



Report of the Assistant Chief Executive (Planning, Policy and Improvement)

Corporate Governance and Audit Committee

Date: 10th February 2010

Subject: Leeds City Region – Update on Governance Arrangements

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Introduction

- 1.1 The City Region signed its Forerunner agreement in late November 2010. The detail of the agreement had been negotiated with Government throughout 2009 and will bring a range of freedoms and flexibilities to the City Region.
- 1.2 As previously reported the agreement to take on greater devolved powers was likely to require certain elements of the existing City Region governance to be amended in order that Government can be satisfied that decisions made by the City Region are transparent and accountable.

2.0 Purpose of the report

- 2.1 This report provides an update on the governance revisions being undertaken by the City Region and the likely timescales for these to be completed.
- 2.2 It also identifies two areas of work that this Committee may wish to receive further reports on with respect to how Leeds City Council and wider partners engage with and influence the new Boards once established.

3.0 Leeds City Region Employment and Skills Board (ESB) and Joint Board with the Homes and Communities Agency (HCA)

- 3.1 Throughout the Forerunner negotiations, the City Region Partnership insisted that the form of governance should flow from the functions and powers that the city region receives as part of the agreement and that where possible, governance changes should build on those already established.

3.2 Following the signing of the agreement discussions took place between the Partnership and officials from the government departments that are delegating the powers as to the form of new governance arrangements required.

3.3 Little discretion was given to the Partnership with respect to the nature of the proposed governance arrangements. The following paragraphs set out the arrangements.

Joint Board with the HCA

3.4 The purpose of the Joint Board will be to work collaboratively with the HCA and other relevant bodies, to oversee HCA investment across the City Region, particularly in relation to the next Comprehensive Spending Review Period; oversee delivery of key strategic projects in the City Region; and provide a mechanism for the voluntary alignment of other related public sector resources.

3.5 A new governance model similar to the London Housing Board whereby the responsibility for determining and managing HCA investments is delegated to the City Region Board from the national HCA Board has been agreed by the City Region Leaders Board and the HCA Board. The national HCA Board and the City Region Leaders Board have also agreed the membership of the Joint Board, which will be:

- Chair – Chair of the LCR Housing Panel (currently Leader of City of York Council)
- Vice Chair – a Board Member of the HCA
- HCA – The Regional Director or nominee
- 3x City Region Local Authorities - nominated by the Leaders Board to be elected Members from Kirklees, Harrogate and Leeds (Cllr Andrew Carter)
- Yorkshire Forward - one senior representative

3.6 It is anticipated that this Board will meet for the first time in April 2010.

Further information on developing the LCR HCA Joint Board, Membership and Terms of Reference is attached at Appendix A.

Employment and Skills Board (ESB)

3.7 The ESB will be responsible for developing a Skills and Employment Strategy for the City Region, which will underpin any statutory strategy setting (so-called “Section 4”) powers in respect of adult skills funding. It is anticipated that the Board will direct up to £250million per year funding.

3.8 The City Region Partnership has been working within Government issued guidance setting out criteria for designating individual ESBs as strategy-setting bodies and working with the UK Commission for Employment and Skills (UKCES) which has prepared a draft assessment process for city region ESBs and will be responsible for recommending to the Secretary of State the readiness of the City Region ESB to take on the powers outlined above.

3.9 The City Region Secretariat met with a representative of UKCES in January and based on upon these early discussions, it is envisaged that the UKCES assessment could take place following the first proposed meeting of the full ESB in April. Any

subsequent decision to award Section 4 powers would, therefore, most likely rest with a newly elected Government.

3.10 The Partnership is in the early stages of recruiting the Membership of the ESB, which Government has determined will have representation from private sector employers; place leaders/public sector employers and commissioners, to consist of:

- 6-9 private sector employers to ensure coverage of the key economic sectors driving growth in the City Region.
- Local Authority Representatives – as representatives of ‘Place’ and as key City Region employers, and 1 non-LA public sector employer representative, e.g. NHS
- 1 representative each from the Skills Funding Agency, Jobcentre Plus, Yorkshire Forward. Other, non-executive, partners (such as the National Apprenticeship Service and Young People’s Learning Agency) will be co-opted to attend Board meetings when the agenda is relevant.

3.11 The City Region Leaders Board will be considering Local Authority representation on 4th February.

Draft ESB Terms of Reference and proposed membership are attached at Appendix B

3.12 Longer term work is underway to consider changes in Transport Governance.

4.0 Interface between Leeds City Council and the Partnership Boards

4.1 Further reports will be brought to this Committee on the interface between Leeds City Council and the new City Region Boards.

5.0 Recommendations

5.1 The Corporate Governance and Audit Committee is requested to:

- Note the revised decision making arrangement being developed at the Leeds City Region level for Skills and Housing
- Note that further reports will be provided on the required interface to ensure that Leeds is in a position to engage with and influence the decisions taken by the proposed governance arrangements for the city region.

Attached:

Appendix A: Developing the LCR HCA Joint Board and Terms of Reference

Appendix B: Employment and Skills Boards – BIS Criteria for designating Strategy Setting Boards

Background Documents Used

Leeds City Region (2009) - Impact, Innovation, Leadership – the Leeds City Region Forerunner Plan.

Leeds City Region Joint Committee Agreement.