



Report of: Chief Executive

Report to: Full Council

Date: 13 November 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

1. 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 meeting in October 2019.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

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

3. Resource Implications

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

Recommendations

- a) 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-third 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 11 September 2019.
- 3.2. Following constructive discussions between West Yorkshire Chief Executives, MHCLG and HMT officials, and West Yorkshire Leaders with the then HMT Minister, Robert Jenrick MP, One Yorkshire Leaders wrote to the new Prime Minister, Boris Johnson, at the end of July 2019, outlining new devolution proposals. On 29th July 2019, the proposals were published. These included that a series of interim devolution deals would be agreed across Yorkshire to run in parallel with the existing SCR agreement. Negotiations would continue with Government to have a One Yorkshire devolution agreement completed by 2022, the end of the current SCR Mayor's term. At this point, any SCR authorities wishing to be part of the wider Yorkshire deal would be allowed to do so. The proposals outline how a One Yorkshire devolution deal could deliver economic benefits worth £30bn a year, or £5,400 per person.
- 3.3. Since 2018, the approach of One Yorkshire leaders has been revised since, so that whilst keeping true to the ambition for a Yorkshire deal, it would secure interim arrangements to allow the benefits of devolution to be felt more immediately. The letter further states that proposals also outline how devolution in Yorkshire is critical to delivering shared objectives, which cross political divides and are about growth in a post-Brexit world. It aligns to the Government's priorities of more investment in much needed transport and full-fibre digital infrastructure; increased inward investment and help for companies

to export; the delivery of more houses to meet the acute national shortage; speed up of the progress being made in sustainable energy generation and carbon capture; better address the skills shortages in workforce; and help tackle deprivation within communities.

- 3.4. At his speech at the Convention of the North in Rotherham on 13 September 2019, the Prime Minister made the following statement:

“And I know there is real enthusiasm for devolution in Yorkshire and I welcome the establishment of a Yorkshire Committee as a practical step for facilitating greater collaboration on a Yorkshire-wide basis...In the meantime, we are committed to getting the Sheffield City Region done – and I also want to open up negotiations with Leeds and West Yorkshire so we can make a mayor work there too, whatever the nature of any longer term arrangements in Yorkshire.”

- 3.5. The Secretary of State, for Housing, Communities and Local Government, Robert Jenrick MP has also committed to working with Leaders to bring forward plans for a devolution deal.
- 3.6. On 26 September 2019, West Yorkshire Leaders met with Government Ministers to discuss proposals for devolution.
- 3.7. Negotiations continue to progress with Ministers and officials to explore a potential devolution deal.

West Yorkshire Combined Authority (WYCA)

- 3.8 The following items were among those discussed at the Combined Authority meeting on the 10th October 2019. WYCA decisions are subject to call-in.

3.9 Brexit

This report provided an update on the organisational EU Exit preparations being undertaken by the West Yorkshire Combined Authority and Leeds City Region Local Enterprise Partnership (LEP).

The LEP is collecting and coordinating intelligence on business preparation activities, and providing updates to BEIS, DIT and MHCLG. The LEP is also coordinating intelligence-gathering and additional activity to support businesses across Yorkshire and Humber to prepare for, and respond to, Brexit. This is via the role of Cluster Lead for the Growth Hubs in the region, with the model being replicated across the country via another nine clusters.

The paper highlights that a number of potential business support products have been developed that could be enacted should there be a non-negotiated exit from the EU. This includes a proposed £2m Brexit Business Support Scheme. The scheme offers vouchers of up to £5,000 to small and medium sized businesses based in the Leeds City Region purchasing technical advice and guidance from external providers with issues related to Brexit. The LEP has

already begun to put in place support that can assist businesses and is ready to implement further programmes as necessary in a no deal scenario.

The report further highlights a range of activity associated with Brexit preparations including business support, communications and organisational readiness.

WYCA was asked to note the Brexit update and to approve delivery of the Brexit Business Support Scheme in the event of a non-negotiated exit from the EU, This being subject to securing the required funding flexibility from BEIS and no additional funding being provided directly by government.

3.10 Capital Spending and Project Approvals

The following relates to the progression of 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 £409.853 million when fully approved, of which £196.823 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £116.840 million is sought as part of this report for the development and delivery of these schemes.

The schemes identified below specifically relate to Leeds:

Stage 2: Development
<p>A65 Signals: The scheme aims to improve journey times for bus services and general traffic and increase bus use through the installation of new controls at 11 signal junctions along the corridor from Kirkstall (B6157 Savins Mill and Wyther Lane) to the A58 Inner Ring Road.</p>
<p>Temple Green Park and Ride: Due to a high level of current and future demands, this scheme seeks to deliver up to 389 additional parking spaces at the existing Temple Green Park & Ride site, with procurement of an additional park & ride bus service.</p>
<p>A61 (South) Corridor: The scheme consists of a series of improvements along the A639 and A61 between M621 Junction 7 and the junction of A61 Great Wilson Street and Meadow Lane. It includes the provision of new bus lanes along the corridor (in both directions), bus priority measures at signals, improvements to the Thwaite Gate junction, dedicated walking and cycling facilities together with improvements to urban realm and green infrastructure.</p>
<p>East Leeds Orbital Route (ELOR): This scheme is phase 2: East Leeds Orbital Road - a new 7km dual carriageway that will stretch from the ORR at Red Hall round the east side of Leeds to Thorpe Park (A612/A61), joining up with the Manston Lane Link Road. This will be a 50mph route complete with enhanced</p>

landscaping together with pedestrian and cycle infrastructure. Construction is to commence December 2019.

3.11 Transforming Cities Fund (TCF)

The Combined Authority was provided with an update on the TCF Strategic Outline Business Case which is required to be submitted to Government on 28 November. This report seeks approval to delegate the final submission of the November bid to the Managing Director, in consultation with the Chair of Transport Committee.

As part of the Government's Industrial Strategy and the National Productivity Investment Fund, TCF aims to drive up productivity through improved connections between urban centres and suburbs and is a £2.45 billion capital-only fund. The 12 shortlisted non mayoral regions (which includes Leeds City Region) are 'allocated' £1.28 billion over a 5-year period to March 2023 and these areas are able to bid for a share funding – the Tranche 2 'big bids' through submission of a Strategic Outline Business Case (SOBC) by 28 November 2019.

On behalf of the Leeds City Region, the West Yorkshire Combined Authority submitted a SOBC to the DfT, as draft, on 20 June 2019 for a significant share of the £1.28 billion available to the 12 shortlisted areas.

3.12 Tackling the Climate Emergency

The Combined Authority was asked to endorse the work to promote clean growth and tackle the climate emergency, in pursuit of the Leeds City Region becoming net zero-carbon.

The Combined Authority approved the Leeds City Region Energy Strategy and Delivery Plan (ESDP) in December 2018 which aims to reduce the City Region's carbon emissions. WYCA also formally declared a climate emergency in June 2019, strengthened the city region's ambition to become net zero-carbon by 2038, with significant progress made by 2030. The ESDP will be updated to reflect this new target and will act as the delivery mechanism to address the City Region's climate emergency.

The Combined Authority has developed a new corporate approach to embedding clean growth, including reducing carbon emissions and tackling the Climate Emergency. It includes adopting a new clean growth policy, containing a set of principles for all staff to use, and a detailed action plan outlining what the Combined Authority will do as an organisation over the next two years.

The paper further outlines some of the other recent work the Combined Authority has carried out.

3.13 Devolution

The Combined Authority was provided with an update on progress towards securing devolution to Leeds City Region.

Section 3.1-3.8 of this report provides Members with an update on matters related to Devolution.

3.14 Spending Reviews and Local Industrial Strategy

The Combined Authority (CA) was asked to agree the City Region's approach to strategic milestones over the next 12/18 months that will help boost productivity, better connect communities and grow the economy in a clean and inclusive way.

WYCA was asked to note the Convention of the North with NP11 and supported by Government, and its key messages. It was also asked to note the outcome of the 2019 Spending Round and the proactive steps taken to pursue investments for transport, energy, flooding, digital infrastructure and economic services. The CA endorses the outcome of the LEP Board's awayday and agrees the milestones set out in the report to use a new local industrial strategy to target the 2020 Spending Review with developing compelling investment propositions.

3.15 Future Bus Options

The WYCA report states that protecting, developing and improving the bus network for West Yorkshire residents is a key objective of the Combined Authority. The West Yorkshire Bus Strategy 2040 sets out the vision, objectives and bus policies for the Region. It sets out the target to grow bus patronage by 25% in the decade up to 2027.

The paper further highlights that journeys on First West Yorkshire buses constitute 70% of all the bus journeys in West Yorkshire, a further 18% are taken on Arriva services. The outcome of the change in ownership of these companies is of major significance to how people get around the region.

It was therefore recommended as part of the WYCA report, that the Combined Authority explores options to actively respond to this situation and considers options available to invest to secure the continuity and growth of bus services in West Yorkshire. It is understood that the sale of First West Yorkshire and the other First bus operating companies will be undertaken through an open process.

The Combined Authority was asked to consider a range of recommendations as part of the WYCA report. These included exploring options arising from the sale of First West Yorkshire including, but not limited to, potentially participating in the sale.

3.16 Future approach to business finance

WYCA was provided with an update on work in relation to business finance, in particular on future plans for grants and loans.

The Combined Authority and the LEP are currently engaged in work that is developing options for a new loan fund that responds to current market needs.

3.17 Corporate planning and performance

WYCA was asked to note the current position on corporate performance including progress against corporate plan priorities, risk management and budget position and seek comment on these matters. The Combined Authority was also asked to note the work underway on the business plan and budgeting for 2020/21.

In terms of the Corporate Plan 2019/20, the analysis of performance against KPI's to date reflects a positive position. The majority of the KPIs are green, indicating objectives supporting the strategic aims and themes for the region are on track to being achieved.

As with the provisions of the corporate risk management strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly. A summary of the headline strategic risks are included in the WYCA report.

A summary of the 2019/20 current spend to budget as at August 2019 is attached in the Appendices of the WYCA report. A RAG rating has been included to identify budgets that need further review. The report states that work to achieve the agreed savings and reductions continues, alongside managing emerging pressures including Brexit.

Work continues on the detailed business plan for 2020/21.

3.18 Governance report

The Combined Authority was asked to note the appointments to panels and committees confirmed as set out in Appendix 1 of the WYCA report which can be found [here](#).

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

WYCA was asked to consider and approve a range of recommendations in the WYCA report, including as part of its role as the Intermediate Body for the SUD part of the ESIF programme, approve the advice included in the outline assessment forms and any respective conditions and delegate approval to

minor changes to projects where requested by MHCLG to the Director of Corporate Services in consultation with the Chairs of Combined Authority and Investment Committee

3.20 Progress on the Transformation Programme

WYCA was provided with an update on progress in implementing the Transformation Programme.

Since the Combined Authority was formed in 2014, a transformational programme has been implemented to create one integrated organisation from its constituent parts of the LEP, Metro and Leeds and Partners. This work was initially led through the 'One Organisation' change programme.

The One Organisation programme was designed to enable better integration between the development of policy and strategy with effective delivery through robust projects, programmes and services.

Significant work has been undertaken across a range of areas to focus the organisational culture and core values and as a result, the WYCA report highlights these are well embedded across the organisation. ICT improvement projects and digitising services are at various stages in the delivery process with full completion of the programme expected by summer 2020. From mid-October 2019 a range of tools to enable staff to work more flexibly will start to be rolled out across the organisation. Work has also been undertaken in other areas such as to develop policy guidance and toolkits to ensure that there is a consistent approach to the development of internal and external policies across the organisation, as well as enhancing internal governance procedures and supporting the introduction of GDPR.

4. Corporate considerations

4.1. Consultation and engagement

4.1.1. 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

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

4.3. Council policies and the Best Council Plan

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

Climate Emergency

The WYCA paper referred to in Section 3.12 of this report highlights the work of the Combined Authority to tackle the climate emergency, in pursuit of the Leeds City Region becoming net zero-carbon.

4.4. Resources, procurement and value for money

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

4.5. Legal implications, access to information, and call-in

4.5.1. There are no specific legal implications arising from this report.

4.6. Risk management

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

5. Recommendations

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

6. Background documents

None