

Cabinet

3rd December 2013

Report of the Leader

Consultation Response regarding Combined Authority

1. Executive Summary

1.1. The proposed Combined Authority will help secure further devolution from Whitehall of powers and funding to support economic growth and job creation in York and West Yorkshire. This is the cornerstone of the Government's devolution programme and has had direct involvement from the Deputy Prime Minister and the Minister for Cities.

1.2. The case for the Combined Authority is:

- **It will support job creation and economic growth** – the Combined Authority will help secure funding and investment to accelerate economic growth and create jobs;
- **It will enable more decisions to be taken locally, not in Whitehall** – the Combined Authority will be a vehicle for organising the powers and resources that have been devolved under the Leeds City Region City Deal, and it provides the potential for central Government to devolve further powers and resources to York, West Yorkshire and Leeds City Region;
- **It will help secure major improvements in transport** – the Combined Authority is needed to create and operate the West Yorkshire and York transport fund which will invest up to £1 billion in transport over the next ten years; and
- **It will be efficient and cost effective** – the Combined Authority will be an efficient way of taking decisions and managing investments. As a proportion of the programmes it oversees it will not cost more than existing arrangements. The focus will be on devolving powers down from Whitehall, not pooling them up from Local Authorities.

- 1.3. In May 2013 Cabinet endorsed the final governance Review and Scheme for a Combined Authority for the area of West Yorkshire, including Leeds, with the council of the City of York proposed as a “non constituent member”. The Review and Scheme were submitted to the Secretaries of State for Communities and Local Government and Transport on 31st July 2013. Cabinet authorised the Chief Executive, in consultation with the Leader and West Yorkshire Councils, to undertake such steps as were necessary to facilitate the submission of the Scheme and the preparation of the draft Order.
- 1.4. This report provides an update on developments since the Review and Scheme were submitted, including the publication of the Government consultation document. A proposed approach to responding to the consultation is outlined together with the next steps and timetable.
- 1.5. The Government consultation, which forms the basis of the report and is appended in the Annex, was published on 7th November 2013 and members are asked to consider the report as an urgent item in order to enable a formal response within the timescale laid out by Government. It is understood that this timescale remains consistent with the City Deal commitment to secure Parliamentary approval to establish the Combined Authority by 1 April 2014.
- 1.6. Members are recommended to:
 - Welcome the publication of the Government consultation paper which invites the submission of views by Thursday 2 January 2014;
 - Endorse the proposed constitutional arrangements and functions of the Combined Authority as set out in the consultation paper;
 - Approve the proposed approach to responding to the consultation;
 - Authorise the Chief Executive (in consultation with the City Solicitor and Leader) to make a formal response to DCLG confirming the Council’s support for the establishment of the Combined Authority and to take such other steps as are considered appropriate to facilitate the preparation of the Order; and
 - Note the next steps and timetable and in particular that providing Government is satisfied that the proposals for a Combined Authority for West Yorkshire with York as a non-constituent member command wide local support and also meet the required statutory conditions,

the Secretary of State will invite Parliament to approve the Order establishing the Combined Authority.

2. Purpose of this report

2.1. The purpose of this report is to:

- update members and seek approval from Council on the approach proposed to responding the constitutional arrangements and functions of a Combined Authority for the area of West Yorkshire, with York as a non-constituent member, as set out in the Government consultation; and
- authorise the Chief Executive (in consultation with the City Solicitor and Leader) to make a formal response to DCLG and to take such steps as are considered appropriate to facilitate the preparation of the Order to create a Combined Authority.

3. Background information

- 3.1. In May 2013, the Cabinet endorsed the final Scheme for a Combined Authority for the area of West Yorkshire. The council of the City of York will be part of the joint-working arrangements as a “non-constituent council”. The Scheme was published at www.awya.gov.uk/combinedauthority. The Scheme was agreed by the five West Yorkshire Councils (Bradford, Calderdale, Kirklees, Leeds and Wakefield), the West Yorkshire Integrated Transport Authority (ITA), the council of the City of York, and the Local Enterprise Partnership. It was submitted to the Secretaries of State for Communities and Local Government and Transport on 31st July 2013.
- 3.2. The Chief Executive was authorised in consultation with the Leader, and the Chief Executives and Leaders of the West Yorkshire Councils, to undertake such steps as were necessary to facilitate the submission of the Scheme and the preparation of the draft Order.
- 3.3. The West Yorkshire Combined Authority will be made up of ten members, 8 elected Members from the five West Yorkshire Authorities and City of York Council and the Local Enterprise Partnership as 2 non-constituent (partner) members. Each West Yorkshire Authority is to appoint one elected member and three remaining places to be used to achieve political balance.
- 3.4. The shadow Combined Authority met for the second time in November and is chaired by the Leader of Wakefield Council, Councillor Peter

Box. Councillor David Green, the Leader of Bradford Council, sits on the board along with the four other West Yorkshire council leaders – Councillor Box, Councillor Mehboob Khan (Kirklees), Councillor Tim Swift (Calderdale) and Councillor Keith Wakefield (Leeds). The other members are City of York Council leader Councillor James Alexander, the chair of the Local Enterprise Partnership Roger Marsh, and three opposition councillors from across the five local authorities: Councillor Robert Light (deputy chair), Councillor Andrew Carter and Councillor Janet Battye.

3.5. **Main issues**

3.6. **Department of Communities and Local Government preparation of draft Order and consultation**

- 3.7. In response to the publication of the Review and Scheme, the Secretary of State has indicated that where Councils come forward with such proposals which command wide local support, then, if he considers that the statutory conditions are met, he will invite Parliament to approve the Order establishing the proposed Combined Authority to enable the Councils to give full effect to their ambitions for joint working.
- 3.8. Before making such an Order the Secretary of State must consult the five West Yorkshire Councils and the ITA. The Secretary of State has also indicated that he considers it appropriate to consult with the Leeds City Region Local Enterprise Partnership (LCR LEP), Sheffield City Region LEP, York, North Yorkshire and East Riding LEP, City of York Council and those Councils neighbouring the proposed Combined Authority area.
- 3.9. The Department of Communities and Local Government (DCLG) has now launched a consultation and published a consultation paper on 7 November 2013. The consultation invites comments on the proposal to establish a Combined Authority for the area of West Yorkshire.
- 3.10. The next section of this report reviews the consultation paper, and proposes an approach to responding for the Council's approval.

3.11. **Government consultation document**

3.12. The Government consultation (attached to this report as annex A) runs for 8 weeks with the deadline set for submission of views on 2 January 2014. A copy of the consultation paper is attached to this report. This includes details of the proposed constitution and functions for the Combined Authority together with a draft Order. The views of the following stakeholders are requested:

- The five West Yorkshire district local authorities;
- City of York Council;
- The West Yorkshire Integrated Transport Authority;
- The West Yorkshire Passenger Transport Executive;
- The Leeds City Region Local Enterprise Partnership;
- Neighbouring local authorities; and
- Other interested parties including members of the public, local businesses and their representative bodies and representatives of the voluntary sector.

3.13. The consultation paper also describes the background, including the legislative context to the proposals, and then sets out the basis of the Secretary of State's consideration of the Scheme. It sets out that through the delivery of the City Deal, the Leeds City Region economy has significant potential; however "...the disparate governance structures that currently exist present a challenge to the delivery of this. Without a single accountable body to take strategic decisions in regard to economic development, regeneration and transport, the opportunities identified will continue to be missed."

3.14. The consultation notes the findings of the Review which conclude that a Combined Authority would enable West Yorkshire and York to deliver more effectively on the investment commitments contained in the Leeds City Region City Deal.

3.15. Responses are invited by the Government on the proposal to establish a combined authority for the areas of York and West Yorkshire – Bradford, Calderdale, Kirklees, Leeds and Wakefield, and in particular:

- on whether establishing the proposed combined authority would be likely to improve the provision of transport in the area and its effectiveness and efficiency, the provision of economic development and regeneration in the area, and the economic conditions in the area;
- on how establishing such an authority may impact on the identities and interests of local communities and on securing effective and convenient local government;
- on the proposed constitutional arrangements (including the formal name of the combined authority) and functions for a combined authority as set out in the Annex to the consultation paper; and
- on how such an authority and the local enterprise partnership can work in a seamless manner to ensure the private sector is 'hardwired' into the leadership and decision making for the functional economic area.

3.16. The Council's position in respect of the matters raised in the Government's consultation questions has been set out previously in detail within the submitted Review and Scheme following endorsement of the same by Cabinet in May. The proposals for the establishment of the Combined Authority set out in the consultation document, including the constitutional arrangements and functions, are consistent with the contents of the Review and submitted Scheme.

3.17. The Government's consultation is welcomed as a positive response to the intention of the five West Yorkshire Councils and the council of the City of York to align more closely decision making, where appropriate, in relation to economic development, regeneration and transport. It is recommended that the Council resolves to respond positively to the consultation and also approves the following approach to responding to the Government's specific consultation questions.

3.18. The Combined Authority will support economic growth and job creation in West Yorkshire and York. It will help West Yorkshire and York secure devolution of powers and funding from Whitehall to invest in transport, infrastructure, economic development and regeneration. It will enable the creation of the West Yorkshire and York Transport Fund, which will invest up to £1 billion in transport improvements over the next ten years. With economic infrastructure investment this will total £1.5 billion.

- 3.19. The Combined Authority will be an efficient way of taking decisions and managing investments. It will not cost more than existing arrangements. The focus will be on devolving powers down from Whitehall, not pooling them up from individual Local Authorities. The Combined Authority will only lead on matters where there is a clear strategic rationale for it to do so.
- 3.20. This partnership based approach offers the greatest potential to maximise the level of transport funding for York, particularly by realising the benefits of the Leeds City Region Deal. It supports the alignment and delivery of transport and economic interventions and funding in order to achieve the best economic outcomes for the city of York.
- 3.21. An £83m package of transport schemes is being progressed for York through the West Yorkshire Plus York Transport fund. This offers the opportunity for a major upgrade to the outer ring road.
- 3.22. **Next steps and timetable**
- 3.23. It is proposed that the Chief Executive, in consultation with the Council's legal team and Leader is authorised to make a formal response to DCLG confirming the Council's support for the establishment of a Combined Authority as proposed in the consultation and draft order and to take such other steps as are considered appropriate to facilitate the preparation of the Order. The West Yorkshire Councils will also be considering their response to the consultation and it is intended that the Chief Executives for each Council liaise with regard to the response.
- 3.24. After the completion of the consultation, the Government will consider any comments received and decide whether to proceed with the laying of the Order before both Houses of Parliament. Based on discussions with DCLG officials, the assumption is that this will be done early in the New Year. This timetable would be consistent with the implementation date for the creation of the Combined Authority proposed in the City Deal of 1st April 2014.
- 3.25. It will be important therefore to ensure there is strong support within Government for the proposals contained within the consultation paper.

- 3.26. It is also proposed that it would be prudent to authorise the Chief Executive, in consultation with the Council's legal team and Leader, to continue discussions and further work regarding legislative developments required for the city's progression to becoming a full member of the CA.
- 3.27. The key change required, which the City of York Council and its West Yorkshire counterparts have been encouraging Government to consider, would be the removal of the requirement that Local Authorities in a CA must have contiguous boundaries, which is why the City of York is proposed as a non-constituent membership of the at the present time.
- 3.28. Annex B sets out the transport case for the inclusion of the City of York as a full member of the CA. This Annex builds upon Agenda Item 7 from the Cabinet meeting on 7th May 2013 that set out the economic rationale for York's inclusion within the Leeds City Region Functional Economic Market Area. Annex B also identifies the opportunities being a member of the Combined Authority will afford, whilst Annex C sets out a summary of an assessment of principal Council functions and how these relate to the proposed West Yorkshire Combined Authority (CA) in terms of key risks (and mitigation) and issues for further discussion/negotiation in the medium to longer term.

4. Consultation and engagement

- 4.1. Council officers have undertaken engagement with key stakeholders, including the York Economic Partnership.
- 4.2. Before publishing the scheme, the associated local authorities undertook a consultation (April – May 2013) on the proposals which generated some 104 responses the majority came from members of the public.
- 4.3. The key findings of this consultation were:
- 67% supported the interim Review recommendations;
 - 74% supported the proposed geography of the Combined Authority;
 - 68% said a Combined Authority would improve statutory council functions.

4.4. The consultation on the draft Order is a public consultation and seeks comments from members of the public, local businesses and their representative bodies and representatives of the voluntary sector.

4.5. **Council Plan**

4.6. The proposals will support the delivery of Council Plan Priorities to Create Jobs Grow the Economy and to Get York Moving in particular, by enabling the city to more effectively take decisions relating to transport and economic infrastructure.

5. **Implications**

5.1. Financial

5.2. Although the legislation does not suggest Combined Authorities are primarily aimed at producing efficiency, it is recognised that they need to operate in an environment of reducing public sector budgets. That is the financial reality in which a West Yorkshire Combined Authority would be established. Although these efficiencies will not be immediately achieved by the City of York Council being a non-constituent member, the city stands to benefit in the longer term from the further efficiencies that will be delivered by better co-ordinating existing authorities and associated bodies and organisations.

5.3. Human Resources

5.4. There are no specific implications regarding resources and value for money arising from this report.

5.5. Equalities

5.6. There are no specific implications regarding resources and value for money arising from this report.

5.7. Legal

5.8. There are no specific legal implications arising from this report. If, however, a Combined Authority is established in due course this will have a separate legal identity from the Council and the other constituent authorities and will have separate statutory powers and duties.

5.9. Crime and Disorder

5.10. There are no specific implications for crime and disorder.

5.11. Property

5.12. There are no specific property implications arising from this report.

5.13. Information Technology

5.14. There are no specific information technology implications arising from this report.

5.15. Other

5.16. There are no other implications arising from this report.

6. Risk Management

6.1. The process for establishing a Combined Authority is not fully under this Council's control.

6.2. Its establishment by April 2014 in line with the City Deal implementation Plan is subject to: Government being satisfied our proposals command wide local support; how our proposals are considered to impact on the identities and interests of local communities and on securing effective and convenient local government; and that they meet the required statutory conditions. The Order then needs to be approved by both Houses of Parliament and will therefore require support within Government.

7. Recommendations

7.1. Members are recommended to:

- Welcome the publication of the Government consultation paper which invites the submission of views by Thursday 2 January 2014;
- Endorse the proposed constitutional arrangements and functions of the Combined Authority as set out in the consultation paper;

- Approve the proposed approach to responding to the consultation;
- Authorise the Chief Executive (in consultation with the City Solicitor and Leader) to make a formal response to DCLG confirming the Council's support for the establishment of the Combined Authority and take such other steps as are considered appropriate to facilitate the preparation of the Order; and
- Note the next steps and timetable and in particular that providing Government is satisfied that the proposals for a Combined Authority for West Yorkshire command wide local support and also meet the required statutory conditions, the Secretary of State will invite Parliament to approve the Order establishing the Combined Authority.
- Authorise further work and discussions with the Combined Authority regarding any legislative developments that would allow York to become a full member of the West Yorkshire Combined Authority given the strong economic and transport case.
- Authorise further work and discussions with the Combined Authority regarding the functional arrangements of the Combined Authority to ensure any changes in the medium to longer term are in York's best interests.

Reason: To allow the further development of the Combined Authority to ensure the future economic prosperity of York by accessing additional key transport funding opportunities.

Contact Details

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	Report Approved	√	Date	25 November 2013
Specialist Implications Officer(s) None				
Wards Affected: All				√
For further information please contact the authors of the report				

Annex A

Proposal to establish a combined authority for the area of West Yorkshire Consultation, Department of Communities and Local Government, 7 November 2013.

Annex B

Combined Authority Transport Case and Principal Opportunities

Annex C

Combined Authority Functional Assessment