



Report of: Chief Executive

Report to: Full Council

Date: 10 July 2019

Subject: Devolution, WYCA & Leeds City Region LEP update

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 2019 and June 2019.

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 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 twenty-first 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 Members have previously been updated on developments regarding Devolution including at the most recent Full Council meeting on 27 March 2019.
- 3.2 On 12th February 2019, the Secretary of State wrote to One Yorkshire Leaders and Mayors in response to the One Yorkshire proposals. The Secretary of State offered to “begin discussions about a different, localist approach to devolution in Yorkshire” whilst also stating the completion of the Sheffield City Region deal “is essential for talks to progress”. Following the letter from the Secretary of State, Hambleton District Council withdrew its support for pursuing a One Yorkshire deal.
- 3.3 The remaining 18 One Yorkshire Leaders and Mayors were subsequently invited to a meeting with the Secretary of State in Ripon on 1st March 2019 in order to discuss the following agenda items: devolution criteria; why One Yorkshire still has local support; interim arrangements; and next steps.
- 3.4 As a result of that discussion, One Yorkshire Leaders and Mayors issued a statement on 1st March 2019 which highlighted that they remained committed to the One Yorkshire approach to devolution. In recognition of the further work that is required to make progress, and the time that this would require, this should include discussions on interim funding arrangements. There was therefore agreement with the Secretary of State that Chief Executives from One Yorkshire authorities would begin work immediately with senior officials from the Ministry of Housing Communities and Local Government and HM Treasury on these interim arrangements and the points raised in the One Yorkshire submission; and an agreement to meet with the Secretary of State again later in the year.
- 3.5 On Friday 8 March 2019, the One Yorkshire Conference was held in Leeds bringing together leading national and regional figures including key note speeches by Cllr Judith Blake and the Northern Powerhouse Minister, Jake Berry MP, which both explored Yorkshire’s place in a post-Brexit economy and how devolution to the region can ensure it plays its full part in driving future prosperity for the North and the UK.

- 3.6 On the 7th May 2019, the Secretary of State, responded to the 25th March 2019 letter from the Sheffield City Region (SCR) Mayor Dan Jarvis and the four South Yorkshire council Leaders and Mayor about how the SCR deal might be unlocked. In the reply, the Secretary of State proposed that he is "...prepared to implement the (SCR) deal with an understanding that after 2022, those Councils that do not see their future in the City Region should be free to join an alternative wider Yorkshire devolution group..."
- 3.7 At Prime Minister's questions on 26th June, in response to a question from Julian Sturdy MP, the Prime Minister stated: "I absolutely recognise, as we do across the Government, Yorkshire's enthusiasm for and dedication to devolution and the potential seen there for harnessing local people's sense of identity with Yorkshire. We share the ambition of doing what is best for Yorkshire, its people and its businesses. My right hon. Friend the Communities Secretary has now met with Yorkshire leaders. Discussions are continuing about a different localist approach to devolution, and officials are having initial meetings with councils, including York, and will be interested in hearing their ambitions for devolution".

West Yorkshire Combined Authority (WYCA)

- 3.8 The following items were among those discussed at the Combined Authority meeting on the 25th April 2019. WYCA decisions are subject to call-in.

3.9 Rail Issues

The Combined Authority was briefed on the latest position of rail issues.

Whilst service performance has increased since summer/autumn 2018, it has not fully recovered from the levels achieved previously. There are still significant issues remaining around daily variability in services and overcrowding of peak services. Planned service changes in May 2019 will deliver some service enhancements, however there is uncertainty about whether all service commitments can be realised reliably on the existing rail network. WYCA report further states it is increasingly clear from work being undertaken by Richard George and Network Rail that the rail network in and around Leeds is a network-wide constraint that impacts on reliability and the ability run more and longer trains across West Yorkshire and beyond.

There is ongoing infrastructure work underway but running behind schedule; such as the creation of a new Platform 0 at Leeds station, and changes to Platforms 1-6 which supports system upgrades allowing for more frequent and longer trains (project initially expected to be complete for December 2019, now expected to be ready for the December 2021 timetable).

Key recommendations focussed around increasing capacity and capability in the network; in particular for the technical capacity analysis needed to determine the rail network requirements in and around central Leeds necessary

to bring clarity on the investment required to deliver committed service improvements and accommodate growth across the City Region.

Further recommendations included the need for a stronger case of investment on a range of priorities, and to make a strong pitch to central government for the Rail Network Enhancement Programme funding that will be required to unlock network capacity in the City Region.

3.10 West Yorkshire Bus Alliance

The Combined Authority was provided with an update on the development of the West Yorkshire Bus Alliance.

Moreover the report also set out the next steps in developing the Alliance into a formal agreement incorporating key performance indicators and a delivery plan.

The report states the key aim of the Alliance is to deliver the objectives of the West Yorkshire Bus Strategy and the commitments agreed as part of the Leeds Public Transport Investment Programme submitted to DfT in 2016.

The Alliance will set and monitor against the measures of success such as 50% increased patronage in Leeds (25% across West Yorkshire) and measures around reliability of services and customer satisfaction.

The Combined Authority was asked to endorse the steps taken to develop the West Yorkshire Bus Alliance and the commitments to improve bus services. Furthermore WYCA was also asked that the Transport Committee oversees the development and signature of a Voluntary Partnership Agreement which will establish the form and processes of the Alliance.

3.11 Brexit Update

The Combined Authority was given an update on the preparation being undertaken by WYCA and Leeds City Region Local Enterprise Partnership (LEP) as the UK prepares to leave the European Union, specifically regarding the decision of the LEP Board to endorse a number of options for business support programmes should the UK leave the EU without a negotiated deal.

Details of the specific programmes which could form the basis of the LEP's response to a non-negotiated exit from the EU are highlighted in the WYCA report. These include a Brexit Transition Grant Scheme, Capital Grants Programme, Advice Service and Exporting for Growth Scheme.

The Combined Authority was asked to consider the content of the update, and in particular note the decision of the Local Enterprise Partnership (LEP) Board to endorse a number of options for business support programmes should the UK leave the EU without a deal.

3.12 Capital Spending and Project Approvals (recommended by Investment Committee on 13 March 2019 and 12 April 2019)

The following relates to schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee, and considered in line with the Leeds City Region Assurance Framework.

These schemes have a total combined funding value of £195.110 million when fully approved, of which £57.446 million will be funded by WYCA. A total of £1.306 million was sought as part of this report for the development and delivery of these schemes.

Schemes identified below specifically relate to Leeds.

Stage 1: Eligibility	Stage 2: Development
<p>Leeds City Region Growth Service: This scheme will deliver a dedicated, flexible business support service for the Leeds City Region's larger small and medium enterprises (SMEs).</p> <p>Resource Efficiency Fund 2: project will provide both grant support and advice to SMEs to help them become more resource efficient.</p>	<p>Leeds Flood Alleviation Scheme 2: The Leeds Flood Alleviation Scheme (FAS) Phase 2 comprises Flood alleviation works to the River Aire - north west of Leeds Station to Apperley Bridge. It will extend linear and natural flood defences upstream of Leeds City Station to increase the standard of protection against flood events to withstand a 1 in 200-year event, upon completion of the works at Calverley, building on the defences provided in central Leeds for the River Aire by FAS Phase 1 in 2017.</p> <p>A61 (North) Bus Priority Corridor: The scheme consists of a series of improvements to bus prioritisation and complementary walking and cycling measures. This includes the extension of bus lanes, the reallocation of road space to provide shared bus/cycle lanes and key junction improvements</p> <p>Superfast West Yorkshire and York - Contract 3: Phase 3 will deploy broadband infrastructure across the West Yorkshire and York geography within some of the hardest to reach urban and rural areas, areas not already targeted through a commercial roll out and areas not targeted by the previous phases.</p>

3.13 Integrated Transport Block (ITB) Programme 2019-2022

The Combined Authority was asked to indicatively approve the West Yorkshire Integrated Transport Block funded programme 2019-2022, to support delivery of the West Yorkshire Transport Strategy 2040, and to approve the assurance process detailed in this report to gain full approval of the programme.

The Integrated Transport Block (ITB) is granted by government to local transport authorities to fund the delivery of smaller scale improvements to transport networks and facilities, to be spent at local discretion to support Transport Strategy delivery.

Within West Yorkshire, ITB grant is paid to the Combined Authority and is then allocated between the five partner councils and the Combined Authority. ITB grant is £13.1 million per annum for West Yorkshire, and is allocated across six partners and a range of investment needs. The total expected ITB funding for West Yorkshire for the three year period 2019-2022 is £39.3 million, based on the current level of funding.

3.14 Corporate Matters

The Combined Authority considered a report of the Director of Corporate Services which provided an update on corporate matters including: the gender pay report for 2018, the draft capital strategy, scrutiny arrangements, conflicts of interest policy and protocol and Local authority appointments.

Appendix 1 attached to the WYCA report highlights the summary position and actions proposed to address the gap. These include focussing on how recruitment practices can be improved to attract a wider field of applicants and ensure shortlisting decisions are made without knowledge of the person's gender. Work will also be done to review flexible working patterns and ensure new technology facilitates these options.

3.15 Corporate planning and performance

The report provided WYCA with an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

An update on progress against the 2018/19 corporate plan headline indicators set out in Appendix 1 of WYCA report, was noted.

A further review of the corporate risk register had been undertaken and new risks had been added to the register with details provided in Appendix 1 of Combined Authority report.

The draft content for the 2019/20 corporate plan was also endorsed, which was attached at Appendix 2 of WYCA report and agreement that the final sign off

be delegated to the Combined Authority's Managing Director in consultation with the Chair of the Combined Authority and the LEP Chair.

A summary of the 2018/19 current spend to budget as at December 2018 was attached at Appendix 3 of WYCA report and it was noted that there were currently no 'red' areas of concern to report.

3.16 Review of Inclusive Growth for Business Grants

The Combined Authority was updated on the effectiveness to date of the new approach to securing inclusive growth commitments from recipients of business grants from the LEP's Business Growth Programme (BGP).

WYCA adopted the LEP Board's decision to extend the inclusive growth criteria and commitments to the full range of LEP business grants which were attached at Appendices 1 and 2 of the report. It was noted that the approach would continue to be reviewed for another six month period.

3.17 Economic reporting

The Combined Authority considered a report which provided an update on the latest economic and business intelligence for Leeds City Region.

The version presented here is the February 2019 Economic Update. Some key headlines including for the Leeds City Region were also highlighted in the WYCA report.

The report also noted the ongoing uncertainty associated with Brexit appears to be a factor influencing decision making.

3.18 European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD)

The Combined Authority considered a report on the European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD).

It was reported that one outline application had been received in response to the third round of the SUD call for projects which had closed on 22 February 2019. At their meeting on 12 April 2019, the Investment Committee had considered and endorsed the advice included in the outline assessment for the project.

In its role as the Intermediate Body, the Combined Authority agreed advice provided in the exempt appendices. The assessment form will now be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) as Managing Authority, for their consideration.

3.19 The following items were among those to be discussed at the Combined Authority meeting on the 27th June 2019. WYCA decisions are subject to call-in.

3.20 Membership of the West Yorkshire Combined Authority

WYCA also discussed membership of the Combined Authority, Committee arrangements and appointments as well as representation on Outside Bodies. Details can be found [here](#).

3.21 Rail Reviews

The WYCA report provided an update on the work Richard George has been undertaking in the wake of the May 2018 timetable issues, together with an update on the Blake Jones Review and responses to the Williams Review of Rail.

Richard George commission

Richard George is an independent adviser appointed by Government to re-establish a stable railway operation across the North following the breakdown in the system after the May 2018 timetable was introduced.

Richard George was recently invited to attend a meeting with members of the Combined Authority to provide a personal update and an opportunity for discussion.

WYCA report states many of the wider and long-term issues raised by Richard George have framed the findings of the Blake Jones Review and framed responses to the Williams Rail Review, and have underpinned (for example) the objectives of Network Rail's recent reorganisation.

It is understood that a final report of Richard's work will be published shortly, subject to DfT sign-off. This will set out the full details of the findings and responses to the issues raised, and provide a basis for monitoring progress.

The Rail North Partnership "Blake Jones" Review

The introduction of the May 2018 rail timetable changes in the North led to severe disruption for passengers and businesses. Cllr Blake on behalf of TfN and, the Minister for Rail at the Department for Transport (DfT) undertook a joint TfN/DfT Review into the issues, "The Rail North Partnership Review".

The Review is expected to be published following government sign off and will cover four key areas of change: a focus on passengers; improved accountability; better communications and greater transparency and improved trust and responsiveness.

The review will make recommendations which will inform an implementation plan of actions which will be taken forward under the current existing partnership and franchise provisions to ensure clear political oversight of key decisions made about the North's railways. The Review will also make specific recommendations to the review into the structure of the rail industry led by Keith Williams.

Williams Rail Review

The Combined Authority submitted its second response to the Williams Rail Review call for evidence at the end of April 2019. A copy of this submission is attached at Appendix 1 of the WYCA report, which has also informed the Combined Authority's contribution to the Transport for the North submission.

The Combined Authority second response highlighted the need across a range of matters including clarity of objectives, network outputs, value for money and devolution to ensure that objectives reflect local priorities and conditions, with accountability to those most affected by the railway.

The Transport for the North's submission is largely consistent in terms of an analysis of the issues with the current structure of the railway.

The Williams Rail Review's findings and recommendations are due to be published in a government white paper in autumn 2019. Reform is then expected to begin in 2020.

3.22 Capital Spending and Project Approvals (recommended by Investment Committee on 8 May 2019 and 11 June 2019)

This WYCA report presented proposals for the progression of schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £95.982 million when fully approved, of which £77.582 million will be funded by WYCA. A total of £1.538 million was sought as part of this report.

Schemes identified below specifically relate to Leeds.

Stage 1: Eligibility	Stage 2: Development
<p>Mirfield to Dewsbury to Leeds (M2D2L): The Mirfield to Dewsbury to Leeds (M2D2L) corridor forms a Key Route running through the heart of West Yorkshire and serving a direct catchment of around 600,000 residents as well as several existing and planned major employment, retail and housing sites.</p>	<p>Transport Hubs and Connecting Communities: The Transport Hubs Improvements and Public Transport Access schemes are a part of the Transport Hubs and Connecting Communities work stream of the Leeds Public transport Investment Programme (LPTIP).</p>

	<p>The schemes will upgrade or create new facilities to improve the waiting environment and travel information offer, as well as enhancing connections within and between other public transport hubs and communities by improving walking and cycling links.</p>
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3.23 CO2 emission reduction commitments and activity

The Combined Authority was provided with an update on Leeds City Region CO2 emission reduction commitment and activity.

The Leeds City Region Strategic Economic Plan (SEP) from 2016 sets out the ambition to ‘be a resilient, zero-carbon energy economy’. The Leeds City Region Energy Strategy and Delivery Plan (ESDP) adopted by the Combined Authority and Local Enterprise Partnership in December 2018 provided further details on the ambition. While the reductions above would allow the City Region to be aligned with the Paris Agreement it does not take into account the most recent analysis from the IPCC. The Combined Authority is reviewing a City Region target in light of this.

Seven of the 10 councils in the Leeds City Region (City Region) have declared climate emergencies.

It was also formally announced at the meeting that the Combined Authority also declare a climate emergency, with amendments made to the recommendations of the report to reflect this.

WYCA report stated that as part of the consultation process undertaken on the Leeds City Region Energy Strategy and Delivery Plan (ESDP), the LEP Board and Combined Authority approved further work to be undertaken to establish a science-based, Paris Agreement aligned regional carbon reduction target

The Combined Authority has therefore commissioned further work on setting a regional target and the year to achieve this by, the results of which are currently being finalised.

West Yorkshire Leaders requested that greater awareness raising activities be undertaken and there are plans to run a series of programmes and projects which address CO2 emissions.

The report further highlights that due to previous levels of work and commitment to tackle climate within the SEP and ESDP, the Combined Authority / LEP have not declared a Climate Emergency, but are currently seeking to review and strengthen the CO2 emission reduction target for the City Region. The setting

of a City Region target will need to be accompanied by an understanding of the potential ways in which it could be achieved.

3.24 Corporate planning and performance

The Combined Authority was given an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

Corporate Plan summary 2018/19

The 2018/19 Corporate Plan for the Combined Authority set out three key long term ambitions for the organisation of boosting productivity, enabling inclusive growth and delivering 21st Century transport, with a key focus on delivery and devolution to achieve these.

Notable successes reported in 2018/19 include supporting over 2,900 business to grow and become more productive through the Business Growth Service and reaching over 14,000 disadvantaged students with targeted support on employment on employability, enterprise and careers education

Corporate Plan 2019/20

The Corporate Plan sets out the vision and objectives for the organisation and the practical steps for how these will be progressed during the year. The plan is structured around the four overarching strategic objectives of boosting productivity, enabling inclusive growth, delivering 21st Century transport and supporting clean growth.

Corporate risk update

The WYCA report states that one new risk which is assessed as 'high' has been added to the register related to the risk that the Employment Hub programme does not deliver against expected targets, due to the reliance on third party delivery. This is being mitigated through contract management which involves payment being focused on delivery, and regular consultation with delivery partners.

In addition to the inclusion of new risks, a number of existing risks had their rating re-assessed in light of new developments or countermeasures introduced.

Revenue budget position

A summary of the 2018/19 final outturn as compared to original budget is attached at Appendix 2 of the WYCA report (subject to final audit).

3.25 Proposal to recruit to the role of Director, Economic Services

The Combined Authority was asked to seek approval, following a review and re-evaluation, to recruit to the role of Director, Economic Services and put in place the necessary arrangements to do so.

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

There are no specific implications as a result of this report

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 Climate Emergency

Point 3.23 of this report refers the Combined Authority update on Leeds City Region CO2 emission reduction commitment and activity. The report further details the relevant regional work and approach to progress this work.

4.5 Resources and value for money

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

4.6 Legal Implications, Access to Information and Call In

There are no specific legal implications arising from this report.

4.7 Risk Management

There is currently a risk identified regarding Devolution on the Corporate Risk Register. This takes account of the need to secure a deal and the opportunities this presents, and ensures that any deal to be considered is in the best interests of the people of Leeds.

4.8 Recommendations

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

4.9 Background documents

None