



Report Reference Number: E/20/6

To: Executive
Date: 6th August 2020
Status: Key Decision
Ward(s) Affected: All Wards
Author & Lead Officer: Janet Waggott, Chief Executive

Title: Devolution for North Yorkshire and York

1.0 Purpose of Report

1.1 To seek approval for the submission of the devolution proposal to Government for North Yorkshire and the City of York.

2.0 Background

- 2.1 Local authorities within North Yorkshire and York are engaged in preliminary discussions with Government around a possible devolution deal for the area. Devolution is the transfer of power and funding from national to local government and potentially the creation of a directly elected Mayor. It is understood that Government's view is that every area within England should be part of a devolution deal to provide more funding in the area and it is expected that the Devolution White Paper which will be published later this year will endorse this view to unlock regional potential.
- 2.2 The principles behind devolution are to ensure that strategic decisions are made closer to the local communities and business they affect so that public funding can have the greatest impact to reflect local needs. Government has stated that devolution will provide greater freedoms and flexibilities at a local level, meaning Councils have the ability to work more effectively to improve public services for their area. The aim is for more funding and powers to be devolved from Westminster to the local region and more power and accountability to be given to local politicians

3.0 The Devolution Process

- 3.1 The Leaders of the Councils of York and North Yorkshire have previously written on the 13th February 2020 to Government to open up a dialogue with Government to be able to negotiate a devolution deal for the region to increase funding and provide additional flexibilities for the benefit of the region. A copy of this letter is attached at Appendix 1.
- 3.2 The negotiation process is designed so that the Councils develop a series of “Asks” from Government concerning greater funding and powers to be devolved to the local area. Alongside the series of “Asks” Government will require a robust governance structure for the region which will give them confidence to pass on their powers and funding directly to the region in the knowledge that sound and effective decision-making process can occur for the locality. It is understood that the Government consider the strongest governance model to be a combined authority with a Mayor and that such a structure would attract the greatest level of funding and powers to the region.
- 3.3 A summary of the next stages in the negotiation process is described below and further detailed in Appendix 2 by way of an indicative timetable:
- i. Local Authorities submit the “Asks” proposals for Government to consider.
 - ii. Ministers from MHCLG and Treasury will then consider the “Asks” proposal and will respond with a formal offer to the Councils for a devolution deal
 - iii. Each Authority will then need to formally consider whether they wish to accept the Government’s devolution deal offer. If all authorities agree, then the authorities will need to give approval to trigger the statutory process for creating a Combined Authority with an Elected Mayor. This requires the authorities to carry out a Governance Review, draft a scheme and carry out a consultation exercise. If the authorities chose not to carry out a consultation exercise, then the Secretary of State would have to carry out its own consultation exercise before creating a Combined Authority with a Mayor.
- 3.4 As we are at the start of this process, the next stage of the negotiations is to submit the series of proposals to Government of what should be included in a devolution deal for the region known as the “Asks”. It is important to note that the submission of the “Asks” does not bind any authority in proceeding with a devolution deal. It simply allows Government to consider the proposals and then respond with their formal offer of what a devolution deal would entail for the region. It is only when the Government respond to describe what their

proposed deal would be, do the authorities then formally decide whether they wish to proceed with the creation of a Combined Authority with a mayor, through the trigger of commencing a statutory Governance Review and consideration of the appropriate governance structure for devolution. **The decision in this report is not seeking approval to commence with the Governance Review,** but to give approval to continue with the negotiation process to enable Government to consider the proposals and present a formal offer back to the local authorities for a devolution deal.

- 3.5 The 'Asks' to Government have been developed with input from all potential constituent authorities, the LEP and with assistance from KPMG to ensure that collectively we are asking for an ambitious deal which Government can realistically deliver.

SUMMARY OF THE ASKS:

- 3.5 The proposal to Government for a devolution deal for York and North Yorkshire can be summarised at the highest level by way of the diagram set out below :



- 3.6 An executive summary of these proposals is attached at Appendix 3 and the full devolution proposal is attached at Appendix 4.
- 3.7 The sums of money identified in the proposal comprise of new allocations that would be sought from Government and existing pots of money that previously we, and the LEP would have had to compete for by way of bidding processes.
- 3.8 The draft “Devo Deal” aligns well with the priorities set out in the Selby District Council Plan, for example:
- Market town regeneration and vibrant town centres
 - Increased housing supply including affordable homes
 - Improving the local environment and promoting green infrastructure
 - Improved sustainable transport including buses, cycling and walking
 - Supporting businesses and local enterprises including a thriving visitor economy
 - Supporting the local workforce including skills development
 - Promoting a digital first approach
 - Respond to the impacts of climate change

Members will recall the presentation delivered by the LEP’s Chief Operating Officer James Farrar. The main benefits to Selby District in supporting these asks are:

- Transport – a devolved 5-Yearly Integrated Transport Settlement (£250m) will allow YNY to plan strategically, align investment with economic and spatial growth priorities and deliver against carbon reduction targets; the focus on active travel (cycling and walking), enhancing public transport and EV infrastructure is welcomed
- Digital - devolved DCMS (Department for Digital, Culture, Media and Sport) funding (£508m) to allow for rapid completion of Superfast Broadband coverage and working to meet the Government’s national target of 100% Gigabit broadband by 2025. The £20m Mayoral Smart Infrastructure Fund will provide opportunities for ‘smart towns’ type initiatives such as intelligent sensors for a variety of uses e.g. traffic, congestion, air quality, health monitoring, flooding and water management.
- Town Centres – the devolved Mayoral Towns Fund (£240m for a 5 year programme) will benefit our town centres and will help to deliver our Council Plan priorities to help our towns reach their potential and for our high streets to recover from the impacts of Covid-19. The approach aligns very closely with our own Town Centre Action Plan work
- Housing - there are a range of asks that will support our housing delivery and affordable housing ambitions including a YNY Strategic Housing Investment

Package (£96m), match funding (£1m) to scale up YNY's strategic planning and delivery capacity, increased funding from government to increase the supply of high quality affordable housing (£45m); and a £50m fund to address viability challenges.

- Skills – the ask to support a Low Carbon Skills Programme (£10m) and for joint working with Government to establish a Centre of Excellence for Low Carbon Technology Skills aligns well with the focus on a green recovery from Covid-19 and the low carbon focus in our economic framework. It also recognises the USP we have on our patch in Drax. We also welcome proposals for the devolved Adult Education Budget and for enhanced joint working with government on matters such as the National Careers Service and stronger links with DWP to ensure the alignment of national and local programmes. This will help upskill the existing workforce and help jobseekers to gain the vocational low-carbon skills in immediate demand and capital funding for training equipment that will enable delivery of training programmes in rural areas.
- Business and Innovation – there is a significant ask for funding for the Bio-Yorkshire Programme (£215m) including the ambition for District Incubator Hubs which will support local entrepreneurs and SMEs to start up and scale up their bio-related businesses. We welcome the ambition to establish YNY as the UK's global Centre of Excellence (CoE) for bio-economy solutions given it has the largest concentration of the bio-economy in the north. There are strong potential benefits for Selby District given our low carbon energy, food and drink manufacturing and agriculture strengths. In particular Drax Power Station is the biggest renewable generator in the UK and home to the first bioenergy carbon capture and storage pilot (BECCS) project.
- Energy – it seeks funding for a 5-year place-based Low Carbon Housing Retrofit Programme, £8m for feasibility/business case development for strategic low carbon energy generation projects and £42m for Low Carbon Energy Generation Demonstrator. It also seeks joint working with Government to develop and deliver YNY's roadmap to become a carbon negative region, to develop a pan-Northern Regional Green Bond, and is also seeking joint working with Government to accelerate the roll-out of CCUS technology in our region. This aligns well with our Council priorities and we particularly welcome the strong YNY pitch to government to support carbon capture and storage at Drax, which is critical for YNY reaching its carbon negative ambitions.
- Natural Capital - the asks to develop a Y&NY Natural Capital Investment Plan (£2m revenue), for a Natural Capital Innovation Challenge Fund (£10m) and to carry out Environmental Land Management (ELMS) local trials jointly with DEFRA all align closely with the Council's ambitions around green infrastructure. They will offer benefits in terms of local carbon offsetting, green infrastructure enhancements, tree

planting and natural flood management. It includes proposals for small scale grants of up to £25,000 for smaller projects to develop new concepts and up to 50% match-funding of between £25,000 and £500,000 for larger projects creating new models for increasing private investment in natural capital.

3.9 The question for Members at this stage in the devolution process is whether you agree with the submission of these 'asks' and the aims and outcomes as set out in the proposal document. Nothing else is being decided at this stage but, for information, the governance background to the devolution bid is set out below.

4.0 Governance

4.1 The devolution proposal contains the proposition that there will be a combined authority for York and North Yorkshire and a directly elected Mayor. It is understood from Government that this governance model would attract the most funding as it represents the strongest governance model for devolution. Government consider that it is important to have a single point of accountability that is responsible both locally and nationally. It is Government's view that the Mayor will work with the Councils that make up the combined authority to promote the area and work together to ensure that that devolution deal delivers for the communities in the area.

4.2 An elected Mayor for North Yorkshire and York would mean that the residents for the region would vote to elect a newly created Mayoral post who would then sit as the Chair of a newly formed Combined Authority. The mayor, in partnership with the combined authority would exercise the powers and functions devolved from Government as set out in the devolution deal that is offered by Government.

4.3 A 'Combined Authority' is a legal partnership between the agreeing authorities to create a separate legal body that provides a formal way for local authorities to work together across individual boundaries and functions. The creation of a combined authority must be approved by Parliament and would normally follow a governance review that has been triggered by the constituent councils.

4.4 The Governance arrangements of a Combined Authority will be determined by the Order that creates the new body and its constitution. The relevant document will need to be approved after a Governance Review is undertaken and therefore further details of what this scheme will look like will be covered in a future report to this Council if the ultimate devolution deal offered by Government is acceptable to the authorities.

4.5 The strong indication from Government via its Local Government Minister, Simon Clarke MP, is that any devolution deal will also come with a requirement for local government reorganisation to establish unitary authorities across York and North Yorkshire and removal of the ability of any constituent authority to veto that process. It is not known at the time of writing what the impact on any timetable in relation to Devolution will be. This will be dictated by the Secretary of State. The White Paper expected to be published in September may provide further clarity. Members will be updated verbally at Executive if there is any further information.

5.0 Next Stages

5.1 Once each of the constituent authorities has had the opportunity to discuss this proposal, it will be sent to central government for their consideration. Once Government have had an opportunity to consider the proposals they will response with their proposed devolution deal. At that stage, each constituent council will be presented with the Government's offer and each authority will then be formally requested to consider whether it wishes to formally trigger a governance review to start the legal process of establishing a Combined Authority and a Mayor.

6.0 Recommendation

6.1 Council is requested to approve the submission of the Proposal attached at Appendix 4 to Government and to delegate to the Chief Executive in consultation with the Leader the power to make any amendments that are required following feedback from each constituent authority.

7.0 Corporate Implications

Scrutiny Consultation	None.
Community Engagement	None.
Environment & Sustainability	Not applicable to this decision
Financial Implications	The financial implications are summarised in Appendix 3 which describes how the region is asking Government for additional funding to be allocated directly to the region. At this stage the Government has not stated whether it would be willing to release all

	the funding and therefore a full financial assessment will be undertaken when the Government respond with an offer.
Legal Implications	This decision is simply agreeing a proposal to submit to Government. In order to create a combined authority it is necessary to commence a governance review with the appropriate consultation. At this stage the constituent councils do not know the final devolution deal that will be offered to the region and therefore consideration of whether to trigger a governance review will not take place until the Government have responded to this proposal.
Risk Implications	This report is being considered by each of the local authorities in North Yorkshire and York. If Selby District Council does not participate in this decision making process then it runs the risk of losing influence over any eventual devolution deal with government.
Human Resource Implications	None at this stage
Equalities Implications	At this stage no formal decision is being made to accept a devolution deal, however a proposal is being submitted to government to consider how additional funding can be delivered to the Region to assist in supporting businesses, the green economy, etc. The proposals do not remove the duties of the Council in regard to the Equalities Act and when a final offer is made to the Councils, the equalities implications of the Deal will be considered further
Health & Safety Implications	None.

8.0 Further Information

8.1 Background Papers – None.

8.2 File Reference – None.

8.3 Appendices

Appendix 1: Letter from Leaders dated 13 February 2020

Appendix 2: Indicative Timetable

Appendix 3: Summary of Proposals

Appendix 4: Full Proposals to Government

Contact Officer: Janet Waggott

Email / Extension: jwaggott@selby.gov.uk

Appendix 1 - Letter of 13th February 2020 from all Y&NY Leaders

13/02/2020

Dear Chancellor and Secretary of State,

This letter is sent on behalf of the leaders of all councils forming the constituent parts of North Yorkshire and York, namely North Yorkshire County Council, City of York Council, Hambleton District Council, Richmondshire District Council, Scarborough Borough Council, Ryedale District Council, Selby District Council, Harrogate Borough Council and Craven District Council. This area is very interested in securing a devolution deal with Government.

Firstly, we would like to express our thanks to Jake Berry, the Northern Powerhouse Minister and his officials for their engagement to date on the opportunities around devolution across Yorkshire and for York and North Yorkshire specifically. We welcome the Prime Ministers commitment around devolving powers and funding to local areas and are keen to pursue this conversation with Government. We are hopeful that devolution deals can be progressed across all of Yorkshire and that no areas are left behind.

York and North Yorkshire is a functional economic area. The City of York stands at its centre as a business and service hub. North Yorkshire has its own major towns in Scarborough and Harrogate with a large network of significant market towns with their own connected hinterlands. There is much similarity of key economic sectors such as farming, food, bio-science and tourism across the area. There are key linkages with Leeds and West Yorkshire, Lancashire, East Riding and the Tees Valley. It would be our intention for the devolved area of York and North Yorkshire to be strongly connected to all of these important neighbouring economic areas. The Local Enterprise Partnership is supportive of York and North Yorkshire as a devolved area.

We welcome the concept of having a greater number of locally controlled levers to improve the economic prospects of our citizens and to help deliver the Governments "levelling up" agenda. We are eager to pursue our devolution conversations further, and would like to extend an invitation to you and your Ministers to meet with Leaders of all Councils in this area so that we can describe to you our ambitions and to discuss how we can collectively agree for this work to be taken forward in a devolution deal.

Over the course of recent weeks we have been developing a series of "asks" which we believe provide a very significant opportunity to boost the economies of North Yorkshire and York and to positively affect the lives of our residents. We would like to discuss these asks with you as well as the governance arrangements, including a Mayor, that we understand Government will expect in this type of ambitious devolution deal.

We are sure that progress will continue to be made through ongoing discussions between our Chief Executives and Officers and Civil Servants. We believe that a meeting with you will be a positive part of moving devolution forwards and will provide the opportunity for all of us to commit to working together, at a pace, on this exciting agenda.

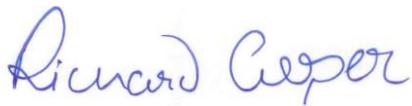
Yours sincerely,



Cllr. Carl Les

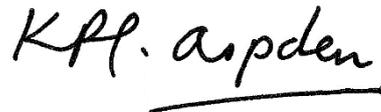


Cllr. Angie Dale



Cllr. Richard Cooper

Leader, Harrogate Borough Council



Cllr. Keith Aspden

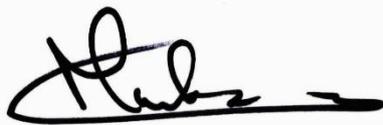


Cllr. Steve Siddons

Leader, Scarborough Borough Council



Cllr. Richard Foster



Cllr. Mark Robson



Cllr. Mark Crane

Leader, Selby District Council



Cllr. Keane Duncan

Leader, Ryedale District Council

Appendix 2

DRAFT TIMETABLE

	Task	Start	Finish
1.	Leaders write to Government to open dialogue between the Councils and Government about a potential deal	13 February 2020	13 February 2020
2.	Councils to give political approval to submit the asks proposal document. No decision to approve a devolution deal – just to approve process of negotiating a deal and submitting an ‘asks’ document.	February 2020	July 2020
3.	Dialogue/negotiations between Leaders and Ministers from Ministry of Housing, Communities and Local Government (MHCLG) and the Treasury <ul style="list-style-type: none"> - to discuss our ‘asks’ regarding funding and powers - draft governance proposals (eg combined authority with mayor) to receive additional funding/powers Submit final ‘asks’ Document 	February 2020	July 2020
4.	Ministers from MHCLG and Treasury then consider the proposed ‘asks’ document and governance proposals	July 2020	November 2020
5.	Agreed Devolution Deal announced in Autumn around a ‘fiscal event’.	November 2020	November 2020
6.	If Council’s agree the deal, agreement to carry out a Governance Review of the area (Decision by Leaders/Exec/Councils to carry out a review)	November 2020	November/ December 2020
7.	Prepare a Scheme that demonstrates it meets the statutory conditions set out in the 2009 Act	December 2020	December 2020
8.	Consult the stakeholders and the public to establish their views on the governance review and scheme	December 2020	February 2021
9.	Publication of the Scheme and Submission to MHCLG and send results of consultation (Executive and Councils) and any proposed amendments as a result of consultation	February 2021	April/May 2021
10.	MHCLG then consider whether the statutory test has been met for the proposals. Preparation of a draft Order by the Department for Ministry of Housing, Communities and Local Government	April/May 2021	July 2021
11.	Laying of the Draft Order for the Combined Authority before Parliament for Approval (and potential date for the Secretary of State to pass an order for the creation of a Mayor)	July 2021	October 2021
12.	Formation of Combined Authorities	November 2021	April 2022
13.	Mayor Elections	May 2022	May 2022

Key : Actions in Bold require a decision from each authority.