

**CITY OF YORK COUNCIL
SUMMONS**

All Councillors, relevant Council Officers and other interested parties and residents are formally invited to attend a Extraordinary Council Meeting meeting of the **City of York Council** at **The Guildhall, York**, to consider the business contained in this agenda on the following date and time:

Thursday, 22 September 2022 at 6.30 pm

A seating plan for the Chamber is to follow.

A G E N D A

1. Declarations of Interest

At this point in the meeting, Members are asked to declare any disclosable pecuniary interest or other registerable interest they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests.

2. Public Participation

At this point in the meeting, any member of the public who has registered to address the Council, or to ask a Member of the Council a question, on a matter directly relevant to the business of the Council or the City, may do so. The deadline for registering is **5:00pm on Tuesday, 20 September 2022.**

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting please contact Democratic Services. Contact details can be found at the foot of this agenda.

Webcasting of Public Meetings

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During coronavirus, we made some changes to how we ran council meetings. See our updates at www.york.gov.uk/COVIDDemocracy for more information on meetings and decisions.

3. Agree the Devolution Deal and Commence Consultation (Pages 1 - 140)

To consider the Executive recommendations for approval in respect of the above report to the Executive meeting on 21 September 2022. A copy of the report is attached for reference.

Executive recommendations to follow.

Democratic Services officer

Fiona Young

Contact details:

- Telephone – (01904) 552030
- Email fiona.young@york.gov.uk

For more information about any of the following please contact the Democratic Services officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

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Executive

**21 September 2022
(postponed from 15
September 2022)**

Report of the Chief Operating Officer

Agree the Devolution Deal and Commence Consultation

1.0 Purpose of Report

1.1 This report provides details of the steps needed to be taken following the announcement of “minded to” Devolution Deal for York and North Yorkshire announced on 1 August 2022 and seek permission to approve the governance review, commence the consultation on the Scheme, create a joint committee, agree to cashflow up to £600k of implementation costs and delegate to the S151 Officers to develop the financial arrangements to deliver the Deal.

2.0 Executive Summary

2.1 To seek Executive’s recommendation that Council approves the governance review and commences the consultation process to approve the Devolution Deal and to carry out the relevant next steps to accept the Deal. The report also seeks approval for the creation of a joint committee between North Yorkshire County Council and the City of York to provide a formal mechanism for Members to work together prior to the potential creation of any formal body. In addition, the report seeks agreement for the constituent authorities to cashflow initial implementation costs of £600k ahead of the funding being able to be drawn down and seeks to approve delegation to the S151 Officers of the constituent authorities to develop proposals to manage the financial aspects of the Deal.

2.2 This report is scheduled for discussion at the Full Council meeting on 22nd September.

3.0 Background

- 3.1 On 1 August 2022 the Secretary of State for Levelling Up, Housing and Communities announced that the Government was minded to enter into a Devolution Deal with York and North Yorkshire under which the region would benefit from £540 million of new Government investment to spend on local priorities to produce growth, together with a range of devolved powers. This Devolution Deal is dependent upon the York and North Yorkshire Authorities establishing a Combined Authority for the area with an elected Mayor.
- 3.2 The “minded to” deal states it is “Subject to ratification of the deal by all partners and the statutory requirements including, public consultation, the consents of councils affected, and parliamentary approval of the secondary legislation implementing the provisions of this deal”.
- 3.3 The next steps in developing the proposal in establishing a Mayoral Combined Authority will include the consideration of a governance review and the publication of a Scheme if it is concluded that the exercise of statutory functions are likely to be improved by the creation of a Mayoral Combined Authority.
- 3.4 The Scheme will be subject to an eight week public consultation across York and North Yorkshire which will commence in October 2022.

4.0 Issues

- 4.1 York and North Yorkshire have an ambitious vision for enhancing social and economic prosperity and increasing the wellbeing of our communities. Building upon the existing position, the Authorities wish to increase the region’s contribution to the north and national economies and improve the region’s productivity through enhanced business growth, innovation delivery, skills and infrastructure. The Authorities will work together to ensure that all residents have the opportunity to benefit from and contribute to future growth.
- 4.2 The minded to Devolution Deal represents a significant step forward in improving the environment and delivering more and better jobs to the area. It further delivers new responsibilities and investment that will benefit our communities across York and North Yorkshire and the northern region as a whole. The Deal means that decisions previously taken centrally would now be taken closer to the people affected and the

region is not disadvantaged as other regions acquire their own Devolution Deals.

- 4.3 The Deal can be found on the Government's website, here: <https://www.gov.uk/government/publications/york-and-north-yorkshire-devolution-deal/york-and-north-yorkshire-devolution-deal#summary-of-the-devolution-deal-between-the-government-and-the-local-authorities-of-york-and-north-yorkshire-comprising-city-of-york-council-and-north-yorkshire-council> and is attached at Appendix 7.
- 4.4 The Deal proposes the following benefits for the region:
- £18 million per year in Gainshare funding over 30 years to invest in local priorities;
 - Subject to a full business case, investment of up to £50 million to support and deliver the York Central brownfield regeneration scheme which would generate additional GVA and associated benefits for the whole York and North Yorkshire region;
 - £7 million investment to enable York and North Yorkshire to drive green economic growth towards the ambition to become a carbon negative region;
 - Investment of up to £2.65 million of projects to deliver affordable, low carbon homes;
 - £13 million for the building of new homes on brownfield land across 2023/24 and 2024/25;
 - A commitment to establish a working group to support the development of BioYorkshire;
 - New powers from Government to drive regeneration and build more affordable homes;
 - New transport powers to improve and integrate the regional transport network.
- 4.5 However the Deal requires the York and North Yorkshire Authorities to establish a new Mayoral Combined Authority. This would envisage that the first elections for the Mayor of York and North Yorkshire would be in May 2024. To establish the new Mayoral Combined Authority, the Secretary of State will need to make a Statutory Order under the Local Democracy, Economic Development and Construction Act 2009. This Order will create a new Combined Authority consisting of North Yorkshire Council and the City of York Council and would be Chaired by a Directly elected Mayor who would be given powers directly from government.

- 4.6 The first stage in commencing the statutory process is for the North Yorkshire and York Authorities to undertake a Governance Review.
- 4.7 A Governance Review has been undertaken by officers and approval is sought to agree the review and its conclusions. A report setting out the findings of that Governance Review is attached at Appendix 1 and is considered in more detail below.
- 4.8 The Authorities must then decide whether the criteria in the 2009 Act have been met. The criteria is as follows:
- Whether the proposed creation of a Mayoral Combined Authority for York and North Yorkshire would be likely to improve the exercise of statutory functions in that area (Section 109 of the 2009 Act).
- 4.9 The review in Appendix 1 concludes the creation of a Mayoral Combined Authority does meet the statutory test. If the Councils are satisfied that the criteria has been met, the next stage of the process is for the Authorities to draft and publish a Scheme setting out how it is intended to implement these proposals. A draft scheme is attached at Appendix 2. The Authorities must then carry out public consultation on the proposals. At the end of that consultation period, the Authorities must submit the review, the scheme (as revised if appropriate) and a summary of the responses received to the Secretary of State (currently Rt Hon Greg Clark). He will then decide whether he is satisfied that the statutory criteria is met to allow him to make the necessary orders and whether the Authorities have provided their consent to the making of the Order. It is anticipated that at the time of the decision the relevant authorities will be North Yorkshire Council and the City of York Council.
- 4.10 Attached at Appendix 5 is a briefing which describes in more detail the process of accepting the Deal and answers a number of frequently asked questions.

5.0 Governance Review Executive Summary

- 5.1 The purpose of the Governance Review has been to review the exercise of statutory functions in York and North Yorkshire with a view to deciding whether to publish a Scheme which sets out how these changes will be made and then to undertake public consultation.
- 5.2 The Governance Review has found that the available economic evidence, drawn from national and regional sources, provides a rationale to work across the York and North Yorkshire area, recognising

that it operates as a strong and coherent functional geography. It boasts a strong and diverse population with significant growth potential, underpinned by significant economic assets and infrastructure of national strategic importance. The York and North Yorkshire functional economic market area is characterised by an innovation and knowledge economy driven by the three universities, supporting strong financial, rail-tech and digital sectors, and a broad bioeconomy linked to food and materials production. Tourism, food and drink, and hospitality is strong across the whole sub-region, based on its natural and built assets.

- 5.3 Despite its significant assets and opportunities, the area is yet to reach its economic potential and the review identifies opportunities for improving lives for people in the region through stronger governance arrangements and the proposed Devolution Deal. The review also identifies the challenges facing the region which currently inhibit growth and how these can be addressed through increased investments in the area.
- 5.5 The minded to Devolution Deal represents a significant step forward in delivering more and better jobs to the area it delivers significant new responsibilities and investment that will benefit communities. It means that decisions previously taken centrally can in the future be potentially taken closer to the people affected. The proposed Mayoral Combined Authority will promote local democracy through direct democratic accountability. The introduction of a directly elected Mayor will enable a greater focus for change that will seek to enhance economic growth.
- 5.6 The Governance Review notes that the Devolution Deal is dependent on the establishment of a Mayoral Combined Authority and concludes that this is the appropriate mechanism by which the powers and funding proposed can be devolved to York and North Yorkshire.
- 5.7 Furthermore, the Governance Review concludes that the current governance arrangements do not represent the best model for the ambitions of the Authorities in terms of delivering their long term ambitions for economic growth. In summary the Review concludes that the statutory criteria are met in creating a Mayoral Combined Authority for York and North Yorkshire as it will improve the exercise of statutory functions in the area.
- 5.8 It is therefore recommended that North Yorkshire County Council and the City of York Council progress these proposals by publishing the requisite Scheme and undertaking public consultation.

6.0 The Scheme

- 6.1 As it has been concluded that the statutory criteria have been met, the next stage is to publish a Scheme in respect of the proposals. A draft of the Scheme is attached at Appendix 2. The Scheme explains the following:
- (a) How the new Mayoral Combined Authority for York and North Yorkshire will be created with the newly created North Yorkshire Council and York as the two local authority Members. The newly created Combined Authority will have the Mayor as the Chair.
 - (b) How the Mayoral Combined Authority will make decisions and the powers it will have.
 - (c) How transport will be dealt with on an integrated basis.
- 6.2 As set out in the Scheme the York and North Yorkshire Combined Authority will be a Mayoral Combined Authority and it is expected that the first elections for the Mayor will take place in May 2024. This election will replace the scheduled Police, Fire and Crime Commissioner Elections and the Combined Authority Mayor will take over the Commissioner's responsibilities as well.
- 6.3 It is expected that the Combined Authority will be established as a legal body by the end of 2023.
- 6.4 As a Mayoral Combined Authority, the Mayor will make certain decisions on certain functions. The Combined Authority's Executive will make decisions on all other matters.

7.0 Consultation

- 7.1 If the Executive agrees, the details and timeline of a mayoral-led combined authority for York and North Yorkshire will go forward for public views. The consultation will begin in mid-October and close in mid-December, covering a period of 8 weeks. It is important that the consultation reaches a broad and representative range of responses from across the region and includes the views of people from different backgrounds, groups and organisations, including businesses here. This exercise will therefore be supported by a detailed engagement programme and with input from the Consultation Institute. A consultation partner is also being procured to support the data gathering and analysis (see below).

- 7.2 While this will be a digital-first approach with the primary consultation channel an online survey asking people their views on the draft scheme following a governance review, significant additional engagement will include face-to-face where that is the most effective approach. The survey will be developed in-house, coordinated centrally and hosted on a Devolution branded online survey platform, linked to the City of York and North Yorkshire County Council websites. Questions and Answers from the consultation platform will be captured, with social media polls initiated on the Devolution branded social platforms and those of the two councils. Any written responses and letters will also be captured.
- 7.3 It is essential that everyone is able to participate via their preferred route, so additional non-digital routes such as hard copies of information will also publicly available and well publicised. All information will be available in accessible formats on request.
- 7.4 In addition to this, there will also be a targeted mailshot of postal surveys identified.
- 7.5 The communications for the consultation will include significant proactive communications throughout the consultation period to ensure as many people as possible are reached including under-represented areas. Frequently asked questions will be kept up to date and every effort will be made to answer queries as the consultation progresses.
- 7.6 The consultation partner will then evaluate the responses and ensure we have a representative sample of replies from across the region. At the end of the consultation period, based on this information, the North Yorkshire and York Councils will prepare a summary of the responses received. A further report will be brought to the Executive to provide the outcome of the consultation and will consider whether to submit the scheme as drafted or amended or at all to the Secretary of State.

8.0 Programme Arrangements

- 8.1 The activities required to progress the devolution process, subject to approval from Councils, are broad and significant in scale. It requires a response to each area of the deal, each funding stream identified and each function, whilst creating a new organisation, the MCA, over the next two years. Working across multiple organisations, there is a clear need for a programme structure which provides the necessary governance, transparency and accountability during the transitional period towards a Combined Authority.

- 8.2 Officers are currently liaising with Government to understand the required format for businesses cases, for assurance processes and the terms under which grant funding will be released. This will help to shape the required approach, including the level of resourcing required and the mechanisms by which individuals will be engaged. Proposals will be submitted to the Chief Executive of NYCC and the COO of CYC for agreement.
- 8.3 It is anticipated that a small central team of officers, drawn from councils and the LEP, will form the programme office, supported by officers located within each organisation. The funding for these arrangements will come from the capacity funding agreed as part of the deal, potentially alongside the early gainshare. As detailed in the finance section of this paper, these funds will not be available until November 2023 and so any early expenditure will need to be cash flowed by the two constituent authorities and reimbursed. Proposals will be submitted to the Chief Executive of NYCC and the COO of CYC for agreement, operating within the agreed resources available within the deal, and where relevant such arrangements will be reported to the Joint Committee.
- 8.4 The need for an agreed programme structure is acute for the early funding which will be received prior to the formation of any potential Combined Authority. £2.65m of funding for piloting approaches to affordable low carbon homes is included in the deal, for the current financial year (2022/23). The Government has determined that the money will be split in the following way:
- £2m York Shared Ownership.
 - £0.250m Scarborough enabling works.
 - £0.4m Craven Empty Homes Pilot.
- 8.5 This funding is subject to business case approval by Government, as well as a mechanism for reporting back on progress. As such, it is necessary to implement an interim assurance process which satisfies Government requirements prior to the funding being drawn down. Business cases will be submitted by each local authority, once approved by the S.151 officer, directly to the Department of Levelling Up, Housing and Communities for approval. Once approval has been given, it is understood that the funding will be directly granted to the relevant local authorities.

8.6 Subsequent funding streams, which would be received after the Order establishing the Combined Authority has passed into law, would be subject to a full assurance process, with full business case approval being undertaken locally, by the joint committee (see below) or the Combined Authority once established. The detailed arrangements for this will be considered and approved by the Joint Committee.

9.0 Proposal to create a Joint Devolution Committee

9.1 The Councils in North Yorkshire and York have been working together with Government to obtain a Devolution Deal that can be consulted upon. The recommendation on whether to actually create a Mayoral Combined Authority or not will be considered after the consultation with the public has taken place.

9.2 However in the meantime, to ensure proper governance and transparency, it is recommended that a Joint Committee is created at this stage between North Yorkshire County Council and the City of York to have joint political oversight of the arrangements in working together. This will assist in making accountability clearer and decision making more transparent.

9.3 It is proposed that the Joint Committee have limited powers initially and that the sovereignty of the constituent Councils remains unchanged. However the Committee will provide an open forum for Members from, ultimately, North Yorkshire Council and the City of York to work together in reviewing the actions identified in this report and in considering what is strategically appropriate for the region.

9.4 It is proposed that the Membership of the Committee mirrors the proposed scheme as far as possible at this stage, which means:

- 2 Executive Members for each constituent Council
- Co-opted membership offered to the Police, Fire and Crime Commissioner and the Chair of the LEP

9.5 As this committee would not be chaired by a Mayor (as opposed to a MCA), it is proposed that the Chair is appointed by the Committee itself.

9.6 It is proposed that the Joint Committee is established under Section 101(5) of the Local Government Act 1972 by the Executives of the constituent Councils.

9.7 It is proposed that the terms of reference of the joint Committee include:

- Reviewing collectively the provisions of implementing the Deal if accepted across the region
- Collaborating on projects and plans that benefit the region (subject to each individual authority's approval)

9.8 Attached at Appendix 6, it is further recommended that the final terms of reference are delegated to the Monitoring Officer in consultation with the Leader to approve so arrangements can be mutually agreed by both Councils.

9.9 The Councillors for North Yorkshire Council have been appointed following the elections in May 2022

10.0 Financial Implications

10.1 The following section sets out the funding that would come to the Mayoral Combined Authority as part of the 'Deal' and the anticipated initial implementation costs. This funding is able to fund the MCA set up costs, governance costs and costs associated with delivering the commitments within the deal. It should be noted that the majority of this funding will not be received until November 2023, when the order passes through Parliament and there will be a requirement to cash flow the activity which is required to take place in advance of this date. The recommendations to the Executive include delegation to the S.151 officers of the constituent authorities to work up these costs prior to receipt of the funding and to agree how the risk will be shared. Approval is also sought to cashflow initial implementation costs of up to £600k and for Executive to receive a further report once full implementation costs are known.

10.2 The Table below sets out the key new funding available through the deal and which elements will be received when the Order passes through Parliament and which when the Mayor is elected. In total £52.3m new funding will be received in the CSR period (up to March 2025). This includes:

	2022/23	Passing of the Order (Nov 23)	Election of the Mayor (May 24)
Mayoral Investment Fund		£9m	£18m
Mayoral Capacity Funding		£0.5m	£1m

Transport Capacity Funding		£0.5m	£0.5m
Brownfield Funding		£13.178m	
Net Zero Funding		£7m	
Net zero affordable housing	£2.65m		
Totals	£2.65m	£30.178m	£19.5m

- 10.3 On satisfaction of the conditions within the deal additional funds will also be invested through the MCA route which are currently routed through the two councils. This includes the Consolidated Transport Budget and Adult Education Budget. The current annual value of North Yorkshire's Local Transport Plan is £40m and City of York's £4.4m. It is envisaged that the LTP for North Yorkshire and York will be received directly from government to the MCA as the Strategic Transport Authority rather than directly to the constituent authorities. It is then envisaged that the combined LTP will be distributed to the Constituent Authorities who will retain the delivery responsibility as the statutory Highways Authorities.
- 10.4 As per the scheme, provision should also be made for the Constituent Councils to meet the costs of the Combined Authority and how the costs are to be apportioned between the Constituent Councils. The Mayoral Combined Authority will be funded entirely from the capacity funding set out above plus the Mayoral Investment Fund. It is also expected that future projects and funding pots will include with them an element of capacity funding to support the running of individual schemes.
- 10.5 The Table in Paragraph 10.2 highlights the content within the deal which have funding attached to them at this point. There are wider commitments from government as part of the deal where there is no funding attached or potential funding is not defined at this stage. These include the Digital and Natural Capital. There are potential resource requirements attached to all of the commitments.
- 10.5.1 The Devolution project team are currently holding a series of meetings with the leads of the various work streams to establish the resources that will be required to meet both statutory responsibilities (such as the creation of the Strategic Transport Plan) or the requirements to take full advantage of future funding or the timing of the Deal. The development of this is subject to cash flowing arrangements in advance of the deal being approved and then subsequent funding allocations to the MCA from government.

10.6 Capacity funding available for the implementation includes:

Mayoral Capacity Fund	£1.5m (1.5 years)
Transport Capacity Fund	£1.0m
Brownfield Land Funding	£378k
Total	£2.878m
Mayoral Investment Fund (can also be used to support implementation costs)	£9.0m
Total available to fund implementation costs	£11.878m

10.6.1 Funding of £2.878m is available to fund implementation costs. Additionally the Mayoral Investment Funding can also be used. As detailed in 10.2, £9m Mayoral Investment Funding will be received in November 2023. This makes available funding to support implementation of £11.878m.

10.7 Whilst the funding is set and known, the funding will not be available to draw down until (and if) the Order is approved in November 2023. The work that this capacity fund is intended to cover must start now in order that:

- York and North Yorkshire are prepared and able to invest in Brownfield, Net Zero and Low Carbon Affordable Housing investment which must be defrayed by March 2025 – total £22.45m.
- The MCA is formally created and operational for when the Mayor takes office in May 2024
- Fully compliant governance procedures are followed, both for the consultation phase of approving the deal and also ensuring shadow arrangements are delivered in an open and transparent manner
- Correct legal procedures are followed with regard to TUPE or employees in scope and procurement of MCA support services

10.7.1 Therefore the Constituent Authorities will need to cash flow the funding until November 2023 when the capacity funds become available, subject to an agreement to create a MCA.

10.8 Implementation and set up costs will need to be incurred to cover areas including consultation, additional legal costs and the shadow

governance arrangements and delivery costs in progressing the delivery commitments within the deal. As the detail of these costs is still being worked up, it is proposed that an initial amount of £600k is approved as part of this report to cover the costs of the initial consultation exercise and other early implementation costs and a further report brought back to Executive for approval for the full implementation costs once these are known. These costs, by necessity to meet the timescales, will be incurred before the capacity funding and Mayoral Investment Funding can be drawn down in November 2023. It is proposed that these costs are recovered in full through a first call on the capacity funding / Mayoral Investment Funding once available.

- 10.9 Only the implementation and set up costs will be cash flowed by both Councils in the interim period. The low carbon affordable housing funding will not be spent until a final business case has been approved and any grant conditions are confirmed. This will minimise the risk to both Councils.
- 10.10 There is a risk that if the Deal is ultimately not signed, any costs incurred will be non-recoverable and provision would need to be made for write off in the host authority's financial statements and so it is proposed that this risk is shared between the 2 constituent authorities. Delegation is requested to the S151 Officers of North Yorkshire Council and City of York Council to work up the details of and implement the financial arrangements including agreeing appropriate set up costs, risk share and the funding source.
- 10.11 The Government has determined that of the £2.65m low carbon affordable housing funding included in the deal, £2m will come to City of York Council in support of a programme of shared ownership properties. This is subject to approval of a detailed business case, which is currently being prepared. It is recommended that this funding is added to the Capital Programme, subject to the agreement of the S151 Officer upon business case approval and confirmation of grant conditions.

Risks

- 10.12 The risk to the Authorities funding the activity ahead of the November 2023 date is limited to the risk of a final Deal not being agreed. As detailed in 8.6 above, implementation costs can be drawn from the funding to be received of £11.878m. Therefore the primary risk is the costs expended should the deal not receive formal approval. The risk is expected to diminish as council approvals are achieved by March 2023

but the risk is only eliminated upon the deal finally being approved by government that releases the funding set out in this report.

10.13 The financial model and operating budget of the MCA will be established through a working group of the constituent Authorities and approved as part of the requested Section 151 officer delegation (in consultation with the relevant Executive Members). Consideration will also be given to establishing a Medium Term Financial Plan but this will be subject to further consideration and approvals as the deal progresses.

11.0 Legal Implications

11.1 The legal implications are identified in the report. However for the sake of clarity Section 108 of the 2009 Act provides that two authorities may undertake a review of the exercise of statutory functions in relation to an area. Appendix 1 contains the governance review undertaken for the review area of North Yorkshire and York under Section 108.

11.2 Section 109 of the 2009 Act provides that if a review concludes that the establishment of a combined authority for an area would likely improve the exercise of statutory functions in relation to the area, the authorities may prepare and publish a scheme for the establishment of a combined authority for the area. For “the review area” of North Yorkshire and York, Appendix 1 has concluded that a combined authority would likely improve the exercise of statutory functions in North Yorkshire and York, Appendix 2 provides a draft Scheme for the establishment of a Mayoral Combined Authority.

11.3 Section 103 of the 2009 Act provides that the Scheme area must consist of two or more local government areas in England and the geography of North Yorkshire and York complies with that condition. It is noted that the constituent authorities of a proposed combined authority under the Scheme would be North Yorkshire Council and the City of York Council as the effective date would be after Local Government Reorganisation within North Yorkshire.

11.4 Regulation 7(3)(a) and (b) of the North Yorkshire (Structural Changes) Order 2022 provides that the Executive of North Yorkshire County Council can exercise the functions under Section 108 (review by authorities: new combined authority) and Section 109 (preparation and publication of Scheme: new combined authority) on behalf of North Yorkshire Council.

- 11.5 Section 110 of the 2009 Act provides that the Secretary of State may make an order establishing a combined authority only if:
- (a) He considers that to do so is likely to improve the exercise of statutory functions in the area or areas to which the order relates.
 - (b) The constituent council's consent (which at the time of making the order will be North Yorkshire Council and the City of York).
 - (c) Consultation has been carried out, either by the Secretary of State or the constituent councils.
- 11.6 This section also provides that the Secretary of State in making the order must have regard to the need:
- (a) To reflect the identities and interests of local communities.
 - (b) To secure effective and convenient local government.
- 11.7 It is the intention in this report to seek approval for the constituent councils to carry out a public consultation in connection with the proposals contained in the Scheme and if it is subsequently determined to proceed with the Scheme, a summary of the consultation responses will be submitted to the Secretary of State. It will then be a matter for the Secretary of State to consider whether further consultation was necessary.
- 11.8 Section 107A to 107K of the 2009 Act provides that the Secretary of State may make an order to provide that there will be a directly elected Mayor for the area of the combined authority where the constituent councils submit a request for the creation of a Mayor under the Scheme. Further it provides that the Mayor will be a member of and chair the combined authority.
- 11.9 These provisions and Schedule 5C also provide that the Secretary of State must by order make provision authorising any future Mayor to appoint a Deputy Mayor in respect of policing, fire and crime.
- 11.10 This report seeks approval to agree the governance review under Section 108, approve the draft Scheme under Section 109 and to carry out a public consultation under Section 110. A future report will be taken to the Executive to consider the results of the consultation and whether to proceed with and on what basis a submission to the Secretary of State.
- 11.11 A copy of the draft timetable for the various stages is attached at Appendix 5.

11.12 It is also worth noting that Government are currently considering the Levelling Up and Regeneration Bill which, if enacted, would make some changes to the creation of combined authorities which will be kept under review as the Bill passes through the House of Commons and the House of Lords. The Bill looks at making it easier for areas to invoke the relevant governance arrangements necessary for devolution deals. At the time of drafting the report, the bill suggests a new statutory test to create a combined authority, which is that “the Secretary of State considers that to do so is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area”. The current legislation and any new changes will therefore be kept under review and the relevant legislation considered if and when a final submission is made to the Secretary of State next year.

12.0 Consultation Undertaken and Responses

12.1 Consultation to be conducted as identified in the report.

13.0 Equalities Implications

13.1 An Equality Impact Assessment is attached at Appendix 3 which must be considered before a decision can be made. It is not expected that the proposals described in this report will have any adverse impact on people with protected characteristics. The aim of promoting growth within the area is expected to have a positive impact on inclusivity for constituent authorities.

14.0 Environmental Impacts/Benefits

14.1 The recommendations within this report do not, in themselves, create direct environmental impacts and it is not appropriate to carry out a full environmental impact assessment. However, the creation of a Combined Authority with significant investment and powers has the potential to create significant environmental benefits, through the pursuit of a carbon negative region and investment agreed by the Government.

14.2 The Deal contains investment of up to £2.65 million on projects that support York and North Yorkshire’s priority to deliver affordable, low carbon homes across the area, subject to final business cases. This investment would support shared ownership and energy efficiency measures, providing environmental benefits alongside positive quality of life and financial impacts.

- 14.3 The Deal also includes £7 million investment to enable York and North Yorkshire to drive green economic growth towards their ambitions to be a carbon negative region. This investment is subject to agreement of submitted business case. This investment will support projects related to low carbon energy, being denied through current work on Local Area Energy Plans.
- 14.4 Should the deal be progressed, the Government has committed to explore the potential benefits of and design options for a place-based approach to delivering retrofit measures. This would explore how Government could simplify and consolidate funds which target net zero initiatives at the local level where this provides the best approach to tackling climate change.
- 14.5 The Combined Authority would also work with Government to develop a Natural Capital Investment plan for York and North Yorkshire. Government will support York and North Yorkshire in the development of a Natural Capital Investment Plan. This support may include: a proportion of revenue funding; specialist expertise; co-ordination of peer support and networking; and/or local partnership working with DEFRA's Arm's Length Bodies (Environment Agency, Natural England, and Forestry Commission).

15.0 Reasons for Recommendations

- 15.1 On the basis of the report and the beneficial Devolution Deal it is recommended that Executive approve the minded to Devolution Deal, approve the Governance Review and approve and publish the Scheme for consultation.

16.0 Recommendations

- 16.1 Executive is asked to recommend that Full Council approve:
- a. The minded to Devolution Deal;
 - b. The Governance Review as identified in Appendix 1; and
 - c. Publication of the Scheme at Appendix 2 for consultation and to delegate to the Monitoring Officer any changes and actions needed to ensure that a full consultation exercise is conducted for the area.
 - d. Delegation to the S151 Officer, in consultation with the Executive Members for Finance and Major Projects, to approve with the City of York to work up the details of, and implement, the financial arrangements including a risk share mechanism and funding source

- e. To cashflow, with NYCC, initial implementation costs of £600k (ahead of the funding being available to be drawn down) and agree to receive a further report once the full implementation costs are known.
- f. The creation of a Joint Devolution Committee with North Yorkshire County Council and delegating to the Monitoring Officer, in consultation with the Leader, the final terms of reference as agreed with North Yorkshire County Council.
- g. The addition of £2m to the Capital Programme for affordable low carbon homes with any expenditure subject to the agreement of the S151 Officer upon business case approval and confirmation of grant conditions.

Contact Details

Author:

Will Boardman
Head of Corporate Policy
and City Partnerships

Chief Officer Responsible for the report:

Ian Floyd
Chief Operating Officer

Report Approved

Date 07/09/2022

Specialist Implications Officer(s)

Financial

Legal

Debbie Mitchell

Janie Berry

Chief Finance Officer

Director of Governance

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

All

For further information please contact the author of the report

Background Papers:

Executive Report – 23/07/2020 -

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=59883&PlanId=0&Opt=3#AI55646>

Appendices:

1. Governance Review Report.
2. Draft Scheme.
3. Equality Impact Assessment.
4. Devolution Timetable
5. Devolution Member Briefing
6. Draft Terms of Reference for the Joint Devolution Committee
7. The proposed Devolution Deal

Abbreviations

CA – Combined Authority

GVA – Gross Value Added

IMD – Index of Multiple Deprivation

LEP – Local Enterprise Partnership

LTP – Local Transport Plan

MCA – Mayoral Combined Authority

TUPE - Transfer of Undertakings (Protection of Employment)

YNY – York and North Yorkshire

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**York and North Yorkshire
Devolution
Governance Review**

North Yorkshire County Council
City of York Council

Undertaken in accordance with the
Local Democracy, Economic Development and Construction Act 2009.

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1.0 Executive Summary

- 1.1. Following a submission to Government from all Councils across the sub-region in 2020, Government announced in February 2022 that it would start negotiations on a Mayoral Devolution Deal for York and North Yorkshire. Formal negotiations began soon after and the details of a minded-to deal were published on 01 August 2022.
- 1.2. The proposed 30-year devolution agreement would deliver funding for key policies and strategies, providing better roads and public transport, improving education and job opportunities, boosting the economy, and placing York and North Yorkshire at the forefront of the green energy sector to tackle climate change.
- 1.3. The deal for York and North Yorkshire (YNY) would see the introduction of a mayor for the region, elected by residents, to lead a mayoral combined authority (MCA) and forge close links with Ministers in the Government, as well as civil servants in Whitehall. The proposed deal provides the opportunity to invest an £18 million mayoral gain share each year and the mayor would also have access and influence to new and greater funding for the region.
- 1.4. The mayor, who would be elected in May 2024, would lead a new combined authority that would oversee key strategic projects ranging from major transport improvements to providing more affordable housing and boosting skills and education for York and North Yorkshire.
- 1.5. This minded-to devolution agreement includes:
 - 1.5.1 York and North Yorkshire establishing a combined authority and electing a directly elected mayor to provide overall vision and leadership, seek the best value for taxpayer's money, be directly accountable to the city region's electorate and to receive new powers on transport, housing and skills.
 - 1.5.2 Control of a £18 million per year allocation of investment funding over 30 years 35% capital, 65% revenue, to be invested by York and North Yorkshire to drive growth and take forward its priorities over the longer term.
 - 1.5.3 New powers to improve and better integrate local transport, including the ability to introduce bus franchising, control of appropriate local transport functions e.g., local transport plans, and control of a Key Route Network.
 - 1.5.4 An integrated transport settlement starting in 2024/25 and an additional £1 million to support the development of local transport plans.
 - 1.5.5 New powers to better shape local skills provision to meet the needs of the local economy, including devolution of the core Adult Education Budget, as well as input into the new Local Skills Improvement Plans.
 - 1.5.6 New powers to drive the regeneration of the area and to build more affordable homes including compulsory purchase powers and the ability to establish Mayoral Development Corporations.
 - 1.5.7 Over £13 million for the building of new homes on brownfield land across 2023/24 and 2024/25, subject to sufficient eligible projects for funding being identified.
 - 1.5.8 Investment of up to £2.65 million on projects that support York and North Yorkshire's priority to deliver affordable, low carbon homes across the area, subject to final business cases.
 - 1.5.9 Subject to a full business case, demonstrating the value of the scheme in delivering housing, jobs and GVA to the area, the government is minded to provide additional support to the York Central brownfield regeneration scheme.
 - 1.5.10 £7 million investment to enable York and North Yorkshire to drive green economic growth towards their ambitions to be a carbon negative region. This investment is subject to agreement of submitted business case.

- 1.5.11 York and North Yorkshire Combined Authority will plan and deliver the UK Shared Prosperity Fund (UKSPF) from 2025/26 if there is a continuation of the Fund and the delivery geographies remain the same.
 - 1.5.12 Integration of the York and North Yorkshire Local Enterprise Partnership (YNY LEP) into York and North Yorkshire Combined Authority. This will ensure there continues to be a strong and independent local business voice which informs local decision making.
 - 1.5.13 A commitment to explore a local partnership with Great British Railways so that the mayor can help shape and improve local rail.
 - 1.5.14 Support to develop a Natural Capital Investment plan for York and North Yorkshire.
 - 1.5.15 Commitments to work in partnership with the area on the development and delivery of strategies to realise the region's cultural potential.
 - 1.5.16 Engagement on broadband and mobile infrastructure rollout and on the development of the Scarborough Cyber Cluster.
 - 1.5.17 A commitment to establish a programme working group in support of the BioYorkshire programme.
 - 1.5.18 A key leadership role for the mayor in public safety, taking on the role and functions of the Police Fire & Crime Commissioner and having a clear role in local resilience and civil contingency planning, preparation, and delivery.
- 1.6 The purpose of this governance review, undertaken in accordance with to Section 109 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) is to look at the exercise of statutory functions in York and North Yorkshire, with a view to deciding whether to prepare and publish a scheme which creates new governance arrangements, including a directly elected mayor. A public consultation would then be carried out on the proposals set out in the scheme. The Secretary of State would be provided with a summary of consultation responses and would need to consider whether an order should be made under the 2009 Act to establish a Mayoral Combined Authority (MCA) for the area. Under section 108 of the 2009 Act, the review needs to conclude that the exercise of the power to make an order to establish an MCA for York and North Yorkshire area would be likely to improve the exercise of statutory functions in relation to that area.
- 1.7 The review has found that the economic evidence provides a rationale to work at a York and North Yorkshire geography, reflecting that it operates as a coherent functional geography, with significant links to neighbouring economic areas.
- 1.8 The review concludes that:
- 1.8.1 current regional governance arrangements does not provide the powers or investment potential at a local level that is required to address the economic challenges of the area and fulfil its potential
 - 1.8.2 Other models of devolution, outlined within the Devolution Framework published by Government, do not provide significant benefit to the sub-region, which has already moved to simplified models of governance across local government
 - 1.8.3 a change is required to enable York and North Yorkshire to drive forward its ambitions to be the first carbon negative region and to engage effectively with Government, neighbouring combined authorities and other bodies in pursuit and support of a strong Northern Powerhouse;
 - 1.8.4 the statutory criteria within the 2009 Act for preparing and publishing a scheme are met, i.e., the making of an order to enable the adoption of an MCA model of governance for the area of York and North Yorkshire will likely improve the exercise of statutory functions in that area;

1.8.5 in addition, establishing an MCA model of governance for York and North Yorkshire will:

- 1.8.5.1 have a positive impact on the interests and identities of local communities – these proposals build on the governance arrangements agreed by the Government as part of Local Government Reorganisation which support the effective and efficient provision of services with, and democratic representation of, communities across the area;
- 1.8.5.2 secure more effective and convenient local government by reducing complexity and streamlining the delivery of public services within the area.

1.9 It is therefore proposed that a scheme is published that confirms:

- 1.9.1 an MCA should cover the area of York and North Yorkshire;
- 1.9.2 a Mayor would be elected in May 2024;
- 1.9.3 the mayor would become a member of the Combined Authority, and Chair meetings of the authority.
- 1.9.4 each council would appoint two members to the new MCA, and non-constituent members from the LEP (or its successor arrangements as the Business Committee of the MCA); and
- 1.9.5 the Mayor and MCA will exercise specific statutory functions, and hold some powers concurrently with York and North Yorkshire local authorities. Arrangements for the concurrent exercise of the functions will be a matter for agreement between the combined authority and its constituent councils.

2 Purpose of this Report

2.1 City of York Council and North Yorkshire County Council (the “local authorities”) have undertaken a review to assess the effectiveness of current governance arrangements in the delivery of their ambitions for economic growth.

2.2 This report has been prepared jointly by the authorities in light of the “minded to” devolution deal agreed with central government. It details the findings of a governance review under section 108 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) in relation to the proposed creation of a new mayoral combined authority for the York and North Yorkshire area, which would comprise the two York and North Yorkshire authorities as constituent authorities.

2.3 To ensure compliance with the relevant legislation contained in the 2009 Act, the Governance Review considers whether an MCA is the best governance model and would be likely to:

- 2.3.1 Improve the exercise of statutory functions in the area of York and North Yorkshire;
- 2.3.2 Secure more effective and convenient local government for the area; and
- 2.3.3 have a positive or neutral impact on the identities and interests of our local communities

2.4 This report sets out the conclusions of that reviews.

3.0 Methodology for the Governance Review

3.1 The governance review has comprised the following:

- (a) York and North Yorkshire’s context and ambitions
- (b) A review of the economic evidence to assess:
 - (i) the existence of a Functional Economic Market Area across York and North Yorkshire; and
 - (ii) the economic challenges and opportunities in the York and North Yorkshire area.

- (c) A review of current governance arrangements across the York and North Yorkshire area
- (d) An option appraisal which considers the alternative governance structures which could be pursued in light of the above evidence.
- (e) Consideration of whether the preferred option meets the statutory tests

4.0 Our Ambition – the York and North Yorkshire Context

- 4.1 Local authorities in York and North Yorkshire have an ambitious vision for enhancing social and economic prosperity, and increasing the wellbeing of their communities. Building upon York and North Yorkshire's significant economic, educational and cultural assets, we want to harness their potential in driving growth in both the regional and national economies. Specific research and innovation strengths in the bioeconomy and agri-tech sectors, AI and autonomous systems, digital creativity and rail technology can support sectoral growth to benefit the wider region. A strong tourism industry which harnesses both the region's natural assets and its urban appeal, and major investment in clean energy can sustain the area's attractiveness and quality of life. At the same time, we will work together to ensure that all residents have the ability and opportunity to benefit from and contribute to future growth.
- 4.2 Through a devolution deal, York and North Yorkshire aims for further ambitions in three areas:
- Levelling up such that wage levels and productivity match the UK average
 - Creating the world's leading bioeconomy cluster
 - Become England's first carbon negative region
- 4.3 York and North Yorkshire has a population of approximately 818,000; covers over 8300km² and covers one quarter of the Northern Powerhouse; is home to over 46,000 businesses, and has a total GVA of £20.5 billion.
- 4.4 York and North Yorkshire geographically shares an economic footprint with York and North Yorkshire LEP and has strategic economic connections to its neighbours in the Tees Valley, West Yorkshire, Hull and East Yorkshire, South Yorkshire, across the transpennine route to Manchester and Cumbria, the Northern Powerhouse region, the rest of the UK and internationally.
- 4.5 Whilst York and North Yorkshire enjoys world class natural assets and many economic advantages, there are significant challenges which hinder economic growth which benefits all residents. Despite York, the region's global city and economic hub, having metrics that exceed northern comparators, the broader sub-region suffers from a dominance of lower paid sectors in some areas, meaning wage levels are relatively low. Productivity beyond the economic centres is below national average. Lack of sustainable transport infrastructure and digital inclusion, particularly in rural areas, prevents skilled people accessing good jobs. This leads to population patterns of increasingly aging populations in some areas. And the challenges posed by climate change and the need to transition to a low carbon economy require huge shifts from businesses and residents.
- 4.6 The York and North Yorkshire authorities are of the view that a radical devolution of powers and funding to local areas is needed to respond to our opportunities and address these challenges. The infrastructure issues which restrict growth and the sharing of economic benefits across the sub-region need to be addressed at a sub-regional level. Greater local control of the levers of growth, productivity and inclusion would enable us to better serve our residents and businesses.

- 4.7 York and North Yorkshire have been on a journey of change to governance arrangements, aiming to create efficiency whilst supporting clear democratic accountability. The Local Government Reorganisation process has led to the creation of a new North Yorkshire Council, replacing the previous two-tier arrangements, alongside the existing City of York Council. A new MCA would build upon this foundation of streamlined local governance, to support and accelerate the delivery of local ambitions to address wage levels and productivity, innovation and net zero.

5.0 A functional economic market area

- 5.1 To support the economic growth of a large rural area with a key city, there is a need to provide connectivity to link people and businesses with opportunities. York and North Yorkshire, on the footprint of the county of North Yorkshire, is recognised as a defined area with its own economic characteristics. York provides the main economic centre of the sub-region, whilst the scale of the area means that there are economic overlaps, particularly to the southwest with West Yorkshire, to the southeast with East Riding and the Humber, and north to Tees Valley, North of Tyne and the North East.



Figure 1 - Map of York and North Yorkshire

- 5.2 The York and North Yorkshire functional market area is characterised by an innovation and knowledge economy driven by the three universities, supporting strong financial, rail-tech and digital sectors, and a broad bioeconomy linked to food and materials production. Tourism, food and drink, and hospitality is strong across the whole sub-region, based on its natural and built assets.
- 5.3 Commuting patterns show a mixed picture of travelling for work. Figures available relate to the pre-pandemic context, so are likely to underestimate the number of people working from home. However, the broad patterns are likely to persist. Almost four-fifths of local residents (79%) in employment work in the area (250,000 people) with the remaining fifth (66,000 people) commuting to jobs elsewhere. Around a fifth (21%) of people who work in the area commute from outside - 67,000 in absolute terms. Inward and outward commuting flows are therefore almost in balance: with the number of outward commuters offset by the people who travel into the area to work. This, in itself, indicates a self-contained labour market.

- 5.4 The main destinations for outward commuters from YNY are:
- Leeds, which is the destination for 22,000 commuters, mainly residents of Harrogate, Selby and York.
 - Bradford, which is the destination for around 6,000 commuters, primarily from the Skipton area.
 - The East Riding, the destination for around 5,000 commuters, mostly from York and Selby.
- 5.5 There are also significant flows from Selby to Wakefield. Looking northwards, there is outward commuting to Middlesbrough, Darlington, and Stockton-on-Tees. This reflects the close economic ties with West Yorkshire and Tees Valley.
- 5.6 Relatively few people in employment commute within the YNY area i.e. travel between constituent local authority districts for work, compared with those who commute outside of the area. This is reflective of a polycentric economy with many people employed around the smaller towns and villages in their area. With an area covering over 830,000 hectares, relatively poor east-west connections (both rail and road) limit the potential of travel to the main conurbations for large amounts of the population.
- 5.7 Not surprisingly, York is the largest focal point for inward commuting among residents, with around 12,000 travelling into York and around 9,000 commuting out from York to surrounding districts.

	Live in area, work in area	Live in area, work outside area	Work in area, live outside area	Net inward commuting	Commute within LEP area	Commute outside LEP area	% of residents who live in area, work in area	% residents who work outside area	% of those working in area who live outside area	% residents who commute within LEP area
Craven	11,763	9,131	8,901	-230	786	8,345	56%	44%	43%	4%
Hambleton	20,799	13,989	17,621	3,632	6,197	7,792	60%	40%	46%	18%
Harrogate	45,408	18,423	19,366	943	5,005	13,418	71%	29%	30%	8%
Richmondshire	13,801	7,113	7,255	142	2,990	4,123	66%	34%	34%	14%
Ryedale	12,012	6,473	7,047	574	4,379	2,094	65%	35%	37%	24%
Scarborough	31,348	6,899	5,058	-1,841	3,215	3,684	82%	18%	14%	8%
Selby	14,362	20,937	13,235	-7,702	6,769	14,168	41%	59%	48%	19%
York	62,209	21,187	25,651	4,464	8,995	12,192	75%	25%	29%	11%
LEP area	250,038	65,816	66,523	707	38,336	65,816	79%	21%	21%	12%

Source: Census of Population 2011

Figure 2 - YNY commuting Patterns, people aged 16 and over

- 5.8 This diverse pattern of behaviour is reflective of the geographic diversity of our sub-region, which includes urban, coastal and rural areas. It highlights that York and North Yorkshire has a particular economic role, supporting its own distinct economic area as well as linking the economic centres to the north, east, south and west. There are strong connections and interrelationships with neighbouring areas around the entire periphery, supporting the wider regional economy.
- 5.9 Beyond commuting patterns, there is a reality within the geographic context of York and North Yorkshire that neighbouring areas have established Combined Authorities in West Yorkshire and Tees Valley, whilst progress is being made towards a devolution deal in East Riding and the Humber. With York and North Yorkshire positioned between these existing and emerging arrangements, it is logical that a new Combined Authority would link and complete the geography with similar Mayoral arrangements. The ability of Mayors and Combined authorities to work collaboratively, through similar governance and powers, would provide a greater coherence and consistency to regional working.

6.0 Economic Profile

6.1 The following is provided as a summary of the economic make-up of the sub-region. Further detail can be found in the Labour Market Analysis - [83388 LEP Labour Market Analysis 2021 A4_single pages.pdf \(ynylep.com\)](#)

Structure

- 6.2 There are around 380,000 jobs within the YNY area. Two of the largest sectors are in consumer-facing services like wholesale / retail (58,000 jobs, 15% of the total) and accommodation and food services (39,000 jobs; 10%). This reflects a dominance of the visitor economy in terms of jobs and GVA, but these sectors are very volatile to economic/recession pressures and an over-reliance on them creates an economic risk.
- 6.3 Health and social care (13%; 48,000) and manufacturing (9%; 36,000) also provide a large proportion of jobs. Professional, scientific and technical roles account for 29,000 jobs (8%). Alongside health and social care there are significant numbers of public sector jobs including education (34,000; 9%) and public administration and defence (18,000; 5%).
- 6.4 There are 88,000 public sector employee jobs in the YNY area. This equates to 17% of total employment, only slightly higher than the national average of 16%. Public administration contributes a large proportion of total employment in York and the north of the region.

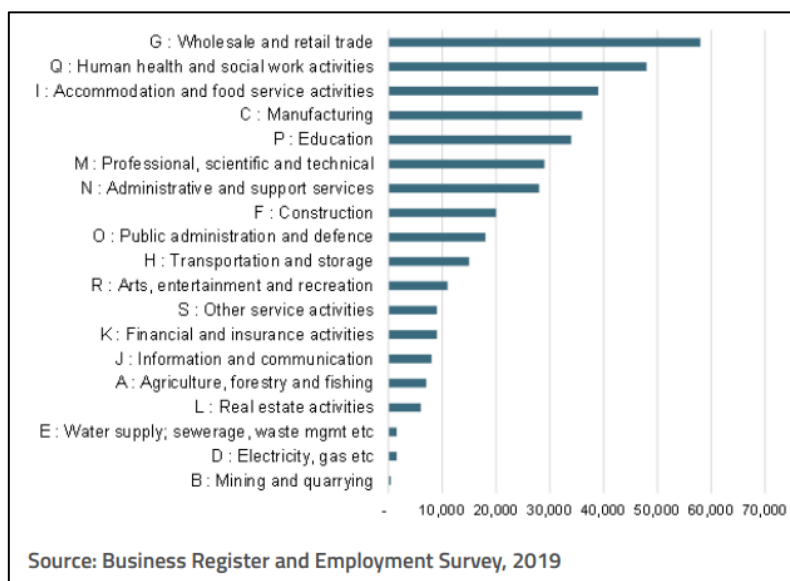


Figure 3 - Employee Jobs by Industry in YNY (SIC Section)

- 6.5 For YNY as a whole, agriculture is proportionately three times larger than the national average but, despite this, employs relatively few people (7,000 or 2% of the total).
- 6.6 The area has a strong quarrying and mining industry presence in parts of the sub region such as across the Yorkshire Dales, North York Moors and Selby.
- 6.7 Manufacturing is strongly represented at YNY level. Underlying this is significant food and drink manufacturing across the whole of YNY, in particular down the A1/A19 and A64 corridors.
- 6.8 Employment in utilities is relatively low for the area as a whole but this conceals a very large concentration of employment in Selby (seven times the national average in proportionate terms), reflecting the importance of energy generation to the area.

Future Economic Opportunities

- 6.9 Recent research, commissioned on behalf of York and North Yorkshire Local Enterprise Partnership explored which economic sectors have the potential to make the greatest contribution to future economic growth and employment in the area.
- 6.10 The first part of the study identified five priority sectors with growth potential, which are:
1. Agri-Food Innovation
 2. Sustainable Energy and Bioeconomy
 3. Health, Pharma and Life Science Innovation
 4. Digitech, Data and Creative Industries
 5. Advanced Manufacturing
- 6.11 Additionally, York has a significant rail technology cluster which is nationally important with potential for further growth. Home to 100 rail companies and 5,500 rail jobs focussed on the operation and development of the network, it represents a significant private sector cluster providing services key to the network and rail operating companies also based in York. York is also home to Network Rails Eastern Region, the largest in the country, which manages the railway network across the eastern side of the country from Scotland to London.
- 6.12 The full report can be found here: [FINAL 220606 Item 6b - ANNEX A Main Board Report Sector Research.pdf \(ynylep.com\)](#)

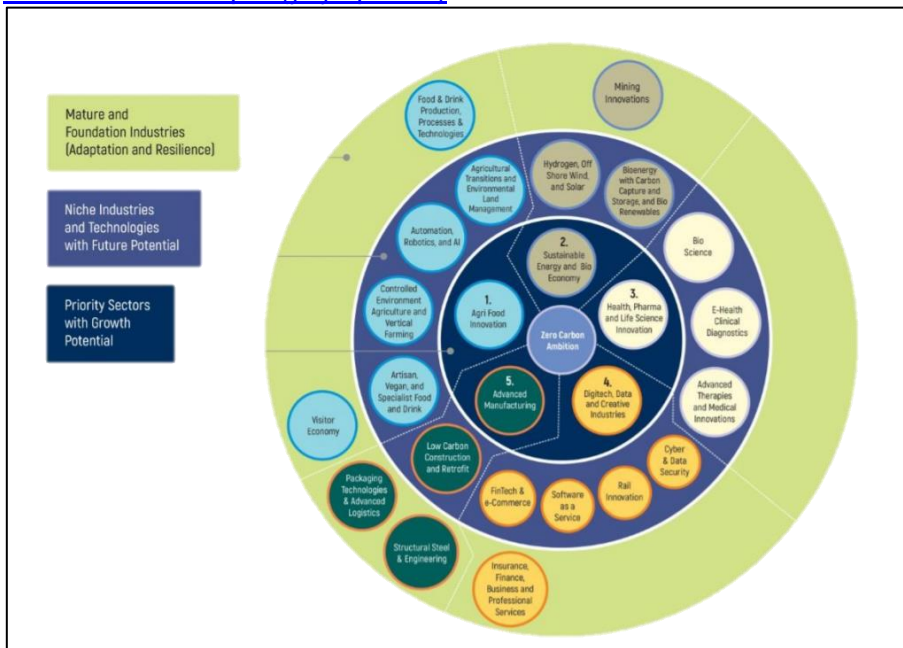


Figure 4 - York and North Yorkshire Priority Sectors

Employment and Skills

- 6.13 The local employment rate is above the national average. The employment rate in YNY, expressed as a proportion of the population aged 16-64, is one percentage point above the national average at 78% (versus 77%) as of July 2019 to June 2020. The local rate has been consistently higher than average over the last 15 years and along with the national average has followed a broadly upward trend in recent years.

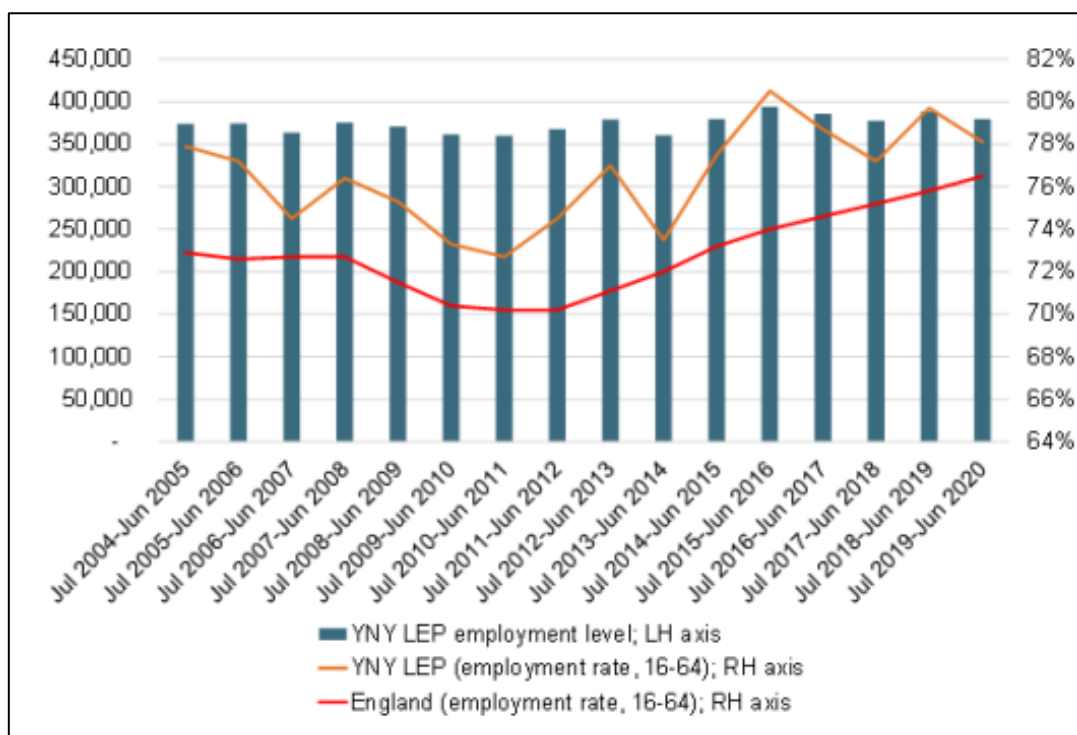


Figure 5 - Trend in employment rate (% of working age (16-64) population in employment).
Source: Annual Population Survey

- 6.14 However, within YNY, there is variation. Five of the eight districts have an employment rate equal to or above the national average; three districts – Craven, Richmondshire and Selby – have rates that are somewhat below the average based on the latest data.
- 6.15 YNY has a strong qualification profile. The proportion of local people qualified at tertiary level (level 4 and above) is slightly higher than the national average (41% versus 40%), whilst the proportion with no formal qualifications is smaller (5% versus 7%). Within these figures, there is variation across the area. York easily outperforms the national average on higher level qualifications whilst North Yorkshire is slightly below the average.
- 6.16 Given the skills advantage that YNY has, there is a deficit of high skilled employment: 46% of employees are in higher skilled roles locally, versus a national average of 50%. There is also a disproportionate reliance on low-skilled jobs. Ensuring there are high skilled jobs to capitalise on the skills levels locally is important in increasing wage levels.

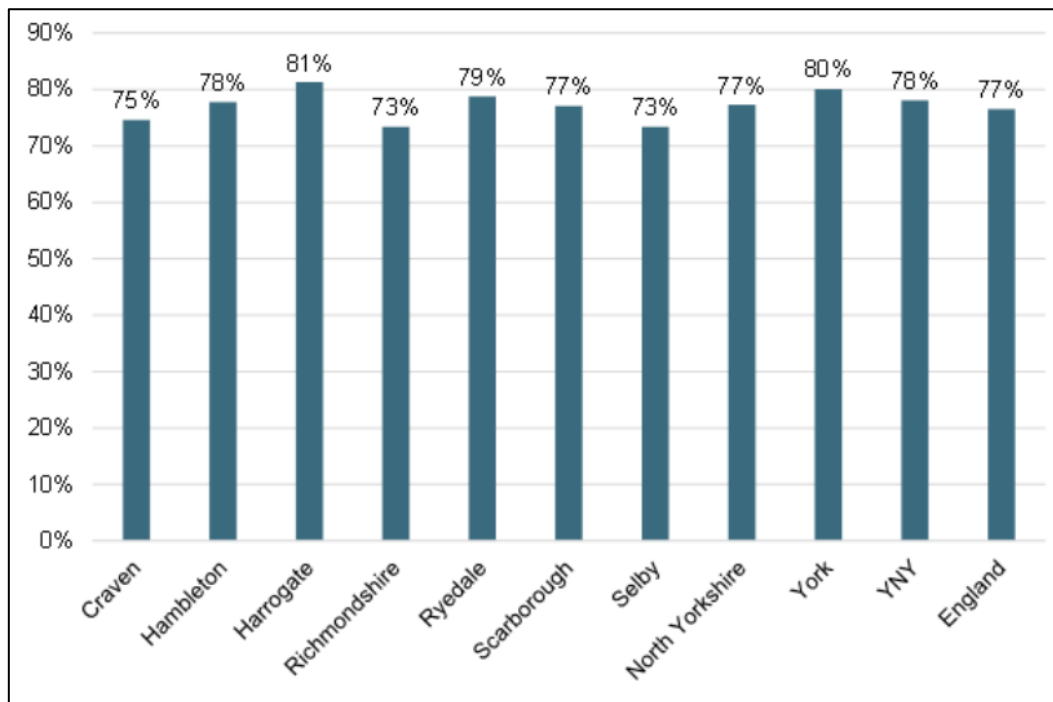


Figure 6 - Employment rate by district (% of population aged 16-64) Source: Annual Population Survey

7.0 Challenges

7.1 Despite the relative strengths of York and North Yorkshire's economy and the significant assets within the sub-region, the performance overall is below what could be expected. There are many reasons for this, some unique to specific areas, but the following represent some of the more universal challenges which are faced in achieving the region's economic ambitions.

Challenge 1: Limited Productivity Growth in some areas

7.2 Within York & North Yorkshire productivity has been stagnant and significantly dropped below the England average after 2004.

7.3 In 2019, GVA per filled job in York and North Yorkshire averaged at £46,998, 1% below the regional average (£47,523), but 18% below the England average (£57,583) and the **ninth lowest of all 38 LEP areas**.

7.4 Within YNY, there are also massive disparities across the patch, with outputs substantially lower in some districts. Productivity per hour worked in York is higher than in the surrounding area, being close to the UK average and with York in the top third of local authority areas on this measure (56th of 168 areas).

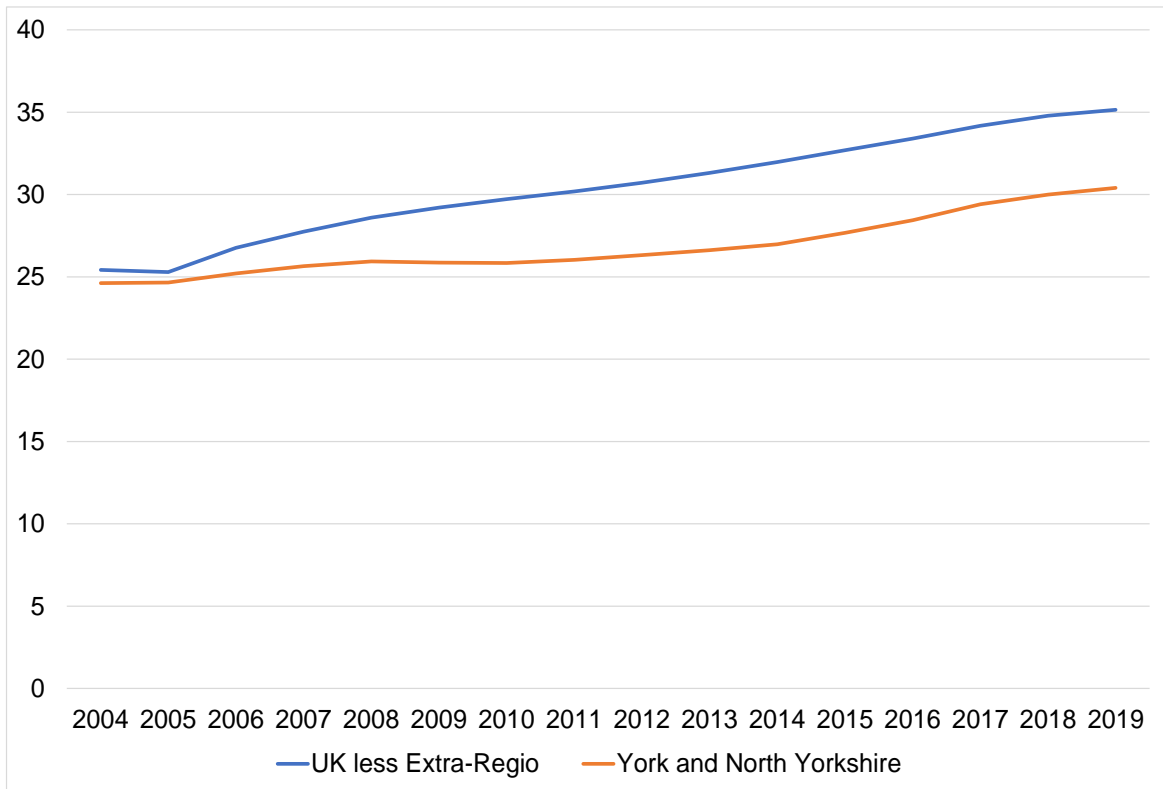
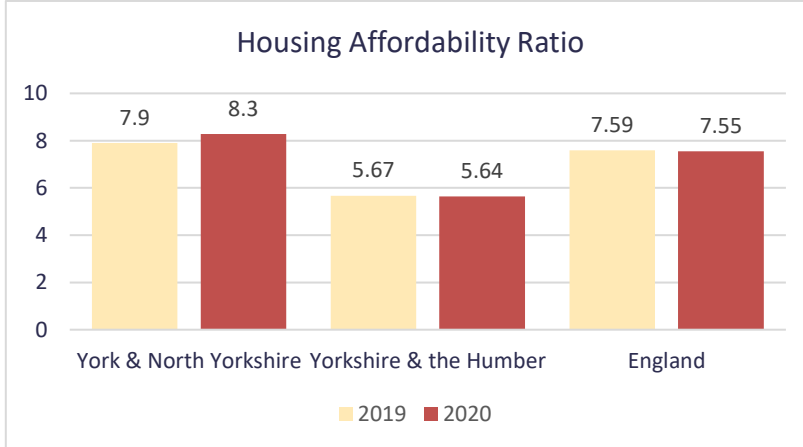


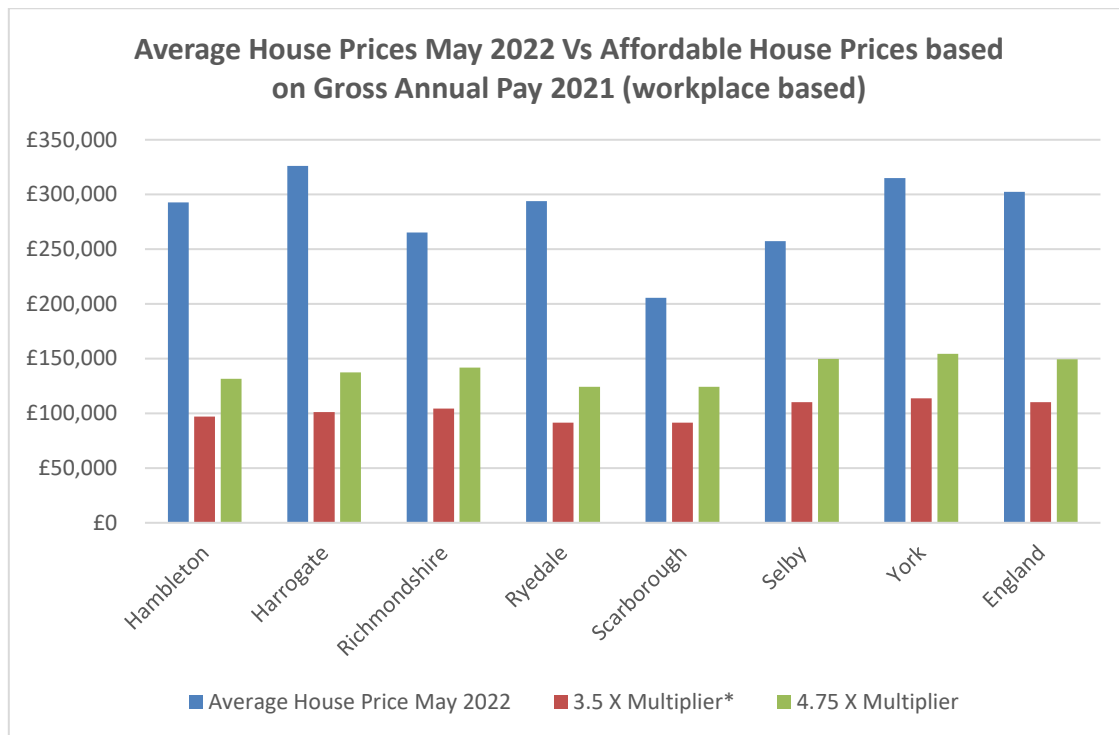
Figure 7 - Nominal (smoothed) gross value-added (£) per hour worked

Challenge 2: Unaffordable & poor quality housing

7.5 YNY has a worse affordability ratio than both regional and national averages. Also, only 35% of homes within YNY have an EPC rating of C or above (to meet climate change targets, we need all homes to be A or B graded as soon as possible).



7.6 Between September 2019 and September 2021, average house prices in YNY saw an increase of 10%. With wage levels unlikely to increase rapidly, affordability is likely to reduce over the coming years.



Source: ONS (Data was not available for Craven district)

*A household is assessed as able to afford to purchase a home if it costs 3.5 times the gross income of a single earner

**Current mortgage lending practices would suggest a 4.75 times single income could be considered

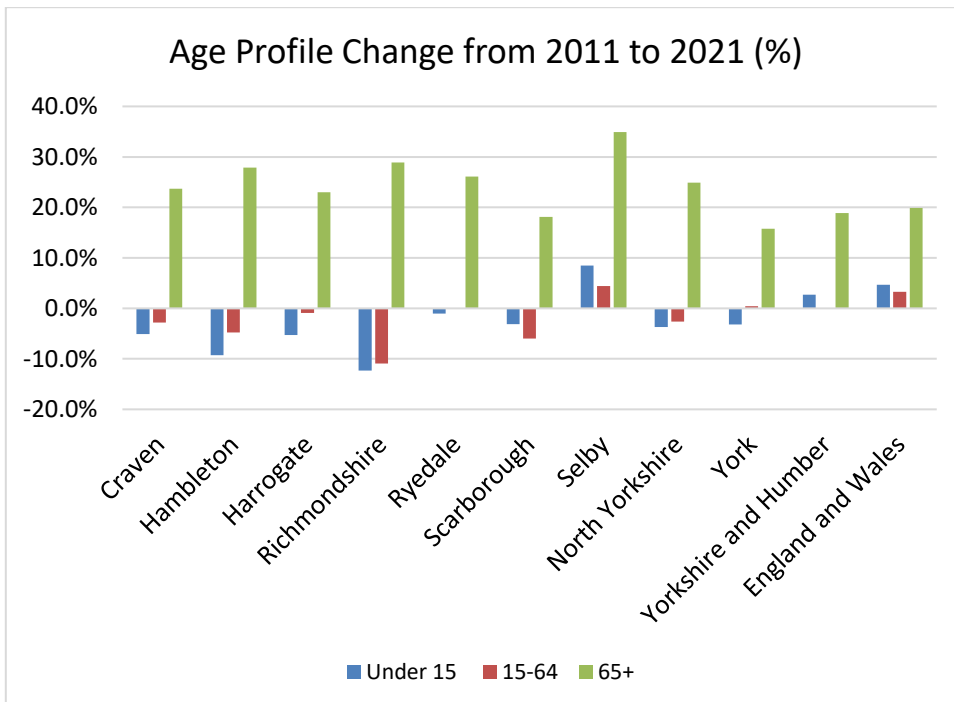
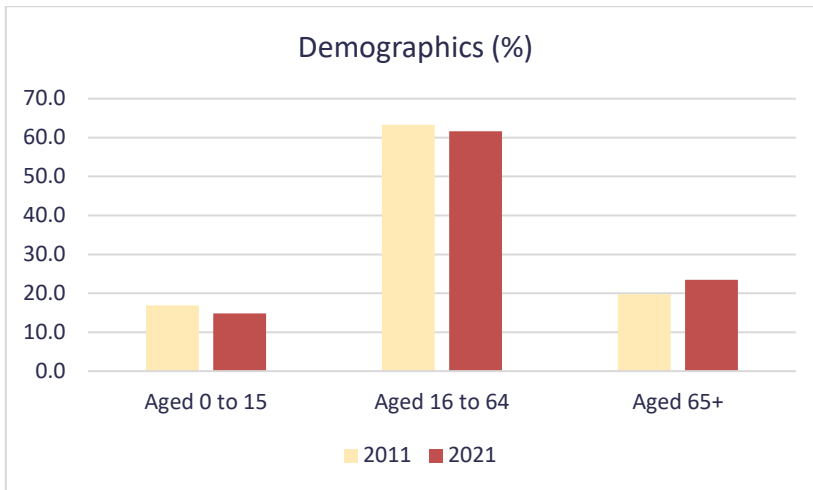
7.7 Relatively expensive housing in comparison to wage levels inevitably creates issues in terms of the ability to retain skilled young people and to attract talent to skilled jobs in the region. For lower paid jobs, it may entirely prevent people living in the areas within which they work. This puts an even higher emphasis on providing good and affordable transport links.

7.8 Across the region, the quality of housing stock is variable. Only 35% of homes within YNY have an EPC rating of C or above (which is key to meeting climate targets).

Challenge 3: Ageing population & decreasing numbers of young people

7.9 Alongside an older population, the levels of younger people in the sub-region are also decreasing. Between 2011 and 2021, the numbers of people aged 15-64 decreased across the region, reducing the proportion of the working age population. This is most pronounced in the rural and coastal areas.

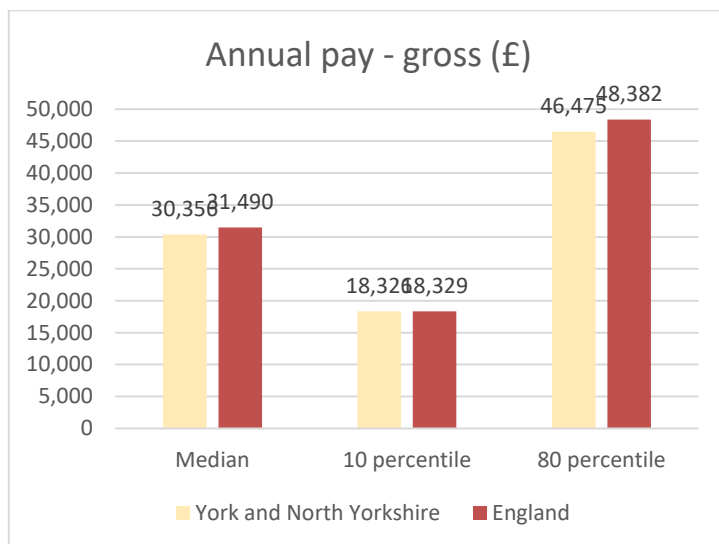
7.10 At the same time, the proportion of older people (65+) is increasing in all areas.



7.11 Linked to this challenge is limited retention of graduates – with only 40% of those from Higher Education institutions in YNY area being retained in Yorkshire and the Humber. Our institutions develop people with high levels of skill, above the national average. However, a deficit of highly skilled jobs within the region means these skills are often lost. High skilled workers are often highly mobile and can be attracted by higher wages and better career opportunities in the south.

Challenge 4: Deficit of higher paid employment

7.12 Median gross hourly pay for full-time jobs is only 83% of the national average and more than a fifth of local jobs in York and North Yorkshire still pay below the Real Living Wage.



7.13 This sub-regional picture does, however, obscure significant variation. Pay in York is close to the national median (across full-time and part-time roles), and higher than much of Yorkshire and the Humber, with York 97th of 204 authorities for full-time weekly pay and 58th of 203 authorities for part-time hourly pay.

7.14 Skills levels are high in the region, but this well-skilled workforce is not matched by enough high-skilled jobs.

Challenge 5: Deprivation in isolated pockets of the region

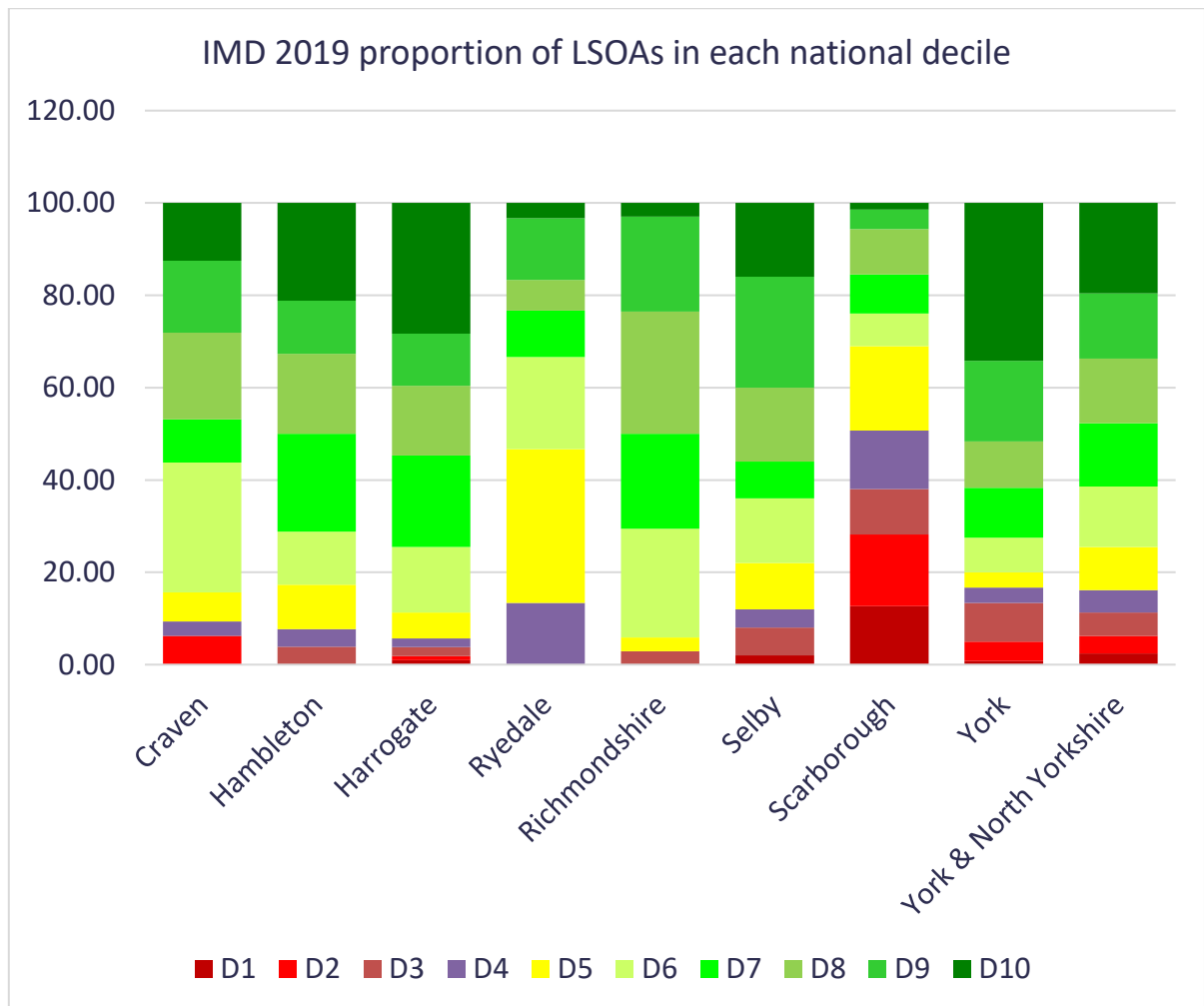
7.15 Generally, York and North Yorkshire is perceived as an affluent area. However, this conceals deep-rooted pockets of deprivation and highly concentrated areas which face challenges, either individually or in combination, including low pay, access to employment, lack of transport, and lack of affordable housing.

7.16 In particular, our coastal communities face considerable deprivation, as shown by the Indices of Multiple Deprivation (IMD). Across the whole of York and North Yorkshire, the worst performance is seen on the following IMD domains:

- Quality of the Local Environment: this indicator measure both 'indoor' living environment, such the quality of housing, and 'outdoor' living environment which includes air quality and road traffic accidents.
- Barriers to Housing and Services: this measures the physical and financial accessibility of housing and local services. This ranks badly due to the rurality of North Yorkshire and the unaffordable housing across the whole of YNY.
- Education, Skills and Training: although YNY generally has high skills attainment (48.4% of 16-64 year olds in 2021 have a NVQ4+), particularly in York, there are stark weaknesses within some areas. Scarborough (9.2%), Selby (10.1%) and Ryedale (13%) have higher levels of people with no qualifications than the UK average (6.4%).

7.17 The chart below shows the proportion of Lower Super Output Areas (LSOAs) in each national decile of deprivation. This shows how the proportion of areas within a place compares to the national average in terms of deprivation, in 10% bands. Decile 1 equates to the 10% of most deprived places in the country, and decile 10 relates to the 10% of least deprived places.

7.18 It is also worth noting that IMD is a useful tool in considering broad deprivation. However, North Yorkshire, by its very nature, has many dispersed communities where single issues are significant and strong, impacting on the lives and opportunities of residents but not necessarily visible within IMD figures.



Challenge 6: Climate Change

- 7.19 YNY is more rural than many areas of the UK, with lower emissions from buildings and industry, but larger % of emissions from agriculture and transport. The region faces specific challenges around private car use, off-gas homes and agricultural emissions.
- 7.20 Over the past 10 years, considerable progress has been made to drastically decrease carbon emissions within York and North Yorkshire. However, there is still a long journey ahead and climate change is a very critical risk if businesses (and communities) don't or can't adapt.
- 7.21 More extreme weather events in future will disrupt global supply chains, damage physical assets and increase costs of purchasing products and resources. The Boxing Day 2015 floods in parts of North and West Yorkshire were illustrative of the type of extreme events that are expected to become more common. The extent and severity of flooding was unprecedented, with over 4,000 homes, almost 2,000 businesses and over 100km² of urban and farm land flooded and an economic cost of over half a billion pounds (Source: Leeds City Region Flood Review Report, West Yorkshire Combined Authority, 2016). There is, therefore, a need to map and implement adaptations to anticipated regional climate change affects to minimise impacts on people, the economy and the environment.
- 7.22 The North & West Yorkshire Emissions Reduction Pathways research assessed the technologies, interventions and policies needed to drive reduction in scope 1 and 2 emissions across the region. It provides multiple scenarios based on interventions and the likelihood of emissions reducing.

7.23 According to a 'Business As Usual' scenario, there will only be 30% reduction in emissions by 2038, with 5.5 MtCO₂e/yr remaining in 2038. It forecasts that all sectors see slow change due to lack of strong incentives for consumers and businesses to switch to low carbon heat, transport and other practices.

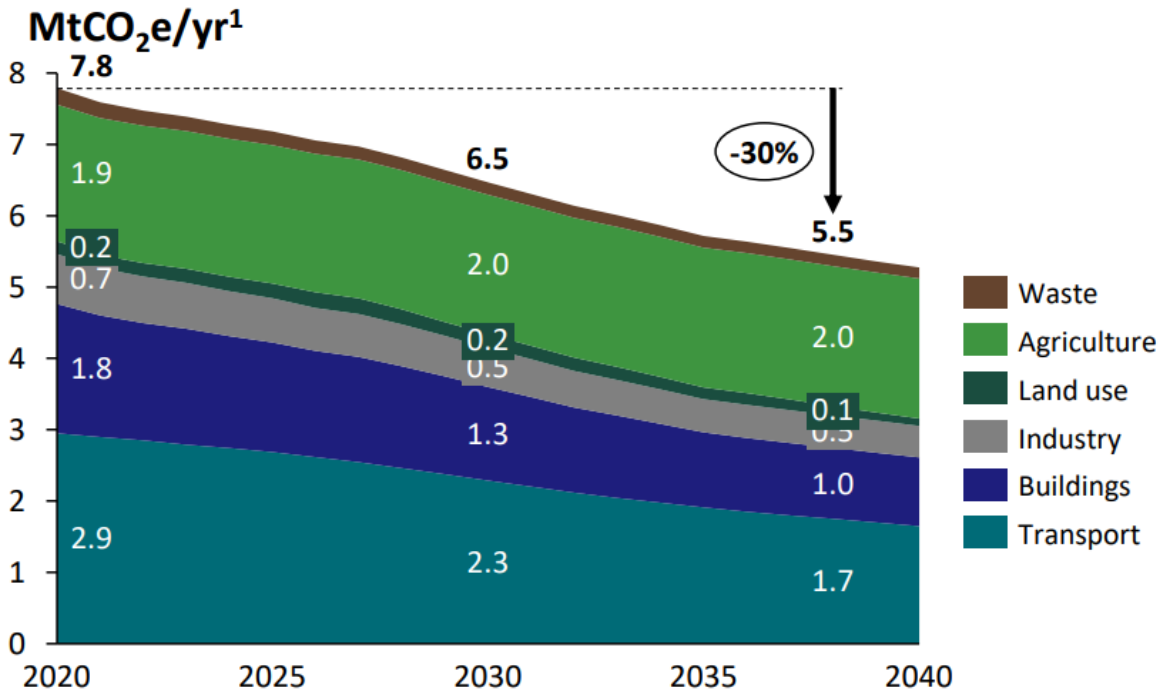


Fig. X – Business as usual scenario

7.24 Comparatively, a 'Max Ambition' scenario (where there is a highly ambitious roll out of electric vehicles, active travel, heat pumps and new forest planting which makes rapid progress), an 86% reduction in emissions by 2038 will occur, with 1.1 MtCO₂e/yr remaining in 2038. When negative emissions from Drax are included, alongside carbon capture from North Yorkshire's natural capital, the region reaches net zero in 2034 and by 2038 is considerably net negative. All sectors see rapid change, requiring strong incentives for consumers and businesses to switch to low carbon heat, transport and other practices.

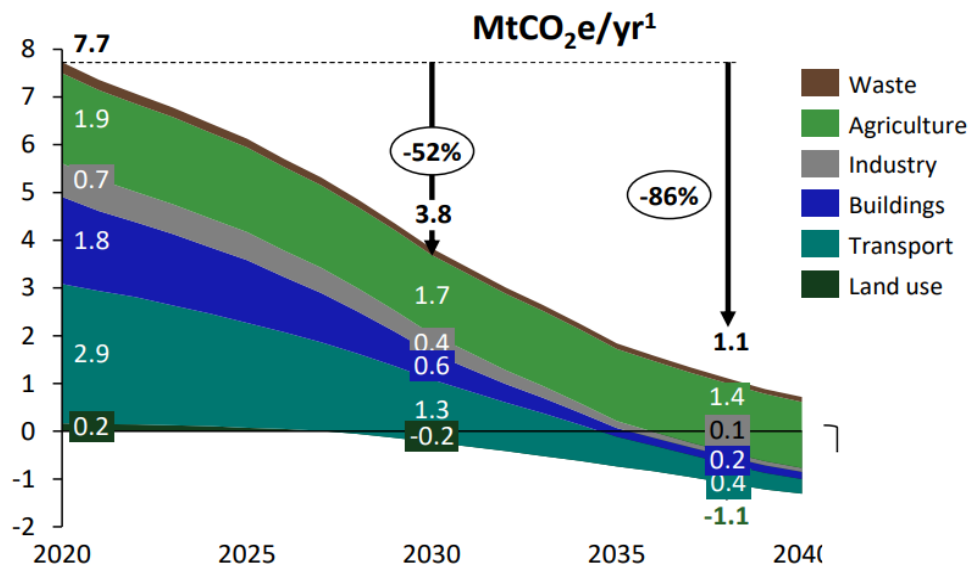


Figure 8 - Max Ambition scenario

Source: North & West Yorkshire Emissions Reduction Pathways, 2021

Challenge 7: Connectivity – Transport and Digital

7.25 Due to the rurality of North Yorkshire compared to urban York, there are some distinctly different challenges across the sub-region. For example, all modes of transport (public transport, walking, cycle, car) within North Yorkshire have longer average journey times to 8 key services when compared to England’s average times.

Average Journey Times to 8 Key Services (Minutes) (2019)

	Public transport or Walking	Cycle	Car	Walking Only
York	16.4	13.6	10	25.1
North Yorkshire	27.0	23.0	12.6	44.3
England	18	16	10	28

Source: Department for Transport

*Red highlights journey times that are longer than England’s averages

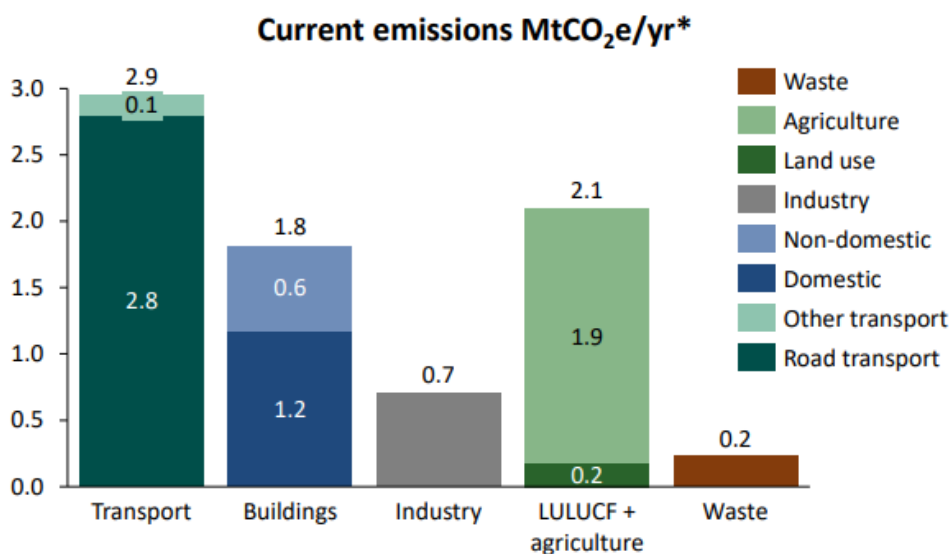
Average Journey Times to FE College (Minutes) (2019)

	Public transport or Walking	Cycle	Car
York	20	11	16
North Yorkshire	35	14	26
England	21	17	11

Source: Department for Transport

*Red highlights journey times that are longer than England’s averages

7.26 Consequently, there is a greater reliance on private car usage and other road transport. This has led to transport being the largest emitting sector within York and North Yorkshire. Reducing emissions from this source and encouraging alternative modes of transport (public and active travel) will be integral to decarbonisation ambitions.



Source: North & West Yorkshire Emissions Reduction Pathways, 2021

- 7.27 Better digital engagement could alleviate this challenge, but connectivity is limited in parts of York and North Yorkshire. Although levels of digital infrastructure have been improving in YNY, they are highly variable and for the most part connectivity is much lower in rural areas than in more densely populated ones. This inequality of coverage affects both broadband and mobile networks.

Levels of Broadband Connectivity across York and North Yorkshire

Area	Premises with Superfast Broadband Availability		Premises with Ultrafast Broadband Availability		Total above 30 MBits/s	Full Fibre Coverage
	(30-300 Mbit/s)		(300+ Mbit/s)			
	Rural	Urban	Rural	Urban		
Craven	74%	92%	7%	4%		
Hambleton	75%	93%	3%	0%		
Harrogate	69%	96%	6%	72%		
Richmondshire	75%	87%	4%	0%		
Ryedale	72%	88%	4%	3%		
Scarborough	80%	94%	0%	0%		
Selby	82%	87%	6%	5%		
York	87%	95%	5%	79%	95%	43%
North Yorkshire					90%	13%
England					96%	8%

Source: ONS and Connected Nations, Ofcom, 2019

8.0 Understanding Current Governance Arrangements

- 8.1 The introductory section of this report referred to the challenges which had been identified with the current governance arrangements across the York and North Yorkshire area. Current arrangements for joint working on economic development, regeneration and transport have developed through partnership between local authorities and the York and North Yorkshire LEP. This section sets out the current arrangements and considers their effectiveness in the continued delivery of these statutory functions.

8.2 Local Authorities

- (a) North Yorkshire [County] Council (Unitary following 1 April 2023)

The Council operates under a “Leader and Executive” governance model. The Leader is appointed by Full Council and who is then responsible for making arrangements to discharge executive functions, whether through the Leader personally, Executive collectively, individual Executive Members, or Officers.

The services currently delivered by North Yorkshire County Council are as follows:

- Births, deaths and marriage registration
- Children's services
- Concessionary travel
- Consumer protection
- Education - including special educational needs, adult education and pre-school
- Emergency planning
- Highways (excluding trunk roads), street lighting and traffic management
- Libraries
- Minerals and waste planning
- Passenger transport (buses) and transport planning
- Public health

- Social services - including care for the elderly and community care
- Trading standards
- Waste disposal

The following services are delivered by both District/Borough and the County Council:

- Arts and recreation
- Economic development
- Museums and galleries
- Parking
- Planning
- Tourism

It was announced in July 2021 that the current county, district and borough councils would be replaced by a new single council for North Yorkshire from 1 April 2023.

Removing the two-tier system of local government – county and district councils – was a condition of unlocking a devolution deal.

County Council elections took place in May 2022 and the 90 councillors elected will serve for five years – an initial one year as members of the County Council – and then continue on as councillors for the new unitary authority when it begins on 1 April 2023.

District and borough councillors will continue in their current capacity until April 2023. From April 2023, North Yorkshire Council will act as the sole unitary council for the area, it is this governance arrangement which has been reviewed as part of this process.

(b) City of York Council (Unitary)

The Council comprises 47 Councillors elected at the same time every 4 years.

The Council operates under a “Leader and Executive” governance model. The Leader is appointed by Full Council and who is then responsible for making arrangements to discharge executive functions, whether through the Leader personally, Executive collectively, individual Executive Members, or Officers.

The Executive is chaired by the Leader of the Council, who has responsibility for political decisions which are the responsibility of the Executive and are taken by the Executive collectively or by individual Executive Members.

(c) District and Borough Councils (Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough and Selby)

Seven District and Borough Councils currently operate in North Yorkshire.

Following a process of local government reorganisation, the seven district council will be disestablished in April 2023 and their services will be delivered by the single unitary North Yorkshire Council.

The services currently delivered by the District and Borough Councils are as follows:

- Building regulations
- Burials and cremations
- Coastal protection
- Community safety

- Council tax and business rates
- Elections and electoral registration
- Environmental health
- Housing and housing benefits
- Licensing
- Markets and fairs
- Sports centres, parks and playing fields
- Street cleaning
- Waste and recycling collection
- Public toilets
- Harbours

There are a number of services which are delivered independently by both the County Council and District and Borough Councils. These are listed in paragraph (a) above.

As the District and Borough Councils will not be in existence at the proposed start date of the minded-to deal, they have not been considered as part of the process of this review.

8.3 Police, Fire and Crime Commissioner

The Police, Fire and Crime Commissioner for North Yorkshire is responsible for holding the Chief Constable to account and ensuring that the best policing service possible is delivered to the people of North Yorkshire and the City of York.

The North Yorkshire Police Authority was abolished on 22 November 2012 and replaced with one directly elected individual called a Police and Crime Commissioner (PCC).

On 15 November 2018, responsibility for governance and oversight of North Yorkshire Fire and Rescue Service transferred to the Commissioner, whose title changed as a consequence to become the North Yorkshire Police, Fire & Crime Commissioner (PFCC).

Whilst the Chief Constable retains independence regarding operational policing decisions, the PFCC is responsible for ensuring that resources are used efficiently and effectively and will hold the Chief Constable to account.

The PFCC sets the strategic direction of the service and sets performance targets after listening to local people about their views of the police. The PFCC also sets the police budget and raises a precept on local council taxpayers. PFCCs can appoint and, where necessary, remove Chief Constables.

The balance of power and decision making between the PFCC, the Chief Constable and also the Home Secretary is called the 'tripartite' system of governance which is unique to the British Police Service.

8.4 York and North Yorkshire Local Enterprise Partnership (Y&NY LEP)

The York and North Yorkshire Local Enterprise Partnership (Y&NY LEP) was formed in 2011. It is the local enterprise partnership for the area covering the nine local authority areas within York and North Yorkshire. It is a public-private partnership whose Board includes business, educational and Local Authority Leaders.

Y&NY LEP provides strategic economic leadership to the area, driving the delivery of the Strategic Economic Plan, which sets out York and North Yorkshire's vision to strengthen the area's economy and provide more opportunities for businesses and communities. The Y&NY LEP arrangements have delivered a significant number of development and growth

projects which have begun to transform the area, and provide an effective framework to manage and commission the multi-million-pound investment programmes designed to improve and support the region's economy. North Yorkshire County Council acts as accountable body for the York & North Yorkshire LEP.

All LEPs were subject to a wide-ranging review in 2021 to determine their form and function in future years. The outcome of that review was published in March 2022 and placed a requirement on all LEPs to integrate into a combined authority or democratic institution with devolved local powers to improve democratic accountability whilst still providing a strong voice of business. Several routes have been provided to achieve this target and the LEP's required integration plan is grounded in the ambition of a future devolution deal for York and North Yorkshire.

8.5 Yorkshire Dales and North York Moors National Park Authorities

The role of national park authorities is defined under two statutory purposes. These are:

- “to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park”; and
- “to promote opportunities for the understanding and enjoyment of the special qualities of the area by the public”.

In pursuing these purposes, they are also required to seek to foster the economic and social well-being of local communities within the National Park.

National Park Authorities provides some services similar to those provided elsewhere by district and county councils - for example – they are the Local Planning Authority.

Yorkshire Dales National Park Authority has 25 members.

North York Moors National Park Authority has 20 members.

9.0 The Case for Change

9.1 York and North Yorkshire's economy is underpinned by its places, landscapes and natural assets.

With two National Parks, the Yorkshire Coast and City of York, its world-renowned historic and cultural assets shape its urban spaces, whilst the scenic beauty of its vast rural landscape and northern coastline define YNY as one of world's most recognised regions.

Both authorities are committed to strengthening all of these assets and continuing to make the region a truly distinctive place – one which boasts a strong global brand and unrivalled connectivity to three urban giants within the Northern Powerhouse. Strong connections with West Yorkshire, the Humber and Tees Valley, fast rail links to London and two ports, mean its position, scale and connectivity unlocks potential for the whole of the North.

The Northern Powerhouse is a critical vehicle in the drive towards economic growth in the North. Much of the Northern Powerhouse footprint already benefits from value that a devolution deal brings. York and North Yorkshire's neighbours of West Yorkshire, North East, Tees Valley and South Yorkshire are already served by combined authorities. East Yorkshire and Hull are in the process of negotiating a County Deal, and Cumbria was identified in the Levelling Up White Paper as a potential mayoral combined authority area. North Yorkshire and York is a large and diverse County with strong multilateral relationships with a range of partners and neighbouring local authorities. Towns in the north of the region have strong links to the Tees Valley and beyond. Equally, towns such as Harrogate and Skipton have long-standing ties to West Yorkshire.

A devolution deal for York and North Yorkshire presents an opportunity to bridge the regional gap between West Yorkshire and Tees Valley and unlock the potential this region holds. A mayoral combined authority will provide the capacity, powers and governance required to meet the region's own challenges, and to collaborate effectively and efficiently with its neighbours on a level footing to face up to the wider challenge of levelling up nationally and in the North of England.

9.2 The 'minded-to' devolution deal can be summarised as follows. Further information can be found in Section 10, which breaks down the functions of a proposed combined authority.

- (a) Governance
 - a. LEP Integration
 - b. Equal representation from each constituent member
 - c. Chaired by Mayor
- (b) Finance and investment
 - a. £18m per annum Mayoral Investment Fund for 30 Years
 - b. Same devolved opportunities as other MCA's
 - c. LEP Fully Integrated into MCA
 - d. Integration plan in development
 - e. Key role in pre MCA delivery
 - f. Existing LEP programmes routed through MCA
 - g. Future Shared Prosperity Fund routed through MCA
- (c) Skills and Education
 - a. Devolved Adult Education Budget
 - b. Input in Local Skills Improvement Plans
 - c. Strategic Relationship with DWP
 - d. Same Skills Funding as other Mayoral areas
- (d) Skills and employment
- (e) Housing and land
 - a. £2.65m Net Zero Affordable Housing
 - b. £13m Brownfield & Rural Housing
 - c. York Central EZ Extension
 - d. Strategic Partnership with Homes
 - e. England and a resourced action plan
 - f. Housing Pipeline development
- (f) Transport
 - a. £11m for a YNY Strategic Transport Plan
 - b. Responsibility for a Key Route Network
 - c. Current transport budgets will be consolidated through the MCA
 - d. A primary relationship with Great British Rail
 - e. Joint work with DfT targeting EV Charging Infrastructure
- (g) Net zero, climate change and natural capital
 - a. £7m for Net Zero Projects
 - b. Strategic relationship led by Routemap to Carbon Negative
 - c. Explore opportunities for government to fund small scale feasibility funding to develop a recyclable fund
 - d. Relationship with UK Infrastructure Bank
 - e. Natural Capital Investment Plan
 - f. CSR Bid developed
- (h) Public service reform
- (i) Resilience and public safety
 - a. Police Fire & Crime Commissioner Fully Integrated
- (j) Arts, Culture Heritage and tourism
 - a. Strategic review of arts, culture and sport with Arts council, English Heritage, Sport England
 - b. Joint working with Visit England for De Bois Review

- (k) Digital
 - a. Joint working with DCMS around Gigabit UK roll out
 - b. Will target next CSR with any gaps in delivery
- (l) Innovation, trade and investment
 - a. Joint working group with MOD, DCMS, Coventry University to develop Scarborough Cyber Proposition
 - b. Joint Working Group with Innovate UK, UKRI, BEIS, BBRSC to develop Bio Yorkshire Opportunity.

10.0 Functions

- 10.1 The minded-to deal specifies that the new MCA would exercise functions in relation to economic development, regeneration and transport, with the MCA and Mayor exercising distinct new functions. These would be devolved from central Government and set out in legislation, accompanied by significant new funding streams from Whitehall.
- 10.2 The various powers in scope, and their rationale, are considered in the tables below and encompass a broad set of ambitions covering:
- Finance and investment
 - Adult Education, Skills and Employment
 - Economic Development
 - Housing and land
 - Transport
 - Resilience and public safety
- 10.3 The tables refer to the economic challenges outlined above, given the following numbers:
- (1) Limited Productivity Growth in some areas
 - (2) Unaffordable & poor quality housing
 - (3) Ageing population & decreasing numbers of young people
 - (4) Deficit of higher paid employment
 - (5) Deprivation in isolated pockets of the region
 - (6) Climate Change
 - (7) Connectivity – Transport and Digital

Functions – Finance and Investment	Challenges Addressed	Rationale
<p>Powers for the mayor to:</p> <ul style="list-style-type: none"> • set a precept on council tax to fund mayoral functions • charge business rate supplement (subject to ballot). <p>Power for the Combined Authority to:</p> <ul style="list-style-type: none"> • borrow up to an agreed cap for non-transport functions 	1, 2, 3, 4, 5, 6, 7	<p>Alongside the new powers, the deal contains significant investment strands that would create a large investment fund for York and North Yorkshire. If the Mayor decided to use a council tax precept or business rates supplement (subject to agreement with local authorities/ballot), this would bolster the funding already identified a part of the deal, as follows:</p> <ul style="list-style-type: none"> • £18m per annum to the Combined Authority for 30 years (35% capital, 65% revenue), totalling £540m, subject to five-yearly assessments to confirm that the investment has supported economic growth • York and North Yorkshire Combined Authority will be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives. • York and North Yorkshire Combined Authority will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. • York and North Yorkshire Combined Authority will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. • The mayor will have the power to introduce a supplement on business rates for expenditure on a project or projects that will promote economic development in the area, subject to a ballot of affected businesses. • The York and North Yorkshire Combined Authority will be the lead local authority for the planning and delivery of the UK Shared Prosperity Fund (UKSPF) from 2025/26 if there is a continuation of the Fund and the delivery geographies remains the same. The York and North Yorkshire UKSPF allocation - which rises to £13.96 million in 2024/25 - will be subject to a future Spending Review and reconfirmation of overall UKSPF policy and delivery arrangements from 2025/26. • Subject to a full business case, the government is minded to provide additional support to the York Central brownfield regeneration scheme. <p>Additional investment on this scale would allow the acceleration of the economic ambitions for the region, supporting the pursuit of a carbon-negative region, growth and productivity increases, addressing housing challenges and supporting improved transport and digital connectivity.</p>

Functions – Adult Education, Skills and Employment	Challenges Addressed	Rationale
Power for the Combined Authority: <ul style="list-style-type: none"> • devolved functions in respect of Adult Education and will control the Adult Education Budget (AEB) from academic year 2025/26 	1, 3, 4, 5	By devolving the annual Adult Education Budget and conferring the relevant powers on the Combined Authority, the provision of adult skills in York and North Yorkshire will be better aligned with locally determined priorities. This will help to ensure the skills system is demand led so that all residents have the skills required to help businesses to grow, innovate and diversify. This can support increased productivity, better jobs and higher pay, supporting younger people to remain in the region and giving access to jobs and opportunities for those from our most deprived communities.
Functions – Economic Development	Challenges Addressed	Rationale
Power for the Mayor: <ul style="list-style-type: none"> • functional power of competence Powers for the Combined Authority: <ul style="list-style-type: none"> • functional power of competence • duty to prepare an assessment of economic conditions 	1, 3, 4, 5	The Mayor will have a functional power of competence which enables the Mayoral CA to do things appropriate or incidental to, or connected with, the Mayor’s and Combined Authority’s functions. It will also aid the delivery of the comprehensive programme of collaboration with Government departments and national agencies which is envisaged in the deal. Areas where collaboration is envisaged include: <ul style="list-style-type: none"> • Employment programmes • Housing delivery and affordability with Homes England • Transport with National Highways, Great British Railways and Active Travel England • Net Zero with BEIS and the National Infrastructure Bank • Natural Capital with DEFRA • Culture and Tourism with DCMS • Digital Connectivity with DCMS • BioYorkshire with Innovate UK and UKRI • Scarborough Cyber Cluster with GCHQ and DCMS <p>The Combined Authority’s powers to prepare an assessment of economic conditions will underpin the longer-term economic strategies and ensure that regional policy making is evidence based and takes account of current and emerging economic conditions. This will be of particular importance over the coming years with cost of living challenges being faced against a backdrop of economic stresses.</p>

Functions – Housing and Land	Challenges Addressed	Rationale
<p>Powers for the Mayor:</p> <ul style="list-style-type: none"> • to designate a Mayoral Development Area and then set up a Mayoral Development Corporation. • housing and land acquisition powers to support housing, regeneration, infrastructure and community development and wellbeing. <p>Powers for the Combined Authority:</p> <ul style="list-style-type: none"> • relating to compulsory purchase • provision of housing and land • land acquisition and disposal • development and regeneration of land. 	<p>2, 3, 5, 6</p>	<p>The powers received would allow the combined authority to accelerate development and delivery of homes and regeneration, in tandem with local authorities and National Parks Authorities, capitalising on opportunities to support local needs. The ability to address need identified in local plans through land assembly and development powers would facilitate development at greater pace.</p> <p>This is underpinned by commitment of £12.7m of devolved capital funding for Brownfield and rural development.</p> <p>Housing delivered would support residents (including younger people) to access affordable housing, address climate change targets through low-carbon homes, and allow targeting of areas of deprivation with sustainable affordable homes.</p>
Functions – Transport	Challenges Addressed	Rationale
<p>Powers for the Mayor</p> <ul style="list-style-type: none"> • to draw up a local transport plan and strategies • bus franchising powers. <p>Powers for the Combined Authority:</p> <ul style="list-style-type: none"> • to set up and coordinate a Key Route Network on behalf of the Mayor (unless otherwise agreed locally, all operational responsibility for Key Route Network roads will remain with the Constituent Councils) 	<p>1, 4, 5, 6, 7</p>	<p>The additional powers devolved to the Mayoral Combined Authority will unlock the devolution a consolidated transport fund. Whilst this is initially only for the one year remaining of this spending review period, Government has committed to work with the combined authority to agree an integrated multi-year transport settlement at the next Spending Review. At this point, opportunities for expanding the integrated transport settlement offer will also be explored. This would provide the ability to plan further ahead on a broader geography to support the development of sustainable transport models at scale.</p> <p>Access to franchising powers under the Bus Services Act 2017 will provide the opportunity for the Mayor to specify bus services as part of an integrated local transport system, should the local context in the future mean that it was advantageous to do so.</p> <p>The establishment of a statutory Key Route Network (KRN) would build on existing local arrangements to enable better collaborative decision-making on major strategic transport issues. The identified KRN will be collaboratively</p>

managed at the York and North Yorkshire level by the respective local highway authorities in partnership with the Combined Authority on behalf of the Mayor (who would be responsible for the overall coordination of the collaborative arrangements).

This potential to co-ordinate the key network at a broader level provides the opportunity to address key challenges which hinder connectivity and hinder economic growth. Connecting people to jobs and education is key in Levelling Up the region.

Functions – Resilience and public safety	Challenges Addressed	Rationale
Powers for the Mayor: <ul style="list-style-type: none"> Police, Fire and Crime Commissioner functions. 	2, 3, 5	Merging the functional responsibilities and support functions would enable opportunities to be explored for efficiencies through wider strategic public service integration. <p>There is also the potential to strengthening links between economic planning and community safety and cohesion, supporting people towards personal wellbeing, relevant and transferable skills, and access to good work. This would build upon the established aims of the OPFCC within the Police and Crime, and Fire and Rescue Plans to work collaboratively in partnership with other agencies and with communities to support the overall wellbeing of residents.</p>

11.0 Criteria

11.1 This section sets out the local and legislative criteria against which possible regional governance options are then considered.

11.2 *Local requirements*

- Add value to York and North Yorkshire's delivery of outcomes through clear, transparent and accountable regional decision making;
- Enable control over additional funding and powers which would otherwise be managed from Whitehall;
- Work more effectively in partnership with others, such as:
- with local authorities at York and North Yorkshire, and Yorkshire level on priorities such as climate change response, affordable housing and clean economic growth;
- across the North of England, for example with Transport for the North on seeking a fair level of transport investment for the North;
- Ensure strategic decisions are made at the most appropriate administrative level, and as locally as possible; and
- Enable efficiency through reduced fragmentation of decision-making and strategic planning.

11.3 *Statutory requirements*

Section 103 of the 2009 Act provides that the Secretary of State may by order establish as a body corporate a combined authority for an area that meets the following conditions:

- (a) The area consists of the **whole** of **two or more** local government areas in England; and
- (b) No part of the area forms part of the area of another combined authority, economic partnership board or integrated joint area.

Both conditions are met in York and North Yorkshire.

Section 109 of the 2009 Act provides that where one or more of the authorities which undertook the review conclude that the exercise of the power to make an order under S104 or 105 would be likely to **improve the exercise of statutory functions in York and North Yorkshire**, they may prepare and publish a scheme relating to the exercise of those functions. The Secretary of State may only make an order if they consider that to do so is **likely to improve the exercise of statutory functions in the Combined Authority's area**. In making any such order, the Secretary of State must have regard to the need:

- (a) To secure more **effective and convenient local government** for the area; and
- (b) To **reflect the identities and interests** of our local communities

A full and transparent consultation process will be undertaken to ensure that both of the requirements above are fully reflected in the proposed scheme.

12.0 Options for Change

12.1 This review has set out the challenges facing York and North Yorkshire, the scope of the minded-to deal negotiated between local authorities and central government, and how those proposals will meet those challenges.

12.2 The Levelling Up White Paper published in 2022 sets out a framework of the Government's approach to future devolution deals. The framework describes three levels of devolution:

- Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area
- Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area

- Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee

The summary table below highlights the functions available under devolution deals which are only available to combined authorities and/or mayoral combined authorities.

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
Investment spending	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
	UKSPF planning and delivery at a strategic level		✓	✓
Giving adults the skills for the labour market	Long-term investment fund, with an agreed annual allocation			✓
	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
Local control of infrastructure decisions	Role in designing and delivering future contracted employment programmes			✓
	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
Keeping the public safe and healthy	Homes England compulsory purchase powers (held concurrently)		✓	✓
	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

* refers to functions which are only applicable to combined authorities

^ refers to functions which are currently only applicable to mayoral combined authorities

12.3 The Levelling Up White Paper therefore provides three options for York and North Yorkshire, in addition to a “do nothing” approach. Each is considered against the local and statutory criteria:

Option 1 - Do nothing/status quo

12.4 This would maintain the current levels of collaboration between York and North Yorkshire councils, leaving the Police, Fire and Crime functions separately with the PFCC. Under current statutory guidance, consideration would have to be given to the integration of the LEP into one of the existing organisations.

Criteria	Assessment	Meets Criteria/Addresses challenges?
Statutory Tests: <ul style="list-style-type: none"> improve the exercise of statutory functions Secures more effective and convenient local government Whether it has a positive or neutral impact of our local communities. 	<p>No additional powers or funding would be available to improve the exercise of statutory functions. The co-ordination benefits of having strategic powers for skills, housing, economic development and transport within a single streamlined authority would be unavailable.</p> <p>Local government would remain as it is, which would not secure more effective or convenient discharge of functions.</p> <p>Retaining existing separate PFCC governance arrangements potentially hinders further opportunities for efficiencies and collaboration through more alignment and integration, for example in recognition of the connections between perceived public safety and the visitor economy.</p> <p>It would have a neutral impact on local communities, as nothing would change from the present arrangements.</p>	No
Local criteria	<p>No additional functions would be available to change local strategic planning or decision making.</p> <p>No additional powers or funding would be available.</p> <p>There would be no change to the partnership working arrangements to support regional ambitions.</p>	No

Option 2 - The Local Authorities work together (Level 1)

12.5 This would mean the current arrangements being built upon through a joint committee or economic prosperity board. The Police, Fire and Crime functions would remain separately with the PFCC. Under current statutory guidance, consideration would have to be given to the integration of the LEP into one of the existing organisations.

Criteria	Assessment	Meets Criteria/Addresses challenges?
<p>Statutory Tests:</p> <ul style="list-style-type: none"> • improve the exercise of statutory functions • Secures more effective and convenient local government • Whether it has a positive or neutral impact of our local communities. 	<p>No additional powers or funding would be available to improve the exercise of statutory functions. The co-ordination benefits of having strategic powers for skills, housing, economic development and transport within a single streamlined authority would be unavailable.</p> <p>Local government could benefit from more effective strategic planning at a YNY level, but this would not be supported by any additional or shared powers, or funding.</p> <p>Retaining existing separate PFCC governance arrangements potentially hinders further opportunities for efficiencies and collaboration through more alignment and integration, for example in recognition of the connections between perceived public safety and the visitor economy.</p> <p>It would have a potentially slightly positive impact on local communities through the ability to work collaboratively on certain issues at a YNY level.</p>	<p>No</p>
<p>Local criteria</p>	<p>No additional functions would be available to change local strategic planning or decision making.</p> <p>No additional powers or funding would be available.</p>	<p>No</p>

There would be no change to the partnership working arrangements to support regional ambitions.

Option 3 – A Combined Authority (Level 2)

12.6 This would mean establishing a non-mayoral combined authority for York and North Yorkshire. This would unlock a range of powers but would not on its own bring significant new funding. The Police, Fire and Crime functions would remain separately with the PFCC. Under current statutory guidance, it is likely that the LEP functions would be integrated into the Combined Authority.

Criteria	Assessment	Meets Criteria/Addresses challenges?
Statutory Tests: <ul style="list-style-type: none"> improve the exercise of statutory functions Secures more effective and convenient local government Whether it has a positive or neutral impact of our local communities. 	<p>There would be co-ordination benefits of having, potentially, some transport, skills, housing and resilience functions at a YNY level to aid more strategic planning.</p> <p>The Combined Authority would not, in itself bring additional funding, but there could be some efficiency benefits of integrating the LEP into the CA.</p> <p>Retaining existing separate PFCC governance arrangements potentially hinders further opportunities for efficiencies and collaboration through more alignment and integration, for example in recognition of the connections between perceived public safety and the visitor economy.</p> <p>It would have a potentially positive impact on local communities through the ability to work collaboratively on transport, skills, housing and resilience functions at a YNY level.</p>	<p>Yes</p>
Local criteria	<p>The Combined Authority would receive additional devolved powers, but would not receive additional funding such as gainshare or brownfield housing funding, nor funding certainty through a multi-year integrated transport settlement.</p>	Partially

There would be limited improvement in the ability to work in effective partnership with other neighbouring Combined Authority areas, under similar governance arrangements.

Option 4 – A Mayoral Combined Authority (Level 3)

12.7 This would mean the acceptance of the minded-to Devolution Deal, with the creation of a Combined Authority and election of a Mayor. PFCC functions would be taken on by the Mayor and the LEP integrated with the Combined Authority.

Criteria	Assessment	Meets Criteria/Addresses challenges?
<p>Statutory Tests:</p> <ul style="list-style-type: none"> improve the exercise of statutory functions Secures more effective and convenient local government Whether it has a positive or neutral impact of our local communities. 	<p>There would be co-ordination benefits of having the full range of functions outlined within the minded-to Devolution Deal to be discharged and planned at a YNY level.</p> <p>There would be potential efficiency benefits of integrating the LEP into the CA, whilst the focus on a business voice would be beneficial in planning regional economic, skills and transport strategies.</p> <p>Merging of PFCC functions would maximise opportunities for efficiencies and collaboration through more alignment and integration, for example in recognition of the connections between perceived public safety and the visitor economy.</p> <p>It would have a potentially positive impact on local communities through the ability to work collaboratively on a</p>	<p>Yes</p>

broad range of functions at a YNY level. As evidenced in section 10 above, the range of available powers would directly help to address the economic challenges faced by YNY.

Local criteria

The Combined Authority would receive additional devolved powers, alongside significant additional funding to the area, which would otherwise be unavailable.

Yes

There would be significant improvement in the ability to work in effective partnership with other neighbouring Combined Authority areas, under similar governance arrangements.

The ability of a Mayor to influence regional and national policy would create significant local benefit.

13.0 Conclusion

- 13.1 In summary, from the above analysis, Options 1 (Do nothing) does not provide the opportunity to enhance the exercise of local statutory functions, nor does it create additional efficiency or provide powers, funding or governance to better address local economic challenges. It is not considered that it meets either the statutory or local criteria. The current governance arrangements do not, therefore, represent the best model for the ambitions of the authorities within the York and North Yorkshire area in terms of delivering their long- term ambitions for economic growth.
- 13.2 Option 2 (Joint working – Level 1) does not provide significant opportunity to enhance the exercise of local statutory functions, with no substantial efficiency, powers or funding to address local economic challenges. It is not considered that it meets either the statutory or local criteria.
- 13.3 Option 3 (Combined Authority – Level 2) provides greater opportunity to enhance the exercise of statutory functions, but is sub-optimal in that it does not allow for the merger of PFCC functions which could create efficiency and co-ordination benefits, recognising the very significant connection between public safety and the broader economic and social wellbeing of the area. It also fails to deliver the full suite of powers and funding available through the Mayoral route, and may fall short of delivering what is required to address local economic challenges. It might be considered that it meets the statutory tests, but does not satisfy the local criteria.

- 13.4 Option 4 (Mayoral Combined Authority – Level 3) provides greater opportunity to enhance the exercise of statutory functions and would facilitate efficiency and co-ordination benefits through the merger of PFCC functions. It would allow access to the full suite of powers through the minded-to deal and unlock significant additional funding. A Mayor would provide the greatest potential to influence national and regional policy to the benefit of local communities. It is considered that it is the only option that fully meets both the statutory tests and local criteria. It is, therefore, the preferred and recommended option for YNY.
- 13.5 York and North Yorkshire wants to take on a greater level of responsibility to determine its own future, with a new investment fund, applied more flexibly according to the area's specific needs and opportunities. This is achievable through the minded-to devolution deal; however, the deal itself is not available under the existing governance arrangements, a Level 1 devolution deal, or a Level 2 devolution deal.

14.0 Next Steps

- 14.1 As set out above, the conclusions of this report are that the statutory tests have been met by the proposed Mayoral devolution deal.
- 14.2 If approved, City of York Council and North Yorkshire County Council will then undertake public consultation on the scheme and the results of that consultation will be reported to the Secretary of State who must then decide whether to make the legal order(s) described above to create a new combined authority for the York and North Yorkshire area

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Scheme setting out proposals for the creation, governance and functions of the York and North Yorkshire Combined Authority

(Section 109 of the Local Democracy, Economic Development and Construction Act 2009 and regulation 7(3)(b) of the North Yorkshire (Structural Changes) Order 2022)

York and North Yorkshire Combined Authority

1.0 Preamble and Interpretation

- 1.1 This Scheme has been jointly prepared by:
- City of York Council;
 - North Yorkshire Council.
- 1.2 This Scheme sets out proposals for the creation and governance arrangements of the York and North Yorkshire Combined Authority (the Combined Authority), by adopting a mayoral governance model with the Mayor exercising the functions currently exercised by the Police Fire and Crime Commissioner for North Yorkshire.
- 1.3 It also sets out proposals for the Combined Authority to be delegated additional functions from Government.
- 1.4 On 1 August 2022, the Leaders of the City of York Council and North Yorkshire Council signed a “minded to” devolution deal with HM Government. The deal details £540m of government investment (consisting £18m or gainshare over 30 years), which will be subject to local influence and decision making, enabling spend on local priorities, together with a range of devolved functions. This devolution deal is subject to adopting the model of a Mayor over the Combined Authority area.
- 1.5 City of York Council and North Yorkshire Council must also follow relevant statutory procedures to adopt the model of a directly elected Mayor.
- 1.6 City of York Council and North Yorkshire Council therefore conducted a review under section 108 of the Local Democracy, Economic Development and Construction Act 2009 and Regulation 7(3)(a) of the North Yorkshire (Structural Changes) Order 2022 (the Review) in relation to:
- the creation of and governance arrangements for the Combined Authority; and
 - the delegation to the Combined Authority of functions under section 104 and section 105 of the 2009 Act (transport-related functions of the Secretary of State and functions concurrent to local authorities).
- 1.7 Having considered the findings of the Review, City of York Council and North Yorkshire Council concluded that an order by the Secretary of State to make the changes considered in the review, including delegating functions to the Combined Authority, would be likely to improve the exercise of statutory functions in relation to the Combined Area. City of York Council and North Yorkshire Council have therefore resolved to prepare and publish this Scheme under section 109 of the 2009 Act and Regulation 7(3)(b) of the 2022 Order.
- 1.8 In addition, to secure the devolution of new government investment and the range of additional functions set out in the “minded to” devolution deal, the City of York Council and North Yorkshire Council have included the following proposals in this Scheme:
- to create a Combined Authority and adopt the model of a mayoral combined authority (MCA) for the Combined Authority;
 - for the Combined Authority to be delegated functions under section 105A of the 2009 Act (functions of a public authority); and
 - for the Combined Authority to have certain functions of the Constituent Authorities including the York and North Yorkshire Local Enterprise Partnership.

- 1.9 It is also proposed that the functions currently exercised by the Police Fire and Crime Commissioner for the Combined Area (the PFCC Functions) will be exercised by the Mayor from 2024.
- 1.10 Proposals contained in the Scheme will be subject to public consultation from [a date in October 2022] to [a date in December 2022].
- 1.11 Any transfer to the Combined Authority, or to the Mayor, of existing functions or resources currently held by any Constituent Council must be by agreement with the Constituent Council.
- 1.12 The following definitions shall apply to this Scheme:

“Combined Authority”	means the York and North Yorkshire Combined Authority;
“Constituent Councils”	means: <ul style="list-style-type: none"> • City of York Council; • North Yorkshire Council.
“Combined Area”	means the area consisting of the areas of the Constituent Councils;
“Constitution”	means the constitution adopted by the Combined Authority and as envisaged by the 2009 Act;
“Deputy Mayor for Policing and Crime”	means the deputy mayor for PCC Functions for the Combined Area;
“Financial Management Code of Practice”	means the Revised Financial Management Code of Practice For the Police Forces of England and Wales and Fire and Rescue Authorities created under section 4A of the Fire and Rescue Services Act 2004;
“Fire and Rescue Authority Function” or “FRA Function”	means any function carried out by the PFCCFRA under any fire and rescue enactment as defined by s107EF of the 2009 Act;
“Homes England”	means the non-departmental public body and statutory corporation created by the Housing and Regeneration Act 2008 (as amended by the 2011 Act) (the “Act”) known as Homes England and being the responsibility of and sponsored by the Department for Levelling Up, Homes & Communities;
“Independent Person”	means an independent person meeting the requirements of the 2017 Order;
“LEP”	means the York and North Yorkshire Local Enterprise Partnership (LEP);

“Mayor”	means the directly elected mayor for the Combined Area;
“Mayoral Development Area”	means an area designated by the Mayor as such pursuant to the 2011 Act;
“Mayoral Function”	means any function which is the responsibility of the Mayor, other than a PFCC Function;
“MCA”	means the mayoral combined authority;
“Member”	means a member of the Combined Authority;
“Non-Mayoral Function”	means any function of the Combined Authority which is not a Mayoral Function or a PFCC Function;
“PFCC”	means the Police Fire and Crime Commissioner for North Yorkshire;
“PCC Function”	means any function carried out by a Police and Crime Commissioner under any local policing enactment as defined by s107EG of the 2009 Act;
“PFCC Function”	means collectively PCC Functions and FRA Functions (as at the date hereof, carried out by the PFCC) which under this Scheme are to be exercisable by the Mayor;
“Police, Fire and Crime Commissioner Fire and Rescue Authority” or “PFCCFRA”	means the fire and rescue authority created by article 3(1) Police, Fire and Crime Commissioner for North Yorkshire (Fire and Rescue Authority) Order 2018;
“Review”	means the review carried out by City of York Council and North Yorkshire Council under section 108 of the 2009 Act and regulation 7(3)(a) of the 2022 Order in [August 2022];
“the 2004 Act”	means the Fire and Rescue Services Act 2004;
“the 2008 Act”	means the Housing and Regeneration Act 2008;
“the 2009 Act”	means the Local Democracy, Economic Development and Construction Act 2009;

“the 2011 Act”	means the Police Reform and Social Responsibility Act 2011;
“the 2017 Order”	means the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017;
“the 2018 Order”	means the Police, Fire and Crime Commissioner for North Yorkshire (Fire and Rescue Authority) Order 2018;
“the 2022 Order”	means the North Yorkshire (Structural Changes) Order 2022/328;
“TUPE Regulations”	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246).

2.0 Proposed MCA for York and North Yorkshire

2.0.1 The following part of the Scheme sets out how it is proposed that the Combined Authority will operate and discharge its functions as an MCA.

2.1 Geography

2.1.1 The area of the Combined Authority as MCA shall be the area consisting of the areas of the Constituent Councils.

2.2 Name

2.2.1 It is proposed that the name of the Combined Authority as an MCA is York and North Yorkshire Combined Authority.

2.3 Election of Mayor

2.3.1 It is proposed that the first Mayor will be elected in May 2024. The Mayor will be elected by the local government electors for the Combined Area.

2.3.2 As set out in the 2009 Act, the Mayor is to be returned under the simple majority system (‘first past the post’).

2.3.3 It is proposed that the initial term of the Mayor will be Four (4) years and Four (4) years for each subsequent term.

2.3.4 The 2009 Act provides that the Mayor will have the title “Mayor” and the title of the Mayor will be the “York and North Yorkshire Combined Authority Mayor”.

2.4 Membership

2.4.1 It is proposed that the membership arrangements for the Combined Authority are the following:

- the Mayor;
- Four (4) elected Members consisting of a Lead Member for each Constituent Council and One (1) further Member appointed by each of the Two (2) Constituent Councils. Constituent Councils may nominate Two (2) named substitutes for each of their Combined Authority Members;
- One (1) Member appointed by the LEP.

2.4.2 Of these, the Mayor and Four (4) elected Members appointed by the Constituent Councils are voting Members.

2.4.3 Of these, the Member appointed by the LEP is required by statute to be non-voting – see further below.

2.4.4 Where a Member of the Combined Authority ceases (for whatever reason) to be a member of the Constituent Council which appointed them, it is proposed that the Member will cease to be a member of the Combined Authority, and the Constituent Council will appoint a replacement member as soon as possible.

2.4.5 The Members of the MCA (namely the Mayor, the Constituent Council Members and the LEP Member) will be referred to collectively as “the Cabinet” and “Cabinet Member” is to be construed accordingly.

2.5 Role of the Mayor

2.5.1 As provided by the 2009 Act, the Mayor, by virtue of their office, will be the Chair of the Combined Authority.

2.5.2 The Mayor will be responsible for functions of the Combined Authority which are Mayoral Functions, as set out below, and also exercise the PFCC Functions.

Deputy Mayor

2.5.3 The 2009 Act requires the Mayor to appoint one of the Members of the Combined Authority as a Deputy Mayor, who will act in place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant. The Deputy Mayor will chair meetings of the Combined Authority in the absence of the Mayor.

Deputy Mayor for Policing and Crime and Delegation of FRA Functions

2.5.4 The Mayor will appoint a Deputy Mayor for Policing and Crime – see further paragraph 3.6 (PFCC Functions).

2.5.5 The Mayor may make suitable arrangements for the delegation of FRA Functions.

2.6 Partnership Arrangements and LEP Integration

Partnership Arrangements

2.6.1 As an MCA, the Combined Authority will explore opportunities for further collaboration with its neighbouring local authorities including West Yorkshire Combined Authority, Tees Valley Combined Authority, South Yorkshire Mayoral Combined Authority, Hull and East Yorkshire, Lancashire and Cumbria and across the whole of Yorkshire through the ‘Yorkshire Leaders Board.’ York will remain as a non-constituent member of the West Yorkshire Combined Authority. The Combined Authority may invite representatives from other partner councils to attend (and speak) at any Combined Authority meeting.

LEP Integration

- 2.6.2 The LEP will integrate into the Combined Authority.
- 2.6.3 The staff of the LEP will transfer to the Combined Authority pursuant to the TUPE Regulations (subject to eligibility under the legislation).
- 2.6.4 The existing LEP Board will transition into the Business Committee of the Combined Authority (subject to the LEP integration process) which will be an advisory Committee of the Combined Authority for the purposes of relevant economic decisions.
- 2.6.5 As envisaged by the Levelling-up and Regeneration Bill 2022-23 membership of the Business Committee of the Combined Authority may include non- constituent or associate members.
- 2.6.6 The LEP Member will become a non-voting member of the Combined Authority (unless the Combined Authority resolves to give them a vote on any issue subject to agreement of the Voting Members (in accordance with section 85(5) of the Local Transport Act 2008)).

2.7 Decision-making arrangements**2.7.1 Decisions of the Combined Authority**

- 2.7.1.1 The Combined Authority will be responsible for any function of the Combined Authority which is not the responsibility of the Mayor.
- 2.7.1.2 Decisions on such Non-Mayoral Functions will be taken by the Combined Authority or taken in accordance with arrangements agreed by the Combined Authority, including:
- by a committee or sub-committee of the Combined Authority which has delegated authority for the function, or
 - under joint arrangements agreed by the Combined Authority, or
 - by an officer with delegated authority.
- 2.7.1.3 It is proposed that decisions to be made in exercise of the functions of the Combined Authority will be made by the Constituent Council Members and Mayor working together as the Cabinet. Such decisions will be made by a meeting of the Cabinet except:
- Where responsibility for exercise of the function has been delegated in accordance with the Constitution of the Combined Authority (and which may include delegation of such powers and functions of the Combined Authority to Committees, Sub-Committees or officers as the Combined Authority considers appropriate);
 - Where the matter is to be considered by an Overview and Scrutiny Committee or Audit Committee of the Combined Authority.
- 2.7.1.4 No business of the Combined Authority will be transacted at a meeting unless at least Three (3) voting Members are present consisting of the Mayor (or the Deputy Mayor acting in place of the Mayor) and at least [one] Member of the Combined Authority appointed by a Constituent Council.
- 2.7.1.5 The following voting arrangements will apply at meetings of the Combined Authority:
- Un-weighted voting based on one Member one vote,
 - The LEP Member must be non-voting (a requirement of section 85(4) of the Local Transport Act 2008) but could individually be given a vote on some or all issues voted upon, subject to agreement of the voting Members (in accordance with section 85(5) of the Local Transport Act 2008),and

- The Mayor (or Deputy Mayor acting in their place) will not have a second or casting vote.

2.7.1.6 The Combined Authority aims to reach decisions by consensus. If it is not possible to reach a consensus on a matter that requires a decision, the matter will be put to the vote.

2.7.1.7 Any matter that comes before the Combined Authority will be decided by a simple majority of the Members of the Combined Authority present and voting (whether a motion or an amendment), unless otherwise provided for in legislation or below and the majority must include the vote of the Mayor.

2.7.1.8 In addition, for the following decisions the majority of Members must include the Lead Member from each Constituent Council:

- Approving and amending the Combined Authority's budget (excluding decisions which relate to the Mayor's budget);
- Setting a levy;
- Approving and amending the Combined Authority's Constitution.

2.7.1.9 The Mayor will be required to consult the Combined Authority on their strategies, and this will be subject to the following conditions:

- The Combined Authority will be able to amend the Mayor's budget if Three (3) out of Four (4) of the Members agree to do so.
- The Combined Authority will be able to amend the Mayor's transport strategy if Three (3) out of Four (4) of the Members agree to do so.

2.7.2 Decisions of the Mayor

2.7.2.1 In accordance with the 2009 Act, any Mayoral Function will be exercisable only by the Mayor except where the Mayor delegates such a function to:

- the Deputy Mayor;
- another Member of the Combined Authority;
 - an officer of the Combined Authority;
 - under joint arrangements – see paragraph 3.2.7;
 - the Deputy Mayor for Policing and Crime; and
- such suitable arrangements as are made by the Mayor in respect of the delegation of FRA Functions.

2.7.2.2 It is proposed that any Member or officer of the Combined Authority may assist the Mayor in the exercise of Mayoral Functions, but that the Mayor cannot delegate to their political advisor.

2.7.2.3 The following decisions by the Mayor will require the consent of the Lead Member of the Combined Authority, or substitute Members acting in their place, appointed by the Constituent Council in whose area the decision will apply:

- Designation of any area of land as a Mayoral Development Area leading to the establishment (by Order) of a Corporation (the consent of the relevant national park authority is also required if the land falls within the national park area).
- Compulsory purchase of land or buildings by the Mayor.
- Any decision that could lead to a financial liability falling directly upon that Constituent Council.
- Such other matters as may be contained in the Combined Authority Constitution and agreed with the Mayor.

2.7.2.4 Decision-making arrangements in respect of the Mayor's budget for Mayoral Functions are set out in paragraph 4.3 of this Scheme.

2.7.3 PFCC Functions

2.7.3.1 Decision-making arrangements in respect of PFCC Functions are set out in paragraph 3.6.

2.8 Scrutiny Arrangements

2.8.1 The Mayor and the Combined Authority will be scrutinised and held to account by the Combined Authority's Overview and Scrutiny Committee established and functioning in line with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016 and consisting of Twelve (12) Members appointed by the Constituent Authorities.

2.8.2 Six (6) Members will be nominated from each Constituent Council reflecting the political balance of the Constituent Councils at the time of appointment.

2.8.3 The Chair and Vice-Chair of the Overview and Scrutiny Committee will be appointed by the Combined Authority from amongst the members of the Committee, following a proposal put to them by the Overview and Scrutiny Committee.

2.8.4 The Chair and Vice-Chair shall not be a member of a registered political party of which the Mayor is also a member.

2.8.5 The Chair of the Overview and Scrutiny Committee will be an "Appropriate Person" within the meaning of sub-paragraph (5)(a) of Schedule 5A of the 2009 Act and will be an elected member of a Constituent Council.

2.8.6 The Chair of the Overview and Scrutiny Committee will be appointed by the Committee as the first item of business of the Committee in any municipal year.

2.8.7 The Mayor and the Combined Authority may also seek to enhance scrutiny and develop wider conference with all elected members in the Combined Authority's area to engage on key issues.

2.8.8 In accordance with the 2009 Act, the Combined Authority ensures that the Overview and Scrutiny Committee has power to:

- (a) review or scrutinise decisions made, or other action taken, in connection with the any functions which are the responsibility of the Combined Authority;
- (b) make reports or recommendations to the Combined Authority with respect to the functions that are the responsibility of the Combined Authority;
- (c) make reports or recommendations to the Combined Authority on matters that affect the Combined Area or the inhabitants of the Combined Area.

2.8.9 As an MCA, the Combined Authority's arrangements must also ensure that the Overview and Scrutiny Committee has power to:

- (a) review or scrutinise decisions made, or other action taken, in connection with the discharge by the Mayor of any Mayoral Functions,
- (b) make reports or recommendations to the Mayor with respect to the discharge of any Mayoral Functions,
- (c) make reports or recommendations to the Mayor on matters that affect the Combined Authority's Area or the inhabitants of the Combined Area.
- (d) appoint such sub-committees as it deems necessary to fulfil its functions.

- 2.8.10 The Committee's power to "call-in" a decision (that is, direct that a decision is not to be implemented while it is under review or scrutiny by the Committee, and recommend that the decision be reconsidered) extends to decisions taken by the Mayor in connection with Mayoral Functions.
- 2.8.11 There will be separate oversight and scrutiny arrangements in respect of PFCC Functions, which will be carried out by a Police Fire and Crime Panel – see further paragraph 3.6.
- 2.8.12 The Combined Authority will adopt a Code consistent with the 'Nolan Principles' setting out the conduct expected of its Members (and voting co-optees) which will include provision in respect of registering and disclosing interests,
- 2.8.13 The Combined Authority will make arrangements for investigating and determining any allegation of a failure to comply with the Code.
- 2.8.14 In relation to PCC and FRA Functions, any complaints or conduct matters will be dealt with in accordance with provisions made pursuant to paragraph 3.6.15.

2.9 Audit

- 2.9.1 The Combined Authority will establish an Audit Committee of not less than [Eight (8)] Members to exercise responsibility for the Audit functions applicable to the Combined Authority save in respect of PFCC Functions exercisable by the Mayor (in which regard see further below).
- 2.9.2 Membership of the Audit Committee will consist of [Four (4)] members from each Constituent Council and at least one Independent Person appointed by the Combined Authority.
- 2.9.3 Members will be nominated from each Constituent Council reflecting the political balance of the Constituent Councils at the time of appointment.
- 2.9.4 The Combined Authority will have an Audit Committee, which carries out the statutory functions of an audit committee in accordance with the 2009 Act, which include:
- reviewing and scrutinising the Combined Authority's financial affairs;
 - reviewing and assessing the Combined Authority's risk management, internal control and corporate governance arrangements;
 - reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority's functions; and
 - making reports and recommendations to the Combined Authority in relation to reviews the Committee has conducted.
- 2.9.5 It is proposed that membership of the Audit Committee may include co-opted Members and any co-opted Members will be non-voting.
- 2.9.6 For an initial period (to be determined by the Combined Authority on conclusion of the review referred to in paragraph 2.9.8) it is proposed that there shall be both:
- a separate Joint Independent Audit Committee for Policing; and
 - a separate Independent Audit Committee for Fire and Rescue

In order to discharge of the requirements of the Financial Management Code of Practice in respect of PCC Functions and FRA Functions respectively.

- 2.9.7 It is proposed that the Committees referred to at paragraph 2.9.6 shall in practice be the Committees established by the PFCC and the Chief Constable of North Yorkshire Police (in respect of the Joint Independent Audit Committee for Policing) and the PFCCFRA (in respect of the Independent Audit Committee for Fire and Rescue) and that those Committees in place for the time being shall be adopted by the Combined Authority; and that the terms of reference of those Committees shall be amended so as to provide for their remit to extend to PCC Functions and FRA Functions, respectively, exercisable by the Mayor.
- 2.9.8 It is further proposed that the arrangements set out at paragraph 2.9.6 shall be reviewed by the Combined Authority during the initial term of the Mayor with a view to establishing whether it is in the public interest for there to be a single Audit Committee undertaking both the functions set out at paragraph 2.9.4 and the requirements of the Financial Management Code of Practice. Such a review shall:
- be undertaken jointly with the Chief Constable; and
 - have regard to any Self-Assessment of Good Practice undertaken by any of the Committees under the terms of the Chartered Institute of Public Finance & Accountancy guidance *Audit Committees: Practical Guidance for Local Authorities and Police*.

2.10 Appointments

- 2.10.1 The MCA will appoint to the four statutory positions being:
- Head of Paid Service (section 4 Local Government and Housing Act 1989) but see paragraph 2.10.5;
 - Chief Finance Officer (section 73 Local Government Act 1985);
 - Monitoring Officer (section 5 Local Government and Housing Act 1989);
 - Scrutiny Officer (section 9FB Local Government Act 2000).
- 2.10.2 These positions may be held by officers already serving in one or more Constituent Authorities save for that of Scrutiny Officer.
- 2.10.3 It is proposed that the Mayor may appoint one person as the Mayor's political adviser, and that the terms and conditions of any such appointment will be provided for by legal Order.
- 2.10.4 It is proposed that the functions of Head of Paid Service in respect of the following staff shall be exercised by the Chief Fire Officer:
- staff transferred from the PFCCFRA;
 - staff secured by the MCA for the purposes of carrying out the MCA's functions under:
 - section 6 of the 2004 Act; (fire safety);
 - section 7 of that Act (fire-fighting);
 - section 8 of that Act (road traffic accidents);
 - any order under section 9 of that Act (emergencies) which applies to the MCA;
 - section 2 of the Civil Contingencies Act 2004 and any regulations under that Act applying to a fire and rescue authority;
 - any other provision of or made under an enactment which confers functions on a fire and rescue authority.

2.11 Standing Orders

- 2.11.1 It is proposed that the Combined Authority will make standing orders for the regulation of its proceedings and business and may vary or revoke any such standing orders.

2.12 Remuneration

- 2.12.1 An allowance may be paid to:
- the Mayor;
 - the Deputy Mayor, (provided that they are not a Leader of a Constituent Council);
 - the Deputy Mayor for Policing and Crime (provided that they are not a Leader of a Constituent Council);
 - Independent Persons.
- 2.12.2 The voting Constituent Council Members of the Combined Authority's Cabinet shall approve a scheme for allowances, following consideration of a report from an Independent Remuneration Panel, which the Combined Authority may appoint.
- 2.12.3 No remuneration is to be payable by the Combined Authority to its Constituent Council Members (other than allowances for travel and subsistence), provided always that a Constituent Council may, on the recommendation of an Independent Remuneration Panel, pay a special responsibility allowance to any Member appointed by it to the Combined Authority in respect of duties and responsibilities undertaken as a Member, or substitute Member, of the Combined Authority.

3.0 Functions of the Combined Authority as MCA

- 3.0.1 The prime purpose of conferring functions on the Combined Authority is to improve the exercise of statutory functions in relation to the Combined Area. In pursuit of this prime purpose, the Combined Authority will take on those functions set out in the "minded to" Devolution Deal.
- 3.0.2 Mayoral Functions and PFCC Functions will be the responsibility of the Mayor, and are exercisable only by the Mayor, unless delegated by the Mayor to the Deputy Mayor or Deputy Mayor for Policing and Crime or delegated by the Mayor under such arrangements as are made by the Mayor in respect of FRA Functions. Mayoral Functions are listed in paragraph 3.1, and PFCC Functions addressed in paragraph 3.6.
- 3.0.3 All other functions of the Combined Authority will be Non-Mayoral Functions – see paragraph 3.2.
- 3.0.4 Where any Mayoral or Non-Mayoral Function is concurrent with any Constituent Council, (that is, where Constituent Councils share any function), arrangements for their exercise will be a matter for agreement between the Combined Authority and a Constituent Council.
- 3.0.5 It is proposed that the Constituent Councils and the Combined Authority will agree operating protocols for the exercise of concurrent functions by the Combined Authority where considered appropriate. These protocols will recognise the strategic role of the Combined Authority and safeguard the role of Constituent Councils in local decision making and delivery.

3.1 Functions exercised by the Mayor - overview

Mayoral Functions

- 3.1.1 It is proposed that the Mayoral Functions will be:
- Functional power of competence.
 - Housing and planning:
 - Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (see consent requirements below).

- Housing and land acquisition powers (see consent requirements below) to support housing, regeneration, infrastructure and community development and wellbeing.
- Finance:
 - Power for the Mayor to set a precept on council tax to fund Mayoral Functions (resulting from the setting of the mayoral budget as set out below)
 - Power to charge business rate supplement (subject to ballot).
- Transport:
 - Power to draw up a local transport plan and strategies (the Combined Authority will be able to amend the Mayor's transport strategy if Three (3) out of Four (4) Constituent Council Members agree to do so).
 - Bus franchising powers.

3.1.2 For the purposes of the discharge of Mayoral Functions the Mayor may do anything that the Combined Authority may do under section 113A of the 2009 Act (functional power of competence).

3.1.3 As stated above, it is also proposed that the Mayor exercises PFCC Functions – see paragraph 3.6.

3.2 Non-Mayoral Functions - overview

3.2.1 The Combined Authority will have a 'function related general power of competence' under Chapter 3 of Part 1 of the Localism Act 2011.

3.2.2 It is proposed that the Combined Authority exercise the following additional Non-Mayoral Functions:

- a) The Combined Authority will become the **Local Transport Authority** for the Combined Area under the Transport Act 2000.
- b) **Transport-related powers** to set up and coordinate a Key Route Network on behalf of the Mayor (unless otherwise agreed locally, all operational responsibility for Key Route Network roads will remain with the Constituent Councils) (see further paragraph 3.3.3).
- c) **Transport-related powers** to collect contributions from utility companies for diversionary works needed as a result of highways works carried out on the Key Route Network (see further paragraph 3.3.3).
- d) Powers to operate a **permit scheme** designed to control the carrying out of works on the Key Route Network (see further paragraph 3.3.3).
- e) **Adult education and skills functions** (see further paragraph 3.4).
- f) **Housing and Land functions** relating to compulsory purchase, plus provision of housing and land, land acquisition and disposal, and development and regeneration of land (see further paragraph 3.5).
- g) **Economic development** – duty to prepare an assessment of economic conditions (see further paragraph 3.5.3.2).
- h) **Finance** – power to borrow up to an agreed cap for non-transport functions (see further paragraph 4.2.3).

3.2.3 It is proposed that all functions given or transferred to the Combined Authority that are not exercisable only by the Mayor (which Mayoral Functions are listed in paragraphs 3.2 and 3.3) will be discharged by the Cabinet.

3.2.4 The Cabinet will exercise its powers and duties concurrently with the Constituent Authorities (where Constituent Authorities have the same functions). No Constituent Council will cede any existing non-transport functions to the Combined Authority without the express agreement of the Constituent Council.

- 3.2.5 Notwithstanding the above, it is proposed that a Constituent Council and the Combined Authority may enter into arrangements under Section 101 of the Local Government Act 1972 and/or Section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2012 to allow the delegation of functions from a Constituent Council to the Combined Authority. In all such cases, acceptance of a delegation will require the agreement of Cabinet and the relevant Constituent Council.
- 3.2.6 Under Section 101 of the Local Government Act 1972 it is proposed that the Combined Authority may enter into arrangements with a Constituent Council to allow for the delegation of Non-Mayoral Functions to a Constituent Council. In all such cases, the decision to delegate any function will require the agreement of Cabinet.
- 3.2.7 The Combined Authority may also enter into joint arrangements with any Constituent Council or other local authority, in respect of Non-Mayoral Functions, in accordance with S101(5) of the Local Government Act 1972.

3.3 Transport

- 3.3.1 The Mayor will be given the functions in Part 2 of the Transport Act 2000 to produce a Local Transport Plan and strategies. Members of the Combined Authority will be able to amend the Local Transport Plan and strategies if a majority of Members agree to do so.
- 3.3.2 The Combined Authority will become the Local Transport Authority for the Combined Area under the Transport Act 2000.
- 3.3.3 [It is proposed that the Combined Authority is to become a Constituent Authority of Transport for the North ("TfN") and that the proposed regulations which are to be made under the Local Transport Act 2008 to create TfN as a Sub-National Transport Body for the North of England will be amended accordingly].

3.3.2 Consolidated Transport Budget

- 3.3.2.1 The Mayor will be responsible for a devolved and consolidated multi-year local transport budget for the Combined Area including all relevant devolved highways funding, to enable greater surety of funding, more effective and efficient long-term asset management and procurement arrangements. This budget will be fully devolved and provide a firm funding settlement for a []-year period starting in [].
- 3.3.2.2 It is proposed that the Combined Authority will be able to exercise the functions of a minister of the Crown contained in Section 31 of the Local Government Act 2003 to pay grants to the Constituent Councils for exercising highway functions. This function is a Mayoral Function exercisable concurrently with a Minister of the Crown.

3.3.3 Key Route Network

- 3.3.3.1 The Combined Authority will take on highways powers to set up and coordinate a Key Route Network (KRN) on behalf of the Mayor. The strategy for the KRN will be developed, agreed and co-ordinated by the Combined Authority on behalf of the Mayor. The Combined Authority will be the Highway Authority for the KRN for the purposes of exercising the powers of the Highways Act 1980 and the relevant other primary and secondary legislation.
- 3.3.3.2 Additionally, the Government intends to legislate so that the Mayor will have a power of direction, allowing them to direct highway authorities on exercising their highway powers with regard to the KRN.
- 3.3.3.3 In partnership with Constituent Councils, the Combined Authority and the Mayor will develop a single strategic asset management plan, and where practical, work towards streamlined contractual and delivery arrangements across the Combined Area.
- 3.3.3.4 It is proposed to grant the Combined Authority functions in relation to the KRN as more particularly set out below. These will enable the KRN to be defined and allow the KRN roads to be strategically managed and coordinated at the York and North Yorkshire level by the Combined Authority on behalf of the Mayor. However, unless otherwise agreed locally, all operational responsibility for highways will remain with the Constituent Councils. As such the specific functions of the Combined Authority which relate to operational management of the roads within the KRN will only be exercised with the unanimous approval of the Four (4) Members of the Combined Authority appointed by the Constituent Councils.
- 3.3.3.5 The Combined Authority will be granted the following powers:
- a) Powers equivalent to those contained within the Road Traffic Regulation Act 1984 in relation to traffic orders (including sections 1, 2(4), 9, 23 and 65) and the power to enter into agreements as if it were a traffic authority pursuant to section 121A. The Combined Authority will only exercise such functions with the unanimous approval of the Four (4) Members of the Combined Authority appointed by the Constituent Councils;
 - b) [Powers contained in the New Roads and Street Works Act 1991, the Traffic Management Act 2004 and the Traffic Management Permit Scheme (England) Regulations 2007 to enable the Combined Authority to manage street works and issue permit schemes to manage disruption and bid to the Secretary of State for Transport to seek approval to operate a lane rental scheme in relation to KRN roads, including seeking contributions from utility companies through lane rental and exercising the power to create an updated lane rental scheme as needed (subject to the Secretary of State's agreement) together with powers relating to moving traffic offences. The Combined Authority will only exercise such functions with the unanimous approval of the Four (4) Members of the Combined Authority appointed by the Constituent Councils.]
 - c) The Combined Authority will be granted, in respect of the KRN, powers in relation to the enforcement of bus lane contraventions pursuant to the Bus Lane Contraventions (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2005. The Combined Authority will only exercise such functions with the approval of the Four (4) Members of the Combined Authority appointed by the Constituent Councils. The outcome will be to ensure a consistent approach to the enforcement of bus lanes.
- 3.3.3.6 The Combined Authority will be granted functions equivalent to the below, concurrently with the relevant Constituent Council, unless otherwise stated:
- a) Section 6 of the Highways Act 1980 (enabling the Secretary of State or Highways England to delegate or enter into an agreement with a county council, metropolitan district council or London borough council in relation to the construction, improvement or maintenance of trunk roads). It is proposed that the section should be modified to include the Combined Authority amongst the authorities to which such functions may

be delegated, to support better integration between local and national networks, or the equivalent legislative provision in order to achieve the aim of better integration.

- b) Section 8 of the Highways Act 1980 (enabling local highway authorities and Highways England to enter into agreements with other such authorities in relation to the construction, improvement, maintenance etc. of a highway for which any party to the agreement is the highway authority). It is proposed that the section be modified to allow the Combined Authority to be a party to such agreement as if it were a local highway authority, with the consent of any affected highway authority, or the equivalent legislative provisions in order to allow the Combined Authority to be party to such agreements.

3.3.3.7 Under the Automated and Electric Vehicles Act 2018, the Mayor will have the power to request from the Secretary of State local regulations requiring large fuel retailers to provide electric vehicle charging points within the Combined Area.

3.3.4 Buses

3.3.4.1 The Combined Authority will be granted powers under section 154 of the Transport Act 2000 to make grants to bus operators.

3.3.4.2 As an MCA, the Combined Authority will become a franchising authority under the Transport Act 2000. This Act provides for the Mayor to carry out functions in relation to making, varying or revoking a franchising scheme.

3.4 Adult Education / Skills and Employment

3.4.1 It is proposed that the Combined Authority will be given devolved functions in respect of Adult Education and will control the Adult Education Budget (AEB) from academic year 2025/26 subject to readiness conditions and parliamentary approval of the required secondary legislation conferring the appropriate functions. These arrangements do not cover apprenticeships or traineeships, even though the latter is funded through the AEB.

3.4.2 These functions include those set out in the following sections of the Apprenticeships, Skills, Children and Learning Act 2009:

- a) section 86 (education and training for persons aged 19 or over and others subject to adult detention);
- b) section 87 (learning aims for persons aged 19 or over: provision of facilities);
- c) section 88 (learning aims for persons aged 19 or over: payment of tuition fees);
- d) section 90 (encouragement of education and training for persons aged 19 or over and others subject to adult detention);
- e) section 100 (provision of financial resources);
- f) 115 (persons with special educational needs) of the Apprenticeships, Skills, Children and Learning Act 2009.

3.4.3 Should the Combined Authority be given the functions set out in this Section 3, then it is proposed that, for the purposes of data sharing, the Combined Authority should be treated as a "Local Authority" for the purposes of Section 122 of the Apprenticeships, Skills Children and Learning Act 2009 and Section 72 of the Welfare Reform and Pensions Act 1999 (Supply of information for certain purposes) so that the Combined Authority can supply and receive information related to employment or training of persons in the Combined Area.

3.4.4 In addition, the Combined Authority will also have the following authority functions to be held concurrently with Constituent Councils:

- a) section 514A of the Education Act 1996 (provision of boarding accommodations);

- b) section 560A of the Education Act 1996 (functions related to the provision of work experience);
- c) sections 10 and 12 of the Education and Skills Act 2008 to ensure that its functions are exercised so as to promote the effective participation in education and training of relevant persons in its area aged 16 and 17, and to make arrangements to enable it to establish (so far as possible) the identities of such relevant persons;
- d) sections 68, 70, 71 and 85 of the Education and Skills Act 2008 to make available to young persons and relevant young adults such support services as it considers appropriate to encourage, enable and assist the effective participation of such persons in education and training, and functions relating to co-operation with other authorities;
- e) section 13A of the Education Act 1996 to ensure that their education and training functions are exercised with a view to promoting high standards, fair access to opportunity for education and training, and the fulfilment of learning potential;
- f) section 51A of the Further and Higher Education Act 1992 to require relevant institutions in the further education sector to provide appropriate education to specified individuals aged between 16 and 18 years.

3.4.5 It is proposed that the MCA will have the duties under Sections 15ZA, 15ZB, 15ZC, 17 and 18A(1)(b) of the Education Act 1996 and the powers under section 514A and 560A of that Act that relate to duties and powers concerning the provision of education and training for persons over compulsory school age.

3.4.6 [It is proposed that the Combined Authority will establish an [Inclusive Growth Board] with the aims of:

- a) Improving the marked disparities in educational attainment that exists within the Combined Area;
- b) Increasing attainment in Science, Technology, Engineering and Mathematics (STEM) subjects;
- c) Deepening the approach to careers information, advice and guidance through the adoption of the Good Career Guidance benchmarks; and
- d) Achieving excellence in teaching, leadership and school governance.

3.4.7 The Board will be responsible for advising on the better coordination of employment, skills and health services across the Combined Area with the aim of increasing the number of people moving into work].

3.5 Housing and Planning Functions

3.5.1 Housing

3.5.1.1 In order to exercise the functions outlined in the “minded to” Devolution Deal, it is proposed that the Combined Authority will be granted the following powers concurrently with the Constituent Councils or Homes England as appropriate.

3.5.1.2 It is proposed that the Combined Authority will be granted devolution of the objectives and functions of Homes England under section 2(1) of the Housing and Regeneration Act 2008 (to be exercised only in respect of the Combined Area) and the following powers contained in the 2008 Act will be exercised by the Combined Authority concurrently with Homes England:

- a) Section 3 (principal power);
- b) Section 4 (general powers);
- c) Section 5 (powers to provide housing or other land);
- d) Section 6 (powers for regeneration, development or effective use of land);
- e) Section 7 (powers in relation to infrastructure);

- f) Section 8 (powers to deal with land etc);
- g) Section 9 (acquisition of land);
- h) Section 10 (restrictions on disposal of land);
- i) Section 11 (main powers in relation to acquired land);
- j) Section 12 (powers in relation to, and for, statutory undertakers);
- k) Section 19 (power to give financial assistance);
- l) Paragraphs 19 and 20 of Schedule 3 (powers in relation to burial grounds and consecrated land etc.);
- m) Paragraphs 1,2,3,4,6,10 and 20 of Schedule 4 (extinguishment or removal powers for the HCA).

3.5.1.3 These functions will be Non-Mayoral with the exception of the specific Homes England compulsory purchase powers in section 9 of the 2008 Act (see below).

3.5.1.4 The objectives in section 2(1) of the 2008 Act are to provide the Combined Authority with the necessary powers:

- a) to improve the supply and quality of housing;
- b) to secure the regeneration or development of land or infrastructure;
- c) to support in other ways the creation, regeneration and development of communities or their continued well-being; and
- d) to contribute to the achievement of sustainable development and good design.

3.5.1.5 The functions in this section include powers enabling the achievement of the above objectives. Such powers include the power of compulsory purchase contained in section 9 of the 2008 Act (subject to the authorisation of the Secretary of State). In order to achieve the objectives above, it is proposed that the Combined Authority should also have the benefit of exemption from section 23 of the Land Compensation Act 1961, which is enjoyed by Homes England under section 23(3)(d) of that Act.

3.5.1.6 As set out above, it is proposed that the exercise of the compulsory purchase power contained in section 9 of the 2008 Act, will only be exercisable by the Mayor with the consent of the Lead Member of the Combined Authority appointed by the Constituent Council for the area(s) of land to be compulsorily acquired and the Secretary of State.

3.5.1.7 It is proposed that the Combined Authority should be granted the power to acquire land for the development of housing under section 17 of the Housing Act 1985 and the associated sections 11, 12, 15(1) and 18. It is proposed that the power to acquire land compulsorily under Section 17(3) of the Housing Act 1985 will be a Mayoral Function but will require the consent of the Lead Member of the Combined Authority appointed by the Constituent Council for the area(s) of land to be compulsorily acquired and the Secretary of State. The conferral of such powers on the Combined Authority will be entirely without prejudice to the exercise of those powers by the Constituent Councils which will exercise those powers concurrently.

3.5.1.8 It is proposed that the Combined Authority will be considered “a local housing authority” for the purposes of Section 8(1) of the Housing Act 1985 (periodical review of housing needs) that will require the Combined Authority as a “local housing authority” to consider housing conditions in the Combined Authority area and the needs of the area with respect to the provision of further housing accommodation.

3.5.2 Mayoral Development Corporation

3.5.2.1 It is proposed that the Mayor will have the power to designate an area a Mayoral Development Area (“MDA”) and so create a Mayoral Development Corporation (“MDC”) to help drive regeneration and expedite housing delivery on complex schemes in the area.

The advantage of MDCs is that they have most of the powers of an Urban Development Corporation but are controlled locally rather than by the Secretary of State.

3.5.2.2 It is proposed that Part 8, Chapter 2 of the Localism Act 2011 be modified so that references to the GLA, Greater London and the London Mayor would include the Combined Authority and the Mayor. This would enable the Combined Authority to have functions for the Combined Area corresponding to the following functions contained in the Localism Act 2011 that the Mayor of London has:

- a) Section 197 (designation of Mayoral development areas);
- b) Section 199 (exclusion of land from Mayoral development areas);
- c) Section 200 (transfers of property etc. to a Mayoral development corporation);
- d) Section 202 (functions in relation to town and country planning);
- e) Section 204 (removal or restriction of planning functions);
- f) Section 214 (powers in relation to discretionary relief from non-domestic rates);
- g) Section 215 (reviews);
- h) Section 216 (transfers of property, rights and liabilities);
- i) Section 217 (dissolution: final steps);
- j) Section 219 (guidance by the Mayor);
- k) Section 220 (directions by the Mayor);
- l) Section 221 (consents);
- m) Paragraph 1 of Schedule 21 (membership);
- n) Paragraph 2 of Schedule 21 (terms of appointment of members);
- o) Paragraph 3 of Schedule 21 (staff);
- p) Paragraph 4 of Schedule 21 (remuneration etc: members and staff);
- q) Paragraph 6 of Schedule 21 (committees); and
- r) Paragraph 8 of Schedule 21 (proceedings and meetings).

3.5.2.3 It is proposed that the Mayor's power to designate an area a MDA under Section 197 of the Localism Act 2011 will require the consent of the Lead Member of the Combined Authority appointed by the Constituent Council whose local government area contains any part of the MDA.

3.5.2.4 It is further proposed that the Mayor's power to exclude land from a MDA under Section 199 of the Localism Act 2011 will require the consent of the Lead Member of the Combined Authority appointed by the Constituent Council whose local government area contains any part of the area to be excluded from the MDA.

3.5.2.5 It is also proposed that the London Mayor's power under section 202 of the Localism Act 2011 to decide that a MDC should have certain planning functions in relation to the whole or part of a MDA should be modified in relation to the Mayor so that the Mayor can only exercise this power with the consent of the Lead Member of the Combined Authority appointed by the Constituent Council whose local government area contains any part of the MDA concerned.

3.5.3 Economic Development and Regeneration

3.5.3.1 It is proposed that the Combined Authority will have a duty to prepare an assessment of economic conditions under section 69 of the 2009 Act, concurrently with the Constituent Councils.

3.5.3.2 It is proposed that the Combined Authority will have powers that would allow it to drive strategic economic growth across the functional economic area. This means functions such as:

- setting the area's growth strategy;
- setting the area's economic strategies;

- setting the investment strategy for the area's Investment Fund;
- making decisions with regard to the Investment Fund;
- a co-ordinated approach to inward investment.

3.5.3.3 In addition, the Combined Authority have other powers relating to the provision of further education that would contribute to the economic improvement of the functional economic area.

3.6 PFCC Functions

3.6.1 Legislative Context

3.6.1.1 The Police Reform and Social Responsibility Act 2011 (the 2011 Act) and the 2018 Order established the position of PFCC for North Yorkshire and specifies the core functions of a PFCC and it is proposed that these will be exercisable by the Mayor.

3.6.1.2 The order providing for the Mayor to exercise the functions of a PFCC must provide that there is to be no directly elected PFCC in the Combined Authority area from a specified date.

3.6.2 Policing, Fire and Crime Proposals

3.6.2.1 The Mayor will carry out the PFCC Functions in relation to the Combined Area, which corresponds to the North Yorkshire police area and area of the PFCCFRA. This will provide for a single directly accountable individual responsible for the discharge of the PFCC's Functions, which will be consistent with the current PFCC model and ambition for local people to have a single point direct accountability. Key PFCC Functions in North Yorkshire include but are not limited to:

- securing the maintenance of an efficient and effective police force and holding the Chief Constable to account;
- securing the maintenance of an efficient and effective fire and rescue authority and holding the Chief Fire Officer to account;
- issuing a Police and Crime Plan and Fire and Rescue Plan (or a Police, Fire and Crime Plan), and an Integrated Risk Management Plan;
- appointing and having the power to remove a Chief Constable and being the Appropriate Authority for Chief Constable complaints and conduct;
- appointing the Chief Fire Officer and Deputy Chief Fire Officer;
- being the employer of all Fire and Rescue staff;
- Customer Service functions – including:
 - the handling of functions in relation to complaints against the Police under 'Model 3' of the police complaints reforms (the local policing body having given notice to the Chief Constable under s13A Police Reform Act 2002);
 - the handling of complaints against North Yorkshire Fire and Rescue Service;
 - the handling of expressions of appreciation in respect of North Yorkshire Police and North Yorkshire Fire and Rescue Service;
- issuing Annual Reports on policing and crime services and on fire and rescue services, including an annual fire and rescue statement;

- setting budgets for North Yorkshire Police and North Yorkshire Fire and Rescue Service, and determining the policing and fire and rescue precepts for the Combined Area;
- commissioning policing and crime services, specifically needs assessment and cope and recovery services for victims of crime, and fire and rescue services in the Combined Area;
- enhancing the delivery of criminal justice in the Combined Area and working with partners to improve public safety;
- approving a pay policy statement prepared for the purposes of section 38 of the Localism Act 2011 (pay policy statements);
- approving arrangements to enter into a reinforcement scheme under section 13 of the Fire and Rescue Services Act 2004 (reinforcement schemes);
- approving arrangements with other employers of fire-fighters under section 15 of the Fire and Rescue Services Act 2004 (arrangements with other employers of fire-fighters);
- approving arrangements under section 16 of the Fire and Rescue Services Act 2004 (arrangements for discharge of functions by others);
- approving plans, modifications to plans and additions to plans for the purpose of ensuring that:
 - so far as is reasonably practicable, the Combined Authority is able to perform its fire and rescue functions if an emergency occurs, and
 - the Combined Authority is able to perform its fire and rescue functions so far as necessary or desirable for the purpose of preventing an emergency, or reducing, controlling or mitigating the effects of an emergency, or taking other action in connection with it;
- approving any arrangements for the co-operation of the Authority in relation to its fire and rescue functions with other Category 1 responders and Category 2 responders in respect of:
 - the performance of the Authority's duty as a fire and rescue authority under section 2 of the Civil Contingencies Act 2004, and
 - any duties under subordinate legislation made in exercise of powers under that Act management plan;
- Maintaining an Independent Custody Visitor Scheme for the Combined Area.

3.6.2.2 In accordance with the 2009 Act, any PFCC Function is to be taken to be a function of the Combined Authority exercisable by the Mayor acting individually, or by a person acting under arrangements with the Mayor in accordance Schedule 5C of the 2009 Act or as delegated in accordance with this Scheme – see further below.

3.6.2.3 Under the 2011 Act and 2018 Order, the PFCC is simultaneously:

- a Corporation Sole in its capacity as local policing body; and
- separately a Corporation Sole in its capacity as fire and rescue authority

Carrying out the functions of the PFCCFRA. As set out above, it is proposed that the PFCC Functions will be exercised by the Mayor who will have the sole responsibility for the PFCC Functions. However, the following will transfer to the Combined Authority as body corporate although the decision-making in respect of these functions, after the transfer, will remain with the Mayor:

- Real and Personal Property, Rights and Liabilities;
- Appointments;
- Borrowing;
- Contracts.

3.6.2.4 It is proposed that the existing Codes of Corporate Governance (including Schemes of Delegation and Consent) for the time being in place in respect of the PFCCFRA, be adopted by the Combined Authority and interpreted mutatis mutandis in respect of the PFCC Functions exercisable by the Mayor.

3.6.2.5 It is further proposed that the arrangements set out at paragraph 3.6.2.4 shall be reviewed by the Combined Authority during the initial term of the Mayor with a view to establishing whether it is in the public interest for arrangements should be made to consolidate the Codes of Corporate Governance with those adopted by the Combined Authority and in particular whether to do so accords with the requirements of the Financial Management Code of Practice.

3.6.3 Deputy Mayor for Policing and Crime and Delegation of FRA Functions

3.6.3.1 Where an Order provides for the Mayor to exercise PCC Functions, the Secretary of State must by order authorise the Mayor to appoint a Deputy Mayor for Policing and Crime. The 2009 Act precludes the appointment as Deputy Mayor for Policing and Crime of:

- the Deputy Mayor;
- any person listed in section 18(6) of the 2011 Act; or
- any other person of a description specified by order.

3.6.3.2 The Mayor may make suitable arrangements for the delegation of FRA Functions.

3.6.4 PCC Functions

3.6.4.1 A Mayor may delegate any PCC Function to a Deputy Mayor for Policing and Crime, with the exception of functions reserved by Order in accordance with the 2009 Act as exercisable only by the Mayor, as follows:

- issuing a police and crime plan;
- calculating a council tax or budget requirement;
- appointing, suspending or calling on a Chief Constable to retire or resign;
- appointing, suspending or dismissing the Chief Fire Officer; and
- any other function specified by Order.

3.6.4.2 PCC Functions that may only be exercised by the Mayor and/or the Deputy Mayor for Policing and Crime are:

- determining police crime objectives;
- attendance at a meeting of a Police Fire and Crime Panel in compliance with a requirement by the panel to do so;
- preparing an annual report;
- appointing a local auditor under section 7 of the Local Audit and Accountability Act 2014 (“the 2014 Act”); and
- deciding whether to enter into a liability limitation agreement under section 14.

3.6.4.3 In addition, the Mayor, must by order be authorised to arrange for any other person to exercise any PCC Functions, such as an officer of the Combined Authority, but such an order must prevent the Mayor from arranging for a person to exercise:

- Any PCC Function if the person is listed in section 18(6) of the 2011 Act
- Any PCC Function listed in section 18(7) of the 2011 Act, or
- Any other PCC Function specified by order.

3.6.4.4 The Deputy Mayor for Policing and Crime must also by order be authorised to arrange for any other person to exercise any PCC Functions exercisable by the Deputy Mayor for Policing and Crime, but such an order must prevent the Deputy Mayor for Policing and Crime from arranging for a person to exercise:

- Any PCC Function if the person is listed in section 18(6) of the 2011 Act,
- Any PCC Function of a kind listed in section 18(7)(b),(c) or (d) of the 2011 Act, (determining police and crime objectives, attending at a meeting of the Police Fire and Crime Panel in compliance with a requirement, or preparing an annual report to a Policing Fire and Crime Panel), or
- Any other kind of PCC Function specified by order.

3.6.5 Transfer of properties, rights and liabilities

3.6.5.1 All property, rights and liabilities which are property, rights and liabilities of the PFCC will transfer and vest in the Combined Authority, subject to any exceptions to be agreed. However, all decisions relating to PFCC Functions (and relating to assets and liabilities etc.) will be for the Mayor unless delegated as set out above. The Order will also provide for:

- all functions in relation to such property, rights and liabilities to be exercised by the Mayor;
- all decisions relating to such property, rights and liabilities to be made by the Mayor;
- any receipts arising from such property, rights and liabilities (whether arising from their use, sale, disposal or otherwise) are to be paid into the Police Fund kept by the Mayor by virtue of section 21 of the 2011 Act.

3.6.6 Continuity

3.6.6.1 The transfer of the functions of the PFCC, and the transfer of property, rights and liabilities, do not affect the validity of anything done before the abolition or transfer.

3.6.6.2 The Combined Authority is to be substituted for the PFCC in any instruments, contracts or legal proceedings which relate to any of the functions, property rights or liabilities transferred and which were made and commenced before the transfer and anything which was made or done by the PFCC in connection with any of the functions, property rights or liabilities transferred before the transfer has effect as if made or done by the Combined Authority, subject to any exceptions to be agreed.

3.6.6.3 The Mayor may adopt:

- One or more Monitoring Officer Protocol(s);
- A Chief Finance Officer Protocol referencing the Code of Practice on Financial Management;
- A Memorandum of Understanding between the Mayor and the Chief Constable;
- An Information Sharing Agreement and Data Processing Contract between the Mayor, the Combined Authority and the Chief Constable.

3.6.7 Staff of the Police Fire and Crime Commissioner

3.6.7.1 The staff employed by the PFCC as local policing body; and the staff employed by the PFCCFRA, will transfer to the Combined Authority under a statutory transfer order which will replicate the characteristics of a TUPE transfer.

3.6.8 Police Fire and Crime Panel

3.6.8.1 Scrutiny of the discharge of PFCC Functions will be performed by a Police Fire and Crime Panel established in relation to the Combined Area by order in accordance with the 2011

Act, which carries out functions of a police and crime panel (as set out in section 28 and section 29 of the 2011 Act) to effectively scrutinise the actions and decisions of the Mayor and Deputy Mayor for Policing and Crime, supporting them in the effective exercise of PFCC functions and enabling them to be scrutinised in public.

3.6.8.2 The functions of the Panel include reviewing:

- a draft police fire and crime plan,
- the annual report(s) in respect of PFCC Functions,
- proposed senior appointments,
- any proposed precept for PFCC Functions, (including a power of veto), and
- the appointment, suspension or removal of the Chief Constable.

3.6.8.3 In accordance with the 2011 Act, the Secretary of State must also by order provide for the Police Fire and Crime Panel to have power to suspend the Mayor, in respect of the exercise of PFCC Functions, in circumstances corresponding to those mentioned in section 30(1) of the 2011 in relation to a PFCC.

3.6.8.4 In accordance with section 29 of the 2011 Act, the Police Fire and Crime Panel may require the Mayor and members of staff to attend before the Panel to answer any question which appears to the Panel to be necessary in order for it to carry out its functions. If the Panel requires the Mayor to attend, it may also request the Chief Constable to attend on the same occasion. The Panel may also require the Mayor to respond in writing to any report or recommendation the Panel makes to the Mayor.

3.6.8.5 The Police Fire and Crime Panel will exercise the same functions under sections 28 and 29 of the 2011 Act, as police fire and crime panels under the PFCC model, but with some minor modifications, such as reflecting that the Panel only scrutinises the policing component of the precept, which forms a separately identifiable component of a wider Combined Authority precept, rather than the whole precept.

3.6.8.6 The Police Fire and Crime Panel may by order have oversight functions in relation to any Mayoral Function that is exercised by the Deputy Mayor for Policing and Crime. Any such order may disapply or modify provisions relating to the Overview and Scrutiny Committee, in relation to any Mayoral Function coming within the remit of the Panel.

3.6.9 Police Fund and Fire Fund

3.6.9.1 The Mayor will be required to maintain a separate fund in relation to receipts arising and liabilities incurred in the exercise of:

- PCC Functions (the Police Fund); and
- FRA Functions (the Fire Fund)

The Police Fund and Fire Fund will be kept separate to each other and the Mayor's General Fund (see paragraph 4 below) and all receipts arising in respect of PCC and FRA Functions will be paid into the Police Fund or the Fire Fund as the case may be, and liabilities incurred in the exercise of PCC Functions or FRA Functions must likewise be paid out of the Police Fund or Fire Fund as the case may be.

3.6.9.2 Money paid into the Police Fund will be reserved for policing and money paid into the Fire Fund must be reserved for fire and rescue. For example, receipts from the sale of police assets would have to be spent on matters relating to policing. In line with statutory guidance for PFCCs, as set out in the Financial Management Code of Practice, the Mayor would have to publicly account for expenditure from the Police Fund and the Fire Fund.

- 3.6.9.3 The Police Fund, which will include precept income, will also include reserves maintained for policing and crime reduction. The Local Government Finance Act 1992 requires billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Reserves should be maintained in accordance with the relevant guidance, agreed accounting principles and locally agreed financial regulations and schemes of governance.
- 3.6.9.4 The Mayor is responsible for expenditure on PFCC Functions.
- 3.6.9.5 Money in the Police Fund can only be spent on PCC Functions and matters that are incidental to those PCC Functions. Money in the Fire Fund can only be spent on FRA Functions and matters that are incidental to those FRA Functions.
- 3.6.9.6 Decisions on the sale of police or fire assets and reinvestment of receipts must be made by the Mayor and money paid into the Police Fund or the Fire Fund as the case may be.

3.6.10 Borrowing

- 3.6.10.1 The Mayor will be ultimately responsible for decisions relating to borrowing in relation to PFCC Functions, (as laid out in the Financial Management Code of Practice), but may delegate them in practice. The cost of such borrowing will be met from the Police Fund or the Fire Fund as the case may be and as above kept separate to the discharge of other Combined Authority functions, which are not PFCC Functions. This does not detract from the legal status of the Combined Authority as the borrowing party.

3.6.11 Contracts

- 3.6.11.1 Decisions on entering into contracts regarding police matters are functions of a PFCC under the PFCC model (with some scope for consent to the Chief Constable). As such and in keeping with the PFCC model the Mayor will have ultimate responsibility for all contracts relating to police and fire matters, although they may provide consent for contracts to be entered into by the Chief Constable or delegation to another person subject to such delegation being in accordance with the law.
- 3.6.11.2 Decisions on the issuing of policing-related grants would also rest with the Mayor or anyone to whom they delegate responsibility.
- 3.6.11.3 Subject to paragraph 3.6.2.4 but in any event, a Scheme of Consent will be established by the Mayor setting out the extent of consents from the Mayor to the Chief Constable.

3.6.12 Police and Crime Plan, Fire and Rescue Plan, Fire and Rescue Statement and Integrated Risk Management Plan

- 3.6.12.1 The Police and Crime Plan which involves consideration of the strategic policing requirement is a key public facing deliverable. The provisions on police and crime plans as set out in the 2011 Act will still apply to the Mayor carrying out PCC Functions.
- 3.6.12.2 The provisions on Fire and Rescue Plans and Fire and Rescue Statements as set out in the Fire and Rescue Services Act 2004 will apply to the Mayor carrying out FRA Functions.

3.6.12.3 The provisions on integrated risk management plans prepared and published in accordance with the requirements of the Fire and Rescue national Framework prepared by the Secretary of State under section 21 of the Fire and Rescue Services Act 2004 will apply to the Mayor carrying out FRA Functions.

3.6.13 Policing Protocol

3.2.13.1 The Mayor will be required by order to have regard to the Policing Protocol issued by the Secretary of State under section 79 of the 2011 Act.

3.2.13.2 The Policing Protocol sets out ways in which relevant persons should, in the Secretary of State's view, exercise or refrain from exercising functions so as to encourage maintain or improve working relationships (including co-operative working) between relevant persons, and limit or prevent the overlapping or conflicting exercise of functions.

3.6.14 North Yorkshire Police and North Yorkshire Fire & Rescue Service

3.6.14.1 The Chief Constable of North Yorkshire Police remains a Corporation sole as set out in legislation and accordingly North Yorkshire Police will retain its distinct organisational profile.

3.6.14.2 As set out in paragraph 2.10.5 the Chief Fire Officer shall exercise the functions of Head of Paid Service in respect of the staff transferred from the PFCCFRA and accordingly North Yorkshire Fire & Rescue Service shall retain its distinct organisational profile.

3.6.15 Complaints about Conduct (PCC and FRA Functions)

PCC Functions

3.6.15.1 The Order will make provision in respect of its procedures for making, handling and investigating complaints and/or conduct matters in respect of the Mayor and Deputy Mayor for Policing and Crime and relating to the carrying out of PCC Functions.

FRA Functions

3.6.15.2 The Order will make provision in respect of procedures for making, handling and investigating of complaints and/or conduct matters in respect of the Mayor (including the Mayor's delegate(s)) and relating to the carrying out of FRA Functions.

3.6.16 Consequential amendment and modification requirements

3.6.16.1 The following consequential amendment and modification requirements of enactments may be required in their application to the Combined Authority with PFCC Functions:

3.6.17 Primary Legislation

- Amendments to the Police Reform and Social Responsibility Act 2011
- Modifications to the Local Government Act 1972
- Police (Property) Act 1897
- Trustee Investments Act 1961
- Pensions (Increase) Act 1971
- Local Government (Miscellaneous Provisions) Act 1976
- Local Government, Planning and Land Act 1980
- Local Government Finance Act 1988
- Local Government Finance Act 1992
- Road Traffic Act 1988

- Local Government and Housing Act 1989
- Police Act 1996
- Police Reform Act 2002
- Proceeds of Crime Act 2002
- Railways and Transport Safety Act 2003
- Local Government Act 2003
- Fire and Rescue Services Act 2004
- Civil Contingencies Act 2004
- Local Government and Public Involvement in Health Act 2007
- Local Democracy, Economic Development and Construction Act 2009
- Police Reform and Social Responsibility Act 2011
- Localism Act 2011
- Local Audit and Accountability Act 2014

3.6.18 Secondary legislation

- Motor Vehicles (Third Party Risks) Regulations 1972
- Official Secrets Act 1989(Prescription) Order 1990
- Police (Disposal of Sound Equipment) Regulations 1995
- Police (Property) Regulations 1997
- Health and Safety (Enforcing Authority) Regulations 1998
- Motor Vehicles (Driving Licences) Regulations 1999
- Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999
- Motor Vehicles (Access to Driver Licensing Records) Regulations 2001
- Police and Criminal Evidence Act 1984 (Drug Testing of Persons in Police Detention) (Prescribed Persons) Regulations 2001
- Police Regulations 2003
- Docking of Working Dogs' Tails (England) Regulations 2007
- REACH Enforcement Regulations 2008
- Elected Local Policing Bodies (Specified Information) Order 2011
- Policing Protocol Order 2011
- Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012
- Police Appeals Tribunals Rules 2012
- Police and Crime Commissioner (Disqualification) (Supplementary Provisions) Regulations 2012
- Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012
- Local Government Pension Scheme Regulations 2013
- Local Audit (Auditor Resignation and Removal) Regulations 2014
- Combined Authorities (Mayors) (Filling of Vacancies) Order 2017
- Police, Fire and Crime Commissioner for North Yorkshire (Fire and Rescue Authority) Order 2018

3.7 Miscellaneous

- 3.7.1 For the avoidance of doubt, the Combined Authority will be a body specified for the purposes of Section 33 of the Value Added Tax Act 1994. This will entitle the Combined Authority to claim refunds of Value Added Tax charged on supplies to, and acquisitions or importations by the Combined Authority.

3.8 Information Sharing

3.8.1 It is proposed that sections 17A and 115 of the Crime and Disorder Act 1998 should be amended to give the Combined Authority the same standing as a Local or Public Authority for the purpose of information sharing, given that the Mayor will be exercising PFCC Functions.

3.8.2 It is proposed that a non statutory Information Sharing Agreement will be established between the Chief Constable and the Combined Authority.

3.9 Incidental Provisions

3.9.1 It is proposed that the following provisions are to have effect as if the Combined Authority were a “local authority” for the purposes of the functions therein which the Combined Authority will exercise concurrently with the Constituent Councils:

- a) Section 113 of the Local Government Act 1972 (the power to place staff at the disposal of other local authorities);
- b) Section 142(2) of the Local Government Act 1972 (the power to arrange for publication of information etc relating to the functions of the Combined Authority);
- c) Section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities);
- d) Section 145 of the Local Government Act 1972 (the power to provide and support cultural activities and entertainments);
- e) Section 222 of the Local Government Act 1972 (the power to prosecute and defend legal proceedings); and
- f) Section 69 of the Local Democracy, Economic Development and Construction Act 2009 (duty to prepare an assessment of economic conditions).

3.9.2 It is proposed that the Combined Authority will have the power to exercise any of the functions described in subsection (1)(a) and (b) of section 88 of the Local Government Act 1985 (research and collection of information) whether or not a scheme is made under that section. For the purposes of section 88(1) of the Local Government Act 1985 references to “that area” are to be taken as a reference to the Combined Area.

3.9.3 Section 13 of the Local Government and Housing Act 1989 (voting rights of members of certain committees) will have effect in relation to the Combined Area.

3.9.4 It is proposed that the Combined Authority will be included in Part 2 of Schedule 3 (pension funds) to the Local Government Pension Scheme Regulations 2013.

4.0 Finance and Investment

4.1 Levy

4.1.1 The Combined Authority will have the power to issue a levy to its Constituent Councils in respect of transport functions under section 74 of the Local Government Finance Act 1988 (levies) and in accordance with the Transport Levying Bodies Regulations 1992.

4.2 Funding of the Mayor and the Combined Authority

4.2.1 Section 107G of the Local Democracy, Economic Development and Construction Act 2009, allows the Secretary of State to make an Order to make provision for the costs of a Mayor for the area of a Combined Authority that are incurred in, or in connection with, the exercise of Mayoral functions to be met from precepts issued by the Combined Authority under section 40 of the Local Government Finance Act 1992.

- 4.2.1 Scrutiny of the Mayoral Budget (and any Mayoral Precepts) will fall within the remit of the Overview and Scrutiny Committee of the Combined Authority. The Budget may be amended if 3 out of 4 Constituent Council Members agree to do so (excluding the Mayor) as set out above.
- 4.2.2 In order to enable the Combined Authority to invest in economically productive infrastructure Regulations should be made pursuant to section 74 of the Local Government Finance Act 1988 to enable the Combined Authority to issue a levy, or levies, to its Constituent Authorities, to meet the expenditure of the Combined Authority that is reasonably attributable to the exercise of non-mayoral functions. Constituent Councils will be able to pay an agreed contribution to meet the cost of Mayoral Functions.
- 4.2.3 It is proposed that Regulations will be made pursuant to section 23 (5) of the Local Government Act 2003 to extend the Combined Authority borrowing powers (for transport functions and policing functions) to other priority infrastructure projects, including but not limited to: transport, highways, housing, investment and economic regeneration, as relevant to the exercise of its functions, both Mayoral and non-Mayoral, within an agreed debt cap with HM Treasury.
- 4.2.4 Provision should also be made for the Constituent Councils to meet the costs of the Combined Authority and how the costs are to be apportioned between the Constituent Councils.

4.3 Business Rate Supplement

- 4.3.1 It is proposed that the Mayor will have the power, with the agreement of the Combined Authority and in consultation with the business community by way of ballot, to raise a Business Rate Supplement to fund infrastructure investment. The Combined Authority will be a levying authority for the purposes of the Business Rates Supplement Act 2009 and the Constituent Councils shall be deemed to be acting jointly through the Combined Authority in accordance with Section 2(3) of the Business Rates Supplement Act 2009.

4.4 Mayor's General Fund

- 4.4.1 It is proposed that provision will be made for the Mayor to keep a fund (to be known as the Mayor's "General Fund") in relation to receipts arising, and liabilities incurred, in the exercise of the Mayor's Mayoral Functions. All of the Mayor's receipts in respect of the exercise of the Mayoral Functions must be paid into the General Fund, and the Mayor's expenditure in respect of Mayoral Functions must be paid out of the General Fund. The Mayor must keep accounts of payments made into or out of the General Fund.

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Appendix 3

Initial Equality Impact Assessment Screening Form	
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.	
Directorate	
Service area	
Proposal being screened	Progression of devolution process to consultation
Officer(s) carrying out screening	Head of Corporate Policy and City Partnerships
What are you proposing to do?	The proposal is to carry out a Governance Review related to the minded-to devolution deal agreed on 1 st August. A draft scheme has been developed and, if approved, would be consulted upon through October to December.
Why are you proposing this? What are the desired outcomes?	<p>This would allow the statutory process to progress towards final decisions on agreeing a devolution deal with Government. This would see significant additional investment (more than £540m) in the York and North Yorkshire area of the next 30 years, alongside powers devolved to a new Combined Authority and elected Mayor.</p> <p>The desired outcomes (described in more detail in the Governance Review) are that this additional investment and local decision making could better represent and address the needs of residents in YNY and support ambitions for clean economic growth, affordable houses and becoming England's first carbon negative region.</p>
Does the proposal involve a significant commitment or removal of resources? Please give details.	The programme will require significant resources, although the costs of these are included as part of the deal with Government within a large package of investment. It is not envisaged that resources will be diverted from any existing services.
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics As part of this assessment, please consider the following questions: <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? 	

- Does the proposal relate to functions that previous consultation has identified as important?
- Do different groups have different needs or experiences in the area the proposal relates to?

If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your [Equality rep](#) for advice if you are in any doubt.

Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
NYCC additional characteristics			
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	The proposal covers a broad scope of areas including local governance, economic development, housing and infrastructure, transport and skills. The proposals, at this stage, do not give specific details of any direct impacts. As the proposals constitute increased investment and local decision making, there is significant potential for positive impacts for communities with protected characteristics.		
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	The proposals will have an effect on how councils and partner organisations operate in respect of funding and decisions related to local governance, economic development, housing and infrastructure, transport and skills. There is potential for positive impacts, although as detailed proposals are made later in the programme, EIAs will be required to assess the impacts in more detail.		
Decision (Please tick one option)	EIA not relevant or proportionate:	X	Continue to full EIA:
Reason for decision	The proposals at this stage recommend progressing to consulting on a scheme which would lead to legislation allowing the development		

	<p>of a combined authority. The impacts of this have the potentially to be significantly positive for groups with protected characteristics, with additional investment and more local decision making. At this stage, no detrimental impacts have been identified. However, at this stage of the process, the specific arrangements related to individual functions or services are not yet developed which prevents the consideration of detailed implications at this point.</p> <p>EIAs will be required as further detail is developed, if the recommendations are approved.</p>
<p>Signed (Assistant Director or equivalent)</p>	<p>Will Boardman, Head of Corporate Policy and City Partnerships</p>
<p>Date</p>	<p>25/08/22</p>

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Timetable for Devolution

Action	Start	Finish
Dialogue/negotiations between Leaders and Ministers from DLUHC and the Treasury	March 2022	29 th July 2022
“Minded to” Devolution Deal announced	1 st August 2022	1 st August 2022
The Council (through the Executive) to consider the deal, complete a governance review and agree to consult on the creation of a Mayoral Combined Authority (the Scheme)	September 2022	September/ October 2022
Consult with the public	October 2022	December 2022
Councils to consider the results of the consultation and to consider submitting the Governance Review, Scheme (with any revisions) and summary of consultation responses to Government	Late January 2023	End February 2023
Local Government Reorganisation in North Yorkshire and creation of North Yorkshire Council	1 st April 2023	1 st April 2023
Government considers statutory tests, and if SoS consents, drafts relevant Order	March 2023	July 2023
Councils consent to Order	July 2023	
Draft order laid before Parliament for Approval	July 2023	October / November 2023
Formation of Combined Authority		November / December 2023
Mayor Elections		May 2024

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YNY Devolution – CYC Member FAQ briefing – August 2022

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What is in the deal?

- £18 million per year in Gainshare funding over 30 years to invest in local priorities;
- Subject to a full business case, investment of up to £50 million to support and deliver the York Central brownfield regeneration scheme;
- £7 million investment to enable York and North Yorkshire to drive green economic growth towards the ambition to become a carbon negative region;
- Investment of up to £2.65 million of projects to deliver affordable, low carbon homes;
- £13 million for the building of new homes on brownfield land across 2023/24 and 2024/25;
- A commitment to establish a working group to support the development of BioYorkshire;
- New powers from Government to drive regeneration and build more affordable homes;
- New transport powers to improve and integrate the regional transport network.

The full detail can be found in the deal document, here:

<https://www.gov.uk/government/publications/york-and-north-yorkshire-devolution-deal/york-and-north-yorkshire-devolution-deal#summary-of-the-devolution-deal-between-the-government-and-the-local-authorities-of-york-and-north-yorkshire-comprising-city-of-york-council-and-north-yorkshire-council>

What will change?

The funding and powers agreed within the proposed deal will be channelled through a Mayoral Combined Authority for York and North Yorkshire, which is a new organisation. The Mayor plus two representatives from each council will be the voting members of the combined authority who will oversee decisions and spending on several areas, including transport, skills and regeneration.

Funding for transport and the Shared Prosperity Fund, which currently come directly to the Local Authorities will, instead, go to the Combined Authority, which will oversee its spending across York and North Yorkshire. The Combined Authority will be the Local Transport Authority, and the councils will remain the Highways and Traffic Authorities.

The Adult Education Budget for York and North Yorkshire, which is currently held centrally by Government, will instead be managed by the Combined Authority.

The vast majority of existing services delivered by the councils, including children's and adults' services, corporate services, communities, planning, highways and street-based services will continue to be delivered in the same way as currently.

The existing role of Lord Mayor is completely different from a new elected mayor and will continue as it does currently.

What will York get?

The proposed deal outlines what York and North Yorkshire Combined Authority would receive initially. It is not possible to specifically proportion exactly what would be received by each area within York and North Yorkshire as this will be for the Combined Authority (including the Mayor) to decide.

However, if York received its proportional "share" based on population, around a quarter of the gainshare (around £135m) would come to York, and specific elements such as the York Central funding (worth c£50m) would be directly invested within York.

Beyond direct funding, York would also benefit by being part of a Mayoral Combined Authority area in terms of having a Mayor joining the existing group of directly elected Mayors (known as “M10”) with direct access to Government ministers and able to lobby on matters of importance for our area. The existing group of Mayors are seen to be highly influential. As more areas agree devolution deals in the future, the more important it is for the sub-region to have a voice at that level.

Is this the total of what we will get over the next 30 years?

No. This represents an initial deal with most funding elements related to this Comprehensive Spending review period (which runs to 2024/2025). It is likely that different areas of funding will be available in future spending rounds and the current policy direction of Government is to identify additional powers and functions that can be devolved to Combined Authority Areas. The scope and scale of the deal could well increase, if this is agreed between the York and North Yorkshire Combined Authority and Government.

In fact, other areas with devolution deals have seen significant funding in subsequent spending rounds directly channelled to them, whilst non-mayoral areas have had to competitively bid into remaining national pots. Transforming Cities Funding (TCF) and City Regional Sustainable Transport Settlements (CRSTS) are examples of this. Of £2.45bn TCF funding nationally, £1.08bn was directly awarded to Mayoral Combined Authorities, with all other areas having to compete for the remaining funding. CRSTS funding was awarded in 2022 to Mayoral Combined Authorities, combining existing transport maintenance funding with significant new investment. Tees Valley CA received £310m and West Yorkshire CA £830m, which is additional to what was outlined in their initial devolution deals.

How does it compare to other deals?

Devolution policy over the last decade has led to bespoke deals for each area, which makes comparison very difficult.

The [Local Government Chronicle](#) has compared the gainshare negotiated within our deal to others. It suggests that the deal is worth £660 per head compared to £485 per head for West Yorkshire CA and £675 for Tees Valley CA. If the York Central funding is added to that (with no equivalent in the WYCA or TCVA deals) the funding is proportionally above that agreed in neighbouring deals.

LGC also suggest that on average, existing deals to date have been worth £577 per head. There is significant variation between different places, however.

With additional areas where there is to be strategic partnership working with government (e.g. Net Zero, Bio Yorkshire, Homes England) the deal compares favourably with other deals across the country.

How will decisions be taken?

The Combined Authority will have a committee, consisting of the Mayor and two representatives from each constituent council (City of York Council and North Yorkshire Council) – 5 equal voting members in total. One member from each council will act as Lead Member, responsible for giving the consent of the local authority on certain decisions. Most decisions will be taken on a simple majority basis. The Mayor will have to be on the side of the majority for a decision to pass.

There are some other areas where there are specific voting arrangements, as follows:

- The following require the Lead Member from each constituent council to agree:
 - Approving the CA budget (excluding the Mayor’s budget)
 - Setting a levy

- The Mayor will consult the CA on their strategies, and subject to the following conditions:
 - The Combined Authority will be able to amend the Mayor's budget if 3 out of 4 of the members agree to do so;
 - The Combined Authority will be able to amend the Mayor's transport strategy if 3 out of 4 of the members agree to do so.
- The following decisions by the Mayor will require the consent of the Lead Member appointed by the constituent council in whose area the decision will apply:
 - Designation of land as a Mayoral Development area leading to development of Mayoral Development Corporation
 - Compulsory purchase of land or buildings by the Mayor
 - Any decision leading to a financial liability falling directly upon a council
 - Any other matters agreed in the constitution and with the mayor

What specific powers does the Mayor have?

The Mayor's specific powers are:

- A functional power of confidence (so they can only act to do things in support of the functions they have)
- Set up a Mayoral Development area and Mayoral Development Corporation (but needing consent of relevant LA)
- Housing and land acquisition powers to support housing, regeneration, infrastructure and community development and wellbeing (but needing consent of relevant LA)
- Power to set a precept on council tax to fund Mayoral functions (but needing consent of all LAs)
- Power to draw up a local transport plan and strategies (but $\frac{3}{4}$ members can amend)
- Bus franchising powers

Will York be constantly overruled by NY and the Mayor?

The governance arrangements make York and North Yorkshire councils equal partners in the combined authority. The MCA itself is set up to support the priorities of York and North Yorkshire as a whole, and this is the basis upon which a Mayor will be elected. The benefits of programmes around transport, economic development and skills will be felt across the sub-region (and wider) and are not constrained by individual local government boundaries.

The special voting arrangements noted above mean that in many cases, the consent of the local authority is required for a decision which directly impacts on that area. The Mayor is unable to force a decision upon councils. Conversely, the councils are unable to force through decisions on a majority if the Mayor is not in agreement. Collaboration and consensus will be the most effective way of getting things moving.

What other options are there?

The Government's approach to devolution was outlined in the Levelling Up White Paper, published in February 2022

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052708/Levelling_up_the_UK_white_paper.pdf).

The Devolution Framework (p. 140) outlines three levels of devolution possible. The proposed deal is a "Level 3" deal, meaning it would require a directly elected Mayor. This unlocks a Mayoral Investment Fund (AKA gainshare) and other powers which would not be available without a Mayor.

Alternative approaches would be a Level 1 deal, which really consists of councils within an area working together on things where it makes sense to do so. This is largely possible already and is not really devolution of funding or power.

Level 2 would mean a Combined Authority without a Mayor, which also means no gainshare and significantly fewer devolved powers.

Could we have negotiated more money?

The proposed deal compares favourably with others in terms of gainshare and the additional funding available.

Government budgets are set on cycles known as Spending Review periods, and the deal will commence at the end of the current spending review (the final year is 2024/25). For this reason, much of the available funding for departments in this period has already been committed. Departments are (largely) unable to commit to spending within the next period, as they don't know what the available funding will be. For this reason, we recognise that there is limited available funding to be devolved beyond what has been agreed in this initial deal.

The next Comprehensive Spending Review will take place in Autumn 2024, to come into effect in 2025/26. Part of the initial work of the Combined Authority will be to prepare the business cases and submissions to make strong arguments for further investment in the region. Through the links the MCA will have into Government departments, it may also be possible to work with them to identify more devolved, place-based approaches between central and local government. This is stated Government policy, but many departments are not yet fully structured to support working in this way, as they operate within a very centralised set of governance arrangements.

What happens if we reject the deal?

If the deal is not agreed, nothing changes. This means that York and North Yorkshire would not receive the investment outlined in the deal, nor the powers and governance that accompany it. Given that the investment is there to support some of the key priorities of our sub-region, it is likely that the progress of schemes, such as York Central, would be put at additional risk.

It is difficult to accurately predict future government policy, but historically we have seen Mayoral areas receive greater access to funding announced in each spending review period. This has been greater in amount and without the need to compete for funding. Rejecting the deal might, therefore, reduce the likelihood of new government investment in the future. With other areas negotiating more devolution deals, it appears increasingly likely that future funding will be prioritised towards Mayoral Combined Authorities. If an area doesn't have a deal, they will not receive funding in the same way.

Given that a proposed deal has been negotiated with Government, if it is rejected by Councils we expect that other areas will be prioritised above York and North Yorkshire if there was a desire to seek devolution in the future.

What are the next steps?

There is a clear statutory process that is mapped out to take forward the deal. This requires the future constituent councils to agree to carry out a governance review and develop a scheme which outlines how the arrangements will work, and to agree to consult on both these things.

We expect these decisions to happen in September.

Following that, if approved, statutory consultation will commence in the autumn. The results of this will be reviewed and, if agreed by councils, will be submitted to Government in early 2023.

Government will then draft the necessary legislation, which should pass into law in autumn 2023.

The Combined Authority would then be created, ready to elect a Mayor in May 2024.

What is a Governance Review?

A Governance Review is a report produced by officers which considers the context of the proposals and explains how they will work to deliver the desired outcomes. It will consider any other options and explain how the proposals relate to the needs of the area. An example of a Governance review (from WYCA) can be found here: [appendix-1-west-yorkshire-governance-review.pdf \(westyorks-ca.gov.uk\)](#)

The Governance Review is key in providing the evidence for the Secretary of State to assess whether the Statutory Tests have been met – specifically, whether agreeing to create a Combined Authority is likely to improve the exercise of statutory functions in the area.

The Governance Review will be one of the elements consulted upon as part of the statutory process.

What is a Scheme?

A Scheme is a document which builds upon the deal text to provide further information about the arrangements for the Combined Authority. Particularly covering the governance, it outlines the way things will work and how decisions will be taken.

This will also be consulted upon as part of the process.

When and how will a Mayor be elected?

The Mayor would be elected in May 2024, and would assume PFCC powers at that time.

Mayors are elected under a First Past the Post system (following reforms in the Elections Act 2022)

Who agrees the deal?

The Leaders of City of York and North Yorkshire County Councils have approved the deal in principle, subject to the agreement of their councils.

Decisions of whether to proceed with the process will be taken by councils in September 2022.

Following that, there will be a further decision, after consultation, on whether to submit the consultation outcomes to Government and initiate the process of putting the required legislation in place. This is likely to take place in the new year.

How has it been negotiated?

Officers across all the councils have been involved in developing proposals, with a core team of officers from the councils and the LEP negotiating directly with civil servants. The “Asks”, submitted to Government in 2020, provided the starting point, with the negotiations taking into consideration the acceptability of those proposals to Government, available funding and the local need.

How will funding be distributed?

Funding will be considered as part of an annual budget set by the Combined Authority. This will be voted upon by members of the Combined Authority.

Specific projects and programmes will be assessed against an agreed project framework and assurance process, with the Combined Authority ultimately making decisions on which projects will get funding.

How will York’s priorities be supported?

The proposed deal supports many of York’s priorities directly, through the funding available in the deal. Housing, low carbon energy, skills funding, alongside direct funding for York Central will all support areas of need within the city.

Beyond the initial funding, the ability of a Mayor to raise issues to Government at a higher level has the potential to make a difference, with local need better understood in Westminster.

The Combined Authority, working at a sub-regional level, may bring strategic benefit to areas such as transport and regeneration, when schemes and projects can be set within the wider strategic context. The value of addressing York’s challenges (in tandem with those across North Yorkshire) and the impact that has on the wider sub-region and broader economic geography will be considered in each of the decisions the CA takes.

The support to the priorities and challenges faced across York and North Yorkshire will be considered within the Governance Review.

How will climate change action be supported through the deal?

The deal contains an initial £7m for the piloting of low carbon energy projects. It also supports housing projects with some funding for low carbon affordable housing.

It is acknowledged that this initial funding is a tiny amount in comparison with the costs of decarbonisation across the sub-region. However, the initial funding can be used to support pilot and demonstrator projects which will make the case for further investment. An initial focus of the Mayor could be making the case for investment in the next Spending Review.

The Combined Authority will be well placed to feed in and influence national policy, through a “single point of entry” to work with BEIS Local Net Zero Hub. It is clear that national policy needs to respond to a more local, place-based agenda around net zero and the deal creates the opportunities to feed into that.

Who will do what on Transport?

The Combined Authority will become the Local Transport Authority, and the councils will remain the Highways and Traffic Authorities. This means that the Local Transport Plan will be developed by the Combined Authority, working closely with each local authority, and proposed to the CA by the Mayor, for sign off by the CA members.

The LTP will consist of three key elements;

- Strategic Transport Plan for Y&NY, containing a Highways Strategy for its Key Route Network (KRN) developed in conjunction with the Unitary Councils.
- Local Delivery Plan for NYC
- Local Delivery Plan for CYC

The MCA will approve a 5-year Strategic Transport Investment Programme that has been developed in conjunction with the Unitary Councils.

From its Strategic Transport plan, the MCA will approve a Strategic Highway Asset Management Plan and the associated service levels which has been developed in conjunction with the Unitary Councils.

Each Unitary Council will approve a Highway Infrastructure Asset Management Plan (HIAMP) and Highways Policy for their respective area, with intended service levels across the whole of their local highway network including how they will achieve these on the Key Route Network.

The MCA would have powers to introduce bus franchising.

The MCA (as the Local Transport Authority) will move towards a single Bus Service Improvement Plan to be delivered through one or more Enhanced Bus Partnerships. The BSIP and EP(s), and the arrangements for their delivery and management, will be approved by the MCA. In future rounds, a single Enhanced Bus Partnership may be considered, to be managed by the MCA

Powers to deliver Civil Parking Enforcement and Streetworks Management would remain with the Unitary Councils.

Subject to new enabling legislation, the Mayor may have a Power of Direction over the two Unitary Councils in relation to the discharge of the Local Highway Authority function on the Key Route Network only.

The MCA is able to enter into agreements with National Highways, Network Rail and, in the future, Great British Railways to deliver enhanced partnership working arrangements.

The Transport Committee will be chaired by a Combined Authority Member and will consist of the Executive Member with responsibility for highways and transport in each of the two Unitary Councils. Its role will be to review the effectiveness of the LTP, the 5 year Strategic Transport Investment Programme, Strategic Highway Asset Management Plan, Bus Service Improvement Plans, the Enhanced Bus Partnership and the agreements with National Highways and Network Rail.

Who will do what on Housing?

The MCA will have a role in supporting the delivery of housing in the area, mainly around funding of development to deliver houses. It will initially receive some Brownfield Funding to directly support regeneration and rural housing sites. Future national funding for large scale regeneration may well be channelled through the MCA.

The local authority housing functions will remain as they are now. We would expect future housing strategies to be developed by local authorities in conjunction with each other and the Combined Authority, which builds upon the existing sub-regional approach.

The Combined Authority will have a committee focussed on housing (either on its own or in conjunction with other functions.)

What will happen to the LEP?

The LEP will be merged into the CA as it is formed. The LEP functions will become those of the CA and the LEP board will become the business-focussed committee of the CA. The name of this committee is being considered.

The merger process will follow statutory guidance published by Government ([Local Enterprise Partnerships: Integration guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk))

The process by which officers of the LEP move across to the CA will be considered as part of the workstream to establish the Combined Authority as an entity.

What will happen to the PFCC?

The PFCC functions and funding will transfer to the CA upon the election of a Mayor in 2024. The OFPCC staff will move across to CA, the process of which will be considered as part of the workstream to establish the Combined Authority as an entity.

This transfer corresponds with the existing PFCC electoral cycle, so the current PFCC will serve the remainder of her term and then that role will cease to exist. From the Mayor's election, the Mayor will take on the statutory functions for PFCC.

The Mayor will appoint a Deputy Mayor for Police, Fire and Crime. The Deputy Mayor will oversee the day to day discharge of functions, with the Mayor accountable for the overall statutory responsibilities.

The arrangements for scrutiny and oversight will be considered and developed as part of the process to establish the CA.

Will York still be part of WYCA?

Yes. York will remain a non-constituent member of West Yorkshire Combined Authority. This reflects the ongoing strategic connection between our sub-regions and also the legacy arrangements around funding through the West Yorkshire Plus Transport Fund.

Does the gainshare increase in line with inflation?

No. Gainshare is set as a fixed amount each year as part of the deal. This is the same in all devolution deals.

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JOINT DEVOLUTION COMMITTEE – TERMS OF REFERENCE

Summary of the York and North Yorkshire Joint Devolution Committee Functions

The York and North Yorkshire Joint Committee is established under Section 101(5) of the Local Government Act 1972, as applied by Section 9EB of the Local Government Act 2000 and Regulation 11 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 by the Executives of City of York Council and North Yorkshire County Council.

The Joint Committee will oversee and make decisions as required to ensure that stages of considering a Devolution deal prior to a potential creation of a mayoral combined authority is considered jointly by members of North Yorkshire Council and the City of York. The Joint Committee will provide a venue to review collaboratively the provisions of implementing the Deal and collaborating on projects that benefit the region through Devolution.

Membership

The Joint Committee will comprise of:

Two Executive Members appointed from City of York Council; and
Two Executive Members appointed from North Yorkshire County Council

- The Executives of the two constituent councils will resolve to establish a joint arrangements to carry out the functions of the Joint Committee. Only Executive Members can be appointed and membership of the joint committee does not need to reflect the political composition of the Council

The following shall be invited to attend and participate in formal meetings of the joint committee however they will not have voting rights and they will not have right to receive any confidential information pursuant to Schedule 12A Local Government Act 1972 which may from time to time be part of a formal agenda:

- The Police, Fire and Crime Commissioner
- A nominated representative of the LEP

Substitutes

Each constituent Council may appoint substitute members from within its Executive only to attend formal meetings of the joint committee.

Appointment Chair and Vice Chair

The Joint Committee, at its first meeting, shall appoint a Chair and Vice Chair from amongst its constituent members. The Chair and Vice Chair will not be from the same constituent Authority.

Quoracy

The four Executive Members appointed to the Joint Committee will constitute a quorum

Voting

Decisions will be made by majority vote. In the event of a vote being required, each Executive Member (or substitute Executive) will have the ability to cast one vote.

Decisions made will be binding on both Constituent Authorities

Rules of Procedure

The Standing Orders for North Yorkshire County Council will be the relevant Standing Orders for Rules of Procedure for formal meetings.

Frequency of Meetings

The Joint Committee shall meet as and when required to do so either at the request of the respective Leaders of the Constituent Councils and or at the request of the Chief Operating Officer of City of York Council and or the Chief Executive of North Yorkshire County Council. Each meeting shall be classed as a formal meeting supported by agenda, reports and minutes.

Administration of the York and North Yorkshire Joint Committee

North Yorkshire Council will take responsibility for the administration and support for the delivery of meetings for the joint committee. This includes production and publication of agendas, hosting of meetings and as such the Standing Orders as they relate to North Yorkshire County Council will be adopted for the purposes of supporting the Joint Committee.

Access to Information

As all the members of a joint committee are members of the executive in each of the constituent authorities then its access to information regime is the same as that applied to the executive.

Review of the terms of reference for the Joint Committee

In the event that the terms of reference for the joint committee require review and or amendment, this will be delegated to the Monitoring Officer in consultation with the Leader of the respective Council and the Chief Executive/Chief Operating Officer of the respective Council.

FUNCTIONS

The Joint Committee will have oversight of the development of the York and North Yorkshire Combined Authority and ensure that it is able to be launched in accordance with the Statutory Orders issued by Government.

The Joint Committee will ensure that sufficient resources are made available to support the creation and implementation of the York and North Yorkshire Combined Authority which includes financial management and oversight, securing of appropriate resources (officers, technical and otherwise) to enable delivery and the development of governance and a policy framework.

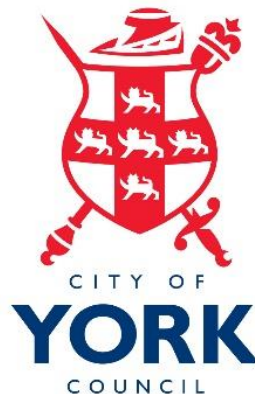
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York and North Yorkshire Devolution Deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including, public consultation, the consent of councils affected, and parliamentary approval of the secondary legislation implementing the provisions of this deal.

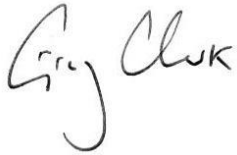


Department for Levelling Up,
Housing & Communities



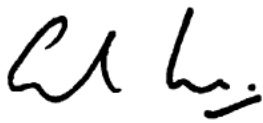
The new council for
**NORTH
YORKSHIRE**

Signature Page

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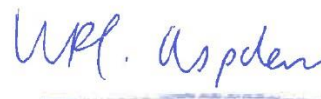
The Rt Hon Greg Clark MP

Secretary of State for Levelling Up, Housing and Communities

Handwritten signature of Carl Les in black ink.

Cllr Carl Les

Leader, North Yorkshire Council

Handwritten signature of Keith Aspden in blue ink, underlined.

Cllr Keith Aspden

Leader, City of York Council

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Introduction

1. The Government has set itself a mission that, by 2030, every part of England that wants a devolution deal will have a devolution deal with powers at, or approaching, the highest level of devolution, with a simplified, long-term funding settlement. The 2022 Levelling Up White Paper makes clear the case for devolution as the engine room of improved productivity and reduced regional disparities. Devolution will be critical to delivering our twelve headline Levelling Up missions, strengthening local leadership to act more flexibly and innovatively to respond to local need, whether on transport, skills or regeneration.
2. In the White Paper, the Government published for the first time a devolution framework, which set out a clear menu of options for places in England that wish to unlock the benefits of devolution. This framework places a strong emphasis on the importance of high profile, directly elected local leadership, strong local governance, and joint working across sensible and coherent economic geographies. The most comprehensive package is a Level 3 deal, for areas with a single institution over a sensible geography, with the strongest and most accountable leadership, such as a mayoral combined authority (MCA), or a single unitary authority or a county council covering a functional economic area or the whole county geography with a directly elected mayor. The Level 2 offer is for devolution to single local government institutions without a directly elected mayor, such as combined authorities, or a single upper tier local authority covering a functional economic area or the whole county geography with the leader and cabinet governance model. The Level 1 offer is for local authorities with looser joint working arrangements, such as a joint committee model.
3. This document sets out the terms of an agreement for a Level 3 devolution deal between the Government and the local authorities of City of York Council and North Yorkshire Council (“York and North Yorkshire”), subject to ratification by the Councils and the statutory requirements for making the secondary legislation implementing the deal. This document describes both the offer of powers and budgets from the Government and the reforms and measures that York and North Yorkshire will need to deliver. Central to this is the election of a directly elected leader across the deal area, to champion the area’s interests, deliver on local priorities, and be accountable to local people. The statutory requirements for implementing the deal include public consultation, the Councils consenting to the legislation and Parliament approving it. Once this legislation is approved and made, the devolution deal will be confirmed.
4. With a population of around 818,000 and a nominal GVA of £20.5 billion York and North Yorkshire offers enormous potential. It is home to over 46,000 businesses and has an employment rate of 79.2%. Together, York and North Yorkshire form a coherent economic area with a number of significant strengths, including growth in the bioeconomy and agri-tech sectors, a tourism industry which harnesses both its natural assets and its urban appeal, and major investment in clean energy, such as the Drax power station.

5. Sizeable parts of York and North Yorkshire enjoy these strengths, but the region also faces challenges which constrain productivity levels and the ability to grow. These include poor rural digital connectivity; poor transport connectivity; high house prices, coupled with low wages; and coastal deprivation, which puts the area in the bottom ten percent for social mobility. Greater local powers are needed to tackle these challenges, to level up, and to harness the huge economic opportunity for the benefit of people in York and North Yorkshire and for the whole UK.
6. Government investment in the area is already helping to tackle these challenges, with £145.9 million of the Local Growth Fund and £15.4 million of the Getting Building Fund invested in York and North Yorkshire. Northallerton has received £6.1 million from the Future High Streets Fund and York Central Enterprise Zone has been awarded over £77 million in Housing Investment Grant funding and £6 million from the Local Growth Fund. York has also benefitted from the Leeds City Region Growth Deal settlement for West Yorkshire and York, which secured £30 million annual funding over 20 years to support the West Yorkshire Plus Transport Fund. £47.5 million improvements to York, Selby, Harrogate and Skipton Railway Stations will continue to be funded from the Transforming Cities Fund through established arrangements with West Yorkshire Combined Authority. Currently, the Government is investing £25.4 million of UK Shared Prosperity Fund (UKSPF) and Multiply funding in York and North Yorkshire, in addition to the £20.2 million and the £17.1 million Town Deals currently being delivered in Scarborough and Whitby respectively.
7. The local authorities of York and North Yorkshire and the Government are now minded to agree a historic mayoral devolution deal which will provide powers and funding to enable York and North Yorkshire to unleash its full economic potential and in doing so level up, raise living standards for its communities and make a full contribution to the UK economy. It will build upon the area's history of collaboration to maximise this investment. The York and North Yorkshire devolution deal shows how levelling up can be done in practice – with clear alignment to the twelve headline Levelling Up missions and long-term, devolved funding underpinning it.
8. The York and North Yorkshire deal will unlock significant long-term funding and give local leaders greater freedom to decide how best to meet local needs and create new opportunities for the people who live and work there. The Government recognises that devolution is a journey, not a one-off event. This agreement is the first step in a process of further devolution. As institutions mature, they can gain greater responsibility, and York and North Yorkshire will be able to deepen their devolution arrangements over time, subject to Government agreement. The Government will continue to work with York and North Yorkshire on important areas of public service reform and infrastructure investment, to

support inclusive economic growth in towns, cities and rural areas whilst tackling the climate emergency, on our journey to 2030.

9. As a mayoral combined authority, York and North Yorkshire will have an important role and voice across the Northern Powerhouse and will be a key partner of central government to drive regional growth and productivity, joining the existing mayoral combined authorities and engaging with the Government as a mayoral combined authority from the date of this deal – 1 August 2022.

Summary of the Devolution Deal between the Government and the Local Authorities of York and North Yorkshire comprising City of York Council and North Yorkshire Council.

The Government and York and North Yorkshire are minded to agree a devolution deal which will provide the area with new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements.

A devolution agreement is contingent upon York and North Yorkshire proceeding through the steps necessary to establish a mayoral combined authority and meeting the governance criteria required for a Level 3 devolution deal.

This devolution agreement includes:

- York and North Yorkshire establishing a combined authority and electing a directly elected mayor to provide overall vision and leadership, seek the best value for taxpayer's money, be directly accountable to the city region's electorate and to receive new powers on transport, housing and skills.
- Control of a £18 million per year allocation of investment funding over 30 years 35% capital, 65% revenue, to be invested by York and North Yorkshire to drive growth and take forward its priorities over the longer term.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising, control of appropriate local transport functions e.g., local transport plans, and control of a Key Route Network.
- An integrated transport settlement starting in 2024/25 and an additional £1 million to support the development of local transport plans.
- New powers to better shape local skills provision to meet the needs of the local economy, including devolution of the core Adult Education Budget, as well as input into the new Local Skills Improvement Plans.
- New powers to drive the regeneration of the area and to build more affordable homes including compulsory purchase powers and the ability to establish Mayoral Development Corporations.
- Over £13 million for the building of new homes on brownfield land across 2023/24 and 2024/25, subject to sufficient eligible projects for funding being identified.
- Investment of up to £2.65 million on projects that support York and North Yorkshire's priority to deliver affordable, low carbon homes across the area, subject to final business cases.
- Subject to a full business case, demonstrating the value of the scheme in delivering housing, jobs and GVA to the area, the government is minded to provide additional support to the York Central brownfield regeneration scheme.
- £7 million investment to enable York and North Yorkshire to drive green economic growth towards their ambitions to be a carbon negative region. This investment is subject to agreement of submitted business case.

- York and North Yorkshire Combined Authority will plan and deliver the UK Shared Prosperity Fund (UKSPF) from 2025/26 if there is a continuation of the Fund and the delivery geographies remain the same.
- Integration of the York and North Yorkshire Local Enterprise Partnership (YNY LEP) into York and North Yorkshire Combined Authority. This will ensure there continues to be a strong and independent local business voice which informs local decision making.
- A commitment to explore a local partnership with Great British Railways so that the mayor can help shape and improve local rail.
- Support to develop a Natural Capital Investment plan for York and North Yorkshire.
- Commitments to work in partnership with the area on the development and delivery of strategies to realise the region's cultural potential.
- Engagement on broadband and mobile infrastructure rollout and on the development of the Scarborough Cyber Cluster.
- A commitment to establish a programme working group in support of the BioYorkshire programme.
- A key leadership role for the mayor in public safety, taking on the role and functions of the Police Fire & Crime Commissioner and having a clear role in local resilience and civil contingency planning, preparation, and delivery.

More detail on these commitments is given in the main body of the document below.

Further powers may be agreed over time and included in future legislation.

Governance

10. York and North Yorkshire have already taken bold steps in securing effective and accountable governance. The local government reorganisation process resulted in a model of two unitary authorities, supporting clear local democratic accountability and efficient delivery of local authority functions. The York and North Yorkshire Local Enterprise Partnership (LEP) operates on the same geography as the proposed devolution arrangements, demonstrating effective partnership working at a sub-regional level.

Mayoral Combined Authority

11. A key advantage of the mayoral combined authority model is its joint governance arrangements for key growth levers such as transport, skills, economic development, and regeneration, which allow for strategic prioritisation across its area and integrated policy development. In addition, a directly elected mayor provides greater local accountability and decision-making power, working in partnership with the combined authority and constituent councils.

12. As part of this agreement, York and North Yorkshire will, through the current process set out in the Local Democracy, Economic Development and Construction Act 2009, adopt the model of a directly elected mayor over a combined authority across the area of York and North Yorkshire, with the first mayoral election in May 2024. The new mayor will be elected by the local government electors for the areas of the constituent councils of the new combined authority – North Yorkshire Council and the City of York Council. Mayoral terms will last four years.

13. The York and North Yorkshire Combined Authority will comprise the following members:

Voting members:

- The elected mayor.
- Four elected members, consisting of a Lead Member for each constituent council and one further member appointed by each of the two constituent councils. Constituent councils may nominate two named substitutes for each of their combined authority members.

In addition, there will be:

- One member appointed by the York and North Yorkshire LEP. The LEP Board will become the Business Committee of the combined authority subject to the LEP integration process.

This member will be non-voting unless the combined authority resolves to give them a vote on any issues.

14. The York and North Yorkshire Combined Authority will explore opportunities for further collaboration with its neighbouring local authorities including West

Yorkshire Combined Authority, Tees Valley Combined Authority, South Yorkshire Mayoral Combined Authority, Hull and East Yorkshire, Lancashire, and Cumbria and across the whole of Yorkshire through the Yorkshire Leaders Board. York will remain as a non-constituent member of the West Yorkshire Combined Authority. The mayoral combined authority may invite representatives from other partner councils to attend (and speak) at any mayoral combined authority meeting.

15. The mayor and the other combined authority members will be required to work together. Specifically:
- The mayor will provide overall leadership and chair combined authority meetings.
 - The mayor may choose to delegate function(s) to members of the combined authority. Where this is the case the member to which a specific mayoral function has been delegated will exercise that function on behalf of the mayor.
 - More generally, members of the combined authority may also act to support and advise the mayor in the exercise of mayoral functions.
 - The mayor may appoint one person as the mayor's political adviser.
 - The combined authority may establish an independent remuneration panel to recommend allowances payable to the mayor and others as appropriate.
16. Functions contained in this deal document will be devolved to the York and North Yorkshire Combined Authority by the Government subject to parliamentary approval. Some of these functions will be exercisable by the mayor and some by the combined authority. Where these functions are local authority functions, they will be held concurrently with the local authorities in the area to ensure joined up decision making. Arrangements for the concurrent exercise of the functions will be a matter for agreement between the combined authority and its constituent councils.
17. The York and North Yorkshire Combined Authority will be given powers in relation to:
- Economic development and regeneration functions.
 - Adult education and skills functions.
 - Transport functions including to set up and coordinate a Key Route Network (KRN) on behalf of the mayor.
 - Housing functions relating to compulsory purchase (subject to the consent of the constituent council affected by the exercise of the function), plus provision of housing and land, land acquisition and disposal, and development and regeneration of land.
 - Power to borrow up to an agreed cap for non-transport functions.
18. The directly elected mayor for the York and North Yorkshire Combined Authority will autonomously exercise their new functions with personal accountability to the electorate, devolved from central government and set out in legislation. These functions will be:

- Functional power of competence.
- Housing and planning:
 - Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (see consent requirements below).
 - Housing and land acquisition powers (see consent requirements below) to support housing, regeneration, infrastructure and community development and wellbeing.
- Finance:
 - Power for the mayor to set a precept on council tax to fund mayoral functions (resulting from the setting of the mayoral budget as set out below).
 - Power to charge business rate supplement (subject to ballot).
- Transport:
 - Power to draw up a local transport plan and strategies (the combined authority will be able to amend the mayor's transport strategy if 3 out of 4 constituent council members agree to do so).
 - Bus franchising powers.
- Police, Fire and Crime Commissioner functions.

19. Where existing functions or resources currently held by the constituent authorities are to be shared with the mayor and the combined authority, this must be agreed by the constituent councils. Additionally, the Government intends to legislate so that mayors will have a power of direction allowing them to direct highway authorities on exercising their highway powers with regard to the KRN. The combined authority may exercise functions in relation to its area and may exercise functions outside its area, subject to and in accordance with statutory provisions.

20. Proposals for decision by the combined authority may be put forward by the mayor or any combined authority member. The mayor will have one vote as will other voting members of the combined authority. Any questions that are to be decided by the combined authority are to be decided by a simple majority of the members present and voting, unless otherwise provided for in legislation, and that majority must include the vote of the mayor.

21. In addition, for the following decisions the majority of members must include the lead member from each constituent council:

- Approving the combined authority's budget (excluding decisions which relate to the mayor's budget).
- Setting a levy.

22. The mayor will be required to consult the combined authority on his/her/their strategies, and this will be subject to the following conditions:

- The combined authority will be able to amend the mayor's budget if 3 out of 4 of the members agree to do so.

- The combined authority will be able to amend the mayor's transport strategy if 3 out of 4 of the members agree to do so.
23. The following decisions by the mayor will require the consent of the lead member of the combined authority, or substitute members acting in their place, appointed by the constituent council in whose area the decision will apply:
- Designation of any area of land as a Mayoral Development Area leading to the establishment (by Order) of a Corporation (the consent of the relevant national park authority is also required if the land falls within the national park area).
 - Compulsory purchase of land or buildings by the mayor.
 - Any decision that could lead to a financial liability falling directly upon that constituent council.
 - Such other matters as may be contained in the combined authority constitution and agreed with the mayor.
24. The mayor and the combined authority will be scrutinised and held to account by the combined authority's Overview and Scrutiny Committee(s). Six members will be nominated from each constituent council for each committee, reflecting the political balance of the constituent authorities. The chair and vice-chair of the Overview and Scrutiny Committee will be appointed by the combined authority from amongst the members of the committee, following a proposal put to them by the Overview and Scrutiny Committee. The chair and vice-chair shall not be a member of a registered political party of which the mayor is also a member. The mayor and the combined authority may also seek to enhance scrutiny and develop wider conference with all elected members in the combined authority's area to engage on key issues.
25. The Levelling Up White Paper committed to the Government to produce a reformed accountability framework for all devolved institutions in England. The Government, York and North Yorkshire and other areas with devolution deals will work together to determine how this can best work in practice, so that we can improve the consistency of data and reporting, streamline our approach to focus on clear and transparent outcomes and ensure the right mechanisms are in place to promote good practice, as well as address serious concerns. This is to ensure that local people have confidence that devolution is leading to improvements in their area. This framework will apply to York and North Yorkshire as well as all existing areas that have agreed devolution deals and all future areas. The framework will be published later in 2022.
26. The York and North Yorkshire Combined Authority will commit to working with partners across Yorkshire and the North of England, to promote opportunities for pan-Northern collaboration, including through the Yorkshire Leaders Board, Transport for the North and the NP11, to drive productivity and support Levelling Up across the North.

27. The proposals in this devolution deal are subject to ratification by each constituent council through their normal executive decision-making processes. This will include a governance review, the development and consultation of a scheme, and the submission the outcomes of the consultation to the Government. The implementation of the deal will require consultation with local communities and business on the proposals. Implementation is also subject to the Secretary of State for the Department for Levelling Up, Housing and Communities being satisfied that the required statutory requirements have been met, the consent of each constituent council and parliamentary approval of the required secondary legislation.

LEP Integration

28. The Levelling Up White Paper announced the Government's intention to support the integration of LEP functions and roles into local democratic institutions to ensure a strong business voice at the heart of local decision making. Further guidance on how integration should happen was published on 31 March 2022. This deal confirms the integration of LEP functions in York and North Yorkshire, subject to Government approval of an integration plan and agreement from York and North Yorkshire LEP.

29. The York and North Yorkshire Combined Authority will be supported to take on all the functions and roles set out in section 10 of the guidance on LEP integration published in March 2022.

30. Any long-term future funding for the integration of LEP functions and roles will be subject to future funding decisions and business planning. The Government reserves the right to modify the functions and roles set out in section 10 of the guidance on LEP integration.

31. The York and North Yorkshire LEP will become a non-constituent member of the combined authority. The Levelling Up and Regeneration Bill currently in parliament will, following the LEP integration process, enable the LEP's replacement board or its equivalent body to become a non-constituent member of the combined authority to consult independently on business issues. Integration planning will be undertaken with the Government by autumn 2023.

Finance and Investment

32. York and North Yorkshire will create a fully devolved funding programme covering all budgets for devolved functions (“York and North Yorkshire Investment Fund”), accountable to the York and North Yorkshire Combined Authority.
33. York and North Yorkshire will use the York and North Yorkshire Investment Fund to deliver a programme of transformational long-term investment. The Government agrees to allocate £18 million per annum for 30 years, 35% capital and 65% revenue, which will form part of the York and North Yorkshire Investment Fund. This will be subject to five-yearly gateway review assessments to confirm that the investment has contributed to economic growth and levelling up. Once the Order is made establishing a new mayoral institution and York and North Yorkshire has its Assurance Framework signed off, York and North Yorkshire may have access to the Investment Fund prior to mayoral elections, subject to the agreement with the Government of suitable caps.
34. The York and North Yorkshire Combined Authority will have the flexibility to secure private and public sector leverage. As per local government guidance, York and North Yorkshire Combined Authority will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
35. York and North Yorkshire Combined Authority will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. York and North Yorkshire Combined Authority will agree overall debt limits with HM Treasury, and update HM Treasury about any deviation from its underlying borrowing plans in order to support HM Treasury in its duty to monitor and forecast changes in the fiscal aggregates. York and North Yorkshire Combined Authority will also provide information, explanation and assistance to support the Office for Budget Responsibility in its duty to produce economic and fiscal forecasts for the UK economy.
36. The costs of the combined authority will be met from the overall resources of the combined authority. To support York and North Yorkshire Combined Authority in its early stages, the Government will provide £500,000 Mayoral Capacity Funding in 2023/24 - once the establishing legislation is made and the Assurance Framework confirmed with the Government - and £1 million in 2024/25. Any future capacity funding will be subject to Spending Review, in line with arrangements for other devolution deals. Additional activities or capital allocations will be supported by revenue allocated to the combined authority in line with practice for all M10 authorities.
37. The mayor will have the power to issue a precept on local council tax bills to help pay for the mayor’s work. This precept can only be raised for mayoral functions.

38. The mayor will have the power to introduce a supplement on business rates for expenditure on a project or projects that will promote economic development in the area, subject to a ballot of affected businesses.

39. The York and North Yorkshire Combined Authority will be the lead local authority for the planning and delivery of the UK Shared Prosperity Fund (UKSPF) from 2025/26 if there is a continuation of the Fund and the delivery geographies remains the same. The York and North Yorkshire UKSPF allocation - which rises to £13.96 million in 2024/25 - will be subject to a future Spending Review and reconfirmation of overall UKSPF policy and delivery arrangements from 2025/26. If the delivery model remains the same as the previous Spending Review period, it is anticipated that the combined authority will have overall accountability for the funding and how the Fund operates in the area, with wide flexibility to invest and deliver according to local needs. In carrying out this role, it will need to engage constituent authorities and other local partners to ensure that the needs of residents can be effectively addressed.

Skills and Education

Adult Education

40. York and North Yorkshire faces a significant and widening gap in its productivity performance (ONS statistics from 2019 demonstrate output per hour worked in the area is 86.5% of the UK average). There is a strong correlation between the relative performance of local areas on skills and their productivity performance. Similarly, pay levels lag behind the national average, reflecting this weak productivity, with 20% of jobs in North Yorkshire and 12% of jobs in York still paying below the National Living Wage. Across a region which includes a city, two national parks and Yorkshire Coast, this presents complex and varied challenges.
41. The Government will fully devolve the Adult Education Budget (AEB) to York and North Yorkshire Combined Authority from academic year 2025/26 subject to readiness conditions and parliamentary approval of the required secondary legislation conferring the appropriate functions. These arrangements do not cover apprenticeships or traineeships, even though the latter is funded through the AEB.
42. Prior to full devolution taking place the Government will work with York and North Yorkshire to support their preparations for taking on the relevant functions, including offering implementation funding on a 'matched-funded' basis and awarded through a business case process.
43. Upon devolution York and North Yorkshire Combined Authority will be responsible for making allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices.
44. The Government will consult with York and North Yorkshire on a funding formula for calculating the size of the grant to be paid to the York and North Yorkshire Combined Authority for the purpose of exercising the devolved functions.
45. In order to proceed with devolution, the Government needs to be assured of the following readiness conditions:
 - a. The Secretary of State for Education and appropriate accounting officer are assured that York and North Yorkshire is operationally ready to administer the adult education budget and is satisfied the required statutory tests have been met.
 - b. Parliament has legislated to enable transfer to York and North Yorkshire Combined Authority of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.

- c. Agreement to a memorandum of understanding between the Department for Education and York and North Yorkshire that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
- d. Learner protection arrangements are agreed between parties.

Skills and Employment

- 46. Local Skills Improvement Plans (LSIPs) will set out the current and future skills needs of the area and how local provision needs to change to help people develop the skills they need to get good jobs and increase their prospects. They will build a stronger and more dynamic partnership between employers and further education providers and allow provision to be more responsive to the skills needs of employers in local labour markets.
- 47. Working with the designated Employer Representative Body and utilising the intelligence developed by the LEP Skills Advisory Panel, York and North Yorkshire Combined Authority will support and provide input into the LSIP for the area.
- 48. York and North Yorkshire Combined Authority will be considered alongside other MCAs at future Spending Reviews with regard to the devolution of skills funding.
- 49. The Government recognises the challenges facing York and North Yorkshire, with coastal and rural communities experiencing a complex range of issues, such as poor connectivity. There is a need to develop and deliver targeted programmes to address the unique and very different challenges across such a large and diverse region. York and North Yorkshire will work in partnership to develop proactive support for these groups through ongoing engagement with local Department for Work and Pensions Jobcentre Plus.
- 50. The Government and the region will also work together to better target support for these groups by understanding and utilising publicly available local labour market intelligence and analysis (this includes analysis through the Skills Advisory Panel in the 2022-2023 financial year, funded by a Department for Education grant). As part of the development of the economic framework, the Government is committed to working together on the region's strategic priorities and supporting the development of the region's economic framework.
- 51. The Department for Work and Pensions and the York and North Yorkshire Combined Authority will work together on its strategic priorities for employment through enhanced engagement by way of:
 - a. Membership of the joint Department for Work and Pensions and Department for Education Mayoral Combined Authority Advisory Group.
 - b. Regular engagement with the regional Employer and Partnership team in Jobcentre Plus, and strategic labour market partnership teams.

Housing and Land

52. York and North Yorkshire Combined Authority will have broad powers to acquire and dispose of land to build houses, commercial space and infrastructure, for growth and regeneration. They will be able to invest to deliver housing for the area.
53. York and North Yorkshire Combined Authority will have land assembly and compulsory purchase powers, subject to the agreement of the York and North Yorkshire local authority constituent member where the relevant land is located, and to the consent of the Secretary of State for Levelling Up, Housing and Communities.
54. The mayor will have the power to designate a Mayoral Development Area and to create Mayoral Development Corporations, which will support delivery on strategic sites in York and North Yorkshire. This power may be exercised only with the consent of the combined authority member(s) who represent the area in which the Development Corporation is to be established, and the consent of the national park authority, if relevant.
55. As a mayoral combined authority, the York and North Yorkshire Combined Authority will be awarded £12.7 million of devolved capital funding across 2023/24 and 2024/25 to support the building of new homes on brownfield land, subject to sufficient eligible projects for funding being identified.
56. To support the York and North Yorkshire Combined Authority to identify and bring forward a pipeline of housing projects, the Government will also provide £347,000 in capacity funding across 2023/2024 and 2024/2025.
57. The Government recognises the region's priority to deliver affordable, low carbon homes across the area. The government will make a one-off investment in York and North Yorkshire of up to £2.65 million in this Spending Review period to support this ambition, specifically to pilot new energy efficiency or shared ownership schemes.

Working with Homes England

58. York and North Yorkshire and Homes England are committed, with the support of DLUHC, to working collaboratively – combining their skills and capacity – to unlock the barriers to rural affordable housing delivery, the regeneration of market towns and wider housing growth through the development of a pipeline for the region. This will be underpinned by a clear Action Plan setting out workstreams, timescales and milestones, as well as respective roles and responsibilities.

59. Homes England and DLUHC will explore the potential for investing in the delivery of this pipeline – alongside York and North Yorkshire’s wider strategic ambitions around low carbon and modern methods of construction – through current and future funding streams, including the Affordable Housing Programme.
60. Homes England, DLUHC, and the combined authority will also collectively explore how wider measures – including viability assessments and the planning system – could better support York and North Yorkshire’s plans to increase much needed rural affordable housing supply, and in partnership test how the developing Homes England rural strategy could assist in this.

York Central

61. York Central is a large and ambitious city centre brownfield regeneration project that aims to transform underused land adjacent to York railway station and create new city centre and business neighbourhoods. Subject to a full business case, demonstrating the additionality of support and the value of the scheme in delivering housing, jobs and GVA to the area, the Government is minded to provide additional support to the York Central brownfield regeneration scheme.
62. The Government is committed to continuing to develop options on establishing a new hub for government officials in York, that would include a significant expansion of job opportunities for people who live in York and the surrounding areas. The Government welcomes the ongoing support from City of York Council in developing these proposals and will continue in parallel the positive engagement with the York Central Partnership as part of the Places for Growth programme.

Transport

63. A new, directly elected mayor and the York and North Yorkshire Combined Authority will exercise the following powers and functions devolved from central government.

Transport plans

64. Responsibility for an area-wide local transport plan will be conferred to the York and North Yorkshire Combined Authority and exercised by the mayor.

65. In line with best practice as set out in new local transport plan guidance planned for early 2023, York and North Yorkshire will develop a provisional area-wide local transport plan by March 2024 to be finalised by the mayor and the York and North Yorkshire Combined Authority once these are established. The Government recognises the significant changes to governance brought about by this deal and the restructuring of local government across North Yorkshire will require some additional capacity. York and North Yorkshire will be provided with an additional £500,000 of revenue funding in 2023/24 and 2024/25, on establishment of the combined authority, to accelerate this work and implement quantifiable carbon reductions to the higher standard recommended in related guidance. The investment in local transport planning and the consolidated transport budget will provide the new combined authority with the opportunity to design a pipeline of transport schemes.

Consolidated transport budget

66. The mayor will be responsible for a devolved and consolidated integrated local transport budget for the area of York and North Yorkshire, consisting initially of the local highways maintenance funding (pothole and highways maintenance block funding) and integrated transport block. The integrated transport settlement will be available to York and North Yorkshire Combined Authority following the first mayoral election in May 2024, for the final year (2024/25) of the current Spending Review period. The Government acknowledges that York and North Yorkshire desire longer-term certainty that the integrated transport settlement will continue beyond 2025 and will therefore work with the combined authority to agree an integrated multi-year transport settlement at the next Spending Review. At this point, opportunities for expanding the integrated transport settlement offer will also be explored.

Roads

67. York and North Yorkshire Combined Authority will set up and coordinate a Key Route Network (KRN) on behalf of the mayor. The mayor and the combined authority will take on any necessary highways powers to undertake this, to be exercised concurrently with the highways authorities, as agreed locally and set out in the required scheme and consultation. Additionally, the Government intends to legislate so that the mayor will have a power of direction, allowing them

to direct highway authorities on exercising their highway powers with regard to the KRN.

68. In partnership with constituent authorities, the York and North Yorkshire Mayoral Combined Authority and the Mayor will develop a single strategic asset management plan, and where practical, work towards streamlining contractual and delivery arrangements across the region. Unless otherwise agreed locally, all operational responsibility for highways will remain with the constituent Councils.
69. York and North Yorkshire will also be able to enter into agreements with the Government, other local authorities and National Highways, including to determine shared priorities for its strategic and key road networks.
70. The Government will consider the proposals to enhance the A64 from Hopgrove Roundabout to Barton Hill as part of decisions on Roads Investment Strategy 3, taking into account its economic benefits balanced against wider factors.
71. Subject to the full business case, the Government is providing North Yorkshire County Council with £56.1 million to develop the Kex Gill scheme which will improve connectivity between Harrogate and Skipton. The Department for Transport will continue to work with York and North Yorkshire as this scheme progresses. York has also benefitted from the Leeds City Region Growth Deal settlement for West Yorkshire and York, which secured £30 million annual funding over 20 years to support the West Yorkshire Plus Transport Fund.
72. The Government acknowledges the challenges York and North Yorkshire faces with transport connectivity as a large rural area. The Government also recognises the aspirations of York and North Yorkshire to improve public electric vehicle charging infrastructure across the region, which would increase the uptake of electric vehicles in the region and reduce carbon emissions by supporting all motorists in making the switch. The Government is introducing a new £450 million local electric vehicle infrastructure (LEVI) scheme for local authorities to support local EV infrastructure delivery and will work with the combined authority to ensure the area is best placed to respond once funding arrangements for the full fund are announced.

Buses

73. York and North Yorkshire Combined Authority will have access to franchising powers in the Transport Act 2000. In any partnership or franchising arrangements, York and North Yorkshire should seek, within available resources, to facilitate the accelerated delivery of smart, integrated ticketing across all local modes of transport in the city region. York and North Yorkshire will continue to work with relevant partners – Transport for the North, bus and rail operators, Great British Railways and the Department for Transport – to realise this ambition.

74. The Government has allocated indicative funding of up to £17.4 million to City of York Council for their Bus Service Improvement Plan (BSIP). The final funding award will be based on submission and implementation of an Enhanced Partnership which delivers a package of prioritised and ambitious improvements to bus services. The Government will continue to work with City of York Council to develop their Enhanced Partnership further.
75. The Government has provided York and North Yorkshire with £16.2 million to allow them to introduce up to 83 zero emission buses, through the ZEBRA scheme.
76. As per the commitment in the National Bus Strategy, the Government is working on the reform of the Bus Service Operators Grant (BSOG). Following the reform of BSOG, should York and North Yorkshire request BSOG be devolved to them the Department for Transport will work with the combined authority to devolve BSOG to them in line with the consultation outcome.

Rail

77. The Government will support York and North Yorkshire Combined Authority in seeking a new rail partnership with Great British Railways, once established, so that their priorities can be taken into consideration in future decisions regarding their local network. York and North Yorkshire Combined Authority, alongside existing Level 3 authorities, will be considered a priority for these agreements which will provide the ability to influence the local rail offer. Local priorities will need to be coordinated and compatible with surrounding areas and the needs of the national network.
78. £47.5 million improvements to York, Selby, Harrogate and Skipton Railway Stations will continue to be funded from the Transforming Cities Fund through 2022, until completion of delivery in 2023 and delivered through established arrangements with West Yorkshire Combined Authority.

Active Travel

79. The Government has committed to basing its new executive agency, Active Travel England, in York. Active Travel England will be formally established as an Executive Agency and Active Travel England staff are expected to move into a York office later this year.
80. York and North Yorkshire will work with Active Travel England on any future walking and cycling schemes to ensure schemes are delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). All cycling and walking schemes must be approved by Active Travel England as complying with LTN 1/20.

Net Zero, Climate Change and Natural Capital

Net Zero

81. York and North Yorkshire have the ambition to be net zero by 2034 and become England's first carbon negative region by 2040. The scale of York and North Yorkshire's ambition is based on their unique innovation and industrial capabilities; their nationally significant business base in low-carbon energy (such as Drax's large-scale bioenergy with carbon capture and storage plans); and their diverse and extensive landscapes, owing to the area's rural and coastal geography.
82. As part of its Net Zero strategy, the Government recognises that devolved and local government can play an essential role in meeting national net zero ambitions. Local leaders in York and North Yorkshire and elsewhere are well placed to engage with all parts of their communities and to understand local policy, political, social, and economic nuances relevant to climate action. This is why the devolution framework grants places the opportunity to adopt innovative local proposals to deliver action on climate change and the UK's net zero targets.
83. The Government supports the ambition of York and North Yorkshire to become a carbon negative region and recognises the potential contribution it can make to national net zero goals.
84. York and North Yorkshire have been working closely with the Department for Business, Energy and Industrial Strategy's (BEIS) Local Net Zero Hubs and National Energy Systems Catapult to be a trailblazing region, delivering net zero ambitions whilst creating significant new economic opportunities. They have also undertaken trailblazing work with National Energy Systems Catapult, utilising Community Renewal Funding to deliver a Local Area Energy Plan at a York and North Yorkshire scale.
85. Working with the BEIS Local Net Zero Hub and building on York and North Yorkshire's extensive net zero strategic work to date, the Government will engage with the area through regular dialogue with a single point of entry and reflecting emerging funding and policy opportunities.
86. The Government will provide £7 million investment that will enable the area of York and North Yorkshire to drive green economic growth towards their ambitions to be a carbon negative region. This investment is subject to agreement of a business case from the area.
87. The Government will also explore the opportunities and feasibility of investing to pilot an innovative approach to funding smaller scale feasibility studies in a predominantly rural area, creating a recyclable investment model.

Domestic energy efficiency

88. The Government commits to explore the potential benefits of and design options for a place-based approach to delivering retrofit measures, as part of HMG's commitment in the Net Zero Strategy to explore how we could simplify and consolidate funds which target net zero initiatives at the local level where this provides the best approach to tackling climate change.
89. This work will involve inviting York and North Yorkshire to work with Government through the relevant representative organisations to consider if such an approach could accelerate the meeting of net zero goals and provide better value for money.

Net zero infrastructure and innovation

90. The UK Infrastructure Bank ("the Bank") will increase infrastructure investment across the UK by partnering with the private sector and local government to help tackle climate change and support regional and local economic growth. The Bank's advisory service, when launched, could offer advice and support to local actors, including the York and North Yorkshire Combined Authority, to help deliver on their objectives, including driving investment into net zero infrastructure and innovative local projects. It can also act as a convenor, bringing together local actors for collaborative projects, and where appropriate identifying where projects can be aggregated to achieve greater impacts.
91. BEIS will provide opportunities for York and North Yorkshire to work with the Local Net Zero Hub to explore opportunities for relevant sources of funding for projects identified in their plans, noting that for fully commercial projects the Government would expect the private sector to identify project development capital in the first instance.

Natural Capital

92. North Yorkshire Council has provisionally agreed to act as the responsible authority for the preparation of the Local Nature Recovery Strategy (LNRS) for the area. Formal appointment of responsible authorities will be made following publication of relevant regulations and guidance and confirmation of funding. For York and North Yorkshire, the LNRS will: map the most valuable existing habitat for nature; map proposals for creating or improving habitat for nature and wider environmental goals; and agree priorities for nature's recovery. DEFRA agrees to consider the role of the York and North Yorkshire Combined Authority in the LNRS in due course.
93. Dovetailing with the LNRS, Government will ensure the new environmental land management schemes are implemented in line with local needs and priorities, including those of York and North Yorkshire.
94. York and North Yorkshire is seeking to become a trailblazer in natural capital investment, which will be core to delivering economically whilst also realising its ambition to become England's first carbon negative region. Government, which is committed to increasing private investment in nature's recovery across England,

will support York and North Yorkshire in the development of a Natural Capital Investment Plan. This support may include: a proportion of revenue funding; specialist expertise; co-ordination of peer support and networking; and/or local partnership working with DEFRA's Arm's Length Bodies (Environment Agency, Natural England, Forestry Commission). Any funding provided will be subject to further agreement and approvals, and will be conditional on participation in a programme of evaluation and shared learning.

95. Flood defence schemes worth at least £35 million are projected to be taken forward in York and North Yorkshire over the course of the Government's current six-year capital investment programme, which runs from 2021 to 2027.

96. Through this deal, DEFRA has committed to working with York and North Yorkshire on LNRS, new environmental land management schemes, and a Natural Capital Investment Plan, and will consider other opportunities to work in a place-based way.

Public Service Reform

97. The Government supports York and North Yorkshire in its ambition for public service reform. The Government commits to working with the region to explore initiatives to improve the delivery of public services jointly with its constituent authorities, such as how best to support residents with multiple complex needs. Where appropriate, and as part of its Levelling Up agenda, Government will also consider devolving further powers to York and North Yorkshire Combined Authority to support public service reform, in relation to the statutory duties held by its constituent authorities.

Resilience and Public Safety

98. York and North Yorkshire Combined Authority will have a clear role in local resilience, following Government's full consideration of the role and responsibilities of Local Resilience Forums.
99. The Government, York and North Yorkshire, and the Police, Fire & Crime Commissioner for North Yorkshire will work together with the aim of agreeing a governance model and timetable for transferring the exercise of Police, Fire & Crime Commissioner functions to the mayor, with a view to electing the first mayor with these functions in May 2024.

Culture and Tourism

100. The Department for Culture Media and Sport's (DCMS) Arm's Length Bodies will work in partnership with York and North Yorkshire Combined Authority, alongside other local partners, to build on ongoing work to develop and deliver strategies to realise the region's cultural potential, using the new combined authority as an opportunity for a strategic appraisal of the current culture, sport, and leisure provision.
101. Building on the region's cultural strengths and assets, these strategies will support cultural organisations to provide a strong offer to communities to maximise the contribution of culture, heritage, sport and leisure to place-making in the region's towns and cities, and seek to attract national and international partners. As part of this, the York and North Yorkshire Combined Authority will work with Arts Council England and other local partners to identify how it can support an increase in cultural opportunity in the Selby District Area, which is a 'Levelling Up for Culture' place. In addition, partners will build on the work of the York and North Yorkshire Heritage and Culture Strategy Group in taking forward the recommendations of the Celebrating our Distinctive Heritage report. This will include the direction of investment spending towards agreed priorities, such as the roll out of the High Street Heritage Action Zone programme to coastal and market towns where there is a perceived need, as with the successful projects in Selby, Skipton and Northallerton. Partners will also support York's cultural strategy which aims to exploit the city's distinctive creative, heritage and archaeological assets to strengthen its economy and place-making.
102. This will help realise the region's creative and cultural potential in ways that complement its broader ambitions around place-making, attracting and retaining young people and supporting the growth of the visitor economy.
103. Tourism and the Visitor Economy are crucial industries for York and North Yorkshire, with the region attracting large numbers of leisure and business visitors every year, including through its cultural and heritage offer. To help support this crucial industry, DCMS will work with York and North Yorkshire Combined Authority to explore the best structures and geographies for future Destination Management and Marketing interventions. This will be informed by the DCMS response to the De Bois review of Destination Management Organisations in England.
104. The Government understands that York and North Yorkshire places strategic importance on the refurbishment of Harrogate Convention Centre as an economic asset for the region. It is understood that a bid will be submitted for the Levelling Up Fund Round 2 and if received it will be assessed alongside other potential applicants in line with the Levelling Up Fund Round 2 prospectus and associated technical guidance.

Digital

105. The Government recognises that high quality digital connectivity is crucial for future economic growth and productivity in the region. While rollout of broadband and mobile infrastructure will be delivered nationally through DCMS, the Government will engage with the York and North Yorkshire Combined Authority on a regular basis, on delivery plans in the region, particularly where they involve hard to reach rural areas. The Government is committed to achieving nationwide coverage of gigabit capable broadband by 2030 and to ensuring that rural areas are not left behind including in York and North Yorkshire. Procurements covering York and North Yorkshire are scheduled to launch in 2023, and regular Project Gigabit programme updates will be provided demonstrating progress in delivering for communities across the area.

Innovation, Trade and Investment

106. Through the deeper devolution trailblazer deals announced in the Levelling Up White Paper, Government will bring together a holistic package of powers, roles, functions and strategic relationships to grow the private sector at a local level.
107. The trailblazers are designed as a blueprint for other mayoral combined authorities, and Government will draw lessons from this approach to make a similarly broad and holistic offer to York and North Yorkshire in due course. This offer aims to build the resilience of businesses and households in York and North Yorkshire to cost of living pressures, strengthen York and North Yorkshire's global competitiveness and empower local entrepreneurs.
108. This offer will explore the following, and potentially other, options to:
 - a. Empower York and North Yorkshire to be able to secure greater private investment in local priorities.
 - b. Strengthen York and North Yorkshire's local innovation capacity to help realise the potential of local innovation assets and the innovation potential of small and medium enterprises.
 - c. Help to realise the global export potential of local businesses in York and North Yorkshire and maximise the local benefits of international trade.
 - d. See York and North Yorkshire play a greater role in the delivery of support to local businesses.
 - e. Engage York and North Yorkshire on the delivery of digital infrastructure and potential economic and public service applications of data and data science.

BioYorkshire

109. Innovate UK (IUK) and broader UK Research and Innovation (UKRI) will work with the York and North Yorkshire Combined Authority to formally recognise and seek opportunities to support "BioYorkshire" – a cluster of excellence for the bioeconomy, delivering innovation, inward investment and high value jobs supporting both the UK levelling up objectives and delivering on national net zero ambitions. BioYorkshire is being led and championed locally by Fera Science Ltd., Askham Bryan College and the University of York.
110. A Programme Working Group with senior IUK and UKRI membership including relevant agencies, York and North Yorkshire Combined Authority, University of York, Fera Science Ltd, and Askham Bryan College will be established to:
 - a. Scope a new "end to end" bioeconomy programme of innovation and science for York and North Yorkshire and advise on further potential business case(s) development, with the aim that any programme will become self-sustaining through commercial revenue and private sector investment.

- b. Explore legal structures to maximise private sector investment and patient capital.
- c. Explore central or regional government investment opportunities.
- d. Explore bioeconomy market opportunities, with support from the Department for International Trade in due course.

Scarborough Cyber Cluster

- 111. York and North Yorkshire, working with Coventry University and industry partners including GCHQ and Anglo American have identified the opportunity to establish a national cyber cluster specialising in the development and delivery of Operational Technology in support of UK industry growth and security.
- 112. DCMS will engage with York and North Yorkshire Combined Authority and its cyber cluster to bring together relevant parts of government, supporting the alignment of research and development priorities and identification of potential collaboration and future funding, as York and North Yorkshire mobilise their plan to deliver economic and social transformation for the town and the region, and in the process strengthen the UK's international position as a leader in cyber secure Operational Technology.

York and North Yorkshire's commitments underpinning the Deal

113. The York and North Yorkshire Combined Authority will work with the Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan must be approved by the Government prior to delivery. Any issues of concern with the subsequent delivery of this deal will be escalated to ministers and leaders to resolve, in keeping with the letter and spirit of devolution.
114. The York and North Yorkshire Combined Authority will be required to evaluate the impact of the York and North Yorkshire Investment Fund. The York and North Yorkshire Combined Authority and the Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the York and North Yorkshire Combined Authority, but will be agreed at the outset with DLUHC and HM Treasury, and will take place every five years. The next five-year tranche of funding will be unlocked if the Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to economic growth. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes. The assessment should also take into account the latest developments in economic evaluation methodology. The Government would expect the assessment to show that the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a benefit-to-cost ratio and considered in the strategic context of local ambitions for inclusive growth across the whole geography.
115. As part of the implementation of the deal, the York and North Yorkshire Combined Authority and the Government will agree a process to manage local financial risk relating to the deal provisions.
116. Prior to the first mayoral elections, the Government will work with York and North Yorkshire to give the public and stakeholders – including Parliament – a clear understanding of: the powers and funding that are being devolved to York and North Yorkshire Combined Authority; where accountability sits as a result of this deal; and how decisions are made.
117. The York and North Yorkshire Combined Authority and its constituent members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.