
Report to: Place Panel

Date: 28 July 2020

Subject: **Devolution Progress**

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1. Purpose of this report

- 1.1 To update Place Panel on the work underway to become a Mayoral Combined Authority (MCA) and to implement the 'minded to' devolution deal agreed between West Yorkshire Leaders and Government on 11 March 2020.

2. Information

Context

- 2.1 On 11 March 2020 West Yorkshire Leaders and Government signed a 'minded to' devolution deal for West Yorkshire. The deal sets out a raft of new powers, funding and responsibilities to be transferred from central Government to West Yorkshire, along with the adoption of a directly elected Mayor from May 2021. Key elements of the deal include:
- £38 million per year 'gainshare' for 30 years into the West Yorkshire Single Investment Fund with significant freedoms to spend on local priorities.
 - Control of the £63 million annual Adult Education Budget for West Yorkshire
 - £3.2 million to support the development of a pipeline of housing sites across West Yorkshire
 - Government commitment to work with West Yorkshire to develop a modern mass transit system through access to a new five-year integrated transport settlement – a share of a £4.2 billion fund for mayoral combined authorities
 - £317 million to invest in public transport, cycling and walking through the Transforming Cities Fund with local flexibility on delivery
 - a £25 million fund to support the development of a British Library North in Leeds
 - a Government commitment to deliver flooding schemes worth £101 million

- £500,000 to support master planning for Bradford City Centre in order to maximise the benefits of Northern Powerhouse Rail
 - £200,000 Government funding for collaboration at a Yorkshire-level through the Yorkshire Leaders Board
- 2.2 In order to progress with preparations for becoming an MCA and implementing the devolution deal, a programme of work is underway within the Combined Authority. The MCA Ready Programme comprises twenty workstreams, set out in Appendix 1, themed around three priority areas:
- Preparing the *partnership* of the Combined Authority and West Yorkshire authorities
 - Preparing the Combined Authority as an *organisation* for becoming an MCA and to implement the legal steps
 - Developing the *content* of the 11 March Devolution Deal – the policy workstreams
- 2.3 The MCA Ready Programme runs until May 2021, although the programme to implement the ‘deal’ workstreams will run well beyond this. The MCA Ready Programme Board has been formed within the Combined Authority to oversee the delivery, including external/district representation through the Directors of Development. The governance for the programme is set out in Appendix 2.
- 2.4 Significant progress has been made to date, with highlights including:
- £463,803 Adult Education Budget implementation funding secured from Department for Education to prepare for AEB devolution in 2021
 - £67m allocated through the Government’s Brownfield Fund to invest in priority sites – only possible because of the terms of the deal
 - £200k Government funding received for collaboration at a Yorkshire-level through the Yorkshire Leaders Board
 - Devolution consultation underway with a strong response received so far (3,529 respondents as of 15th July)
 - Scope of the Single Investment Fund principles drafted
 - Feasibility work to enable transfer of the Office of the Police and Crime Commissioner functions
- 2.5 The remainder of this paper provides a more detailed update of progress made to date within the three themes of the MCA Ready Programme.

Partnerships Workstreams

- 2.6 This theme is focused on two key areas:
- Strengthening partnerships between the Combined Authority and our local authority partners, being led by a group of Directors from each West Yorkshire Council.
 - Building on relationships with other MCAs to ensure we can work collaboratively in future.

- 2.7 Both of these pieces of work will feed into and underpin the other workstreams within the programme.
- 2.8 To set a foundation for the first part, an independent piece of work will be commissioned to examine the relationship between West Yorkshire Councils and the Combined Authority, seeking recommendations to ensure devolution is a success in the long term. This reflects the fact that the deal marks a step change in the scale of ambition for regional collaboration, and in the freedoms and resources available to achieve this.
- 2.9 On MCA-level collaboration, meetings have taken place between the Managing Director, West Yorkshire Council Chief Executives, and Chief Executives from other MCAs to discuss lessons learnt.
- 2.10 In addition, to further strengthen MCA-level collaboration, West Yorkshire Combined Authority has been invited to join the 'M9' network, which supports joint engagement between the nine existing MCAs and government. This costs £20k per annum, prorated for 2020/21. Key benefits of membership include:
- A strengthened voice in national level conversations with Government, through coordinated engagement with one MCA voice
 - Support with policy development, drawing together a single MCA-level response to developing agendas
 - Ability to learn from others through information sharing and collaboration across the network.
- 2.11 Noting that collaboration with other MCAs will be an important element with the future way of working, the Combined Authority were asked to approve the proposal to join the M9 group at their meeting on 27 July.

Organisation-ready Workstreams

- 2.12 There is a significant amount of work to be done to ensure the Combined Authority's governance, assurance process and internal systems and processes are ready for becoming an MCA. These workstreams must be complete before the Mayor is elected on 6 May 2021. Work is progressing at pace to ensure the necessary preparations are complete before May 2021. Some of the key areas of progress to date are set out below.

Organisational Systems

- 2.13 The key objective of this workstream is to replace legacy Combined Authority finance and human resources systems with a new integrated system which is fit for purpose and able to support the MCA. This will enable efficiencies to be made, improve management information to aid decision making and deliver future-proofed flexible systems which will be able to adapt to any future organisational changes.

Single Investment Fund (SIF) Principles

- 2.14 As part of the devolution deal, the Combined Authority is required to create a *'fully devolved funding programme covering all budgets for devolved functions'* – a Single Investment Fund (SIF). The draft principles of the SIF have been designed to ensure it supports delivery of the Combined Authority's strategic objectives and provides an opportunity to create a 'single pot' which brings together all of the MCA's funding, that gives greater local freedom and flexibility over how to prioritise investments and is outcome focussed guided by the overarching Strategic Economic Framework.
- 2.15 West Yorkshire authorities have been fully engaged in shaping the draft principles of the SIF to date and a detailed paper was considered at the Combined Authority meeting on 27 July setting out the draft principles.

Deal Workstreams

- 2.16 This theme sets out an implementation plan for taking forward the commitments within the devolution deal itself, many of which are longer-term projects. Significant progress has been made to date in these initial stages and some key highlights are set out below.

Adult Education Budget

- 2.17 As part of the devolution deal, the £63m per year Adult Education Budget (AEB) will be devolved to West Yorkshire. This means the Combined Authority will be responsible for commissioning training for individuals aged 19+ across the region and will give us greater opportunity to ensure that AEB better addresses the needs of employees and individuals across West Yorkshire.
- 2.18 A significant programme of work is underway to ensure the organisation is ready to take on AEB functions from the academic year 2021/2022. Following submission of a funding bid and business case, the Combined Authority has secured £463,803 of implementation funding from the Department for Education for the period 1 April 2020 – 31 July 2021 to support essential implementation costs. This is a clear sign of government commitment to progress with AEB devolution for West Yorkshire and will enable the team to continue to progress at pace.

Mass Transit

- 2.19 As part of the West Yorkshire Connectivity Strategy work, exploratory work for a West Yorkshire Mass Transit system has been underway for some time. Within the devolution deal, Government committed to *"explore the case for funding a modern, low carbon West Yorkshire Mass Transit System"*. The government proposed a £4.2 billion fund for MCAs to bid into, to fund schemes (such as mass transit) between 2022 and 2027.

- 2.20 This commitment from government has given additional impetus to the work and business case development for West Yorkshire Mass Transit, which is now being carefully considered in the context of the COVID-19 pandemic.

Bus Reform

- 2.21 Exploring the options to utilise provisions in the Bus Service Act 2017 is part of the devolution deal and MCA preparations. Buses have a crucial role in West Yorkshire's transport network and are key to providing access to jobs and training and fulfilling wider objectives around inclusive growth and tackling the climate emergency. However, there were already challenges around patronage that have been further exacerbated by the COVID-19 situation, and work is underway to explore how the bus system can be reformed to better meet the needs of passengers and operators.
- 2.22 There is a need to prepare a business case which considers the options for how bus should be delivered in West Yorkshire. At their meeting on 27 July, the Combined Authority considered a full update paper on bus reform, which sought approval for development funding to complete a number of essential technical pieces of work ahead of a more detailed business case to understand the options available.

Housing Pipeline and Brownfield Fund

- 2.23 £3.2m of revenue funding was allocated within the devolution deal to support the development of a pipeline of housing sites across West Yorkshire. The purpose of the revenue funding is to do complete technical baseline studies to explore what is needed to bring each site across the housing pipeline into an investible position, as well as to prepare business cases for capital investment, and this work is underway as part of the MCA Ready Programme.
- 2.24 In addition to this, on 30 June the Prime Minister announced a £67m allocation for West Yorkshire from the Brownfield Fund. This funding was allocated on a per capita basis to MCAs and the £67m, which is to be spent by 2024/25, will provide the capital funding to move key sites within the pipeline forward. The Combined Authority is working collaboratively at pace with West Yorkshire Councils to set out a programme of work for the Brownfield Fund monies.

3. Clean Growth Implications

- 3.1 The clean growth implications are being considered at an individual workstream level. The overall programme seeks to contribute to the successful delivery of the Combined Authority's objectives around delivering clean growth and tackling the climate emergency.

4. Inclusive Growth Implications

- 4.1 The inclusive growth implications are being considered at an individual workstream level. The overall programme seeks to contribute to the

successful delivery of the Combined Authority's objectives around delivering inclusive growth.

5. Financial Implications

- 5.1 A budget will be required for the MCA Ready Programme for essential costs related to the Mayoral Election and delivery of the workstreams to get the organisation MCA-Ready by May 2021. The Combined Authority considered provision for this at their meeting on 27 July.

6. Legal Implications

- 6.1 The legal implications are being considered in detail at individual workstream level.

7. Staffing Implications

- 7.1 The staffing implications are being considered in detail at individual workstream level.

8. External Consultees

- 8.1 As part of the statutory process for transitioning to an MCA, a significant public consultation on the devolution proposals and draft scheme has taken place.
- 8.2 As part of the Adult Education Budget workstream, a public consultation on the AEB Strategy has taken place.

9. Recommendations

- 9.1 That Place Panel notes the progress made to date on the MCA Programme.

10. Background Documents

The papers from the Combined Authority meeting on 27 July, some of which are referred to in this paper, can be found at this [link](#)

11. Appendices

Appendix 1 – MCA Ready Work Areas Summary

Appendix 2 – MCA Ready Programme Governance