

Reporting of Agreeing of the ‘asks’ to submit to Government for consideration of a Devolution Deal for York and North Yorkshire

1.0 Purpose of report

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

2.0 Recommendation

The Executive is requested to approve the submissions to Government and to delegate to the interim Head of Paid Services, in consultation with the Leader of the Council, to make any necessary amendments as a result of each constituent authority’s feedback in submitting these proposals.

3.0 Background

- 3.1 As a region, we have been discussing devolution for many years and in 2018, leaders across Yorkshire committed to developing a joined-up deal for One Yorkshire. The UK Government responded to this, making clear they would first prefer smaller devolved deals, which focused on populations which shared similar economic challenges.
- 3.2 More recently, in March 2020, the Government signed a devolution deal with the constituent councils of the West Yorkshire combined authority, in which the combined authority agreed to become a mayoral combined authority – of which City of York Council is a non-constituent member.
- 3.3 Local Authorities within York and North Yorkshire 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 Government to local Government, and includes the potential 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.

- 3.4 The principles behind devolution is to ensure that decisions are made closer to 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.
- 3.5 Generally, each devolution deal includes a capital investment fund of hundreds of millions, which is paid in yearly instalments. These funds can be used to finance transport, housing, and development projects.
- 3.6 Through the launch of 'Our Big Conversation' at the beginning of July 2020, City of York Council has been asking for residents and local organisations for their views on a potential devolution deal for York, including a an 'Ask the Leaders' Facebook Live session, which was held on 16 July 2020.

4.0 Process for establishing a Combined Authority with a Mayor

- 4.1 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, in order to access significant funding and provide additional flexibilities for the benefit of the region.
- 4.2 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 is in place. 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.

- 4.3 A summary of the next stages in the negotiation process is described below (and further detailed in Annex 1 – indicative timetable):
1. The Local Authorities submit the Asks proposals for Government to consider.
 2. 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
 3. 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.
- 4.4 Therefore, the next stage of the negotiations is to submit a series of proposals to Government of what should be included in a Devolution deal for the region (which is 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 detail 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 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.

4.5 If conversations between Councils and Government progress well, the governance review will trigger a future consultation process, which will provide residents and businesses a full opportunity to comment before decisions are made at Executive and then, Full Council.

4.6 The 'asks' to Government have been worked on with input from all potential constituent authorities, the LEP and partners to ensure that collectively we are asking for an ambitious deal which Government can realistically deliver.

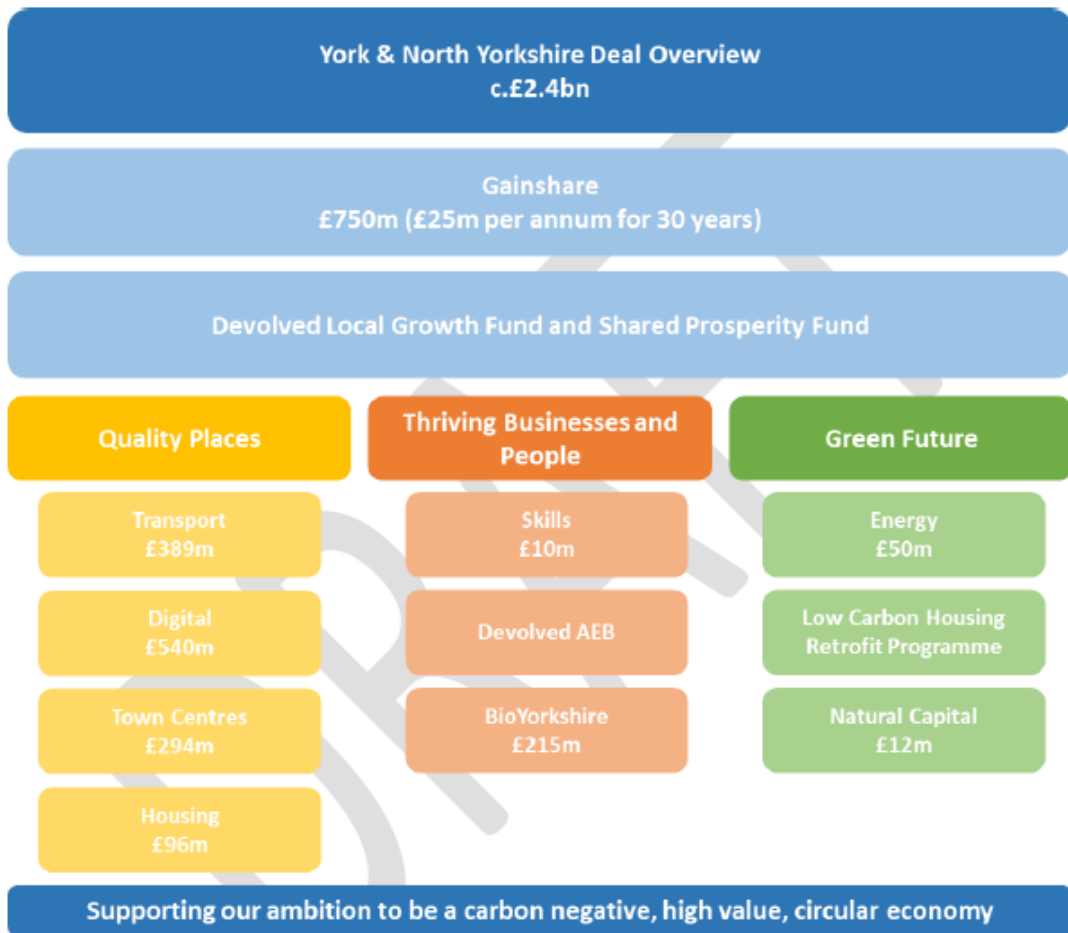
5.0 **Summary of the Asks:**

5.1 A devolution deal for York and North Yorkshire could potentially unlock significant funding. Based on discussions to date, the York and North Yorkshire 'asks' seek £2.4bn investment in the region over the next 30 years. Under these proposals York would receive a proportion of this investment across a range of programmes, with specific funding for:

- **Infrastructure and Place:** A £64m York Place Fund to lead regeneration and cultural activity projects across the city, including;
 - £14m to support the delivery of the York Station Frontage project
 - £10m of funding to deliver York Riverside Walkway
 - £28m to deliver Phase 1 of York Castle Museum's Castle Capital Project
 - £8m to support the delivery of Castle Gateway
 - £3m to support the implementation of York's Cultural

Strategy

- £1m of funding to transform secondary shopping areas
 - Seek to work with Government to develop proposals to relocate a significant Civil Service or parliamentary presence to the York Central site.
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- Innovation: £175m to develop an innovation ecosystem connecting academia, industry and policy makers (known as Bio-Yorkshire), with a further £3m for bio-tech incubator hubs and £15m for a bio-tech innovation accelerator to bring visibility to Bio-Yorkshire as a global centre of excellence.
 - Tourism: Co-development of a tourism plan between York and North Yorkshire and Visit Britain with joint investment in future.
 - Housing: Unlocking and delivering a proportion of 20,000 homes, working with the MOD, and a share of a £96m Strategic Housing Investment Package including affordable homes on council sites (such as York Central)
 - Skills and Adult Learning: £10m low carbon skills programme to up-skill the existing workforce in low carbon industries together with a devolved Adult Education budget



5.2 A summary of the financial proposals is attached at Annex 3.

6.0 Governance

- 6.1 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.
- 6.2 An elected Mayor for York and North Yorkshire 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.

- 6.3 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. 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 if the ultimate devolution deal offered by Government is acceptable to the authorities.
- 6.4 The Government have made it clear that in their forthcoming white paper, devolution also means looking at how two-tier local Government is structured.
- 6.5 In the spirit of devolution and bringing decision-making closer to those it affects, we are committed to working with partners and neighbouring local authorities to secure a combined authority, which could bring significant investment into the city. However, we recognise that this requires careful consideration by our neighbouring 2-tier authorities. As a unitary authority, we are well placed to support our neighbours, as we work together on the region's devolution proposals. There are 57 unitary councils in England, with 28 of them having a population larger than York and 28 smaller (based on 2019 ONS mid-year estimates). York is, therefore, the median average size of unitary authority in England. Whilst we are committed to working with partners and neighbouring local authorities, we are not convinced that any other models of local government would represent effectively York's history, communities or the unique characteristics of the city.

7.0 Next Stages

- 7.1 If approval is obtained from all constituent authorities regarding the proposal, it will be sent to Central Government for their consideration. Once they have had an opportunity to consider the proposals, they will respond 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, in order to then start a further public consultation and the legal process of establishing a combined authority and a Mayor.

8.0 Equalities Implications

- 8.1 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.
- 8.2 At this point, in respect of the specific recommendation to Executive, there are no detrimental impacts identified for any groups with protected characteristics.
- 8.3 An Equalities Impact Assessment form is attached at Annex 4.

9.0 Financial Implications

- 9.1 The financial implications are attached in Annex 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.

10.0 Legal Implications

- 10.1 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 be undertaken once the Government have responded to this proposal.

11.0 Data Impact Assessment

11.1 In submitting the proposal to Government no personal data is being disclosed and a full data impact assessment will be undertaken if a future decision is made to create a combined authority and to transfer data to the new organisation.

12.0 Recommendation

12.1 The Executive is requested to approve the submissions to Government and to delegate to the interim Head of Paid Services, in consultation with the Leader of the Council, to make any necessary amendments as a result of each constituent authority's feedback in submitting these proposals.

Author & Chief Officer responsible for the report:

Janie Berry
Director of Governance &
Monitoring Officer
01904 555385

**Report
Approved**

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Wards Affected:

All

For further information please contact the author of the report

Annexes:

Annex 1: Indicative Timetable

Annex 2: Set of proposals to Government for a Devolution Deal

Annex 3: Summary of the proposals from a financial perspective

Annex 4: Equalities Impact Assessment