

Report to: West Yorkshire Combined Authority

Date: 2 August 2018

Subject: **Devolution and Review of Local Enterprise Partnerships**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1 Purpose of this report

- 1.1 To provide an update on progress towards securing devolution to Leeds City Region and, separately, the proposals contained in the Review of Local Enterprise Partnerships (LEP), announced by the Government on 24 July 2018.

2 Information

Devolution overview

- 2.1 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 a £125m p.a. investment fund, in return for the election of a Yorkshire Mayor by May 2020.
- 2.2 The devolved powers and funding would be locally directed at: raising living standards for everyone in Yorkshire; closing the jobs gap with the UK average by delivering 200,000 additional jobs; boosting productivity via an extra £12bn of economic growth; 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.

- 2.3 The 5 April 2018 meeting of the Combined Authority received a report outlining the developments and progress made in securing the devolution of additional powers and funding to the City Region, including the following:
- Government has not to date formally responded to the Leeds City Region devolution proposal submitted in September 2015, suggesting this was not a deliverable option.
 - Leaders of 18 of the 20 Yorkshire Councils, including those of all the Leeds City Region Councils, and the Sheffield City Region/ South Yorkshire Councils of Barnsley and Doncaster, had subsequently formed a coalition under the 'One Yorkshire' banner seeking the widest possible Yorkshire deal.
 - The then Secretary of State confirmed at a meeting with One Yorkshire coalition Leaders in February 2018 that the Government would consider any concrete proposal and that he would not seek to prevent a deal based on the election of a Yorkshire Mayor from taking effect in 2020, providing it was consistent with the existing Sheffield City Region deal, and that some, or all, South Yorkshire authorities would not be prevented from joining a One Yorkshire deal from the start.
 - On the basis of the Secretary of State's enabling position, One Yorkshire Leaders met on 5 March 2018 and agreed to finalise their devolution proposition.
 - A ten page One Yorkshire devolution proposal was duly submitted by the 18 Yorkshire Leaders to the Government on the 5 March 2018, and simultaneously published in the interests of transparency.
- 2.4 Noting the above developments, the Combined Authority endorsed the ongoing supporting work being progressed by officers, including to:
- Develop and agree detailed governance arrangements for the operation of the proposed Yorkshire Mayoral Combined Authority;
 - Demonstrate the economic case for a Yorkshire deal, and;
 - Prepare a public facing version of the deal which communicates the proposals and benefits in plain English.

Recent developments on devolution

- 2.5 On 9 July, the Secretary of State responded to One Yorkshire Leaders' 5 March submission (his letter is included at **Appendix 1**) 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, met in York on 12 July 2018 and, noting the contents of the Secretary of State's

letter, resolved to continue with their previously agreed preparations which will form the basis of the business case for a Yorkshire deal, including:

- Conducting an independent study to support the economic rationale for a Yorkshire deal
- Devising robust decision making arrangements for a Yorkshire Mayoral Combined Authority, and
- Preparing a route map, including the statutory steps needed to enable the election of a One Yorkshire Mayor by May 2020.

2.7 One Yorkshire Leaders responded to the Secretary of State on 16 July (their letter is included at **Appendix 2**) expressing disappointment about: "...the focus of [the Secretary of State's] letter on identifying obstacles to the delivery of a One Yorkshire devolution deal rather than proposing a positive way forward". Their letter also requests 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 It is understood that campaigning activity may increase in order to progress the One Yorkshire proposition with Government, including separate activity undertaken independently by others such as local MPs. An update on any relevant activities will be provided at the meeting.

Review of Local Enterprise Partnerships

2.9 A Review of LEPs was announced in the Industrial Strategy White Paper in November 2017¹. The Review was led by cross-departmental Ministerial group: Jake Berry (Ministry of Housing, Communities and Local Government), Margot James (Department of Business, Energy and Industrial Strategy) and Andrew Jones (HM Treasury). Engagement with local authorities and others has been carried out through working groups (Cllr Blake (Leeds City Council) was a member of the stakeholder group). The Government's summary of the Review's proposals is attached at **Appendix 3**.

2.10 The LEP Network on behalf of LEPs has welcomed the Review's endorsement of LEPs as the main drivers of local growth. The Chair of the Leeds City Region Enterprise Partnership has similarly welcomed the Review. There will

¹"We remain firmly committed to Local Enterprise Partnerships (LEPs). From next year, the Prime Minister will chair a biannual 'Council of LEP Chairs'. This will provide an opportunity for LEP leaders to inform national policy decisions.

While LEPs across the country have played an important role in supporting local growth, feedback suggests that their performance has varied. We are reviewing the roles and responsibilities of LEPs and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. We will work with LEPs to set out a more clearly defined set of activities and objectives in early 2018. These will be driven by influential local leaders, acting as figureheads for their area's economic success, and a clear strategy for local and national partnership. We will agree and implement appropriate structures for holding LEPs to account.

We will work with LEPs to review overlapping geographies and ensure people are clear as to who is responsible for driving growth in their area. We recognise that in order to deliver their role effectively, LEPs need financial support. We will make additional financial resources available to LEPs that demonstrate ambitious levels of reform following the review"

now need to be extensive engagement with stakeholders within the City Region and outside to determine how best to respond to the Review's recommendations, particularly in relation to the requirement to remove overlaps from LEP geographies. Leeds City Region Enterprise Partnership is one of 21 LEPs affected by this proposal.

3. Financial Implications

3.1 There are no financial implications directly arising from this report.

4. Legal Implications

4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 Note and discuss the recent developments in relation to securing devolution to Leeds City Region and the LEP Review.

8. Background Documents

None.

9. Appendices

Appendix 1 - Letter dated 9 July from the Secretary of State for Housing, Communities and Local Government to One Yorkshire Leaders

Appendix 2 - Response dated 16 July from One Yorkshire Leaders to the Secretary of State

Appendix 3 - Summary of the Government's Review of Local Enterprise Partnerships