

Annual Report 2019/20

Overview and Scrutiny Committee

July 2020



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Introduction

This annual report provides a general summary of overview and scrutiny work undertaken during the 2019/20 municipal year and any conclusions and recommendations made.

What is 'Overview and Scrutiny'?

Overview and Scrutiny (shortened to scrutiny) acts as a check and balance to decision makers at the West Yorkshire Combined Authority, Leeds City Region Enterprise Partnership (the LEP) and their partners. It holds them to account for:

- the policies they adopt
- the money they spend
- the services they provide

Scrutiny **investigates, influences, reports and recommends** ways to strengthen policies, improve services, ensure best value for money and secure long-lasting positive outcomes for local people.

Although scrutiny does not have the power to make or block any decision of the Combined Authority (or the LEP), it does have the power to:

- 'call-in' decisions and make a case for them to be formally reconsidered or changed
- oblige the Combined Authority to respond to its recommendations publicly within two months
- require any member (or senior officer) of the Combined Authority to appear before it

All scrutiny work is led by an independent, politically-balanced group of elected councillors known as the Overview and Scrutiny Committee.

Membership 2019/20

Chair: Cllr Peter Harrand (June 2019 – present)

Members 2019/20

District	Member	Substitutes
Bradford	Cllr Sarfraz Nazir	Cllr Joanne Dodds
	Cllr Rosie Watson	Cllr Carol Thirkill
	Cllr Geoff Winnard	Cllr Naveed Riaz
Calderdale	Cllr Stephen Baines	Cllr Scott Benton
	Cllr James Baker	Cllr Ashley Evans
	Cllr Dot Foster	Cllr Steve Sweeney
Kirklees	Cllr Paul Kane (until Nov 2019)	Cllr James Homewood
	Cllr Paul Davies (from Dec 2019)	Cllr Rob Walker
	Cllr Yusra Hussain (from Nov 2019)	Cllr Michael Watson
	Cllr Richard Smith	
Leeds	Cllr Peter Harrand	Cllr Neil Buckley
	Cllr Jacob Goddard	Cllr David Jenkins
	Cllr Christine Knight	Cllr Kayleigh Brooks
Wakefield	Cllr David Jones (from Nov 2019)	Cllr Harry Ellis
	Cllr Graham Isherwood (until Feb 2020)	Cllr Lynne Whitehouse
	Cllr Betty Rhodes	Cllr Martyn Ward
	Cllr Olivia Rowley (from Feb 2020)	
York	Cllr Stephen Fenton	Cllr Anne Hook
	Cllr Peter Kilbane	Cllr Claire Douglas
	Cllr Edward Pearson	Cllr Simon Daubeney

Spokespersons

This year the committee appointed a few members to act as spokespersons in key policy areas and so that they can maintain oversight of certain issues outside of committee and working group meetings.

Spokesperson(s)	'Portfolio'
Cllr Stephen Baines	<i>Business growth</i>
Cllr Rosie Watson & Cllr Geoff Winnard	<i>Corporate issues</i>
Cllr David Jones	<i>Employment & skills</i>
Cllr James Baker	<i>Environment</i>
Cllr Peter Harrand	<i>Financial & strategic issues (incl devolution)</i>
Cllr Dot Foster	<i>Transport</i>

Chair's foreword

My first year as Scrutiny Chair has certainly been eventful.

There have been developments in many major policy areas from the Skills Commission and potential sale of bus companies to the securing of a long-awaited mayoral devolution deal for West Yorkshire.

Then there was the unexpected and devastating COVID-19 pandemic which has affected the region significantly and presented a number of challenges requiring new ways of working for everyone.

One of my priorities this year has been to ensure that there is an active, strong and properly resourced scrutiny function at a Combined Authority which spends on average £1 million a day and covers a large territory.

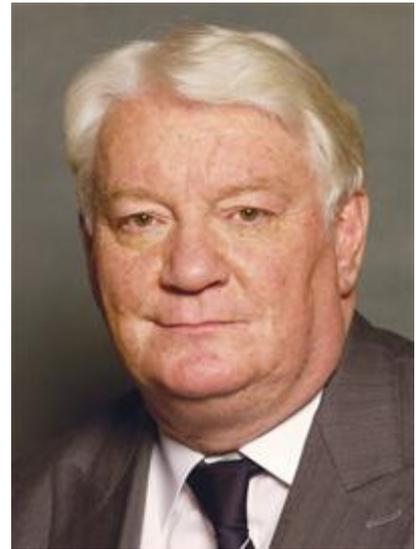
This year, we began looking into options for how we can improve scrutiny and we shall continue this review into the this coming year.

I would like to thank all members of the committee, the officers who support scrutiny in its work and all those who gave evidence to the committee and the working groups this year – their contributions are invaluable.



Councillor Peter Harrand

**Chair, Overview and Scrutiny Committee
West Yorkshire Combined Authority**



Work Programme 2019/20

Scrutiny determines its work programme at the beginning of each new municipal year in June when members choose which issues from previous years to revisit and those coming up in the year ahead they will need to look at more closely.

The Combined Authority and the LEP support scrutiny's work programming by outlining the key pieces of work and significant decisions planned or expected throughout the year.

Every year the Combined Authority and LEP agree a **Corporate Plan**¹ which outlines their ambitions and targets. Last year, the Combined Authority and the LEP committed themselves to four long term ambitions:

1. Enabling inclusive growth
2. Delivering 21st Century transport
3. Boosting productivity
4. Supporting clean growth

Other key priorities for the Combined Authority and LEP in the 2019/20 municipal year included:

- Negotiating a mayoral devolution deal for West Yorkshire in the face of a potential cliff's edge in funding for 2020/21
- Implementing the government's LEP Review recommendations, including resolving geographical overlaps and board representations
- Co-developing a Local Industrial Strategy with the government
- Prepare for the country's exit from the European Union
- Develop a bid to the Transforming Cities Fund for transport infrastructure
- Closely follow developments in rail arising from the HS2 and Blake-Johnson reviews

The work programme of the main committee and its working groups are outlined below and highlights from some of the key issues considered are explained in more detail in the following section.

¹ <https://www.westyorks-ca.gov.uk/media/3362/corporate-plan-18-19.pdf>

Summary of 2019/20 Work Programme

12 July 2019	1. Local Industrial Strategy and Policy Framework
13 September 2019	1. Local Industrial Strategy and Policy Framework 2. Devolution negotiations update 3. LEP review and merger update 4. Budget and business planning for 2020/21 5. Brexit preparations
15 November 2019	1. Apprenticeships and the Skills Commission 2. Draft budget 2020/21 3. Local Industrial Strategy update 4. Devolution update
17 January 2020	1. Sale of bus companies 2. HS2 & Rail reviews 3. Transforming Cities Fund bid 4. Draft budget 2020/21
20 March 2020 (cancelled due to COVID-19)	1. West Yorkshire devolution deal 2. Corporate Plan 2020/21 and budget/performance monitoring
22 May 2020 (held as a workshop due to COVID-19)	1. Consultation – West Yorkshire mayoral devolution 2. Scrutiny arrangements in a mayoral combined authority

Working groups

To support its work this year, the Overview and Scrutiny Committee also set up two working groups to focus on the climate emergency and the evaluation of business grants and support schemes due to end this year.

Working groups are smaller groups of members that undertake scrutiny work outside of committee meetings and then report back to the main committee either through periodic updates at committee meetings and/or with a final end-of-task report when their work is complete.

	Business grants working group	Climate emergency working group
Members	Cllr Stephen Baines* Cllr Stephen Fenton Cllr Rosie Watson Cllr Geoff Winnard	Cllr James Baker* Cllr Kayleigh Brooks Cllr Dot Foster Cllr David Jenkins
Task	To evaluate the performance and outcomes achieved from the business support/grants schemes due to come to an end in the 2019/20.	To scrutinise the actions of the Combined Authority with regards to climate change and the declared climate emergency.

**Lead member*

2019/20 Highlights

This section outlines some highlights and contributions made by scrutiny in 2019/20.

Employment & skills: apprenticeships and the Skills Commission

The Committee invited the Chair of the Combined Authority, Cllr Susan Hinchcliffe, (who also chairs the national Skills Commission) and Chair of the Employment and Skills Panel, Rashik Parmar (of IBM Technology) to discuss their work and answer questions on the employment and skills landscape in West Yorkshire.

The Committee concluded, amongst other things, that:

1. It appeared the **national skills system is fragmented** and responsibilities lie with different organisations such as universities, colleges, health services and private sector employers **and accountability is largely outside of the direct control of local authorities** (and LEPs) – which must rely on good relationships and soft power influence.
2. This lack of direct control over the local system is more noticeable in West Yorkshire than in areas that have mayoral devolution deals, including Greater Manchester, where **mayoral devolution has resulted in greater responsibility for some skills funding** (such as Adult Education Budget) – though, even in these areas there are challenges over the level of funding and still limited remit over the local skills system.
3. **Mayoral combined authorities have access to unique funding** such as ‘gainshare’, akin to revenue funding, which is awarded on a per capita basis and **can be spent at the Mayor / authority’s discretion, including on skills programmes**, in line with its independent strategic priorities.
4. The ‘Future-Ready Skills Commission’, chaired by Cllr Hinchcliffe, has sought to address this imbalance by identifying the main challenges **and arguing for greater devolution and local control over skills**. The Commission released an interim report in November 2019 with the **final report expected by June 2020**.
5. Data on which non-public companies and organisations are subject to **apprenticeship levy (or have unspent funds) is private financial information** that government agencies cannot share with local authorities.
6. Therefore, **the LEP made approaches to employers directly through** an Apprenticeship Levy service which seeks to keep unspent levy funds in the region. **This approach has found some success with some local companies** such as Portakabin. It is the first company to commit funds and will support 12 engineering apprentices who would otherwise have been unable to continue with their courses.
7. It is important to effectively **utilise data to predict future skills demand early in order to supply the necessary skills before they materialise**, instead of being

reactive and also to design a system to ensure a 'pipeline' from education through to employment in growing sectors.

8. **Some challenges in school engagement have been reported** in the past but acknowledged that **the Combined Authority cannot dictate to schools** what they can and cannot do – and must rely on 'soft power' persuasion, relationship building and partnership working.
9. **The LEP/Combined authority is engaged with 184 (over 90%) secondary schools and colleges in the City Region** and a new 'Raising Aspirations' pilot (funded by the Business Rates Pool) has been developed to enable schools to pilot innovative approaches to raising the aspirations of their most disadvantaged young people.
10. Many schools are now part of larger academy trusts. In addition to school governors, **it is important to engage with the chief executives of academy trusts** who set the strategic direction and culture of the schools in their purview.
11. The **reduction in applications for the LEP's Apprenticeship Grant for Employers (AGE)** scheme is likely to have been in part **due to national funding changes** that have had a 'downstream' effect on the uptake in the scheme at a national level.
12. Despite the LEP's desire to do so, **it is not resourced – and does not have the remit - to monitor the apprenticeships** that are supported through the AGE scheme or empowered to influence the quality of them. This remains **the responsibility of the employers, providers and OFSTED.**
13. Whilst there is a lot of focus on connecting young people with new opportunities in the right sectors, **there are still many barriers that stop many people, particularly those not in education, employment or training ('NEETs'), from taking advantage of opportunities and programmes** being created – issues include young people with behavioural problems, people with mental health issues, those suffering from addiction and people involved with social services.
14. The **Combined Authority does not have the statutory remit to get involved in certain services and responsibilities that are legally the preserve of local authorities.** Much preventive work, particularly in social services, took place already within local authorities. The relevant partner authorities – and other bodies, such as the police – already work together on these issues through other forums.
15. The **Combined Authority is a partner authority that is equal to the other local councils** in the region and not above its constituent member councils in a hierarchy. It can **only perform the functions afforded to it either by legislation or, if not covered in legislation, by the consent of its member councils.**

Transport issues: sale of West Yorkshire bus companies, rail reviews and the Transforming Cities Fund bid

The Committee invited the Chair of the Transport Committee, Cllr Kim Groves, to discuss and answer questions on major emerging transport issues in West Yorkshire including the possible participation of the Combined Authority in the sale of the West Yorkshire bus companies.

The Committee concluded, amongst other things, that:

1. There is a **serious disproportion** in that **the Combined Authority spends around £70 million a year** (almost a fifth of its total spending) on bus services but **has very little control over the bus network**.
2. The **Combined Authority needs some degree of increased control over bus services if it is to deliver on its strategic objectives and promises**, such as increasing bus use, budget efficiencies in subsidies and tackling climate change.
3. The **Combined Authority is right to pursue all legal and feasible options** – pending technical advice – in order to **participate in the expected sale of bus companies in West Yorkshire**.
4. First West Yorkshire is largely profitable but there is a **disparity across districts where some urban areas, such as Leeds, are more profitable for the company than other areas**. Any buyer will seek to maximise commercial value, which is bigger in urban areas than in rural areas.
5. First is a large local employer and **any implications for employees must be taken into account regardless of what happens next**. It was felt that the **large pension deficit liability might be one of the possible factors behind the First company being put up for sale** and that this must be taken into account by any buyer or participant in the sale.
6. Legally speaking, the Bus Services Act 2017 says **a combined authority cannot form a company itself, or with others, to operate buses**. However, the Act is silent on whether a combined authority can purchase shares in a company that might run bus services.
7. **Participation is not limited to an outright purchase of the company**. It could consist of **purchasing strategic assets such as the bus depots**, which are essential to managing bus services. In Greater Manchester, Transport for Greater Manchester (TfGM) is considering purchasing the bus depots and franchising the services.
8. Franchising allows the authority to choose services, routes and fares but **only mayoral combined authorities can franchise bus services**. For non-mayoral combined authorities, the consent of the Secretary of State for Transport is required.
9. Like the issues in Northern rail, **the idea that public ownership or franchising of bus services is a magic bullet should be dispelled**. There is no cost-free or

quick solution to improving the bus network, including franchising. In any case, further public funding will be needed with investment in infrastructure and logistics.

10. There is still a large disparity within West Yorkshire in terms of transport infrastructure which limits some communities' options. **Many areas are lacking clean buses which Leeds has in abundance and other areas lack rail stations to access rail.**
11. Reliability and affordability are the public's priorities. **The current system is broken and buses are too unreliable and expensive**, especially if travelling on multiple buses and companies on a route. **Taxis are often cheaper and more reliable.**
12. **One large element in bus reliability is road traffic.** Work has been ongoing for some time on key bus route corridors to identify improvements in road infrastructure to help buses shorten journeys and time spent in traffic. **Infrastructure improvements on a corridor-by-corridor approach could be as transformative for West Yorkshire buses as any change in ownership or control of services.**
13. Despite the long-term downward trend in people using buses since the 1980s, there is still an optimism that bus patronage can be increased – particularly by targeting young people.
14. The **Combined Authority's simple-rate daily 'MyDay' ticket concession aimed at young people has led to a 55% increase in bus use** in that demographic. There is also other best practice to learn from in the North, such as in Liverpool where patronage has increased by 12% - though this requires further study.
15. While the Combined Authority has long argued for a mass transit system in Leeds and West Yorkshire, they do have an effect on bus services. **Greater Manchester has seen some issues of competition between tram and bus services.**
16. A need for increased reliability is something the public share with businesses and employers. An affordable, reliable bus network gets people to work on time, anywhere in the region. **The possibility of businesses and developers contributing to funding services should be explored more closely.**

Next steps in 2020/21

Next year, scrutiny will focus on mayoral devolution preparations and the implementation process – while maintaining an overview of other organisational developments, such as COVID-19 recovery plans.

West Yorkshire mayoral devolution

Mayoral devolution is the biggest change to the Combined Authority since its establishment in 2014 and scrutiny has a clear responsibility to scrutinise and maintain oversight of mayor ready preparations this year.

The public, central government and local authority partners will also expect that appropriate scrutiny and oversight of devolution and its implementation will take place.

Scrutiny's input into governance & decision-making arrangements, scrutiny arrangements, the assurance process & framework, financial arrangements & strategy and organisational planning in particular might be productive.

COVID-19 recovery

COVID-19 is one of the biggest crises the region has had to contend with in generations. The full implications of COVID-19 on the region and its economy are still to be determined but it is already clear that it will have a significant long-term impact.

The government has identified the Combined Authority as a key partner in the region's economic recovery efforts which will be overseen by a new West Yorkshire Economic Recovery Board, which is a working group of the West Yorkshire Combined Authority and brings together the region's local authority leaders with representatives from key partnerships and stakeholders.

Postponed reviews into business grants and climate emergency

Just prior to the outbreak of COVID-19 in the UK, the **climate emergency working group** had begun speaking to key private sector members and local academics and experts in order to gain some insight into what work on climate change is being done and what could be done better. Although COVID-19 interrupted the initial work, the committee has resolved to follow up on this issue in the coming year and finish its review and report.

The **business grants working group** had also just completed the evidence gathering stage of its review into the business grants and support schemes by making a series of site visits to local businesses across the city regions to interview SME business owners before the lockdown was imposed as a result of the COVID-19 outbreak. This naturally affected not just the review but the economic conditions and the experience of businesses that the review was investigating. Consequently, the committee will await the working group's interim report before determining next steps.

Find out more and get involved

Find out more about scrutiny at the Combined Authority and view agendas, reports and minutes, please visit the website here: <https://westyorks-ca.gov.uk/>

Scrutiny committee meetings take place in public and anyone is welcome to attend.

Get in touch

Scrutiny is keen to hear from members of the public on issues of concern in the West Yorkshire and York area that relate to the functions and responsibilities of the Combined Authority and Leeds City Region Enterprise Partnership (LEP).

You can contact scrutiny:

By email: scrutiny@westyorks-ca.gov.uk

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