



<b>Report to:</b>	<b>Transport and Infrastructure Scrutiny Committee</b>
<b>Date:</b>	26 January 2024
<b>Subject:</b>	<b>Level 4 Devolution</b>
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## 1. Purpose of this report

- 1.1 To provide an overview of the recently announced Level 4 Devolution Framework, through which the Combined Authority can apply to access new powers, functions and flexibilities.
- 1.2 To provide a summary of the new Scrutiny Protocol, published alongside the Level 4 Devolution Framework, which aims to create a sustained culture of scrutiny in devolved bodies and is a requirement for accessing further devolution.
- 1.3 To provide an update on the Combined Authority's proposed next steps to deeper devolution, via Level 4 of the Devolution Framework, which requires submission to the Secretary of State before 31 January 2024.

## 2. Information

### Background

- 2.1 On 22 November 2023, the Department for Levelling Up, Housing and Communities (DLUHC) released a technical paper outlining the new Level 4 Devolution Framework. The Framework aims to standardise the approach to English devolution, moving away from previously agreed bespoke deals.
- 2.2 As an established Mayoral Combined Authority, West Yorkshire Combined Authority is eligible to apply for Level 4 Devolution and is working in partnership to understand both the opportunities and implications of accessing this level of the framework, and how it can help to achieve regional priorities as set out in the West Yorkshire Plan.
- 2.3 The Framework marks a step forward towards greater devolved funding and powers to eligible institutions who choose to participate and provides a stepping stone towards a single settlement through the offer of consolidated funding at the next multi-year Spending Review.

- 2.4 References to greater collaboration with Government departments and other national organisations on a broader range of policy areas marks a shift in emphasis in the relationship between national Government and the region.
- 2.5 The Framework sets out a number of policy areas where it is increasing flexibilities, granting new powers or increasing collaboration between government and regions. It also includes other hooks including the move towards a general, rather than the existing, functional power of competence and the ability to make technical adjustments to historic legislation and take on board powers that other areas have previously secured. This offers the potential for areas to further broaden the scope of proposals on offer whilst addressing historic discrepancies in power.

#### Level 4 Framework

- 2.6 The Level 4 Devolution Framework, attached at **Appendix 1** to this report, set out the powers and functions available to eligible institutions, across a range of policy areas.
- 2.7 Key highlights on offer through the framework are as follows:

Policy area	Summary of offer
Funding	<ul style="list-style-type: none"> <li>Funding simplification with a consolidated DLUHC pot, available at the next multi-year spending review, as the first stage towards a single settlement.</li> <li>Removal of Gainshare gateway reviews for eligible institutions which have passed Gateway One and meet criteria relating to local evaluation frameworks.</li> </ul>
Transport	<ul style="list-style-type: none"> <li>Devolved and consolidated integrated local transport settlement for eligible institutions subject to demonstration of appropriate level of fiscal sustainability and broader capacity/capability from the next multi-year Spending Review for the length of the Spending Review.</li> <li>A range of other offers linked to the Key Route Network, Pavement Parking and Taxi Licensing.</li> <li><i>Access to Transport powers must be taken as a whole and are not available to pick and choose as with other powers on offer.</i></li> </ul>
Employment and skills	<ul style="list-style-type: none"> <li>Further commitment towards a more devolved adult skills system with increased flexibility on adult skills programmes and the ability of institutions to be central convenors of careers provision in their regions, however availability is dependent on outcome/implementation of Trailblazer deals.</li> <li><i>Employment and Skills powers and flexibilities on offer must be taken as a whole.</i></li> </ul>
Housing and Land	<ul style="list-style-type: none"> <li>Local leadership of the Affordable Homes Programme from 2026.</li> <li>Move towards greater collaboration between eligible institutions and DLUHC on housing quality.</li> </ul>

Net Zero, Climate Change Natural Capital	<ul style="list-style-type: none"> <li>Government will consider devolving net zero funding, including for retrofitting buildings subject to the outcome of the trailblazer pilots and following a review of the effectiveness of the approach.</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>A new concurrent power to take on the public health duty, offers no new funding but aims to create a health in all policies approach to the Combined Authority's work.</li> </ul>

### Eligibility, Application Process and Timeline

- 2.8 The Framework sets out a range of eligibility criteria such as providing confidence in the capacity, governance and culture of the eligible institution to deliver and how they are implementing the Scrutiny Protocol as outlined in **Appendix 2** to this report, published separately, which the area is currently well placed to meet.
- 2.9 Eligible institutions will decide which parts of the framework they would like to apply for and a final decision on this must be made by the mayor or directly elected leader with the agreement of all constituent members in the case of an eligible devolved institution.
- 2.10 To note, both the transport and employment and skills powers come as an all or nothing package and have to be accepted in their entirety or not at all.
- 2.11 Government must be notified of an eligible institution's intention to submit a formal application by 31 January 2024.
- 2.12 Since the Government's publication of the Level 4 Devolution Framework in November 2023, the Combined Authority and five Local Authorities have been working closely, and at pace, to understand and consider the opportunities that a Level 4 Deal presents for West Yorkshire.
- 2.13 In discussions that have taken place, the partnership has been clear that deeper devolution must align with our collective objectives and priorities for the region. It must offer greater opportunity and levers to achieve the objectives and outcomes the partnership is seeking to deliver for our communities, businesses and places, as set out in the West Yorkshire Plan.
- 2.14 On 18 January, the Combined Authority's Finance, Resources and Corporate Committee will discuss the proposed West Yorkshire submission and decide on next steps, including whether to submit an application letter to the Secretary of State.
- 2.15 It should be noted that the initial submission of a letter of application to the Secretary of State does not constitute an irrevocable step, and does not form part of the statutory process. However, it signals an intent to engage with government and

proceed with the Level 4 Framework, subject to further development work between the West Yorkshire partnership and Government. The legislative processes for the different aspects of the application would need to be worked through in progressing this as part of which all statutory requirements including the need for individual consents on whether to accept new powers would take place.

#### West Yorkshire Partnership Principles

- 2.16 The first West Yorkshire Devolution Deal, agreed in 2020, was underpinned by a set of partnership principles which has supported the successful development of the partnership over the last three years. Since that time, the West Yorkshire partnership has grown and strengthened, demonstrated by our successful delivery of a range of ambitious programmes and initiatives which have resulted in better outcomes for local people, business, and place.
- 2.17 The strength of the West Yorkshire partnership of the five local authorities and the Combined Authority will underpin our ability to successfully deliver deeper devolution across the region.
- 2.18 Work to develop the West Yorkshire response to the Government's Level 4 Devolution Framework has provided a useful catalyst to review and refresh these principles, to support the next stage of the Combined Authority's devolution journey.
- 2.19 Revised partnership working principles are now set out below for consideration:
- Collaboration and Co-production
  - Sovereignty
  - Subsidiarity and Devolution
  - Transparency and Accountability
  - Fairness and Equity
  - Flexibility and Funding Simplification
- 2.20 In seeking any further deepening of devolution in West Yorkshire, our approach recognises and acknowledges the parity of partnership, our strength as a collective of six and the lack of appetite for any proposal which diminishes the role or sovereignty of our constituent parts. We will work to these collectively agreed principles to ensure that moves towards deeper devolution across West Yorkshire support the achievement of our ambitions and deliver better outcomes for local people, businesses and communities across all areas of the region.

#### Next Steps for the Application

- 2.21 The known next steps for the Level 4 Devolution application process are as follows:
- Discussion by Finance, Resources and Corporate Committee on 18 January on whether to proceed with a West Yorkshire application.

- If the decision is to proceed with an application, further detailed work on the Scrutiny Protocol and its application to West Yorkshire will take place. A Working Group consisting of volunteers from all three of the Combined Authority's Scrutiny Committees will consider the Protocol in more detail and report their findings. More detail on this is set out in a later section of this paper.
- A broader paper on Level 4 Devolution will be considered by the Combined Authority on 1 February 2024.
- If the decision is to proceed with an application, consideration and ratification of the initial application will be carried out by each Constituent Council.
- Following any submission, consideration will be taken by the Secretary of State on whether to accept West Yorkshire's application. If accepted, further discussions will commence with Department of Levelling Up Housing and Communities, and individual government departments to develop detailed proposals for each policy area. In particular, this will include consideration of whether consultation or statutory changes are required to implement individual elements of the Framework.

2.22 Scrutiny Committees and Members will be kept up to date as this work progresses.

#### Scrutiny Protocol

2.23 The Scrutiny Protocol was developed in consultation with scrutiny officers, chairs and members nationwide as well as academic and sectoral experts (Centre for Governance and Scrutiny, the House of Commons Library, Onward and The Bennett Institute at the University of Cambridge).

2.24 The Government considers the Scrutiny Protocol a key factor in Mayoral Combined Authorities implementing the Level 4 Framework and single department-style funding settlements.

2.25 Mayoral Combined Authorities must confirm in their application that they will report on how they are implementing the Scrutiny Protocol within one year of confirmation from the Secretary of State that the Government is content to proceed with a Level 4 agreement.

2.26 Mayoral Combined Authorities will be expected to write to the Secretary of State to confirm they are implementing the Scrutiny Protocol by this deadline. The Government will expect to see how areas are implementing all of the key principles and additional scrutiny e.g., Mayor or directly elected leader Question Time in the Scrutiny Protocol.

2.27 The Scrutiny Protocol sets out the best practice for accountability and scrutiny within Combined Authorities, Mayoral Combined Authorities and Combined County Authorities.

- 2.28 Combined Authority Officers have been involved in consultation with DLUHC in the development of the protocol and are continuing to work to ensure the Combined Authority can implement the protocol.
- 2.29 The Protocol identifies 18 Key Principles:
1. A pool of members
  2. Politically balanced membership
  3. Geographically balanced membership
  4. Appointing a chair
  5. Sustained appointments made on interest and skills
  6. Well-resourced training
  7. Inviting technical expertise
  8. Remuneration and status
  9. Holding the mayor or directly elected leader and the institution to account
  10. Participation in pre-policy and pre-decision scrutiny
  11. Provision to call in
  12. Regular performance monitoring including agreed outcomes
  13. Robust work programming
  14. Focused task and finish exercises
  15. Strong relationships with stakeholders
  16. Regular self-evaluation and reflection
  17. Access to data, research, and analysis
  18. Strong relationship with audit committees
- 2.30 There are two additional principles relating to committee structure and public Mayor's Question Time. The Protocol strongly recommends – but does not mandate – a single committee scrutiny structure, citing Greater Manchester's structure as an example. It does require combined authorities to hold frequent Mayors Question Time sessions, moderated by independent local journalists or business people, which allow the public to ask the Mayor questions. This has now been implemented in West Yorkshire, with the first sessions scheduled in Wakefield on 25 January, Halifax on 5 February and Leeds on 22 February.
- 2.31 The full Scrutiny Protocol document published by the Government is available at this link:
- [Scrutiny Protocol Working Group](#)
- 2.32 At the Corporate Scrutiny Committee meeting on 24 November, a Scrutiny Protocol Working Group was established with volunteers from all three scrutiny committees, to review the Protocol and make recommendations on how the Combined Authority can ensure compliance with all of the Key Principles.



- 2.33 The Working Group is currently scheduled to meet on 29 January and 16 February and aims to complete its report and recommendations – following some consultation with all scrutiny members and other stakeholders – for submission to the 8 March meeting of the Corporate Scrutiny Committee and for agreement and the 14 March meeting of the Combined Authority for the final decision, as required.
- 2.34 The members of the working group cover all scrutiny committees, councils and political parties are, and are (with Transport Scrutiny members highlighted in bold):
- (Chair) Cllr Barry Anderson (Conservative, Leeds – Corporate)
  - **Cllr Kayleigh Brooks (Labour, Leeds – Transport)**
  - Cllr Tony Wallis (Labour, Wakefield – Economy)
  - Cllr Susan Lee-Richards (Green, Kirklees – Corporate) sub: Cllr Andrew Cooper
  - **Cllr Amanda Parsons-Hulse (Lib Dem, Calderdale – Transport)**
  - Cllr Samantha Harvey (Conservative, Wakefield – Corporate)
  - Cllr Aneela Ahmed (Labour, Bradford – Economy)
  - Cllr Bob Felstead (Conservative, Bradford - Economy)
  - Cllr Richard Smith (Conservative, Kirklees – Economy)
  - [GUEST] Debbie Simpson, Independent Chair of Governance & Audit Committee
- 2.35 This review process also fulfils a commitment made in 2021, when the current scrutiny system was adopted, to review the effectiveness of the new scrutiny system within the Mayor’s first term.

### **3. Tackling the Climate Emergency Implications**

- 3.1 There are no climate emergency implications directly arising from this report, however further flexibilities made available through accessing Level 4 Devolution will support the Combine Authorities 20238 Net-Zero goal and other climate and environment priorities.

### **4. Inclusive Growth Implications**

- 4.1 There are no inclusive growth implications directly arising from this report, however accessing the opportunities afforded through the Level 4 of the devolution framework will enable the Combined Authority to achieve its priorities around inclusive growth.

### **5. Equality and Diversity Implications**

- 5.1 There are no direct equality and diversity implications directly arising from this report, however if the Combined Authority gains the powers and functions in the Level 4, it will give us more freedom to deliver on our equality and diversity priorities.

### **6. Financial Implications**



- 6.1 There are no financial implications directly arising from this report. If the decision is taken to proceed with Level 4 devolution, this will result in financial implications for the Combined Authority, including the move towards a Department Levelling Up Housing and Communities single settlement.

## **7. Legal Implications**

- 7.1 Although there are no direct legal implications at this stage, statutory processes will need to be followed as appropriate to progressing different elements of the framework. This will become clearer upon advice from government as the process progresses.
- 7.2 Officers of the Combined Authority and partner councils are working collaboratively in assessing and taking forward any legal and statutory elements of this process.

## **8. Staffing Implications**

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

## **9. External Consultees**

- 9.1 No external consultations have been undertaken.

## **10. Recommendations**

- 10.1 That the Scrutiny Committee notes the report and provides any feedback or comments.

## **11. Background Document**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Technical Guidance Level 4 Devolution Framework