP and drive delivery of the LCR Plan;
 - fostering a stronger shared sense of purpose which would bring a clearer focus on key regional issues, such as on improving the flow of freight in conjunction with national agencies City Regions/LEPs; and
 - with other northern Combined Authorities, putting in place a much needed counter-balance to London and to Scotland, to drive forward a long term rail strategy for the north and to take on the devolved administration of northern rail franchises, which would otherwise be managed by DfT.
- By combining the role of strategic transport planning with an equivalent role for economic investment, a CA for the area would have the power to directly implement decisions to target the £1bn WY Transport Fund at maximising jobs and GVA, without going back to the districts to, in effect, ratify those same decisions again.
- Although the consultation draft statutory guidance states that CAs are not primarily aimed at producing efficiency, it is recognised that they need to operate in an environment of reducing public sector budgets. That is the financial reality in which a West Yorkshire Combined Authority would be established. As a strategic body for WY, a CA has potential to be cost neutral, subject to the creation of no significant new staffing structures and by utilising existing capacity within the constituent District authorities and, in the case of statutory transport duties, the PTE. Certainly, there is no proposal to create an additional layer of bureaucracy: the ITA would be dissolved upon the creation of the CA, which would assume all of its transport powers duties and functions. There may however be a need to prioritise some transitional costs if the step-change set out in governance and the delivery of an

ambitious vision for growth, jobs and connectivity is to be achieved, for example identifying the most effective transport priorities in support of accelerating economic growth. Prior to submission to the Secretary of State, it is proposed that any governance Scheme would need to be tested as far as possible for financial efficiency and impact.

6.14 The above overall assessment strongly suggests that a CA would present the optimal option for WY and the wider City Region, subject to the key issues of CA representation, scope and support structures being explicitly considered as part its detailed design and constitution, as considered below.

6.15 The current complexity of the geography of the City Region is acknowledged. For the time being, it is accepted the boundaries of a CA will not be coterminous with the Functioning Economic Market Area (FEMA) as a whole - the Leeds City Region. This is because a CA can only be based on voluntary arrangements. Also, its area must be contiguous, therefore a CA for the area of York and WY, which would better reflect the FEMA, cannot be created without legislative change. In resolving some of the complexity, representation is considered key to ensuring there is a clear and productive relationship between any CA, the District authorities and the City Region partnership:

- Leader level representation on the CA would ensure local democratic accountability and strategic links to the LCR Leader Board, LEP and WY District authorities;
- York's partner (non-constituent) membership of any WY CA, with voting rights granted by the constituent members as appropriate. Other associate District authority members could join to more closely match the geography with that of the City Region. In this way, the CA may be in due course able to absorb the function of the LCR Leaders Board.
- There should also be LEP partner member representation on the CA to ensure the voice of business is heard and to make working between local government and the LEP clearer and more transparent in the delivery of the LCR Plan; and
- Opposition representation would help provide continuity necessary for delivering 10 year + commitment to strategic transport and economic investment set out in the City Deal.

6.16 The Scheme will need to include the specific functions necessary for the delivery of the City Deal and will need to be sufficiently broad to anticipate further devolved powers under future City Deals. It is therefore proposed that inclusion of any functions over and above strategic transport and economic investment, be subject to a robust and open comparison. Alternatives can then be appraised with one of the factors taken into account being a risk assessment to ensure that decision making powers that are performed most effectively at a district or neighbourhood level remain at that level. Once established, there is also a further risk that will need to be considered: namely

that the Combined Authority does not become a convenient repository for responsibilities that distract it from its key strategic objectives and goals.

- 6.17 Sub-structures for a Combined Authority will also need to be given consideration in terms of the powers that will be reserved to the Combined Authority and those that were delegated e.g. to joint committees with a specific remit agreed by the five WY Districts authorities. At the outset, it is likely there will need to be such a committee to continue many of the statutory duties of the ITA.

26th March 2013

7. Conclusions

7.1 The following can be drawn from the above options assessment:

- There is no single strategic transport and economic development decision making body at the West Yorkshire level.
- There is evidence of fragmentation and lack of integration in decision making which will be an impediment to delivering proposals to establish a £1bn West Yorkshire Plus Transport Fund.
- Current governance arrangements not being optimal is one of the reasons why the WY and wider City Region economy is underperforming.
- The existing governance arrangements in WY can be improved upon.
- Various options have been considered, including leaving arrangements unchanged, strengthening or restructuring existing governance arrangements, and establishing a CA.
- A Combined Authority would be able to bring together key decision making powers into a single body.
- A strong Combined Authority, exercising appropriate strategic transport and economic functions, would provide a visible, stable and statutory body and could for example act as the accountable body for the LCR Single Capital Pot proposed in the Heseltine Review, as part of the proposed LCR £400m Economic Investment Fund.
- Such a body will attract greater devolved powers and funding, which would otherwise be controlled by Whitehall.
- With appropriate representation, including e.g. LEP and York partner membership, a WY Combined Authority would also streamline the relationship between the individual authorities and the LEP and Leaders Board.
- A strong CA would help in engagement with national agencies and create the opportunity for various types of collaborative effort with adjoining and other northern Combined Authorities to put in place a much needed counter-balance to London and to Scotland e.g. for devolving the power to let rail franchises at the pan regional level.
- The economic conditions of WY and the wider City Region would as a result likely be improved by putting in place a CA.

7.2 It can therefore be concluded that for the area of West Yorkshire, the ITA should be dissolved and a CA created both as the best option for the area and because it would be likely to improve:

- the exercise of statutory functions relating to economic development, regeneration and transport in the area;
- the effectiveness and efficiency of transport; and
- the economic conditions in the area.

Adrian Lythgo

Hon. Secretary, AWYA Council

Glossary of Terms

AWYA:	Association of West Yorkshire Authorities.
CIL:	Community Infrastructure Levy
City Deal:	An agreement between Government and one or more Local Authorities to stimulate Economic growth.
Combined Authority/CA:	A statutory body which is formed following the abolition of the WYITA which takes on the combined role of Local Transport Authority and EPB for an area by agreement with the constituent District authorities, the ITA and Government.
CX:	Chief Executive.
DECC:	Department for Energy and Climate Change.
DfT:	Department for Transport.
ED:	Economic Development.
EIF:	Economic Investment Fund.
ENCTS:	English National Concessionary Travel Scheme
EPB:	Economic Prosperity Board
EU:	European Union.
EZ:	Enterprise Zone.
FEMA:	Functional Economic Market Area.
GLA:	Greater London Authority.
GM:	Greater Manchester.
GPF:	Growing Places Fund
GVA:	Gross Value Added. A measure of economic performance
HCA:	Homes and Communities Agency.
HMT:	Her Majesty's Treasury.
HS2:	High Speed Rail link.
ITA:	Integrated Transport Authority.
LCR:	Leeds City Region. A grouping of a number of Local Authorities centring on Leeds.
LDEDC:	Local Democracy, Economic Development and Construction Act 2009
LEP:	Local Enterprise Partnership. A gathering of business interests and Councils to drive economic growth across a functional economic area.

LSE:	London School of Economics.
LTA:	Local Transport Authority
LTB:	Local Transport Body.
LTP:	Local Transport Plan.
MAA:	Multi Area Agreement.
METRO:	Trading name of WYITA and WYPTE working together.
NEETs:	Young people who are not in education, employment or training.
OECD:	Organisation for Economic Cooperation and Development.
PCC:	Police and Crime Commissioner.
PTE:	Passenger Transport Executive.
RGF:	Regional Growth Fund.
SERC:	Science and Engineering Research Council.
SY:	South Yorkshire.
TBC:	To be confirmed.
TfGM:	Transport for Greater Manchester.
UK:	United Kingdom.
UKTI:	United Kingdom Trade and Investment.
WY:	West Yorkshire
WYFA:	West Yorkshire Fire Authority.
WYITA:	West Yorkshire Integrated Transport Authority.
WYJS:	West Yorkshire Joint Services.
WYPTE:	West Yorkshire Passenger Transport Executive.
WYTF:	West Yorkshire Transport Fund.
WYTF:	West Yorkshire plus Transport Fund.

Draft

Consultation Scheme for the Establishment of a Combined Authority for West Yorkshire

Background

The interim findings of the Review¹ of governance arrangements relating to transport, economic development and regeneration, pursuant to Section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDC) and Section 82 of the Local Transport Act 2008, are that for the area of West Yorkshire, the ITA should be dissolved and a Combined Authority (CA) created both as the best option for the area going forward in terms of delivering the City Deal and because it would be likely to improve:

- the exercise of statutory functions relating to economic development, regeneration and transport in the area;
- the effectiveness and efficiency of transport; and
- the economic conditions in the area.

Subject to the five WY District authorities and the ITA endorsing the findings of the Draft Review, the purpose of the proposed draft consultation Scheme set out below is to form the basis for public and stakeholder consultation by the individual WY District authorities and the ITA, prior to the submission of a draft statutory Scheme to the Secretary of State by July 2013, in line with the timeline agreed within the City Deal Implementation Plan.

In preparing the draft Scheme, regard must be had to the requirements of the LDEDC Act 2009 and the Local Transport Act 2008 as well as any guidance published by the Government relating to both pieces of legislation.

Any draft CA scheme submitted to the Secretary of State in July for his consideration will be required to cover the following which will then be included in the statutory order:

- the area of the CA, its proposed membership, voting and any other constitutional arrangements;
- its proposed functions (to be exercised by the CA or shared with the constituent District authorities);
- the way in which it will be funded, including for example the transport levy and prudential borrowing powers for transport; and any property, rights and liabilities that will be transferred to the CA The name of the CA

In addition to this information, there are a number of other practical issues that need to be considered but may not need to be included in the statutory order eg. staffing, internal structures including any committees and advisory groups, and ensuring transparency, eg via scrutiny arrangements.

¹ The Review was authorised by the five WY District authorities and the ITA in November 2012.

Draft consultation Scheme

The draft consultation Scheme sets out the overall framework for the powers, duties and functions in relation to those currently exercised by the ITA and PTE and those required to deliver the City Deal (including managing the West Yorkshire Plus Transport Fund, devolved rail franchising and the LCR Economic Infrastructure Fund), whilst seeking to leave the door open as appropriate to discharge further public functions and use other public funds yet to be devolved via future City Deals (eg City Deal 2).

The key components for the scheme are therefore as follows:

Establishment of Authority

That a Combined Authority for West Yorkshire shall be established pursuant to Section 103 of the Local Democracy Economic Development and Construction Act 2009 (LDEDC).

Dissolution of West Yorkshire Integrated Transport Authority (WYITA)

The West Yorkshire Integrated Transport Authority (WYITA) shall be dissolved, pursuant to Section 91 of the Local Transport Act 2008 (LTA).

Area

It is proposed that the area of the CA will be the whole area of each of the five WY District authorities of:

- City of Bradford Metropolitan District Council
- Borough Council of Calderdale
- Kirklees Metropolitan Council
- Leeds City Council
- City of Wakefield Metropolitan District Council

An area also covering York would be more representative of the City Region functional economic market area (FEMA), however for the reasons discussed in the Review, this is not legally deliverable in the short term. Nevertheless, the evidence suggests that WY represents a self-contained FEMA in its own right and that there would likely be an improvement in economic prosperity should a CA for the area of West Yorkshire be established.

Membership

Ahead of any legislative change which would enable York to become a constituent member, there is a strong case for including York in the meantime as a non-constituent (partner) member of the CA, and making provision for including other City Region authorities in due course. Also there is clear benefit in LCR LEP Chair becoming a partner member in order to bring in broader City Region business perspectives.

It is proposed that the membership arrangements are as follows:

- Constituent members:
 - **Five West Yorkshire District** authorities to be represented by one member per authority who shall be the Leader.
 - Chair and Vice Chair shall be Leaders of the constituent authorities.
 - **Three WY Opposition group leaders** to be selected to provide cross party political representation, and which provides flexibility to adjust to the prevailing political representation across WY.²

- Partner/ non-constituent memberships:
 - **York** – represented by one member who shall be the leader in order to recognise a wider economic footprint, and where permitted by legislation, to take joint decisions on pooled transport and economic investment funds.
 - **The LEP Chair** to provide the private sector link to the LCR Plan, provide a business voice e.g. on CA funding prioritisation and to satisfy DfT's compliance (LTB) requirements for a devolved funding.
 - Other partner members who may be appointed by the CA, eg from neighbouring City Region authorities.

The constituent and non-constituent councils shall each appoint another of its elected members to act as a member of the CA in the absence of the member appointed in accordance with the terms above.

A council may at any time terminate the appointment of a member or a substitute member appointed by it to the CA.

Where a member or a substitute member of the CA ceases (for whatever reason) to be a member of the council that appointed them, the member shall cease to be a member of the CA, and the relevant council shall appoint a replacement as soon as practicable.

All appointments shall be for a one year term.

It is also proposed that no remuneration shall be payable by the CA to its members other than standard allowances for travel and subsistence.

The CA once established may decide to appoint future members to the CA provided that any non-local authority members remain in a minority. In addition, the CA may co-opt additional, non-voting representatives onto the CA. Any decision to change the membership or co-opt representatives must be a decision taken by the CA itself.

² Based on the current political balance and proportionality across WY this would equate in addition to the five leaders above, to two further appointees drawn from Conservative Group members and one additional Liberal Democrat member.

Voting

It is proposed that the following voting arrangements will be applied:

- Un-weighted voting, based on one member one vote, with no casting vote for the Chair or Vice Chair.
- Non-constituent members would initially be non-voting (a requirement of S85(4) of the LTA 2008) but could individually be given a vote on some or all issues voted upon, subject to agreement of the constituent members (in accordance with s85(5) of the LTA 2008).
- Simple majority voting would apply eg:
 - West Yorkshire Plus Transport Fund and any Economic Investment Fund decisions;
 - accepting devolved powers from Government e.g. under future City Deals;
 - setting the transport levy and CA budget;
 - agreeing levels of borrowing; and
 - signing off the Local Transport Plan.

Executive Arrangements

Executive Arrangements (within the meaning of the Local Government Act 2000) shall not apply to the CA. However, the discharge of the functions of the CA will be subject to the scrutiny arrangements set out in this scheme.

Name

There is no legal restriction on naming the CA. The suggestion is that it be named the West Yorkshire Combined Authority

Passenger Transport Executive

When the ITA is dissolved and the CA becomes the Local Transport Authority (LTA), the statutory duties and functions of the PTE still need to continue to be delivered.

There are 2 broad options for the delivery of the PTE functions:

- Option 1 –transfer the PTE to the CA and the CA then delivers the functions.
- Option 2 - the PTE delivers the functions for the CA as a separate body reporting directly up to the CA.

Both options have the same objective but entail different governance arrangements. Whilst both options require further development during the consultation stage, Option 1 will require development of a transfer scheme. Stakeholder views will therefore be sought on the above, and any other proposed options, to inform proposals within any Scheme submitted to the Secretary of State. Appraisal of options will consider the relative costs, benefits and deliverability of the available options.

Scrutiny arrangements

The requirement to ensure accountability and transparency will in part be satisfied by including Opposition members on the CA. It is also proposed that the CA will also be subject to scrutiny by the individual District authorities in respect of the CA's activities, including on LTP, WYTF, major transport policies, Economic Investment, budget and levy. There is a case, on grounds of efficiency and accountability, for putting in place sub regional scrutiny arrangements. One option is to establish a 'joint scrutiny committee' comprised of non-executive members from each council. This could for example reflect the size of the combined authority membership or a slightly increased membership could be considered e.g. 3 non-executive members from each council which would provide some greater flexibility and would permit politically balanced representation.

However until such time as the government introduces the necessary regulations this option does not have a statutory basis and would rely upon appropriate standing orders for the Combined Authority and the Joint Scrutiny Committee operating by agreement between the authorities and voluntary cooperation. It is therefore requested as part of this Scheme that the Secretary of State bring forward the introduction of the necessary regulations pursuant to section 123 of the Local Government and Public Involvement in Health Act 2007 (as amended by the LDEDC 2009).

Functions, Powers and Duties

There are a number of ways in which the functions of the CA can be exercised:

- **exclusively**, such as by assuming existing ITA and PTE functions; and
- **concurrently** between the CA and the constituent District authorities, to be governed by convention or formal protocol.

In addition, functions can be retained by the District authorities and either:

- **delegated** on a voluntary basis by the District authorities to the CA; or
- **exercised jointly by the District authorities** via a Joint Committee arrangement between the constituent District authorities and the CA.

The functions in scope for the CA, exclusively or to be shared with District authorities, have been informed by the following considerations:

- the ambition to develop a CA with a clear, ambitious focus in order to deliver the LCR Plan;
- the requirement for the CA to take on the ITA's duties, functions and powers;
- the opportunity to take on those functions needed to deliver the City Deal; and
- whilst City Deal 2 discussions have yet to formally commence, there is also an opportunity to consider leaving the door open for the CA to take on additional powers and funding devolved from government by ensuring that the CA is established with the appropriate legal powers, duties and functions.

Therefore, the following proposed duties, powers, functions and activities to be undertaken by the CA are identified:

- By virtue of sections 99 and 102A of the Local Transport Act 2008, the CA will have broad well-being powers to promote economic prosperity, which can be exercised together with general ancillary powers granted by section 113A of the LDEDC Act 2009 (as amended by the Localism Act 2011) . It is proposed that the CA will be focussed on strategic economic development issues such as:
 - co-designing with the LEP the LCR Plan;
 - setting and reviewing the objectives for strategic investment, such as the £1bn West Yorkshire Plus Transport Fund and £400m LCR Economic Investment Fund;
 - making decisions with regard to the WYTF and EIF; and
 - acting as the accountable body, eg for devolved major transport scheme funding (£182m over ten years) and the single pot for economic investment, including EU funds.
- There may be further advantages in also securing the use of the General Power of Competence under section 1 of the Localism Act 2011 which may potentially be helpful in enabling the CA to engage on the strategic economic agenda with York and the wider City Region partnership, and also in terms of any future joint accountability for devolved North of England rail franchises. Outside the scope of Local Transport Authority functions, this would only be exercised concurrently with the District authorities, and governed by protocol agreed by the Executive of the District authorities in terms of the extent of its use.
- The functions powers and duties of the **WYITA** shall be transferred to the CA (see Annex A).
- The primary focus of the CA is to manage a significant programme of investment in transport and economic infrastructure, and to influence and align with government investment, in order to boost economic growth. The related interventions will have differential spatial impacts across the CA area but should aid delivery of key growth projects in the emerging and future local plans of constituent councils. Having regard to the duty to co-operate, effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration will be a key aim.

Funding

The CA shall be the levying body in relation to transport in the area covered by the constituent authorities, and apportioned on a per capita basis. The City Deal makes provision for the Government to consider proposals for the CA to assume precepting powers, to replace the transport levy.

The costs attributable to the CA in exercise of its functions relating to economic development and regeneration including economic investment (such as the Single Pot and European Funding) (together with any start up costs) will be apportioned between the constituent authorities (and non-constituent authorities where appropriate) on a per capita basis.

Transfer of property, rights and liabilities

All property, rights and liabilities of the WYITA existing at the transfer date shall be transferred to the CA, including any rights and liabilities (if any) in relation to contracts of employment.

Sub structures

The CA will act as a strategic decision making body. Therefore in order to fulfil the significant range of operational duties, powers and functions transferred which are currently delivered by the ITA and PTE (see Appendix A), consideration should be given to putting in place fit for purpose sub structures. For example, a Joint Committee of the CA and constituent councils could be put in place (under section 101(5) of the Local Government Act 1972) to support the CA with the following tasks:

- to carry out operational transport functions;
- advise the CA on: the annual budget and transport levy, borrowing limits, major transport policies, LTP, and WYTF operation; and
- any functions delegated by District authorities, e.g. Local Transport Body functions; management of urban traffic control systems; management of the road network to improve the flow of freight across the area.

Additionally, a separate Joint Committee may be required to include wider LCR District authorities, such as Harrogate, in relation to investments in Economic Infrastructure.

Local Enterprise Partnership (LEP)

The Review sets out the importance of a strong LEP which effectively brings together the private and public sector in driving the economic prosperity of the City Region.

By making provision for direct LEP representation on the CA, as well as working to a common Single Appraisal Framework and shared LCR Plan, investment decisions taken by the CA, for example major transport decisions, will fully reflect business views. These views, both in terms of shaping prioritisation and scheme design, will ensure that public investment is targeted to maximise business benefit which is key to economic growth. The CA will also directly support the LEP, and LCR Leaders Board, by:

- making recommendations on the LCR Plan; and
- acting as the accountable body for funding, for example:
 - Single capital pot funding
 - European funding
 - RGF and GPF
 - Any Future Skills Investment Fund
 - HCA funding

The outline schematic diagram at Annex B shows the intended functional relationship between the CA and the LCR partnership, and their related supporting functions and structures.

26th March 2013

Annex A

STATUTORY DUTIES OF THE ITA:-

These are duties (the ITA must do them) common to Local Transport Authorities. The ITA is the LTA throughout West Yorkshire.

- To procure that the public passenger transport requirements of the people of West Yorkshire are met, which would not otherwise be met, and in so doing:
 - to take any action to promote the availability of transport services and the convenience of the public;
 - have regard to the advice of the PTE; and
 - consider the requirements of the elderly and the disabled.
- To develop policies for the promotion of safe integrated efficient and economic transport to meet the needs of the people living, working and travelling through their areas, and the transport of freight.

NB – the ITA is the sole body responsible for procuring public transport services in West Yorkshire. Principally, this relates to buses, but ALL forms of transport are covered by this duty, subject to other legislation dealing with rail and air services and inland waterways.

- To take such steps as the Authority considers practicable and desirable to promote:-
 - research into matters affecting or arising out of the exercise of their functions, and
 - Turning the results of that research to account
- In relation to any expenditure on passenger transport, in the interests of the ratepayers of West Yorkshire, to secure the best value for money from its expenditure as a whole and to work with other Authorities where possible to achieve this. In relation to subsidised transport services:
 - to have regard to economy, efficiency and effectiveness;
 - the reduction of or limitation of traffic congestion, noise and air pollution;
- not to inhibit competition between providers of transport services.

NB – The ITA is the sole body in West Yorkshire that can tender for the provision of public transport services. In relation to school transport, there is significant overlap with the duties of education authorities, with whom Metro works closely, to deliver and assess eligibility for home to school services.

- To prepare and publish the Local Transport Plan for West Yorkshire in consultation with all appropriate authorities and bodies in accordance with guidance. The ITA receives and is responsible for the transport allocation from DfT.
- To implement and enforce the statutory concessionary travel scheme (ENCTS) and make payments to operators providing concessionary travel.
- To prepare an annual report, together with the PTE, on the expenditure and performance of the ITA.
- To set the levy payable by the District Councils of West Yorkshire.
- To provide information to the public in relation to public transport.

SIGNIFICANT POWERS OF THE ITA – Matters that the ITA may decide to do:-

- To develop policies for the promotion and encouragement of safe integrated and economic transport facilities and services to, from and within West Yorkshire, to meet the needs of people living and working within it, pedestrians and the movement of freight. In so doing,
 - to have regard to Government Policy and Guidelines in respect of adaptation to and mitigation of climate change or improvement of the environment.
- To establish, enforce and publicise travel concession schemes (in addition to the statutory ENCTS) which may benefit the elderly, disabled, school children amongst other categories of travelling public.
- To direct a rail network operator to provide a new rail facility, with the consent of the Secretary of State
- To make grants for the provision of vehicles, facilities and transport services.
- To make Quality Partnership Schemes and Quality Contract Schemes in accordance with the Transport Act 2000 and the Local Transport Act 2008.
- To take any action the Authority determines is likely to achieve the promotion or improvement of the economy, social and environmental **well being** (Local transport Act 2008) of its area or the people resident or passing to or through it.
- Jointly with eligible traffic authorities, to make a road-user charging scheme within or partly within the area of the ITA.

- To procure transport services without tender to meet unexpected transport needs without delay.
- To secure certain information from bus operators relevant to service provision.
- To lend money to the PTE.

SIGNIFICANT FUNCTIONS OF THE ITA – roles that the ITA carries out:-

- To approve any change to the basic level of charging for transport services or to the terms of any concessionary travel scheme.
- To approve any substantial capital expenditure by the PTE.
- To approve any substantial amendment to rail franchise agreements.
- To direct the PTE to take appropriate steps to reorganise its functions to be most efficient or to approve any such proposal by the PTE.
- To appoint the Director General of the PTE, and between 2 and 8 other directors of the PTE
- To approve the carrying out by the PTE of most of its significant functions.
- To approve borrowing by the PTE.

STATUTORY DUTIES OF THE PTE

Transport Acts 1968, 1985, 2000 and LTA 2008; Railways Acts

- To secure the provision of the public passenger transport services that the ITA considers should be provided to meet the needs of the public in West Yorkshire, which would not otherwise be provided.
- To ensure the delivery of the general policies of the ITA relating to the availability of public passenger transport services and the convenience to the public of those services.
- To give advice to the ITA on the nature of public passenger transport services that it would be appropriate to provide in the ITA area.
- Not to inhibit competition between parties providing or seeking to provide public passenger transport services and to have regard to combination of efficiency effectiveness and economy.
- To tender for all public passenger transport services that are required in accordance with the Transport Act 1985 and associated regulations.
- To have regard to the needs of the elderly and the disabled when exercising their functions under the transport act 1968.
- To keep under review the railway passenger services provided within its area by passenger service operators.
- To give advice to the Secretary of State, on request, on any matter relating to railways and rail services.
- Make proper charges to revenue account, particularly in respect of depreciation, and to capital account in respect of interest on expenditure of a capital nature
- To provide the Authority at the request of the Authority with accounts and information regarding its operations and planned capital and revenue expenditure.

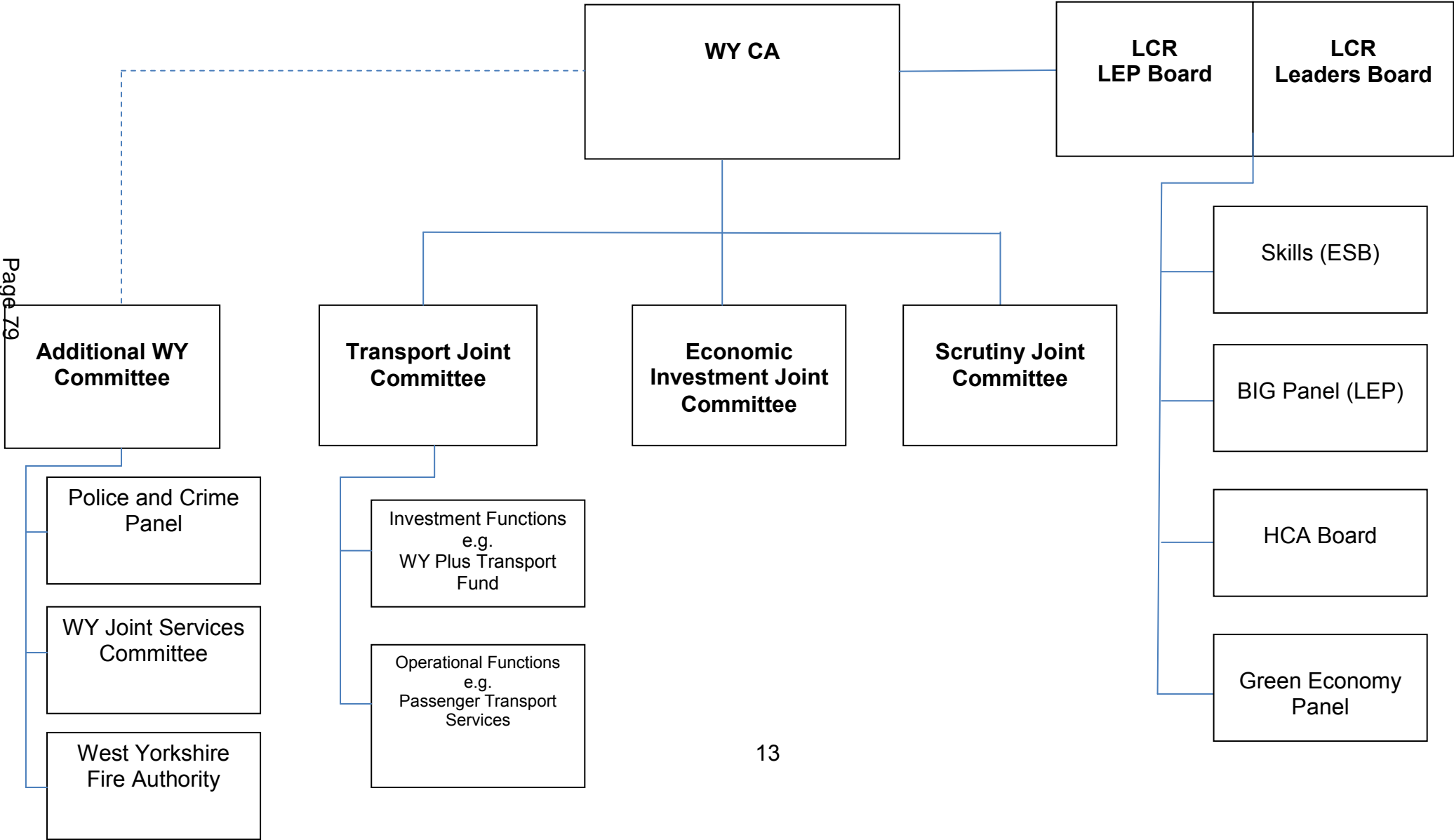
Powers and Functions of the PTE

- To carry out any of the actions set out in Section 10 of the Transport Act 1968 including, by way of examples:
 - Carrying passengers.
 - The letting of passenger vehicles and rolling stock.
 - Provision of amenities for the travelling public.

- Acquiring land and developing it for the business of the Authority.
 - Lending money to third parties for the purposes of the Business of the Authority.
 - Laying or opposing a Bill before Parliament.
 - Making anything required for the purposes of its business.
 - operate ferries under the Ferries Act.
 - borrow monies with the approval of the ITA.
 - Acquire interests in land via compulsory purchase.
- To provide bus stations and associated facilities within or in the vicinity of their area and to operate and maintain them.
 - Power to provide and maintain on any public highway, on a public service vehicle route, bus shelters or other accommodation for passengers, and to erect signs and barriers for the regulation of passengers.
 - Power to make grants to persons providing, maintaining or improving vehicles, facilities and equipment for facilitating travel by disabled persons.
 - To enter into agreements with the Secretary of State to pay for the provision of rail passenger services and facilities. With the consent of the Secretary of State, to be party to rail franchise agreements.
 - To establish, publicise and pay for travel concessions schemes (in addition to the Statutory ENCTS).
 - Subject to any restrictions in other legislation, To do anything that the PTE considers appropriate for carrying out any of its functional purposes or incidental to those purposes, whether directly or indirectly, and for commercial purposes.
 - Well-Being Powers under the Local Transport Act 2008
 - To keep specific and general reserves, which shall be spent only for the purposes of the PTE.

LCR Plan and Single Appraisal Framework

Annex B



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Appendix C

Proposed questions for the consultation on the draft Review of Governance in West Yorkshire, and the draft consultation Scheme for a West Yorkshire Combined Authority

Draft West Yorkshire Governance Review

- In recognition of the challenging economic context, do you believe that securing devolved powers and greater freedom over funding through the City Deal is a positive step forward for West Yorkshire?
- Does the evidence presented in the draft Review enable you to arrive at the conclusion that a Combined Authority for West Yorkshire would improve:
 - The exercise of statutory functions relating to economic development, regeneration and transport in the area?
 - The effectiveness and efficiency of transport? and
 - The economic conditions in the area?

Combined Authority Scheme

- Do you think the draft Scheme supports the economic rationale for Bradford, Calderdale, Kirklees, Leeds, Wakefield to come together to drive the competitiveness of West Yorkshire and the wider City Region?
- Can you support the establishment of a Combined Authority which has a primary focus on economic investment and transport?
- Are there any key functions which you feel the Combined Authority should be exercising, either exclusively or concurrently, which are not mentioned in the Scheme?
- Is the 'West Yorkshire Combined Authority' the most appropriate name for the new Statutory Authority should it be established?
- Based on the proposed membership of the Combined Authority, which includes partner membership of City of York Council and the LEP, will it be

able to exercise strong strategic leadership to drive economic growth in West Yorkshire and York?

- Do you believe that a 'joint scrutiny committee', will ensure the Combined Authority is held to account for its actions and that it will promote transparency in its decision making?

- Do you feel the proposed supporting sub-structures for the Combined Authority are generally appropriate? In terms of delivering the proposed transport and economic investment functions is there anything missing or is anything included which shouldn't be?

- The role of the existing passenger transport executive will need to be considered, what do you feel are the advantages and disadvantages of the following options:
 - Option 1 –transfer the PTE to the CA and the CA then delivers the functions.
 - Option 2 - the PTE delivers the functions for the CA as a separate body reporting directly up to the CA.

- Do you feel the proposed links between the Combined Authority and the Local Enterprise Partnership would be strong enough? If not, how do you think this relationship should be further strengthened?



Report authors: Lorraine Wright,
Dave Levitt
Tel: 74743

Report of Chief Officer Statutory Housing, Chief Officer Revenues and Benefits

Report to Scrutiny Board (Resources and Council Services)

Date: 10th May 2013

Subject: Response to the Recommendations arising from Scrutiny Inquiry on Welfare Reform

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible 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 of main issues

1. This report sets out Environment and Neighbourhoods and Revenues and Benefits responses to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.
2. The purpose of the review was to consider the implications of under-occupation and council tax changes on tenants.

Recommendations

1. To note the content of this report and the progress made to date.

1 Purpose of this report

- 1.1 This report sets out Environment and Neighbourhoods and Revenues and Benefits responses to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.

2 Background information

- 2.1 In April 2013 the Social Sector Size Criteria (SSSC) rules came into force which reduce Housing Benefit (HB) entitlement for working age tenants deemed to have more bedrooms than they need. Pension age tenants are not affected by this

change. Tenants under-occupying by 1-bedroom will have their HB worked out using a rent that is reduced by 14% for HB purposes only. Tenants under-occupying by 2-bedrooms or more will have their HB worked out using a rent that is reduced by 25% for HB purposes only. The Scrutiny Board Inquiry final report on Welfare Reform Benefit Changes was issued on 18 February 2013.

2.2 On 12 December 2012, Executive Board approved a local Council Tax Support Scheme to replace Council Tax Benefit. Under the scheme, working age recipients will see a 19% reduction in support.

2.3 In its review, Scrutiny Board considered the implications of under-occupation and council tax changes on tenants.

3 Main issues

3.1 The scope of the review included making recommendations on the following areas:

- How the Council responds to tenants who fall into financial arrears due to the changes;
- The consequences of the Council's approach to the management of financial arrears on other Council policies, for example Lettings Policy and Tenancy Strategy;
- The consequences of the Council's approach to the management of financial arrears on the potential rise in homelessness and the reduction on accommodation available for the most vulnerable;
- The consequences of the Council's approach to the management of financial arrears on the finances of the Council and the Housing Revenue Account; and
- Local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education.

3.2 Following its review of the Welfare Reform Benefit Changes, the Resources and Council Services Scrutiny Board published its final report and recommendations on 18 February 2013.

3.3 This report sets out Environment and Neighbourhoods and Resources responses to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Where consultation processes have been undertaken with regard to responding to the Scrutiny Board's recommendations, details are referenced against the relevant recommendation within the table at Appendix 1.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Where consideration has been given to the impact on Equality, Diversity, Cohesion and Integration, this will be referenced against the relevant recommendation within the table at Appendix 1.

4.3 Council policies and City Priorities

- 4.3.1 There are no implications within this report for existing Council policies or City Priorities.

4.4 Resources and value for money

- 4.4.1 Details of any significant resource and financial implications linked to the Scrutiny Board Inquiry recommendations will be referenced against the relevant recommendation within the table at Appendix 1.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report does not contain any exempt or confidential information.

4.6 Risk Management

- 4.6.1 There are no implications within this report for risk management.

5 Conclusions

- 5.1 Appendix 1 sets out Environment and Neighbourhoods and Revenues and Benefits responses to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.

6 Recommendations

- 6.1 To note the content of this report and the progress made to date.

7 Background documents¹

- 7.1 Scrutiny Inquiry Final Report – Welfare Reform. 18 February 2013.

¹ 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.

Appendix 1 – Environment and Neighbourhoods and Resources responses to the recommendations arising from the Scrutiny Board Enquiry on Welfare Reform Benefit Changes.

No	Recommendation of Scrutiny Board	Environment and Neighbourhoods Comments	
1	ALMOs/BITMO to ensure that the current debt of customers is at the lowest possible position as from April 2013	The citywide target for rent collection for the financial year 2012-2013 was 97.88%. The ALMOs/BITMO have exceeded this target and achieved a rent collection rate of 98.06%. During quarter 4 of 2012-13, the ALMOs/BITMO had a high profile year end campaign to maximise rent collection to ensure the debt for rent arrears was at its lowest possible position.	
2	That Revenues and Benefits and Environments and Neighbourhoods review the impact of the current policy on recovering HB overpayments by deductions from ongoing Housing Benefit and make further recommendations	Under the existing arrangements, Environment + Neighbourhoods (E+N) recover housing benefit overpayments on behalf of Leeds Revenues and Benefits (LRB) via on-going recovery (OGR) on the rent account. Officers in LRB and E+N are currently analysing the impact of this and will report on progress/make further recommendations.	
3	That the council completes the review of the arrears process to ensure customers are offered support when needed but will allow decisive swift action to be taken where customers who won't pay their rent.	Environment and Neighbourhoods have recently reviewed the rent arrears recovery procedures. A report is due to be presented to the Executive Board on 24 April 2013 outlining the measures developed to ensure that tenants affected by the welfare changes are appropriately informed of how the changes will affect them and are made aware of the options open to them. The changes do not impede the Council's ability to take decisive recovery action where tenants will not engage and fail to make any payments towards the arrears. The report seeks to strike an appropriate balance between helping people who are struggling to pay additional sums of money to the Council from a very low income and ensuring that rent is recovered to be used for the benefit of all tenants.	

4	That the Council promotes and facilitates Mutual Exchanges for tenants including those with arrears if this is the most suitable outcome.	The Council will seek to maximise moves through the mutual exchange process whereby properties are swapped by a tenant who is overcrowded and another who is under-occupying. Mutual exchanges offer a quick and simple way to resolve overcrowding and under-occupation and allow for moves to take place between Council and housing association tenants. The ALMOs and BITMO are currently promoting mutual exchange with all tenants affected by under-occupation as well as households known to be overcrowded. Swap shop events are planned for spring 2013 to provide a forum for tenants to meet up and find accommodation that meets their needs.	
5	That the council completes the review of the arrears process including enforcement action and evictions and considers whether additional measures/safeguards are warranted prior to executing a warrant.	See comments under recommendation 3 for details of the review of the rent arrears recovery procedures. Prior to applying for a warrant, a senior officer within E+N reviews the case and carries out a risk assessment. This review could result in an intervention from Leeds Housing Options prior to processing the warrant. Officers in E+N, the ALMOs and BITMO have been developing important links and relationships with colleagues in Adult Social Care and Children's Services - if other directorates or agencies are involved with the household, the review might include a case conference with all relevant parties to discuss the way forward. This approach might result in signposting for additional support or a planned move to alternative accommodation.	
6	That an additional non-statutory reminder is added to the recovery process to allow customers a further opportunity to make contact to make a payment arrangement and avoid the need for court action and the additional costs that go with this.	Revenues have identified those chargepayers who would previously have received 100% benefit but have now received council tax demands to pay 19%. The recovery timetable and process is currently being amended to arrange for a further reminder to be issued to these cases, which will be in addition to the statutory requirements, and will encourage the chargepayer to contact to make an arrangement and avoid the issue of a summons and further costs being incurred.	
7	Additional flexibility to be given to frontline staff at Westgate and One Stop Centres to allow payment	Revenues have agreed additional guidelines to Westgate and One Stop Centres when making payment arrangements. The	

	arrangements to be spread over a 12 month period irrespective of when the individual contacts.	added flexibility will allow payment arrangements to be made beyond the end of the financial year and potentially to cover a 12 month period from the date the arrangement is made. These arrangements are not restricted just to tenants affected by the under-occupancy changes.	
8	That Officers exercise discretion when considering pursuing recovery of costs from customers affected by the Council Tax Support changes and that it is accepted that collection rates for costs will reduce as a result.	Currently officers already exercise discretion with regard to the collection of costs and it is expected this discretion will be applied more frequently regarding collection of these additional accounts. These arrangements are not restricted just to tenants affected by the under-occupancy changes	
	That EDRA's are normally used instead of bailiffs where there are no other realistic recovery options for people reliant on Council Tax Support	Revenues are currently reviewing the recovery process for collection of these debts post liability order. Part of this review will ensure that the default option where it is not possible to agree a payment arrangement or set up a deduction from DWP benefit will be a referral to an EDRA rather than involvement of bailiffs.	
10	That sufficient resource is provided to ensure the adequate training of those staff likely to be providing welfare advice in order for consistent and correct information to be given.	In recognition of the significant impact of the welfare benefit changes, the ALMOs and BITMO have been granted additional resources for the financial year 2013-14. An additional 19 posts have been funded across the four organisations to provide targeted support for customers affected by the changes. The main purpose of these additional posts is to ensure tenants have access to information, understand how the changes will affect them and receive sound advice and on-going support to make decisions about their future. On-going training and regular staff briefings are planned to make sure frontline staff are providing consistent, correct and up to date information. A Welfare Reform advice guide has recently been developed and distributed to staff and politicians providing essential information on the full range of welfare changes. It also includes information on local organisations to help with signposting customers.	
11	That a contingency budget is provided to respond to	The Customer Access and Performance Directorate has	

	any 'spike' of activity at the Contact Centre.	<p>developed an action plan for the Contact and One Stop Centres to ensure there is sufficient staff resource at peak periods. It has been agreed that calls from LCC tenants relating to under-occupation will be transferred through to the ALMO/BITMO to deal with. This will allow the ALMOs/BITMO to ensure that tenants affected by under-occupation have all the information they need about how the changes affect them and what their options are. This will include:</p> <ul style="list-style-type: none"> • Ensuring all eligible benefits are being claimed; • Ascertaining income details and prioritising expenditure; • Identifying eligibility for DHP and supporting referral; • Supporting tenants to register a housing application; • Promoting mutual exchange; • Supporting tenants to set up a bank account or direct debit; • Budgeting and debt advice; and • Referring vulnerable tenants for specialist support through the Independent Living Teams, Adult Social Care or Children's Services <p>In addition to this, ALMO housing officers will be providing additional resources at One Stop Centres during anticipated peak periods during April and May 2013 to deal with enquiries.</p>	
12	That the Council further investigates the possibility of reclassifying properties where appropriate	<p>The Council is currently investigating the possibility and financial impact of reclassifying properties. In particular, the Council is looking at properties that are most likely to be under-occupied at the point of letting or where the layout suggests reclassification would be appropriate:</p> <ul style="list-style-type: none"> • 398 three bedroom low rise flats to two bedroom; • 341 five bedroom houses with a downstairs bedroom to four bedroom houses; and • 126 two bedroom multi story flats to one bedroom where the second bedroom is accessed through the living room. <p>Before making a decision, the Council needs to fully analyse and understand the short, medium and long term financial implications</p>	

		of reclassifying some properties.	
13	That the Council and ALMOs and BITMO continue to inform and advise all tenants of the welfare reforms that might affect them in the future	The ALMOs and BITMO receive regular data on the identity of tenants affected by under-occupation. They are continuing to contact all affected tenants including those that are newly affected to explain how the changes will affect them and what options are available to them. Furthermore, at tenancy sign up, all tenants are made aware of the welfare changes and how they could affect them in the future should their circumstances change.	
14	That changes in the number of tenants affected by the under-occupancy is monitored and examined to provide assurance that the approach to managing under-occupancy is working. That monitoring reports are brought back to Scrutiny on a 6 monthly basis.	<p>The Council recognises the significant impact of the welfare reform benefit changes on the tenants and residents of Leeds. Over the past year, officers from E+N and the ALMOs/BITMO have actively participated in a number of groups set up to respond to welfare reform benefit changes, to ensure that those affected are aware of the changes and that the most vulnerable customers are supported.</p> <p>The ALMOs/BITMO are continuing to contact and visit all tenants affected by under-occupation and monitor the impact. Through the existing Performance and Assurance Framework between E+N and the ALMOs/BITMO, the effects of the changes will be regularly monitored and reported through a suite of Key Performance Indicators (KPIs). Existing KPIs cover rent collection, arrears levels and number of evictions. Officers have introduced a number of new KPIs for 2013-14 to monitor the impact of under-occupation including the following:</p> <ul style="list-style-type: none"> • Number of DHP applications and awards • Value of DHP awards • Number of mutual exchanges • Number of transfers through CBL • Number of referrals to Independent Living Teams • Number of households on Leeds Homes Register • Housing demand – number of bids by property • Average time to rehouse by bedroom size • Monitor termination reason including ‘can’t afford’ <p>These will be monitored on a regular basis (some monthly and</p>	

		<p>some quarterly) to help manage and mitigate the impact on tenants and residents as well as the sustainability of the Housing Revenue Account.</p> <p>Revenues and Benefits will provide monthly statistics on the number of cases affected by under-occupancy, and the number of new cases each month.</p>	
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