
Report to: Overview and Scrutiny Committee

Date: 22 January 2021

Subject: **Devolution Update**

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1. Purpose of this report

- 1.1 To update Overview and Scrutiny Committee on work underway to become a Mayoral Combined Authority 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.
- 2.2 In order to progress with preparations for becoming a Mayoral Combined Authority (MCA) and implementing the devolution deal, a programme of work is underway within the Combined Authority. The Mayoral Combined Authority Ready Programme ('MCA Ready Programme') is comprised of a number of workstreams, themed around three priority areas:
- Workstreams for preparing the *partnership* of the Mayoral Combined Authority and West Yorkshire authorities
 - Workstreams to prepare the Combined Authority as an *organisation* for becoming a Mayoral Combined Authority and to implement the legal steps
 - Workstreams to take forward the *contents* of the 11 March Devolution Deal – the policy workstreams
- 2.3 The full list of workstreams which make up the programme is provided as Appendix 1. To effectively manage a programme of this breadth and

complexity, robust governance arrangements are required to keep track of the workstreams, ensure risks and issues are appropriately escalated and to make decisions at the strategic level. To this end, the MCA Ready Programme Board has been formed within the Combined Authority to oversee the delivery of the MCA Programme. A full risk register has been developed for the MCA Ready Programme and the individual projects within it, and this is reviewed by the MCA Ready Programme Board on a regular basis to ensure risks are effectively monitored and mitigated. A summary of the MCA Ready Programme risk register is provided as Appendix 2. This paper provides an update on the progress made to date across the MCA Ready Programme.

Mayoral Order

- 2.4 In order to implement the devolution deal, the Combined Authority and partner councils have been undergoing a statutory process to enable a Mayoral Order to be Made. The Mayoral Order is the piece of legislation which will create the Mayoral Combined Authority. The full timetable of the Mayoral Order process is set out below. Steps 1-6 have been carried out to date, culminating in the Mayoral Order being Laid in parliament on 17 December 2020. The next stage is for the Order to be debated in parliament and Made in January / February 2021 (the point at which the organisation formally becomes a Mayoral Combined Authority).

Table 1: Timetable of Mayoral Order Process

Step	Action / Decision	When – proposed timescales	Who
1	Carry out statutory Review	April - May 2020	Each Constituent Council and the Combined Authority jointly
	Consider Review outcome and resolve: - that an Order would be likely to improve statutory functions - agree Scheme for publication - agree to consult public on the Scheme	w/c 18 May 2020	Each Constituent Council, and the Combined Authority
2	Publish Scheme	25 May 2020	Constituent Councils and the Combined Authority jointly
3	Consultation	25 May 2020 - 19 July 2020	Constituent Councils and the Combined Authority jointly
4	Consider outcome of consultation and resolve to submit a summary of responses to the Secretary of State	1 - 8 Sept 2020	Each Constituent Council and the Combined Authority
5	Secretary of State approves proposals set out	Nov 2020	Secretary of State

	in Scheme and decides to lay draft Order/Regulations		
5	Consent to draft Order	w/c 23 Nov 2020	Each Constituent Council and the Combined Authority
	Draft order scrutinised by the JCSI legal advisers	Nov 2020	Joint Committee on Statutory Instruments
	Final consent to the order sought	15 Dec 20	Constituent Councils and the Combined Authority by delegation
6	Order Laid	17 Dec 2020	Secretary of State
	Order Made and final deal published	Jan / Feb 2021	Secretary of State
-	Notice of Mayoral Election	25 March 2021	Mayoral Combined Authority
-	Mayoral Election held	6 May 2021	Mayoral Combined Authority

Partnerships Workstreams (1-2)

- 2.5 Partnerships is one of the themes of the MCA Ready Programme and a range of work is underway in this area to help prepare for devolution implementation. This is focused on two key areas:
- Maximising our relationships with other Mayoral Combined Authorities to gain learning / best practice to feed into the delivery of the Programme, and to ensure we can work collaboratively in future.
 - Strengthening relationships between the Combined Authority and local authority partners, including how we can operate better as a partnership in the future. This work is being led by officers from each West Yorkshire Council.
- 2.6 To date, a range of conversations have taken place between Combined Authority officers and officers at other Mayoral Combined Authorities across England and the outputs of these have informed the development of key workstreams including Electoral Preparations, Workforce Planning and Single Investment Fund. In addition, to further strengthen MCA-level collaboration, West Yorkshire Combined Authority has joined the 'M9' network which supports joint engagement between the nine existing MCAs and government and enables us to work with other MCAs in a collaborative and effective way.

Organisational Readiness Workstreams (3-11)

- 2.7 Work is underway in a number of areas to ensure the organisation is ready to exercise its new duties and responsibilities as a Mayoral Combined Authority. Some key areas of progress are set out below.

Electoral Preparations

- 2.8 Combined Authority officers are working closely with colleagues at Leeds City Council to prepare for and execute the Mayoral Election scheduled for 6 May 2021. It has been agreed that Tom Riordan, Chief Executive of Leeds City Council, takes on the Combined Authority Returning Officer (CARO) role given the wealth of experience of running elections within the region. Ben Still,

Managing Director of the Combined Authority, will act as a Deputy CARO. The Combined Authority, in partnership with West Yorkshire local authorities, will lead on strategic communications for the Mayoral Election, including the production of the statutory election booklet which is required to be distributed to all registered voters in West Yorkshire.

- 2.9 Combined Authority officers are working to understand the implications of a potential delay to May elections, as well as the impact of the need for social distancing resulting from the Covid-19 pandemic and the national lockdown measures which are currently in place. An assessment of the practical arrangements necessary, as well as the possible mitigations for the MCA programme and Devolution Deal implementation is ongoing and a risk assessment is being conducted.

Organisational Systems

- 2.10 Work is underway 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 Mayoral Combined Authority. 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.

Workforce Planning

- 2.11 As part of the preparation to implement the devolution deal, a review is being conducted to ensure that the Combined Authority has the appropriate structures and skills in place to exercise its new functions and responsibilities. For example, a new team has been developed and recruited to deliver the Transforming Cities Fund programme, and this is already in place to support the tight delivery timescales of the programme.
- 2.12 Within this workstream detailed planning is also underway for the central support functions which will be required once the Mayor is in post. This has been informed by learning from other MCAs and includes a Mayor's Office and central Casework and Correspondence function.

Single Investment Fund

- 2.13 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). Work is ongoing to design the operating principles of the SIF along with the West Yorkshire Investment Strategy. 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 Mayoral Combined Authority'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. All investments made through the SIF and

WYIS will be subject to assessment through the Combined Authority's Assurance Process.

Transfer of Police and Crime Commissioner Functions

- 2.14 The agreed devolution deal committed to the functions of the Police and Crime Commissioner (PCC) transferring to the Mayoral Combined Authority. It was agreed that this transfer will take place in May 2021 at the same time as the Mayoral Election, to enable a single election to take place for a Mayor who will also take on PCC functions from the start of their term. This also involves the transfer of some staff from the Office of the Police and Crime Commissioner (OPCC) across to the Mayoral Combined Authority.
- 2.15 Following the conclusion of the external due diligence exercise that there are no insurmountable barriers to the transfer of PCC functions to the Mayor at the time of the 2021 election, dedicated programme resource has been put in place to lead the transfer work across the Combined Authority, the OPCC and West Yorkshire Police. The transfer is intended to bring no significant changes to ways of working for OPCC staff or Combined Authority officers.
- 2.16 The transfer workstreams have been scoped, and subject leads in each of the three organisations are working closely together to deliver the transfer without impact on business as usual or disruption to provision of vital services. These nine workstreams comprise the transfer programme:
- Staffing Transition
 - ICT and Information Governance
 - National Police Air Service Transfer
 - Business Continuity including Shared Services
 - Procurement and Contract Management
 - Governance and Decision Making, Collaboration Agreement, Internal Audit
 - Land, Assets and Rights
 - Communications
 - Transfer of Financial Function
- 2.17 Project governance is in place to monitor progress and advise on the strategic decisions necessary for such a transfer, with a senior level project board meeting regularly in this regard.
- 2.18 A series of staff engagement sessions are being held with OPCC staff who are due to transfer, and similar communications are being held with Combined Authority officers as part of the MCA programme communications strategy. It is vital that the cultural impact of any transfer is not underestimated, and that officers understand the valuable role they play serving the West Yorkshire region.

Assurance Framework

- 2.19 An extensive review of the Combined Authority's Assurance Framework has been undertaken to bring it in line with the requirements of a Mayoral

Combined Authority and the assurance of projects within the SIF. This has included consultation with local authority partners to understand how the Assurance Framework can be improved to enable timely decision making whilst also upholding the required rigorous standards of assessment. The updated document was submitted to the Ministry of Housing, Communities and Local Government for review in early December for approval in January 2021.

Devolution Deal Workstreams (12-20)

- 2.20 A number of areas are set out in the West Yorkshire Devolution Deal which require the Combined Authority to take on new powers, responsibilities and functions across a range of policy areas. One of the requirements of the devolution deal is that an implementation plan is developed which covers each policy area included within the deal. This must be complete in advance of the Order being Made and work on this is underway.
- 2.21 An update across key areas of progress within the devolution deal workstreams is set out below.

Adult Education Budget

- 2.22 As part of the devolution deal, the circa £63 million per year Adult Education Budget (AEB) will be devolved to West Yorkshire. This means the Mayoral Combined Authority will be responsible for commissioning training for individuals aged 19+ across the region and will give greater opportunity to ensure that AEB better addresses the needs of employees and individuals across West Yorkshire.
- 2.23 Taking over control of the Adult Education Budget means the Combined Authority will be able to make sure that skills provision in West Yorkshire supports adults to develop the skills they need to enter and stay in work, or enrol in an apprenticeship, traineeship, or other learning and meets the needs of the region's businesses.
- 2.24 AEB funding will be used to make learning more inclusive and increase the supply of skills to support key sectors, improve West Yorkshire's resilience by identifying and delivering the skills needed for the future, and benefit the 380,000 people - or 26% of West Yorkshire's working age population - who have low or no qualifications.
- 2.25 A programme of work is underway to progress with the implementation of AEB. Key progress to date includes development of the [AEB Strategy](#); confirmation of the governance arrangements for the devolved AEB, which was agreed at Combined Authority on 27 November; and completion of the first round of commissioning for providers.
- 2.26 The AEB Strategy was endorsed by the Combined Authority on 4 September and sets out the strategic objectives for AEB in West Yorkshire, which were shaped through public consultation:

- To increase the supply of skills to support key sectors in West Yorkshire
- To improve West Yorkshire's resilience by identifying and delivering the skills needed for the future
- To make learning more inclusive to support disadvantaged residents and widen the pool of talent for business
- To support the unemployed to gain and sustain employment
- To unlock progression opportunities and career adaptability through skills, particularly for those on low wages and with insecure work

Transforming Cities Fund

- 2.27 As part of the Devolution Deal, a £317m allocation was awarded to support the Leeds City Region's Transforming Cities Fund (TCF) programme. TCF is an ambitious programme of public transport and active travel interventions across the region, and the £317 million Department for Transport allocation represents £24.8 million more than the 'low' scenario included in the Strategic Outline Business Case for investment. In order to realise the full ambition of the programme, the Combined Authority agreed at its July 2020 meeting a mechanism to enable the full West Yorkshire programme to be funded by drawing down up to an additional £164.5m through gainshare funding.
- 2.28 Extensive work is ongoing between the Combined Authority and local authority partners to progress business cases for the 22 packages of interventions within the programme. This is supported by an expanded Combined Authority Transforming Cities Fund team and governance structure which includes all partners.

Mass Transit and Connectivity Plan

- 2.29 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 has proposed a £4.2 billion fund for Mayoral Combined Authorities to bid into, to fund schemes (such as mass transit) between 2022 and 2027.
- 2.30 In this context, a West Yorkshire Connectivity Investment Plan has been produced which makes the case to Government for longer-term local transport budgets to deliver these improvements, including unlocking the government's infrastructure fund linked to the West Yorkshire devolution deal. The plan covers bus, rail, cycling, walking, mass transit, digital demand responsive transport, other innovative solutions and car, with the intent to enhance economic performance by connecting all of our important places, and in doing so, help deliver inclusive growth by giving particular attention to the connectivity needs for our currently more disadvantaged and peripheral communities.

- 2.31 At their meeting on 10 December the Combined Authority agreed to commence public and stakeholder engagement on the Connectivity Investment Plan in January 2021.

Housing Revenue Fund

- 2.32 The Devolution Deal included a £3.2m allocation of revenue funding for the development of sites within the West Yorkshire Strategic Sites Pipeline. A funding profile has now been agreed with the Ministry of Housing, Communities and Local Government for £250k of this to be spent in the current financial year 2020/21. Work is ongoing between the Combined Authority's housing policy team and district partners to identify projects where spend will be possible within this timeframe.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the Overview and Scrutiny Committee notes and comments on the report.

8. Background Documents

[Devolution Deal for West Yorkshire
AEB Strategy](#)

9. Appendices

Appendix 1 – MCA Ready Programme Workstreams
Appendix 2 – MCA Ready Programme Risk Summary