

Executive

15 March 2018

Report of the Chief Executive
Portfolio of the Leader of the Council

“One Yorkshire” Devolution – an update

Summary

1. This report requests that the Executive note the submission, by Yorkshire Leaders, of the Yorkshire Devolution Agreement on 5 March 2018 to the Secretary of State for Housing, Communities and Local Government.
2. *Reason for urgency* – Given this rapid and significant development, it is necessary to update Executive on the current status of this proposal and the process for agreement to ensure members, residents and businesses are fully sighted on the future decisions required.
3. The proposed devolution agreement would establish a Mayor for Yorkshire and a Yorkshire Combined Authority (CA). The proposals also seek to devolve a number of funding streams and powers.

Recommendations

4. The Executive is asked to:
 - 1) Note proposals for a Yorkshire Devolution Agreement submitted to the Secretary of State;

Reason: to ensure Executive is sighted on these significant proposals.

- 2) Request that officers continue to work with the Yorkshire Leaders group and Chief Executive Sub-group to continue detailed development and report back on the progress of proposals;

Reason: To ensure that York’s strategic interests are maintained as devolution agenda progresses.

- 3) Agree the involvement of all members in the final agreement of a devolution deal which includes York (Paragraph 16);

Reason: To ensure that members, residents and businesses are fully sighted on the future decisions required on Yorkshire devolution.

- 4) Initiate consultation as soon as is practicable with residents, businesses, members, MPs and other stakeholders

Reason: To ensure council is fully aware of the collective views within the city.

Background

5. In summer 2017, Yorkshire councils formed a coalition to find a devolution solution that supported the shared ambitions for Yorkshire on the widest possible footprint. This became known as One Yorkshire.
6. York is part of this coalition and, through the Yorkshire Leaders Group, has continued negotiations with other Yorkshire authorities to help develop proposals which deliver maximum benefits for the One Yorkshire footprint and for the city, and to ensure that any agreement reflects its unique position and strategic aims.
7. On 26 October 2017, Council passed a motion recognising and endorsing continuing negotiations on Yorkshire devolution and requested that the Executive work with partners regionally and in national government to ensure that this option and its deliverability was fully explored.
8. Yorkshire devolution would present opportunity for significant investment in the region alongside increased local decision making. Currently only one in 20 decisions made about the region are made locally.
9. The Secretary of State has recently commented that the Government would not stand in the way of a devolution deal and, as a next step, would want to see concrete proposals for a Yorkshire devolution package.
10. On 5 March 2018, a Yorkshire Devolution Agreement Submission was submitted on behalf of 18 Yorkshire Council Leaders/Representatives to

Rt Hon Sajid Javid MP, Secretary of State for Housing, Communities and Local Government.

11. The submission notes that the “devolution agreement is central to Yorkshire’s collective drive to unleash the full economic potential of a region with an established international brand, an economy twice the size of Wales and a population the same as Scotland.”

Consultation

12. Officers have and will continue to work with counterparts in authorities across the region to refine the detail of the proposal to ensure maximum benefit for both the region and York itself.
13. It is recommended that Executive initiate consultation as soon as is practicable with residents, businesses, members, MPs and other stakeholders to ensure council is fully aware of the collective views within the city. This consultation should align, as far as possible, with that carried out across other authorities.

Options

14. Ultimately, City of York Council will have a decision as to whether to agree to this devolution agreement or not. The time line for this is currently being considered by officers across the region, but is likely to be necessary in 2019, facilitating the arrangements being established in 2020.
15. It is recommended that Executive request that all Members are involved and consulted, through Executive and Full Council, in the final decision on whether to proceed.
16. It is worth noting that the Secretary of State has outlined that should any council within the proposed area not agree to proceed, there can be no One Yorkshire deal.

Analysis

17. The proposals present a set of arrangements which would facilitate strong regional leadership alongside the principle of subsidiary – that is, that decisions are taken at the lowest possible level of governance. The guiding principles are as follows:

- a. Ambition – securing a broad range of powers and funding devolved to a Combined Authority covering the widest possible Yorkshire geography and overseen by a new directly elected Mayor to represent the people of Yorkshire by May 2020, in order to ensure that the benefits of devolution are fully realised across the region.
 - b. Self-determination and self-help for the region – ensuring Yorkshire can confidently shape its own Industrial Strategy and economic future post-Brexit.
 - c. Subsidiarity – i.e. the presumption of devolving powers from Whitehall to the lowest practical level, whether district or neighbourhood level, sub regional or regional. This may involve powers going up from their existing level, e.g. current WYCA and SCRCA transport powers, but in order to avoid creating a costly new regional tier of bureaucracy others only where there is a demonstrable business case and there is express local agreement.
 - d. Investment, including devolved funding, delivered across the region, including our rural, coastal and urban areas, ensuring that everyone in Yorkshire is able to benefit from devolution.
 - e. Streamlined and robust governance arrangements which create no additional cost burden on the tax payer
18. For York specifically, Officers have been clear in our need to ensure that:
- a. Sub-regional arrangements reflect the requirements for York to have an active involvement in more than one sub-region.
 - b. Transport Powers are held at the appropriate level to continue York’s control of transport infrastructure.
 - c. York is represented appropriately within the governance arrangements.
 - d. Local democratic control of issues affecting York’s residents is maintained.
19. The proposals, attached at Annex A, currently reflect these requirements. In summary, the proposals are as follows:
20. A directly elected Mayor for Yorkshire, to be elected in May 2020, who will provide overall economic leadership and chair CA meetings.
21. The Mayor will be supported in their responsibilities through a Cabinet of Leaders from local authorities, with the Leaders having a clear portfolio of responsibilities. The four Yorkshire Local Enterprise Partnerships (LEPs) will also be represented, without voting rights, on the CA. Trade Unions and the two National Parks will also be represented on a non-voting basis.

22. The CA, working with the Mayor, will receive devolved funding streams and powers enabling the Authority to tackle the economic, social and environmental challenges facing Yorkshire.
23. Flexible sub-regional Area committees will support the Mayor and the Cabinet which recognise the functional economic linked and overlapping geographies. These would be built on existing collaborative arrangements in place across Yorkshire.
24. Transport powers will be held by the CA, but delegated back to existing Transport Authorities (in York's case, to the Council.)
25. The Mayor will be required to consult the Cabinet on Mayoral strategies, including the Yorkshire Industrial Strategy, and the Mayor's budget, either of which the Cabinet may reject if two-thirds of its voting members present agree to do so.
26. On proposals for decision requiring a vote of the CA, the Cabinet members and the Mayor would each have one vote and policy would be agreed by a majority vote.
27. The proposals will be subject to final formal consent of the Yorkshire Combined Authority Shadow Board, the constituent councils, existing combined authorities, agreement of ministers, and necessary orders.

Council Plan

28. Devolution provides opportunities to support growth within the region and within York. This relates to the Council Plan priority of "A Prosperous City for All". A commitment to consult and inform residents throughout this process is aligned the priority of being "A Council that listens to residents".

Implications

29. The implications of devolution within York are significant and will be fully analysed as the proposals develop in detail.
30. For the decisions in this report, the implication is in respect of the legal process and the recommendation that all members are consulted on the final decision to proceed. Subject to Executive's approval of this recommendation, officers will develop a road map of the necessary

decisions, related to the constitutional powers of the council and aligned the required statutory and legislative process.

Risk Management

8. There are no identified risks in relation to the recommendations of this report.

Contact Details

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Report **Date** 7 March 2018
Approved

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Wards Affected: List wards or tick box to indicate all **All**

For further information please contact the author of the report

Annexes:

Annex A – The Yorkshire Devolution Agreement Submission

List of Abbreviations Used in this Report

CA – Combined Authority
WYCA – West Yorkshire Combined Authority
SCRCA – Sheffield City Region Combined Authority
LEP - Local Enterprise Partnerships