



Report of: Chief Executive

Report to Scrutiny Board (Strategy and Resources)

Date: 12 November 2018

Subject: Devolution

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This report is intended to update Scrutiny Board Members on matters related to Devolution.

Recommendations

Members are asked to consider the content of this paper and note the progress made regarding Devolution.

1. Purpose of this report

- 1.1 This report is intended to update Scrutiny Board Members on matters related to the progress of Devolution.

2. Background/ Main Issues

- 2.1 Devolution remains an issue of significant importance to the city region; both in terms of using the powers and flexibilities already devolved, and in making progress towards further devolution.
- 2.2 On 5 March 2018, Leaders and representatives of the 18 local authorities in Yorkshire submitted a letter and the Devolution proposal document to the Secretary of State (Ministry of Housing Communities and Local Government), Rt Hon Sajid Javid MP.
- 2.3 The “One Yorkshire” proposal is to secure an ambitious deal for the widest possible Yorkshire geography, including Leeds City Region, drawing down from Whitehall a broad range of devolved powers and funding, including control of a £125m p.a. investment fund – an allocation of up to £3.75 billion over 30 years to be invested in driving growth across the rural, urban and coastal areas of the Region. This would be in return for the election of a Yorkshire Mayor by May 2020.
- 2.4 The devolved powers and funding would be locally directed at: raising living standards for everyone in Yorkshire and moving the region towards becoming a net contributor to the public purse. It is proposed that new powers and funding would be exercised in ways that do not impose net additional costs and bureaucracy.
- 2.5 On 9 July 2018, the Secretary of State, Rt Hon James Brokenshire MP, responded to One Yorkshire Leaders’ 5 March submission stating that: “Until the Sheffield City Region devolution deal is fully implemented, the Government is not prepared to enter into any discussion about wider devolution arrangements [across Yorkshire] that would include some or all of the Sheffield City Region authorities”.
- 2.6 One Yorkshire Leaders, including the Mayor of Sheffield City Region (SCR), met in York on 12 July 2018 and, noting the contents of the Secretary of State’s letter, resolved to continue with agreed preparations which will form the basis of the business case for a Yorkshire deal.
- 2.7 One Yorkshire Leaders also responded to the Secretary of State on 16 July 2018 requesting the Secretary of State’s support in “...accelerating the delivery of the Sheffield City Region devolution deal whilst assuring those who want to join One Yorkshire that option will be available to them as early as 2020.”

- 2.8. Work has been undertaken over the summer to further progress the proposals. This includes developing detailed governance arrangements and the economic case for One Yorkshire devolution.

3. Recent developments

- 3.1. On 10th October 2018, Leaders and representatives of the 18 local authorities and the Sheffield City Region Mayor, Dan Jarvis sent the latest submission to the Secretary of State (Ministry of Housing Communities and Local Government) with the findings of an independent study on the economic rationale for devolving to Yorkshire and further developments in relation to the governance proposals – based on a single One Yorkshire Combined Authority which would be overseen by a directly elected Mayor from May 2020.

A proposed route map agreed by One Yorkshire Leaders was also included as part of the latest submission, which sets out the timings of key steps including statutory processes, which would enable the election of a One Yorkshire Mayor in 2020. Delivery of the route map will be dependent on the Government's response.

A summary of the recent One Yorkshire submission to the Government is attached at Appendix 1.

Independent economic study findings

- 3.2 The study highlights that whilst Yorkshire region is geographically diverse encompassing cities, towns, countryside and coast, it is a coherent economic area, with strong interconnections and shared issues and opportunities for the region.
- 3.3 One Yorkshire devolution seeks to identify and unlock the shared economic opportunities in the region, building on the distinctive strengths in key economic sectors like manufacturing, energy, distribution, transport, food, tourism, health, public administration and education and the competitive location at the geographic centre of the country with national and international connectivity by rail, road, air and sea.
- 3.4 The study further highlights that One Yorkshire devolution has strong local support from residents, businesses, 18 local councils and the Sheffield City Region Mayor.
- 3.6 According to the study, 75% of people in the region identify with Yorkshire, supported by business, who overwhelmingly see the Yorkshire brand as an important benefit especially when trading internationally.

3.7 Below are some of the potential economic benefits highlighted in the economic study to the region and UK of the One Yorkshire devolution proposals:

- Up to £5,400 more extra growth per person, per year in the Yorkshire economy
- Up to £30bn per year added to the Yorkshire economy with the power and scale to narrow the productivity gap with the UK average
- Up to £10.4bn extra in exports per year
- Up to £1.3bn a year more for our economy from increased investment in R&D
- Up to £1.56bn a year more for the region's economy from increased investments in skills

Governance arrangements

3.8 The latest developments of on the One Yorkshire governance proposals which respond to the Government's requirement that appropriate governance arrangements are in place that reflect Yorkshire's scale and diversity, were also included in the 10th October 2018 submission to the Secretary of State.

3.9 The One Yorkshire governance proposals include:

- Directly-elected One Yorkshire Mayor
- Supported by a One Yorkshire Combined Authority with representation from all 18 partner councils
- Delivering a One Yorkshire local industrial strategy, focusing on shared economic opportunities and challenges
- With strengthened, transparent local enterprise partnerships providing private sector leadership and focus in functional economic areas/ sub-regional economies

3.10 New powers and funding for Yorkshire would be overseen by directly elected One Yorkshire Mayor providing strong visible leadership. The only additional elected person would be the Mayor supported by a single inclusive One Yorkshire Combined Authority recognising political plurality and diverse geography, with all leaders round the table with a say. This proposed model will enable collective agreement on strategic direction and decisions that can promote balanced growth across Yorkshire.

3.11 The One Yorkshire governance arrangements would allow the delivery a One Yorkshire local industrial strategy, focusing on shared economic opportunities and challenges. Also, supported by strengthened, transparent local enterprise partnerships providing private sector leadership and focus in functional economic areas/ sub-regional economies. The proposed governance arrangements are designed to work for all parts of the region and ensure decision making at the most appropriate and lowest possible level. A commitment has been made that this will be delivered at no extra cost to the taxpayer.

4.0 Next steps

- 4.1 As part of their consideration of Government's stated position that the SCR deal must be fully implemented before progressing the One Yorkshire proposal, Leaders have been advised this would be unlikely to allow sufficient time to deliver the ambition of a One Yorkshire Mayor by May 2020. Leaders have therefore proposed that the implementation of the SCR deal and a One Yorkshire deal could pragmatically be progressed in parallel instead of entirely sequentially.
- 4.2 Matters related to devolution were also discussed at a recent Yorkshire Leaders Board meeting on 25 October 2018, where it was noted that no response has yet been received from the Secretary of State (Ministry of Housing Communities and Local Government) to the latest submission from Leaders and representatives of the 18 local authorities and the Sheffield City Region Mayor on 10th October 2018.
- 4.3 Whilst there is not currently an agreed timetable with central government for further devolution to Leeds, it is hoped detailed discussions with relevant Ministers can take place as soon as possible, in order to progress the proposal for a One Yorkshire devolution deal.

5. Corporate Considerations

5.1 Consultation and Engagement

As this report is providing an update regarding Devolution there hasn't been any specific consultation and engagement.

5.2 Equality and Diversity / Cohesion and Integration

There are no specific implications as a result of this report

5.3 Council policies and Best Council Plan

The Best Council Plan priorities refer to aspects of this work and are undertaken in that context.

5.4 Resources and value for money

There are no specific implications as a result of this report.

5.5 Legal Implications, Access to Information and Call In

There are no specific legal implications arising from this report.

5.6 Risk Management

There is currently a risk identified regarding Devolution on the Corporate Risk Register. This takes account of the need to secure a deal and the opportunities this presents, and ensures that any deal to be considered is in the best interests of the people of Leeds.

5.7 **Recommendations**

Members are asked to note the content of this paper.

5.8 **Background documents**

Appendix 1 - A summary of the One Yorkshire submission to the Government