

Report of: Chief Executive

Report to: Full Council

Date: 11 July 2018

Subject: Devolution

Are specific electoral Wards affected?

Yes

No

If relevant, name(s) of Ward(s):

Are there implications for equality and diversity and cohesion and integration?

Yes

No

Is the decision eligible for Call-In?

Yes

No

Does the report contain confidential or exempt information?

Yes

No

If relevant, Access to Information Procedure Rule number:

Appendix number:

Summary of main issues

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).

The main issues described in this report are related to an update on Devolution and from the latest public WYCA meetings in April and May 2018.

Recommendations

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

1. Purpose of this report

- 1.1 This report is intended to update Members on matters related to the progress of Devolution, Transport and matters regarding the Leeds City Region LEP and the West Yorkshire Combined Authority.

2. Background information

- 2.1 Following cross party agreement, this is the sixteenth report to Full Council to provide an update to Members on the progress related to Devolution and the work of the WYCA and Leeds City Region LEP.

3. Main Issues

Devolution

- 3.1 Devolution remains an issue of significant importance to the city region; both in terms of using the powers and flexibilities already devolved, and in making progress towards further devolution.
- 3.2 On 5 March 2018, Leaders and representatives of the 18 local authorities in Yorkshire submitted a letter and the latest Devolution proposal document to the Secretary of State (Ministry of Housing Communities and Local Government), Rt Hon Sajid Javid MP. The latest Yorkshire Devolution Agreement Submission document is available on the West Yorkshire Combined Authority (WYCA) website. Work is also underway to prepare a public facing version of the devolution submission document, which explains the proposals and benefits in accessible language.
- 3.3 Work will continue to further progress the proposals, related to identifying specific place based investment Asks. These include developing and agreeing detailed governance arrangements and the economic case for One Yorkshire devolution. Whilst there is not currently an agreed timetable with central government for further devolution to Leeds, it is hoped detailed discussions with relevant Ministers can take place soon, in order to progress the proposal for a One Yorkshire devolution deal.
- 3.4 Recent developments regarding devolution in the Sheffield City Region include the Mayoral election on May 3rd 2018, where Dan Jarvis was elected as the first Mayor of the Sheffield City Region on 4 May 2018. The Mayor was elected by voters from the districts of Barnsley, Doncaster, Rotherham and Sheffield. Dan Jarvis has also stated his support for the One Yorkshire approach to devolution.

Transport

- 3.5 Northern Rail timetable changes - review

Councillor Judith Blake, Leader of Leeds City Council and West Yorkshire Combined Authority representative on the Transport for the North Partnership Board has been asked by the Secretary of State for Transport, Chris Grayling, and Transport for the North to lead a joint review with Minister for Rail, Jo Johnson, which will seek to understand the circumstances which led to the recent introduction of the new timetable, to understand how and where

decisions were made and to present recommendations which seek to avoid a repeat of disruption for rail passengers.

3.6 Leeds City Region (mass transit) Transport

Leeds City Council's ambition remains to have an inclusive, 21st century transport system, which provides the capacity required to enable the benefits of HS2 to be maximised across Leeds and wider City Region. In December 2017 the Leeds City Region HS2 Connectivity Strategy was endorsed by Leeds City Council Executive board. This strategy identifies the communities and areas of the city region in greatest economic need for transformational connectivity investment. It identified increasing capacity of the transport system, particularly into Leeds City Centre, as essential to enabling forecast jobs growth in the Leeds City Centre and South Bank to be realised over the next decade.

Development work continues and it is anticipated that a range of options around the longer term pipeline of connectivity solutions will be brought to Executive Board.

3.7 Leeds Public Transport Improvements (£174m) Programme

The second phase of public consultations has commenced on the Leeds to Wakefield corridor, the Leeds to Adel corridor and city centre gateways.

Public consultation on plans to create two new rail stations at White Rose and Thorpe Park will begin on Monday 2 July.

Details of the proposals as part of the Connecting Leeds programme to improve travel and transport in Leeds are now available for public feedback.

3.8 Northern Powerhouse Rail

Leeds City Council, with the West Yorkshire Combined Authority, continue to support Transport for the North (TfN) in presenting the case for Northern Powerhouse Rail (NPR). Transformation of the job market, providing businesses access to skilled workers in larger labour markets and offering individuals the opportunity for flexible career development and progression within the North, are all potential outcomes delivered as a result of better connectivity.

Integration between HS2 and NPR with touchpoints enabling trains to pass through Leeds, could potentially support NPR services to utilise HS2 and the existing network enabling more places to be connected.

3.9 The following items were among those discussed at the Combined Authority meeting on the 5th April 2018 and 10th May 2018. All WYCA decisions are subject to call-in.

3.10 Transforming Cities Fund

At the 5 April 2018 meeting, WYCA was updated on the Transforming Cities Fund guidance and agreed the principles of the Fund guidance and the first stage deadline for submission of a bid by 8 June 2018 be noted.

On 13 March 2018, the Department for Transport (DfT) published the guidance around the Fund. The government has made £840 million available for competitive bidding over the four year period to 2021-22. This funding is completely capital and the guidance sets out that WYCA would be expected to submit a competitive bid on behalf of the region. In the second stage, the Department will work with the successful city regions to develop scheme specific proposals

The Combined Authority also endorsed the establishment of a member led working group for portfolio/lead members to shape the response to the Transforming Cities Fund submission.

3.11 Response to Transport for the North's Strategic Transport Plan Consultation

At the 5 April 2018 meeting, the Combined Authority was asked to agree a submission of a response to The Transport for the North's consultation on its draft Strategic Transport Plan, and to agree the key principles of that response

The Transport Committee had endorsed a set of key principles highlighting the Combined Authority's priorities which formed the basis of a Combined Authority response and as set out in the report. Members highlighted the importance of freight transport and roads network investment and considered that the response should also ask for further emphasis on the strategic transport priorities including Northern Powerhouse Rail and HS2. A draft response was being prepared for submission by 17 April 2018 and it was agreed that approval of the final response be delegated to the Combined Authority's Managing Director in consultation with the Chair of the Transport Committee.

3.12 Capital Spending and Project Approvals

WYCA meeting – 5 April 2018

WYCA approved the progression of, and funding for, a number of projects, including the West Yorkshire Plus Transport Fund and Growth Deal. Projects progress through a three stage process, from Pipeline Eligibility to Pipeline Development to Delivery and Evaluation.

The total combined funding value for these schemes is of £18.415 million when fully approved, with £17.915 funded by WYCA. A total of £3.010 million was sought as part of the report.

Schemes identified below specifically relate to Leeds.

Stage 1: Pipeline Eligibility	Stage 2: Pipeline Development	Stage 3: Delivery and Evaluation
<p>Rail Park and Ride Programme – Garforth Rail Station Car Park Project</p> <p>Apprenticeship Grants for Employers (AGE) Extension</p> <p>Inclusive Growth Corridors and the Transformational Programme</p>	<p>Growing Places Fund (GPF) LEP Loan 319 <i>Leeds Scheme</i></p> <p>The West Yorkshire Urban Traffic Management Control (UTMC)</p>	

WYCA meeting – 10 May 2018:

WYCA approved the progression of, and funding for, a number of projects, including the West Yorkshire Plus Transport Fund and Growth Deal. Projects progress through a three stage process, from Pipeline Eligibility to Pipeline Development to Delivery and Evaluation.

The total combined funding value for these schemes is of £22.592 million when fully approved, with £18.592 funded by WYCA. A total of £4.233 million was sought as part of the report.

Schemes identified below specifically relate to Leeds.

Stage 1: Pipeline Eligibility	Stage 2: Pipeline Development	Stage 3: Delivery and Evaluation
<p>Clean Bus Technology Fund (CBTF) – CA will manage the grant process including Leeds City Council’s separate DEFRA grant award of £1.371 million (£2.842 million awarded to the CA)</p> <p>CRUVL (New Bolton Woods) - LEP Loan 318</p>		

3.13 Broadband Approvals and Spending

At the 5 April 2018 meeting, the Combined Authority considered a report on the approach to digital infrastructure delivery across the City Region and funding bids for a proposed Contract 3 of the West Yorkshire and York Superfast Broadband Programme, including use of Gainshare.

Report states a number of funding opportunities that can support investment in digital infrastructure in West Yorkshire and the City Region including DEFRA, the Department for Media Culture and Sport and European source funding. There was also an opportunity to invest an element of the Gainshare accruing from Contracts 1 and 2 of the existing broadband programme as capital match with a range of options reported, the proposed West Yorkshire and Yorkshire Superfast Broadband Contract 3 and potential programme risks outlined in the paper.

The context to digital infrastructure and its alignment with national and City Region policy was noted at the meeting with the CA also agreeing that the governance for Contract 2 and the Partnership Agreement be reviewed to ensure alignment with the Combined Authority governance model.

It was also agreed that in principle the proposed funding applications for Contract 3 be submitted. Officers to develop options for Contract 3 making use of the funding available and which will best achieve the Combined Authority's objectives. These options will be shared with Members with the final decision on the bids to be submitted delegated to the Combined Authority's Managing Director in consultation with the LEP Chair and Combined Authority's Chair.

3.14 Energy Accelerator

At the 5 April 2018 meeting, the Combined Authority was updated on the Energy Accelerator including, the draft Contract for Funding between the EIB (European Investment Bank) and WYCA, highlighting potential risks for the Combined Authority and project sponsors should the contract be signed and a recommendation from the Green Economy Panel.

The signing of the EIB Contract was also approved with the programme progressing through decision point 5 and all final approvals delegated to the Combined Authority's Managing Director with input from the Investment Committee in relation to the assurance process.

3.15 Embedding inclusive growth across City Region activity

At the 5 April 2018 meeting, the Combined Authority considered a report which provided an update on the inclusive growth project and set out how inclusive growth will be embedded across the City Region's expanded policy framework.

The Combined Authority noted the work of partner authorities, including where activity might be extended across the city region to deliver inclusive growth outcomes. It also agreed the comprehensive approach to resourcing inclusive growth work within the Combined Authority detailed in the report.

3.16 Gender pay gap

At the 5 April 2018 meeting, the Combined Authority was provided information on the gender pay gap in the organisation. This is a requirement of the gender pay gap legislation which requires all organisations with more than 250 employees to publish information for those employees in scope at 31 March 2017.

The pay gap is reported as currently at 14.6% i.e. on average female employees earn 14.6% less than male employees. The paper states this is a result of having more female employees at more junior levels in the organisation.

The report further notes the Combined Authority is committed to reducing the pay gap and has a number of policies and working practices in place to encourage gender diversity and to encourage women into more leadership roles. These measures and future plans are detailed in Appendix 1 of the WYCA report.

A similar analysis is due to be undertaken of the ethnicity pay gap.

The gender pay gap and the actions proposed to address this were noted at the meeting.

3.17 Corporate planning and performance

WYCA meeting – 5 April 2018:

The West Yorkshire Combined Authority was provided with an update on progress against the 2017/18 corporate plan and on wider corporate performance issues.

It was agreed that the 2018/19 corporate plan be endorsed with final sign off delegated to the Combined Authority's Managing Director in consultation with the Chair of the Combined Authority and the LEP Chair.

WYCA meeting – 10 May 2018:

WYCA was asked to note the information on corporate performance, with the report providing an update on performance such as progress against corporate priorities, risk management and budget position.

The Combined Authority was also updated on progress with regard to the development of the 2018/19 Corporate Plan and the performance measures associated with this.

3.18 Devolution

At the 5 April 2018 meeting, the Combined Authority was updated on the progress towards securing devolution to Leeds City Region.

Leaders have submitted the proposal as a basis for initiating negotiation with Government, recognising that further work will be ongoing to: identify any specific place based investment Asks; develop and agree detailed governance arrangements for the operation of the Yorkshire Combined Authority (including voting arrangements and representation); demonstrating the economic case for a Yorkshire deal, and preparing a public facing version of the deal.

Members noted the current position and endorsed the next steps outlined above.

3.19 Governance arrangements

At the 10 May 2018 meeting, The Combined Authority was asked to note a range of developments and changes to specific governance arrangements. These included to note changes to WYCA members and substitute members, a vacancy on the Governance and Audit Committee.

The CA was also asked to endorse a proposal to appoint an Inclusive Growth Panel at the annual meeting as a formal advisory committee of the Combined Authority, and to endorse inclusive growth being embedded as a “golden thread” across all panels.

WYCA also considered a proposal to appoint a Place Panel at the annual meeting as a formal advisory committee of the Combined Authority and were asked to endorse a proposal to appoint a substitute for each Overview and Scrutiny member at the annual meeting.

3.20 Inclusive Growth outcomes from the Business Growth Programme

At the 10 May 2018 meeting, the Combined Authority endorsed the LEP Board’s decision to adopt the revised criteria and associated conditions for awarding grants from the Business Growth Programme (BGP), commencing from July 2018, with a review to be undertaken after six months.

It was proposed that the new criteria includes an ‘incentive element’ that provides more funding per new job paying the ‘real living wage’, and less funding per new job paying the National Minimum Wage. This revised approach is set out in more detail within Appendix 1 of the report and addresses the feedback to ensure that small businesses in lower wage sectors can continue to apply for business grants, whilst incentivising those who pay more to their staff.

3.21 Transport Strategy and Bus Strategy update

At the 10 May 2018 meeting, the Combined Authority provided an update on the work to deliver the West Yorkshire Transport and Bus Strategies.

The Transport and Bus Strategies are now shaping the delivery of the Combined Authority and its partners. Delivery highlights achieved in the eight months since the adoption of the strategy are listed in the report.

The Combined Authority was asked to note the progress in delivering the West Yorkshire Transport Strategy 2040 and Bus Strategy 2040 and to adopt that the proposals for the Performance Management indicators and targets for Strategy is updated to include a Performance Management section.

3.22 General Data Protection Regulation Update

At the 10 May 2018 meeting, this paper provided details on the approach that West Yorkshire Combined Authority has developed to ensure compliance with the General Data Protection Regulation (GDPR).

The report states a significant amount of work has been undertaken in preparation for the new regulation and to complete outstanding tasks by 25 May 2018 (when GDPR came into force). However, there are two work streams that will continue beyond this date - records management and ICT security and systems.

It was proposed that updates on GDPR status are provided to each meeting of the Combined Authority and Governance and Audit Committee as part of the regular risk reporting arrangements. Furthermore, it was proposed that the Overview and Scrutiny Committee consider whether a review of GDPR arrangements should form part of their programme for the year.

3.23 Strategy, Policy and Communications Director: Review and approach

At the 10 May 2018 meeting, the Combined Authority was asked to endorse that the vacant Director of Policy, Strategy and Communications position be recruited to on a substantive basis. Furthermore, to also endorse the proposed approach to recruiting to this position and establish a member appointment panel to be involved in the recruitment process. The report details the options considered, preferred option and route to recruitment.

3.24 Corporate priorities

At the 10 May 2018 meeting, the Combined Authority approved the authorisation to contract with the European Investment Bank for a borrowing facility up to the value of £100m and approve subsequent disbursements and amendments over the five year term.

As part of the Growth Deal the Combined Authority has secured significant funding for the West Yorkshire plus Transport Fund, to which local contributions are also required. Borrowing will be required in order to deliver the ambition of

a programme of schemes over a shorter timescale than over the twenty years for which funding has been granted. Discussions have been underway with the European Investment Bank (EIB) who can offer a flexible facility that could be utilised alongside traditional Public Works Loan Board type lending. The report states many of the schemes within the Transport Fund provide a good strategic fit to the EIB requirements.

The CA also noted the corporate technology strategy and that it be progressed through decision point 2 of the assurance framework with an indicative allocation of £3.5 million, funded through the CA's internally funded capital programme. Funding of £150,000 was also approved to develop the outline business case with costs and a procurement strategy.

4. Corporate Considerations

4.1 Consultation and Engagement

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

4.2 Equality and Diversity / Cohesion and Integration

Point 3.12 3.15 and 3.20 refers to WYCA's priorities and ambitions for inclusive growth, including in relation to the development of inclusive growth corridors in the City Region which specifically aims to connect some of the most deprived communities in LCR. Point 3.16 refers to report on gender pay gap at WYCA and actions proposed to address this as well as similar analysis to be undertaken of ethnicity pay gap by the organisation (WYCA).

4.3 Council policies and Best Council Plan

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

4.4 Resources and value for money

There are no specific implications as a result of this report.

4.5 Legal Implications, Access to Information and Call In

There are no specific legal implications arising from this report.

4.6 Risk Management

There is currently a risk identified regarding Devolution on the Corporate Risk Register. This is to ensure that any deal to be considered is in the best interests of the people of Leeds.

4.7 Recommendations

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

4.8 Background documents

None