

Report of Chief Executive

Report to Executive Board

Date: 19 May 2020

Subject: Devolution Deal for West Yorkshire – Review, Scheme and Consultation

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 checked="" type="checkbox"/> Yes <input 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

- Agreement of the minded-to West Yorkshire Devolution Deal in March was a landmark moment for Leeds and the wider region. The deal offers the opportunity to bring a significant transfer of power and funding from central government to West Yorkshire to further boost our already strong economy, help to transform infrastructure and tackle some of the most pressing challenges including the impact of climate change on Leeds communities.
- Given the challenges everyone in the UK and around the world are currently facing, strong and effective partnerships at a regional and local level are perhaps more important than ever. The proposed deal will help West Yorkshire to build on its already well-established and effective network, bringing councils and the combined authority closer together and more able to respond to the needs and ambitions of people, businesses and others in our cities, towns and villages.
- Following the council's endorsement of the minded-to devolution deal for West Yorkshire, this paper sets out the next stage of the implementation process.
- The paper presents the findings of the statutory governance review to which the council has been party, and details the draft Scheme which has been produced. Executive Board is asked to agree that the Scheme should now be put forward for public consultation.
- The paper also outlines the range of work beginning locally to prepare for devolution in Leeds. This is all geared towards creating an environment in which the council and city can maximise every possible benefit of devolution. The work includes ensuring

proper elected member oversight of devolution, considering potential implications for the council as an organisation, and exploring how councils and the combined authority can work differently to make the most of the new powers and freedoms adopted through the deal.

2. Best Council Plan Implications

- The information and recommendations in this report continue to move the council closer towards achieving its long term objective of securing a good devolution deal for Leeds and the wider region.
- If adopted the deal will play a central role in enhancing the council's ability to respond, working in partnership with others, to the three key pillars which underpin the Best Council Plan – inclusive growth, health and wellbeing, and climate emergency.

3. Resource Implications

- The Deal contains significant levels of new funding for West Yorkshire, including a £38m per year, 30 year gainshare agreement.

Recommendations

Executive Board is asked:

- 1) To consider the Governance Review attached as Appendix 1 to this report and endorse its conclusions, including that an Order under S104 and S105 in relation to the changes to constitutional arrangements considered in the Review and the delegation of additional functions to the Combined Authority, would be likely to improve the exercise of statutory functions in relation to the Combined Authority's area.
- 2) To consider and comment on the draft Scheme for the establishment of the Mayoral Combined Authority, attached as Appendix 2.
- 3) To agree that a public consultation exercise is undertaken on the proposals contained in the Scheme and comment on the draft consultation questions, which are attached as Appendix 3.
- 4) To agree that engagement with the Combined Authority and other constituent councils should progress as described in this report and to agree that the Managing Director of the Combined Authority shall, in consultation with the Leader and Chief Executive of this council, be authorised to take any steps to finalise the preparation and publication of the Scheme and progress the public consultation exercise as set out in this report.
- 5) To note the updated timetable set out in Appendix 4 and the next steps including, subject to the approval by constituent councils and the Combined Authority, the submission of a summary of the consultation responses to the Secretary of State in August / September 2020, and to subsequently consent to any draft Order in September 2020 so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal.
- 6) To agree the proposals outlined in 3.49 around political engagement throughout the devolution process.
- 7) To approve that all decisions taken by Executive Board from this report are exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 4.5.3.

1. Purpose of this report

- 1.1 This report updates Executive Board on the latest stage of the process to implement the West Yorkshire Devolution Deal, agreed between the region and Government in March 2020. It includes information on the outcome of the statutory governance review undertaken (Appendix 1) and asks Executive Board to approve progression to the next phase involving public consultation on the draft Scheme (Appendix 2).

2. Background information

- 2.1 The West Yorkshire “minded-to” Devolution Deal was announced as part of the Budget on 11 March 2020. Subject to consultation and statutory process, this will lead ultimately to the adoption of a mayoral combined authority model with additional functions, and will require an Order of the Secretary of State.
- 2.2 Subsequent to the Budget announcement, each of the five West Yorkshire councils and the West Yorkshire Combined Authority (WYCA):
- Endorsed the “minded to” Deal agreed.
 - Agreed to be party to a Review of the Combined Authority’s constitutional arrangements and of the functions carried out by the Combined Authority of its area pursuant to S111 of the Local Democracy, Economic Development and Construction Act 2009.
 - Authorised the Combined Authority’s Managing Director, in consultation with the Chief Executive of each constituent council, to carry out the Review on behalf of each constituent council and the Combined Authority.
 - Authorised the Combined Authority’s Managing Director, in consultation with the Chief Executive of each constituent council and on behalf of each constituent council and the Combined Authority, to prepare a draft Scheme for consideration by the five constituent councils and the Combined Authority, subject to the outcome of the Review.
- 2.3 In Leeds the decisions noted above were taken on a delegated basis by the Chief Executive following recommendations made by a meeting of the Executive Board, which includes the leaders of the council’s two largest opposition groups. Unfortunately it was not possible to make this a formal meeting, open to the public, at the time as new government regulations surrounding councils’ ability to hold formal public meetings remotely were introduced afterwards. However, the paper considered by board members and the draft minutes were published on the council’s website prior to the Chief Executive formally taking the decisions.
- 2.4 The relevant report and decision notification are [available here](#). This was as a result of Executive Board being unable to meet due to the suspension of meetings in response to the COVID-19 pandemic.

3. Main issues

- 3.1 The Deal will devolve a range of powers and responsibilities from central government to WYCA, supporting the region to drive economic growth and prosperity within its communities and across the north. It will build upon the area’s history of collaboration to maximise this investment and increase its contribution to the national economy.
- 3.2 The Deal will unlock significant long-term funding and give the region greater freedom to decide how best to meet local needs and create new opportunity for the people who

live and work here. This agreement is the first step in a process of further devolution. The Government has committed to continuing to work with West Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling the climate emergency.

3.3 The initial funding for the financial year 2020/2021 will be available prior to the first mayoral election, subject to: the establishing legislation being in place; and a revised Assurance Framework being approved. The revised Assurance Framework will consider opportunities to accelerate decision making at times when a more agile approach is required, including through the officer delegation scheme.

3.4 **Process for enacting the Deal**

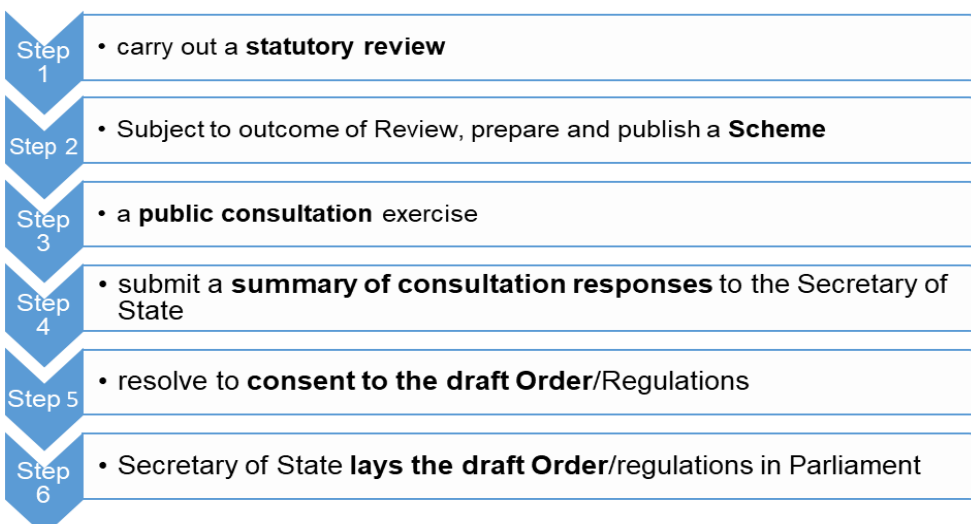
3.5 The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) sets out statutory processes to be followed before an Order is made to provide for:

- a) adopting a mayoral combined authority model (S107A/B)
- b) the Mayor to carry out and delegate mayoral general functions (S107D)
- c) the joint exercise of general functions by the Mayor (S107E)
- d) changes to the constitutional arrangements of a Combined Authority (including voting, membership, funding arrangements) (S104)
- e) delegation of transport-related functions to the Combined Authority (S104)
- f) delegation of some general local authority functions concurrently to the Combined Authority (S105)
- g) delegation of public authority functions to the Combined Authority (S105A), and
- h) the Mayor to exercise functions currently carried out by a police and crime commissioner (S107F).

3.6 Each aspect listed above has a specific statutory procedure to be followed. In addition, the consent of each constituent council and the Combined Authority is required to any Regulations giving the Combined Authority powers to borrow for non-transport functions.

3.7 As part of the decisions noted in 2.3 / 2.4, it was previously agreed that the process set out in the flow chart below be followed. This process addresses all statutory procedural requirements, facilitates an understanding of the overall impact of the changes, and maximises engagement with stakeholders including the public.

3.8 Flow chart of proposed process:



- 3.9 The following sections of the report provide: a summary of the Governance Review; a summary of the Scheme, and detail of the proposed consultation exercise. Full documents are available in the appendices to this paper.
- 3.10 **Governance Review**
- 3.11 Section 112 of the 2009 Act provides that where one or more of the authorities which undertook the Review conclude that the exercise of the power to make an Order under S104 or S105 would be likely to improve the exercise of statutory functions in West Yorkshire, they may prepare and publish a scheme relating to the exercise of the power in question – that is, the making of an order in relation to new transport-related functions, concurrent functions with local authorities, and changed constitutional arrangements (including those changes related to adopting a directly elected mayoral model). A summary is provided here, with the full Governance Review available at Appendix 1.
- 3.12 The Secretary of State may only make an order under S104 or S105 if they consider that to do so is likely to improve the exercise of statutory functions in the Combined Authority’s area. In making any such order, the Secretary of State must have regard to the need:
- To secure more effective and convenient local government for the area; and
 - To reflect the identities and interests of our local communities.
- 3.13 The Review has found that the economic evidence provides a rationale to continue to work across the West Yorkshire area, recognising that it continues to operate as a strong and coherent functional geography in its own right. It has a strong and diverse sectoral mix with significant growth potential, underpinned by notable economic assets and infrastructure, and through its links with the wider Leeds City Region, Yorkshire and the Northern Powerhouse.
- 3.14 Despite its economic successes, West Yorkshire is still a net spender of UK tax revenues, and there are significant challenges in relation to securing its ambitions to promote faster and more inclusive growth, achieving a zero-carbon economy and delivering a 21st century transport system for the area. And there is not enough local control over the policies which affect our economy.
- 3.15 The idea of West Yorkshire authorities working together on a range of transport and economic activities is not new. Leeds City Region was a pilot forerunner city region, the City Deal was secured in 2012 and £1bn Growth Deal was agreed in July 2014. However, even before these developments there was already a strong record of collaboration between councils in the region over many years. The success of the deals noted above has enabled the Combined Authority (established in 2014), the five West Yorkshire councils, and the Leeds City Region Enterprise Partnership (‘the LEP’) to make a strong start and lay the groundwork for this devolution deal.
- 3.16 The minded-to devolution deal represents a significant step forward in delivering more and better jobs to the area. It delivers significant new responsibilities and investment that will benefit our communities and businesses across the region. It means that decisions previously taken centrally can now be taken closer to the people affected and gives the area greater financial freedom and flexibility to manage our investment choices according to local priorities. The MCA will promote local democracy through direct democratic accountability in exercising locally more of the levers of change that will drive economic growth. The review notes that the devolution deal is dependent on the establishment of an MCA and concludes that this is the appropriate mechanism by which the powers and funding proposed can be devolved to West Yorkshire.

3.17 The Review concludes that:

- Current regional governance arrangements – based on a non-mayoral combined authority – do not represent the best model in terms of delivering the long-term ambitions of the authorities within the area for economic growth and delivery of public services;
- There is a limited practical scope for the existing governance arrangements to be meaningfully strengthened, short of creating a mayoral combined authority;
- A change is required to enable the West Yorkshire authorities to pursue their economic policy agenda at greater pace, while continuing to collaborate with the wider Leeds City Region, Yorkshire and the North in pursuit of shared economic objectives; and
- The statutory criteria for preparing and publishing a Scheme are met, i.e. that making an Order under S104 and S105 will likely:
 - Improve the exercise of statutory function in that area.
- In addition, establishing an MCA model of governance for West Yorkshire will:
 - Have a positive impact on the interests and identities of local communities – these proposals build on established regional governance arrangements which cover a coherent functional economic area and which represent the views and interests of local communities; and
 - Secure more effective and convenient local government by reducing complexity and streamlining the delivery of public services within the area.

3.18 The Review proposed that a Scheme is published that confirms:

- Any MCA should cover the area of West Yorkshire;
- A West Yorkshire Mayor would be elected in May 2021;
- The Mayor would become a member of the Combined Authority, and chair meetings of the authority;
- Each council will continue to appoint a member to the new MCA, along with political representatives from opposition groups, and non-constituent members from the LEP and City of York Council would be appointed; and
- The Mayor and MCA will exercise specific statutory functions, and hold some powers concurrently with West Yorkshire local authorities. No functions are being removed from those councils. Where existing functions currently held by West Yorkshire local authorities are to be shared with the Mayor or the MCA, this must be agreed by the constituent councils.

3.19 This final point regarding councils not losing any of their existing powers has been a clear principle from council leaders throughout the process to date, and is clearly set out in paragraph 20 of the Deal itself:

“No constituent council functions are being removed from those councils. Where existing functions or resources currently held by the constituent authorities are to be shared with the Mayor and the Combined Authority, this must be agreed by the constituent councils.”

3.20 The Scheme – outlined below and attached at Appendix 2 – outlines this point in more detail. However as an example, the MCA will be granted powers to compulsorily

acquire land for development and other planning purposes. These powers currently reside with local authorities. Under the proposed new arrangements both organisations will hold the powers concurrently, but in order for the MCA to exercise them it must seek the agreement of the relevant council. Councils will be able to continue to utilise the powers as previously. This principle applies across a range of powers – including on Transport - contained in the Deal, and each is further explained in the draft Scheme attached.

3.21 **Preparing a draft Scheme**

3.22 As proposed within the Review, a draft Scheme has been prepared. The Scheme will form the basis for a revised Order establishing the Mayoral Combined Authority. A summary is provided below with the full Scheme available at Appendix 2.

3.23 In addition to proposals relating to constitutional changes, the delegation of transport related functions and general local authority functions, the Scheme contains proposals relating to the adoption of a mayoral model, and the transfer of functions of a public authority to the Combined Authority, in accordance with S107B(2) and S105B(4) respectively. It contains information on:

- Proposed membership, voting and any other constitutional arrangements;
- Functions to be conferred on the mayoral combined authority and how they are exercised, that is, by the Combined Authority, currently with constituent councils, or by the Mayor (including any constraints or limitations to the Mayor's powers);
- Any changes to the way in which the Combined Authority will be funded, including power for the Mayor to issue a precept, or prudential borrowing powers for functions other than transport;
- Practical arrangements, including and property transfers and ensuring transparency via enhanced scrutiny arrangements.

3.24 It will be important to ensure that any revised sub-regional arrangements secure and enhance effective working arrangements between the MCA and the constituent councils and their democratic arrangements, to facilitate a joined-up and collaborative approach to policy, delivery and decision-making. In addition, local protocols may be established to ensure wider engagement and support for decisions and council approvals.

3.25 The use of additional local protocols to enhance engagement and decision making processes in an MCA model is under active consideration as the devolution process moves forward. It may be possible for the Full Council of constituent local authorities, rather than the respective Leader through their role on the MCA, to take certain decisions – such as approving the annual mayoral budget and approving a regional spatial strategy should one be agreed. While further work is needed to secure these protocols, Executive Board is asked to note that the council will be proposing this approach on those two decisions in question.

3.26 The 'minded to' deal set out that responsibility for West Yorkshire Police and Crime Commissioner (PCC) functions would be taken by the Mayor from 2024. Because the PCC elections have subsequently been delayed until May 2021, there is now an opportunity for any newly elected Mayor to potentially exercise PCC functions in the period after May 2021, rather than from May 2024 as originally proposed.

3.27 **Public consultation**

3.28 It is proposed that once the draft Scheme has been considered by constituent councils and the Combined Authority, and the Scheme is published, a wider public

consultation with business and other stakeholders is undertaken. It is proposed that there is one consultation exercise co-ordinated by the Combined Authority, but that this is led by each council in relation to their district. In addition to the proposals outlined below which will be consistent across the region, the council may also undertake further localised consultation activity in Leeds, dependent on what is possible due to restrictions imposed in order to tackle COVID-19.

- 3.29 Following this, a summary of consultation responses will be brought back to the constituent councils and the Combined Authority to approve before the Scheme is submitted to the Secretary of State.
- 3.30 In line with other Mayoral Order consultations undertaken elsewhere in England, the primary consultation channel used will be an online survey asking respondents their views on the Scheme. The link to the survey and all associated documents will be hosted on the Combined Authority's Your Voice consultation and engagement website, plus West Yorkshire councils' websites and will be co-branded by all partners.
- 3.31 Given the current COVID-19 situation a communications plan will be developed, between the Combined Authority and local councils, to promote the consultation to the widest possible audiences using a range of digital and non-digital channels. These will include a combination of:
- Social media – including paid Facebook content
 - Press releases targeting local and regional media
 - Development of a toolkit so that councils and other partners can promote the consultation via their channels
 - Potential local radio advertising and / or interviews
 - Direct engagement with community networks and equalities groups to improve accessibility
 - Development of an animation and associated assets explaining what devolution means in simple, accessible language
 - Mailshots to target postcodes
 - Direct e-shots to an extensive stakeholder list
- 3.32 Due to the current social distancing guidelines face-to-face consultation channels are not possible. In order to enhance the accessibility of the consultation for groups and individuals who may not be able to access digital channels, a specialist consultant has been procured to support effective targeting of particular postcode areas and equality groups. Contact has also been made with community and equalities groups and business representative organisations to be sure they have an opportunity to respond and share the consultation with their members to gather their views.
- 3.33 To ensure independence of process, specialist consultants have been commissioned to analyse the results and produce the final report. The Consultation Institute have also been asked to provide independent quality assurance and recommendations on the process adopted.
- 3.34 It is proposed that the consultation will launch on 25 May for eight weeks, closing on 19 July.
- 3.35 The proposed consultation questions are available at Appendix 3.
- 3.36 Following the consultation exercise, it is proposed that Executive Board, along with the Combined Authority and four other West Yorkshire councils, receives a report in

August / September 2020 to consider the outcome of the consultation and resolves whether to submit a summary of responses to the Secretary of State.

3.37 **Next steps**

3.38 With regard to next steps, it is proposed that the public consultation on the Scheme is launched on 25 May. Following this, a summary of consultation responses will be brought back to the constituent councils and the Combined Authority for consideration and approval. Once approved the Scheme, along with the summary of the consultation responses and any representations made on behalf of constituent councils will be submitted to the Secretary of State.

3.39 Details of the Scheme would then be embodied in the draft statutory Order to establish a mayoral combined authority, and consents sought in due course from each of the constituent councils and the Combined Authority in respect of the draft Order and any related Regulations.

3.40 **Further considerations**

3.41 **Combined Authority overview and scrutiny**

3.42 On 22 May the Combined Authority's Overview and Scrutiny Committee will hold a briefing session to consider a report which outlines the devolution deal along with the draft scheme, and draft consultation questions. As part of the session, consideration will also be given to future opportunities for overview and scrutiny during the devolution implementation process. In addition, the committee is considering the design of the scrutiny structure in the Mayoral Combined Authority based on lessons learned in West Yorkshire since 2014 and in other MCAs to date.

3.43 **Future of the Yorkshire Leaders Board**

3.44 Throughout the devolution process to date, West Yorkshire Leaders have been clear that while securing a strong devolution deal for West Yorkshire is their immediate priority, it is vital to maintain a collective vision for devolution across the whole of Yorkshire.

3.45 The Yorkshire Leaders Board has been a key vehicle through which the entire region has been able to collaborate over recent months and years. As part of the Deal, Government has committed to continuing to work with all parts of Yorkshire to achieve shared ambitions on devolution, including exploring opportunities for developments beyond the current Deal in the future.

3.46 In order to support this work, and reflecting the strong Yorkshire brand and its cultural heritage, Government will provide £200,000 in 2020/21 to support the more formal establishment of the Yorkshire Leaders Board as a means of facilitating greater collaboration on a Yorkshire-wide basis. This is a positive step in ensuring continued dialogue with Government on the future of the region, and will enable councils and combined authorities to build upon the already excellent cross-border partnership work being undertaken.

3.47 **Preparing for devolution in Leeds**

3.48 The council is working in partnership with the other four West Yorkshire councils and the Combined Authority to undertake the steps needed to implement the devolution deal, as detailed above. However there is also a range of work ongoing locally to prepare for devolution, in particular examining its potential impact on the council and its regional relationships, as well as ensuring rigorous elected member oversight and scrutiny of the implementation process.

3.49 Strengthening political engagement and oversight of the devolution process

- 3.50 The agreement of the minded-to Deal is a significant moment for Leeds and West Yorkshire which, if implemented, will bring about meaningful constitutional change in the region. As a result it is clear that both the Deal itself, the ongoing process to implement it, and the wider work ongoing to prepare locally should all be subject to extensive oversight, input and scrutiny from elected representatives.
- 3.51 The fact that this process is ongoing at the same time as Leeds, like the rest of the world, is facing the COVID-19 pandemic has presented an unexpected challenge to ensuring that proper oversight takes place. It is not possible to simply approach this matter in the normal way given the large degree of disruption that has been caused to council meetings and activities.
- 3.52 As a result a series of proposals are outlined below aimed at enhancing political engagement throughout the process to ensure elected members are able to make their voices, and those of their constituents, heard.
- 3.53 *a) Role of Full Council*
- 3.54 Executive Board will be aware that in normal circumstances the full council would be expected to play a leading role in debating the devolution deal and its implementation in Leeds. Indeed some months ago it was anticipated that full council would hold a meeting to debate each stage of the decision making process. Unfortunately, however, given the current circumstances in which a physical meeting is not possible it will take some time before the technology is in place to facilitate a meeting of all 99 elected members.
- 3.55 That said, the council giving its consent to the final Order – expected to take place in September – is a momentous decision which will affect the city for years to come. As such it is important that full council has the opportunity to debate and vote on that matter most of all. Every effort is being made to ensure the technology, integrated between the remote meeting software and the council chamber, is in place to enable that meeting to take place with all 99 members participating in some way. Further updates will be provided to board members on this over the coming weeks.
- 3.56 *b) Formal scrutiny function*
- 3.57 In the absence of complete meetings of the full council taking place, the role of the council's scrutiny function is crucial in ensuring there is a formal, public-facing channel through which the Deal and associated issues can be fully considered by elected members.
- 3.58 With this in mind proposals have been put together and approved by Scrutiny Chairs to accelerate the resumption of remote meeting of the Strategy and Resources Scrutiny Board so that devolution can be properly scrutinised. In addition, to provide for the broadest possible considerations to be made it has been agreed that the chairs of each of the other scrutiny boards will join these meetings as co-opted additional members. This setup will provide a clear link and opportunity for members of all scrutiny board to feed into the process via their respective chairs.
- 3.59 The first meeting of this Strategy and Resources (Devolution) Scrutiny Board is pencilled in to take place on 10 June. Following that board members will have the opportunity to convene further meetings or working groups to examine specific issues in more detail. All of scrutiny's comments and recommendations will be submitted by the close of the public consultation on 19 July so they can be considered ahead of any submission which may be made to the Secretary of State.

3.60 *c) Engagement with political groups*

- 3.61 While the council's formal process to consider devolution will take place through scrutiny as outlined above, Executive Board will appreciate that there is strong desire amongst both group leaders and backbench members for a wider opportunity for discussion about the deal.
- 3.62 Therefore it is proposed that political groups on the council are offered a session with relevant officers for this to take place. These sessions will need to take place remotely, but the nature of each discussion can be agreed with group leaders / others. As an example it might include a presentation on the key issues, Q and A, and opportunity for discussion and debate between elected members.
- 3.63 Any comments made by elected members can then be taken back and fed into the post-public consultation considerations.
- 3.64 Understanding the impact of devolution on Leeds City Council
- 3.65 Since the beginning of the year a small working group of senior officers has begun to support work led by the Leader of Council to consider the potential implications of the adoption of a devolution deal on the council itself. There is no consistent model of mayoral devolution across the country with each area largely maintaining the flexibility to adopt structures and working practices which are appropriate for their circumstances. For example, the minded-to Deal includes provision for opposition member representation on the MCA, something unique to West Yorkshire. Across the country MCAs also undertake their functions in different ways, with some holding a large amount of direct delivery capacity at a regional level, with others operating more as a commissioning body with delivery functions sitting at local authority level.
- 3.66 As a result of this there are a range of different ways in which the West Yorkshire MCA could be organised. The working group has been considering, from a Leeds perspective, the areas in which there may be an opportunity to strengthen the collective work of both the council and the Combined Authority by fostering closer or more effective joint working between the two organisations. As the implementation process moves forward these discussions will continue and proposals will be brought forward for consideration by elected members at the appropriate time. Elected members will also be contributing directly to these considerations through the channels outlined in the previous section. The thinking being done in Leeds is also being shared with partner councils through the forum outlined in the paragraphs below.
- 3.67 Strengthening regional partnership working
- 3.68 As noted above the nature of partnership working between councils and the Combined Authority is a key aspect of how successful devolution will be in communities across West Yorkshire. Therefore the council is keen to support a deeper understanding across the region of where strengths exist to be built upon and where there are opportunities for councils and the MCA to work differently in order to maximise the benefits of the devolution deal.
- 3.69 With this in mind, Leeds has taken up a role supporting work led by the five council leaders to examine the issue in further detail and produce some options and proposals to be considered, drawing on lessons and best practice from those areas which have been operating an MCA model for a number of years already.
- 3.70 This work is still at an early stage but has had good engagement from all partners so far. Each council has appointed a Director lead to contribute on their behalf, alongside their Leader and Chief Executive, and the Managing Director is involved for WYCA. The Director of Resources and Housing is the officer lead for Leeds.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Details of the proposed public consultation are outlined in paragraphs 3.27 to 3.35, and the proposed questions for this exercise are contained in Appendix 3.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 As outlined in paragraphs 3.31 and 3.32, the Combined Authority has ensured that due regard is given to equality in consideration of the proposals in this paper. Through those considerations it has been recognised that there are potential EDCI implications around the proposed public consultation. This stems from the effects of the ongoing response to the COVID-19 pandemic exacerbating challenges for some individuals and groups in accessing consultation materials.
- 4.2.2 The additional measures taken to respond to this issue and support all those who wish to contribute to the consultation exercise are noted in 3.32. The council will continue to work proactively with the Combined Authority – and the consultant – to ensure the widest possible reach for the consultation.

4.3 Council policies and the Best Council Plan

- 4.3.1 Securing a devolution deal for Leeds and the wider region has been a significant priority for the local authority for a number of years, as set out in the current and previous versions of the Best Council Plan. The Governance Review attached as Appendix 1 outlines the existing economic strengths of West Yorkshire and notes the opportunities that the minded-to deal presents for Leeds. Once implemented the powers, funding and freedoms to be devolved from Government to the region will enhance the council's ability to achieve the strong economy and a compassionate city set out as its vision.
- 4.3.2 Devolution continues to be a highly complex and dynamic policy agenda with a number of potential short, medium and long term implications for citizens, communities and businesses in Leeds. As set out from 3.47 onwards consideration will continue to be given, by both elected members and officers, to the potential impacts of the devolution deal on the council, its functions and policies.

Climate Emergency

- 4.3.3 As part of the Deal text, the Government welcomed West Yorkshire's commitment to becoming a net zero carbon economy by 2038, with significant progress by 2030. Locally, the council remains committed to achieving net zero carbon emissions by 2020, as set out in the March 2019 climate emergency declaration.
- 4.3.4 Although there are no immediate climate emergency implications arising as a direct result of this report, the Review and Scheme consider the potential for MCA governance arrangements to deliver West Yorkshire's clean growth ambitions.

4.4 Resources, procurement and value for money

- 4.4.1 The Deal includes a number of flagship funding arrangements including £38m for 30 years into the West Yorkshire Investment Fund, £317m from the Transforming Cities Fund and control over the £63m annual Adult Education budget. The implications of

these and the other funding provisions contained within the Deal are considered as part of the Review and subject to future reports.

- 4.4.2 It remains a possibility that the establishment of the MCA may have some limited staffing implications for the council. At the current time it is not clear what, if any, these implications may be, but further consideration is being given to this matter as part of the work outlined in 3.47. Any future changes would be subject to discussions with elected members in the normal way.

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

- 4.5.1 Statutory processes need to be followed before any Order or Regulations may be made to implement the Deal.
- 4.5.2 S101(5) Local Government Act 1972 provides that two or more local authorities (defined to include a Combined Authority) may discharge any of their functions jointly and may arrange for the discharge of those functions by an officer of one of the authorities.
- 4.5.3 It is recommended that this report be exempt from the Call In process on the grounds of urgency. Any delay caused by the Call In process would delay the start of the public consultation outlined above, which would in turn have a detrimental impact on the timeline (as set out in Appendix 4) which would need to be achieved for the successful implementation of a devolution deal for the region. It was not possible for the decisions recommended in this paper to be taken earlier due to the time required to undertake the Review and produce the draft Scheme following the previous decisions of constituent councils and the Combined Authority to be party to those activities.

4.6 Risk management

- 4.6.1 The council maintains a risk regarding devolution on the corporate risk register. This takes account of the need to secure a good deal and the opportunities this presents for the city. The risk ensures that any deal to be considered is in the best interests of the people of Leeds.
- 4.6.2 This risk will remain under review as the deal implementation process moves forward to provide assurance that any new or emerging opportunities are effectively assessed and acted upon.

5. Conclusions

- 5.1 The agreement of a devolution deal for West Yorkshire presents a significant opportunity for Leeds and the wider region to use new powers, funding and freedoms to make progress on some of our long-term shared priorities.
- 5.2 The Governance Review that has been undertaken clearly demonstrates that the statutory conditions for the minded-to proposal are met and describes how the adoption of a mayoral combined authority model will benefit West Yorkshire. In the next stage, the proposed consultation exercise provides a meaningful chance for Leeds citizens and other organisations to consider the details of the proposed Scheme and express their views on the future governance of the region.

6. Recommendations

6.1 Executive Board is asked:

- 1) To consider the Governance Review attached as Appendix 1 to this report and endorse its conclusions, including that an Order under S104 and S105 in relation to the changes to constitutional arrangements considered in the Review and the delegation of additional functions to the Combined Authority, would be likely to improve the exercise of statutory functions in relation to the Combined Authority's area.
- 2) To consider and comment on the draft Scheme for the establishment of the Mayoral Combined Authority, attached as Appendix 2.
- 3) To agree that a public consultation exercise is undertaken on the proposals contained in the Scheme and comment on the draft consultation questions, which are attached as Appendix 3.
- 4) To agree that engagement with the Combined Authority and other constituent councils should progress as described in this report and to agree that the Managing Director of the Combined Authority shall, in consultation with the Leader and Chief Executive of this council, be authorised to take any steps to finalise the preparation and publication of the Scheme and progress the public consultation exercise as set out in this report.
- 5) To note the updated timetable set out in Appendix 4 and the next steps including, subject to the approval by constituent councils and the Combined Authority, the submission of a summary of the consultation responses to the Secretary of State in August / September 2020, and to subsequently consent to any draft Order in September 2020 so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal.
- 6) To agree the proposals outlined in 3.49 around political engagement throughout the devolution process.
- 7) To approve that all decisions taken by Executive Board from this report are exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 4.5.3.

7. Background documents¹

7.1 None.

8. Additional information

8.1 The West Yorkshire Devolution Deal (the Deal) referenced throughout the report is [available here](#).

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.