

Report of Chief Executive

Report to Full Council

Date: 29th June 2016

Subject: Devolution

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. This report is intended to update Members on matters in the Leeds City Region Local Enterprise Partnership (LEP) and through the West Yorkshire Combined Authority (WYCA).
2. The main issues described in this report are from the latest public WYCA meeting in March.

Recommendations

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

Purpose of this report

- 1.1 This report is intended to update Members on matters in the Leeds City Region LEP and the West Yorkshire Combined Authority.
- 1.2 Specifically this report provides details of the latest public combined authority meeting in March.

2. Background information

- 2.1 Following cross party agreement this is the sixth report to Full Council to provide an update to Members on the work of the WYCA and Leeds City Region LEP.
- 2.2 Devolution remains a central discussion for the city region and announcements have been made elsewhere of deals agreed with central Government and ongoing processes to implement the governance and structures for each area. The WYCA has been working with other partner authorities to draw up proposals for a further devolution deal to the one agreed in March 2015. A proposal has been submitted to the Treasury and negotiations continue regarding the freedoms and flexibilities of a possible deal.

Main Issues

- 2.3 As well as devolution, the following items were discussed at the Combined Authority meeting on the 31st March 2016.

2.3.1 Implications of Government's 2016 Budget

The Combined Authority discussed the implications to WYCA in the Government's 2016 April budget. The following issues were raised, with a further report to be brought to a future meeting once more details of the Budget's implications are known:

Business Rates – The WYCA sought clarity on the detail of cuts to rates for small businesses, as there is concern that the loss of income related to this would not be fully compensated.

Transport – The Chancellor committed support to the Northern Transport Strategy, developed by Transport for the North (TfN). This includes commitments to develop High Speed 3, upgrade the M62 to a four-lane smart motorway and improve Leeds Rail Station in line with HS2, using part of the £300m funding pot announced in November's Spending Review.

Flooding – A further £130 million has been committed to repairing roads and bridges and government is adding a further £700 million to the flood defence capital programme by 2020. The government will fund the final phase of the Leeds' flood alleviation scheme subject to business case approval.

2.3.2 Growth Deal Approvals

This item provided an update on projects within the Skills Capital, Resource Efficiency, Housing and Regeneration and the West Yorkshire Plus Transport Fund programmes within the Growth Deal.

Almost £25m of Growth Deal funding was approved to advance six schemes with the key projects within Leeds being:

Key projects within Leeds are:

- Grant funding of £14 million was agreed to enable Leeds College of Building to operate from two sites in Leeds.
- It was agreed that the Combined Authority's Director of Programme Delivery and the Chair of the Investment Committee should find a funding mechanism to allocate £7m to construct a new 6.4 kilometre District Heating Network (DHN).

2.3.3 Refresh of Leeds City Region Strategic Economic Plan

At the meeting WYCA endorsed the final draft of the Leeds City Region Strategic Economic Plan (SEP).

The central focus of the plan is good growth measured against growth & productivity, employment, earnings, skills and sustainability. The original LCR SEP was also a competitive bid document to the Government's £12 billion Local Growth Fund, of which £8 billion has been committed to date, with the Chancellor announcing that a further £1.8bn will be allocated to LEPs through a new round of Growth Deals, alongside £2bn to bring forward large housing projects through the Home Building Fund.

Work to review the SEP has included:

- an update and review of the economic evidence base underpinning the Strategy;
- economic modelling both of the impact of LEP investments to date and of the expected economic impact of investments that we know will happen over the next decade – specifically the Growth Deal, Transport Fund and European Structural & Investment Funds (ESIF) allocations awarded to date, as well as the development of the City Region's Enterprise Zones
- extensive consultation with external stakeholders, business representatives, local authority partners and the public.

2.3.4 Land and Assets Board Terms of Reference

The Combined Authority were asked to endorse the Terms of Reference for Leeds City Region Land and Assets Board.

Draft headline proposals for the potential roles and responsibilities of the Board were considered at the previous meeting on the 20th November. The Board replaces the previous LCR Homes and Communities Board, expanding its remit to cover not only strategic housing and regeneration policy and investment, but also to consideration of surplus land and assets, particular public sector land and assets.

The Board will advise both WYCA and the LEP Board on these strategic matters.

2.3.5 Strategic Planning Update

This item provided an update on the progress of implementing the Leeds City Region Planning Review recommendations.

The recommendations were presented under the following six work streams at the previous meeting on 17th September 2015:

- WYCA/ LEP compliance with the Duty to Cooperate
- WYCA/ LEP involvement with planning applications
- WYCA/ LEP input into Local Plans
- Joint-working arrangements
- Strategic planning policy
- Governance and communication

2.3.6 Transport Priorities and Transport for the North

This item updated on the recent progress of Transport for the North (TfN). The paper outlines the region's priorities in respect of the future role of Transport for the North as a Sub National Transport Body.

It was agreed at the meeting that Lord Adonis should be invited to a future Combined Authority meeting to discuss some of the issues set out in his report.

It was also agreed that it was important to set out a consistent and clear narrative to influence the northern and national agenda and to have a clearly defined list of regional priority interventions, and the meeting agreed to endorse the following priorities, as recommended by the Transport Committee:

- A Northern Powerhouse rail network that radically improves journey times and frequencies without causing a detriment to the existing network
- A full review of Strategic Highway Network Priorities
- Improved surface access to Manchester and Leeds/Bradford Airports that offer business more international destinations
- Significant improvements to road and rail to transform the distribution network
- Smart ticketing and fare simplification with LCR leading the way
- LCR schemes that have pan-northern benefits are prioritised and supported

2.3.7 Minimum Standards Charter for Construction Industry Employees

West Yorkshire Combined Authority agreed to support the principle of the Minimum Standards of Employment on Construction Projects, which encourages the adoption and adherence to a set of minimum standards of employment on construction projects procured by their authorities.

A further report on their implications for tendering and procurement and the effect they may have on smaller contractors was requested.

2.3.9 Organisational Arrangements

This paper approved organisations and internal control matters, including:

- Approval of the internal audit plan 2016/17
- Further budget approvals including for the business growth programme 2016/17, access to Capital Grants programme, LEP Growth Service and Better Homes project
- Treasury management arrangements on investment limits
- Ongoing contract negotiations with the European Investment bank
- For the Head of Legal and Democratic Services to fulfil the statutory Monitoring Officer role
- Potential alterations to Committee arrangements pending a full review.

3. Corporate Considerations

3.1 Consultation and Engagement

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

3.2 Equality and Diversity / Cohesion and Integration

There are no specific implications for this report.

3.3 Council policies and Best Council Plan

The Best Council Plan priorities refer to aspects of the WYCA work and are undertaken in that context.

3.4 Resources and value for money

There are no specific implications for this report.

3.5 Legal Implications, Access to Information and Call In

There are no specific legal implications arising from this report.

3.6 Risk Management

There are no specific implications for this report.

3.7 Recommendations

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

3.8 Background documents¹

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.

None