



Report of Chief Executive

Report to Full Council

Date: 11 September 2019

Subject: Devolution, WYCA & Leeds City Region LEP update

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|--|---|
| Are specific electoral wards affected? If yes, name(s) of ward(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Has consultation been carried out? | <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 |
| Will the decision be open 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

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 August 2019.

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

- This 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-second 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 10 July 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 then Prime Minister, Theresa May 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”.
- 3.8 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 (see attached at Appendix A). 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.
- 3.9 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. At the time of writing this report there has been no response to the letter.

West Yorkshire Combined Authority (WYCA)

- 3.10 The following items were among those discussed at the Combined Authority meeting on the 25th April 2019. WYCA decisions are subject to call-in.
- 3.11 Capital Spending and Project Approvals (recommended by Investment Committee on 11 July 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 £14.470 million when fully approved, of which £11.581million will be funded by the Combined Authority. A total expenditure recommendation to the value of £3.819 million was sought for the development and delivery.

The schemes identified below specifically relate to Leeds.

| Stage 1: Eligibility | Stage 3: Delivery and Evaluation |
|--|--|
| <p>Ultra-Low Emission Bus (ULEB) The scheme will enable seven zero emission electric double decker buses to operate between the proposed Stourton Park and Ride site into Leeds City Centre, supported by two new rapid charging units at Leeds bus station.</p> | <p>Clean Bus Technology Fund The scheme seeks to deliver clean technology to bus fleets across West Yorkshire, to improve emission levels up to Euro 6 standard or better (as required by the forthcoming Leeds Clean Air Charging Zone).</p> <p>The scheme is primarily funded by Defra, with contributions from the Leeds Public Transport Investment Programme and bus operator match fund.</p> |

3.12 HS2 Consultation response

On the 21st August the government announced an independent review into the HS2 programme. The review will look at whether and how the HS2 programme should proceed. Leeds City Council will be submitting a response to the review. The final report from the review will inform the government’s decision on next steps for the project which is expected before the end of 2019.

Before the HS2 review was announced Leeds City Council and WYCA considered their proposed responses to the HS2 Phase 2b Design Refinement Consultation.

The WYCA report provided an update on the proposed response to the HS2 Phase 2b Design Refinement Consultation, which relates to changes to the proposed HS2 route between Woodlesford and the HS2 Leeds station.

The design refinement for the Leeds corridor involves a change to the height of the route on the approach to Leeds from Woodlesford so that the line is mainly on a viaduct, rather than a combination of at ground level, cutting and embankment.

The WYCA report highlights the proposed principles of the Combined Authority’s response. This includes Combined Authority continues to welcome the arrival of high-speed rail, highlighting its potential impact on regeneration and improving connectivity to towns and cities in the Leeds City Region.

The report also states that ‘it is proposed the Combined Authority makes clear that the final design of the viaduct should minimise visual intrusion and noise pollution with enhanced landscaping, high quality design and noise mitigation measures for local residents.’

Leeds City Council proposed response to the HS2 Phase 2b Design Refinement Consultation was discussed at the Executive Board meeting on 24 July 2019. The final council response to Phase 2b Route refinement consultation will continue to welcome the principle of HS2 Phase 2b. The consultation response will also make clear that careful planning is required to ensure that greater attention is paid to all

the project's impacts on communities and the environment. The council's design refinement consultation response will be clear that the current visual information provided by HS2 Ltd on the viaduct proposal is inadequate. The council will press HS2 Ltd as part of our ongoing dialogue to provide this information at the earliest opportunity.

Furthermore, the response asks that visual intrusion is minimised, a high level of noise mitigation is provided, public spaces, green infrastructure and flood mitigation. They also call for a funded development strategy and masterplan to develop areas under and adjacent to the proposed viaduct should be incorporated into the new design.

3.13 Blake Jones Rail Review

Following the May 2018 rail timetable changes and resulting disruption, a joint review led by Councillor Judith Blake on behalf of Transport for North (TfN) and the Minister for Rail at the Department for Transport (DfT) was undertaken to analyse and provide learning from the issues.

The Review was published on 19 July 2019 and identified five recommendations for immediate implementation and a further four recommendations for longer term implementation, and which are made to inform the William Review.

The WYCA report states the five recommendations for immediate implementation can be taken forward without making changes to the governing agreement between DfT and TfN for the co-management of the Northern and TransPennine Express Franchises (the Partnership Agreement), and similarly do not require changes to the existing Northern or TransPennine Express Franchise Agreements.

The five recommendations can be found in the table below

| Recommendation No. | Recommendation |
|--------------------|---|
| 1 | Work with Train Operating Companies (TOCs) on a new 'Passenger Promise' to ensure passengers are the central focus of decisions by the rail industry and the Rail North Partnership. It will set out the standards and behaviours passengers can expect. |
| 2 | A package of measures to provide greater political oversight of the decision-making process within the Rail North Partnership (RNP). This will ensure there is a 'golden thread' between political decision making, implementation by officers, and outcomes for passengers. |
| 3 | Establishment of an Information Protocol with a presumption of maximum transparency while respecting legal and commercial constraints and respective accountabilities of the parties where necessary |
| 4 | Development of an Integrated Forward Plan for the RNP, reflecting the Passenger Promise and new scheme of delegations by establishing a collaborative work programme for the Partnership that brings together its delivery milestones and decision points joined up with the wider rail industry. |

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| 5 | Enhanced resourcing, in terms of both adequate levels and effective use, of the RNP. |
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In addition there are recommendations that rely on more fundamental change in the longer-term, which is the topic of the ongoing William Review. The Blake Jones Review of the Rail North Partnership has therefore made four further recommendations for consideration by the Williams Review as follows:

| Recommendation No. | Recommendation |
|--------------------|---|
| 6 | Whether, and how, a more effective ‘guiding mind’ for rail services in the North that considers system-wide risks and issues can be put in place, and the extent to which devolved bodies could have a greater role in this. |
| 7 | Whether and how there can be a more explicit, integrated focus on the North by Network Rail together with greater accountability to TfN as part of this. |
| 8 | Whether and how future rail services can be integrated across track and train (including how Network Rail and others will strengthen alignment between future service delivery and infrastructure availability) and aligned with the North’s aspirations, as set out in Strategic Transport Plan produced by TfN. |
| 9 | Whether and how further devolution of rail responsibilities to the North will operate within any emerging overall rail industry structure. |

The Transport for the North Board considered an Action Plan to deliver the recommendations of the Blake Jones Review at its meeting on 31 July 2019.

The Combined Authority was asked to endorse the outcome of the Blake Jones Review.

3.14 Medium term financial strategy and budget 2020/21

The Combined Authority was provided with an update on the medium term financial strategy and budget planning for 2020/21.

The WYCA report states that a number of savings and reductions were built into the agreed 2019/20 budget and the budget setting process for 2020/21 will also seek to demonstrate how expenditure delivers against the objectives and priorities of the Combined Authority and its partners.

Work is underway and will progress building on the financial strategy approved previously. The final budget for 2020/21 will be approved at the Combined Authority meeting of 6 February 2020.

As part of the approach to transparency and accountability the Combined Authority intends to undertake a public consultation specifically as part of its budget setting process.

3.15 Corporate planning and performance

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

Corporate Plan 2019/20: The 2019/20 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 WYCA report states, a comprehensive suite of performance indicators has been developed to measure the organisation's specific contribution towards achieving the overarching Corporate Plan priorities. An assessment of progress against these indicators for the first quarter of the 2019/20 financial year has now been undertaken.

Although the result for some of the key performance indicators (KPIs) are not yet available, the analysis of the quarter one results reflect a positive position. The majority of the KPIs are green.

Corporate Risk Update: A Members risk workshop took place on 23rd July involving nominated members of the Combined Authority and the Governance and Audit Committee. The workshop focussed on key factors influencing the risk appetite of the organisation and following these discussions the risk appetite statement is now being considered in light of the feedback received.

Revenue Budget position (2019/20): A RAG rating has been included in the 2019/20 current spend to budget to identify budgets that need further review. There are no 'red' areas of concern to report. Periodic forecasting is being undertaken during the year to track performance against this budgeted position.

3.16 Transforming Cities Fund

As part of this report, the Combined Authority was asked to note a range of recommendations and to also approve the use of capital of up to £3m from the West Yorkshire + Transport Fund Transformation Programme to fund TCF development work in the short term, to place the Combined Authority and partners in the best possible position to deliver the TCF programme.

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 also highlights a West Yorkshire Low Emission Strategy has been adopted by the Combined Authority and all West Yorkshire Partner Councils. This outlines measures to significantly improve air quality across the region and makes a series of recommendations which include planning and new development. WYCA have asked HS2 Ltd to consider this strategy as part of their development.

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 documents¹

6.1 None

7. Appendices

7.1 Appendix A – Letter from One Yorkshire Leaders and Mayors to Prime Minister

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.