

**MINUTES OF THE MEETING OF THE CORPORATE SCRUTINY  
COMMITTEE HELD ON FRIDAY 24 NOVEMBER 2023 IN CONFERENCE  
ROOMS 1/2, WELLINGTON HOUSE, 40-50 WELLINGTON STREET,  
LEEDS, LS1 2DE**

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**Present:**

Councillor Alun Griffiths	Bradford Council
Councillor Ralph Berry	Bradford Council
Councillor Bob Felstead (substitute)	Bradford Council
Councillor Katie Kimber (substitute)	Calderdale Council
Councillor Brenda Monteith	Calderdale Council
Councillor Susan Lee-Richards	Kirklees Council
Councillor Jo Lawson	Kirklees Council
Councillor Barry Anderson (Chair)	Leeds City Council
Councillor Jane Dowson	Leeds City Council
Councillor Paul Wray	Leeds City Council
Councillor Samantha Harvey	Wakefield Council
Councillor Richard Forster	Wakefield Council
Councillor Andrew Waller	York City Council

**In attendance:**

Khaled Berroum	West Yorkshire Combined Authority
Patrick Bowes	West Yorkshire Combined Authority
Sarah Eaton	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Anna Woodhouse	West Yorkshire Combined Authority

**12. Apologies for absence**

Apologies for absence were received from Councillors Mike Barnes, David Nunns, Rahat Khan, Moses Crook, and Betty Rhodes.

Councillors Bob Felstead and Katie Kimber substituted for Councillors Nunns and Barnes, respectively.

The meeting was confirmed as quorate with 13 members present (out of 11 needed for quorum).

**13. Declarations of Disclosable Pecuniary Interests**

There were no declarations of disclosable pecuniary interests.

#### **14. Possible exclusion of the press and public**

There were no items requiring the exclusion of the press and public.

#### **15. Minutes of the meeting held on 22 September 2023**

**Resolved:** That the minutes of the meeting held on 22 September 2023 be approved, following amendment to mark Cllr Waller as present.

#### **16. Chair's comments and update**

The Chair updated the committee on the meetings he, and the Deputy Chair, had held since the last meeting including a meeting with the independent Chair of the Audit Committee, Debbie Simpson, to discuss and review the CA's risk and assurance processes and appetites.

The Chair and Chief Operating Officer also provided a verbal update on the government's newly published Level 4 Devolution technical document and accompanying Scrutiny Protocol.

- Level 4 (L4) devolution was announced alongside the Autumn Statement, and WYCA is currently on L3 devolution, which is the highest except for the "trailblazer" schemes.
- The government also announced new MCAs and new non-mayoral county combined authorities ('CCAs').
- The government published a "menu" of potential new powers and funding streams and MCAs have been given until the end of January to write to government confirming they a) want new powers and b) which powers they want.
- Currently only Greater Manchester and West Midlands are on "trailblazer schemes" which include departmental style single-pot funding arrangements, which the government has released an MOU on.
- The soon to be created North East Combined Authority (NECA), currently replacing the North of the Tyne CA and including the south Tyneside authorities, will also become a "trailblazer" authority due to previously negotiated commitments between the North East and the government.
- The L4 devolution deal which WYCA can apply for is expected to move towards the single-pot funding arrangements in the near future, as has been offered to GMCA, WMCA and NECA.
- L4 deals will require demonstration of enhanced scrutiny arrangements, along the requirements in a new 'Scrutiny Protocol' (also published alongside the Autumn Statement and L4 devolution technical document).
- The Scrutiny Protocol includes around 20 "key principles" which cover a range of areas including committee structure, substitutes, allowances, pre-decision scrutiny, performance monitoring, review groups, and resources.
- Officers may be possible to identify some "quick wins" that can be employed more immediately such as Mayors Question Time with

members of the public and possible attendance of scrutiny chairs at main Combined Authority meetings.

The Chair suggested, and the Chief Operating Officer welcomed, that scrutiny should establish a working group, consisting of members across the three scrutiny committees, to review the current scrutiny function and suggest a pathway with how it can improve to be compliant with the Scrutiny Protocol.

**Resolved:**

- (i) That the Chair's verbal update be noted.
- (ii) That the Chief Operating Officer's verbal update on devolution be noted.
- (iii) That an item and report on Level 4 Devolution be provided at the next meeting on 19 January 2024.
- (iv) That a working group, consisting of scrutiny members from all three scrutiny committees, be established to review the government's Scrutiny Protocol and make recommendations to ensure that the Combined Authority's scrutiny function is compliant with its requirements.

## **17. Budgets and Finance**

The Director of Finance and Commercial Services provided a report summarising the latest position of the budget, finances and spending.

Following discussion and questions, the following points and conclusions were made:

### **1. Transport Levy refund:**

- In the past it was agreed that an element of the Transport Levy would be used annually to build up a reserve for the Transport Fund.
- Since delivery of Transport Fund schemes has been slower than anticipated due to various reasons, it became possible to release funding back to the local authorities for the time being.
- The reserve will be built back up over time in future years as the Transport Fund schemes, the funding was originally earmarked for, progress.
- York is covered by a separate legal agreement.
- The Transport Levy is paid to the Combined Authority from their resources, so the refund back to the councils can be spent on whatever the councils want to spend it on.
- This decision was taken by the Mayor, Leaders, and Combined Authority Members as one of many possible options, including possibly spending on subsidising more bus services – but other funding from government was made available for bus services.

- The transport levy couldn't be spent on other CA function areas, such as housing or skills, as it is ringfenced for transport schemes, which is something that could be communicated better to the public.
2. **Inflation tolerance and risk management:** The impact of cost inflation on schemes and the capital programme remain a risk, and the longer and more complicated a scheme, the greater the impact of inflation. There was a review of capital programme schemes last year, to reorientate various phases of delivery in light of additional costs and inflation contingencies are factored into the tolerances in the approved finances for schemes; but as inflation constantly changes, these must be kept under review. The inflation allowance for next year's budget can be outlined and explained in more detail during the budget workshop in January 2024.
  3. **Other potential risks for the capital programme:** Other than cost inflation risks, other risks include staff capacity at CA and local authority level, since the schemes are local authority schemes which are delivered by the local authorities' staff – and in addition, any separate financial and delivery risks posed to the delivering authority. There is also a risk of new capital funding being announced by government which will require bidding proposals to be put together and then delivery of schemes within a short window, usually a year, which would require redeployment of resources from other schemes to prioritise the schemes with the nearest deadlines.
  4. **Borrowing and interest:** The CA's treasury management function is done through Leeds City Council and all elements including risk management are co-designed with their treasury management team. There has been a higher-than-expected return on interest from bank deposits, which has been reallocated into some capital programme support.
  5. **Brownfield Housing Fund underspend:** The scheme had a slow start due to the constraints of the funding and complex nature of the schemes and programme design, which focus on helping unlock developments which are usually less viable and more difficult, and joint delivery with private sector partners. Despite its slow start, current projections show that it is on track to spend by Summer 2025 when the programme is due to conclude. There were also other initial issues with staff capacity, as reported at the last meeting during the corporate performance item, but the current recruitment issues are not unique to WYCA and the team in place has been successful in progressing many schemes since the date of the data presented to the last committee meeting.
  6. **Risk of unspent money returned to government:** Technically there is a risk that funds not spent in line with the required timescales may need to be returned to the government, and many of the CA's schemes are bigger complicated infrastructure schemes so there is a risk. The relationship with government and civil servants is good and

communication is frequent. So far, no money has ever had to be paid back and the departments have been understanding and flexible in understanding where there are overlaps between financial years and when delivery is expected down the line.

**Resolved:**

- i) That the report and the Committee's feedback be noted.
- ii) That a workshop be arranged at an appropriate item in January for the Committee to scrutinise the latest draft 2024/25 budget so that any suggestions can be reported to the 1 February CA budget meeting.

**18. Gateway Review Update**

The Head of Research and Intelligence presented a report providing an overview of the government's ongoing Gateway Review of the Transport Fund (2<sup>nd</sup> review) and Gainshare spending (1<sup>st</sup> review).

The discussion covered the following points:

1. **Analysis of evidence and outcomes:** The evidence being gathered is mainly focused on economic outcomes, productivity and growth – not just financial. Evidence is gathered by surveying businesses and residents near the sites of the schemes to understand the impact of the schemes on the area and whether they achieved their stated goals. There is also “counter-factual” analysis, which is far more difficult, which tries to determine what would have happened if that scheme was not built or implemented. The main conclusions are based on justifiable argumentation as to whether the scheme had a *likely* impact.
2. **Timeline:** The entire review process is very structured with clearly guided submissions and templates. An independent panel led by SQW will gather and analyse the evidence from the CA, and then submit it to the government with their own analysis and comments. The evidence evaluated by the independent panel (SQW) must be gathered by July 2024 and the final evidence must be submitted to government by August 2024.
3. **Future Scrutiny:** When the report is in the public domain, it can be circulated to scrutiny so that the Committee can analyse for itself how the process was conducted and whether the CA delivered what it promised for individual schemes and for the programme in general. This is likely to be in mid-2024, but the previous impact assessment from 2020/21 is already viewable.

**Resolved:**

- i) That the report and the Committee's feedback be noted.

- ii) That the final Gateway Review report return to scrutiny in the future for further analysis, and any reports put into the public domain before then, be circulated to scrutiny members.

## **19. Corporate Scrutiny Work Programme**

The Chair provided an overview of the current work programme and the next meeting's draft agenda (19 January 2024), which was scheduled for 3 hours, more than the usual 2 hours, to accommodate both Mayors Questions – moved from the March meeting due to scheduling issues – and any additional items.

### **Resolved:**

- (i) That the Work Programme is amended to include a report on L4 Devolution and the Scrutiny Protocol working group, as agreed during the Chair's update item.
- (ii) That the Chair be delegated the authority to draw up the running order, running time and agenda for the 19 January 2024 meeting – based on Member and officer advice – including relating to the budget scrutiny workshop.

## **20. Date of the next meeting – 19 January 2024**