

---

**Report to:** West Yorkshire Combined Authority

**Date:** 14 February 2019

**Subject:** **Devolution**

---

**Director:** Alan Reiss, Director of Policy Strategy and Communications

**Author:** James Flanagan

---

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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.

## 2 Information

### Background

- 2.1 West Yorkshire Combined Authority's Corporate Plan for 2018/19 sets out an aim of securing the powers and resources needed to put its ambitions into action and to maintain investment in our region. In order to achieve this, officers will continue to support political leaders' case for an ambitious devolution deal for our region which seeks to draw down significant powers and funding from Whitehall.
- 2.2 Yorkshire Leaders agreed in March 2018 - under the banner of "One Yorkshire" - to submit their devolution deal proposition to Government and [publish it more widely \(including on West Yorkshire Combined Authority's website\)](#), in the interests of transparency.

- 2.3 The One Yorkshire proposal includes control of a £125m p.a. investment fund – which would equate to 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 At its April 2018 meeting, the Combined Authority noted that Yorkshire Leaders had submitted their March proposal as a basis for initiating negotiation with Government. Following informal advice from Government officials, the following additional work was endorsed:
- Further building the robust economic case for devolving to Yorkshire;
  - Developing more detailed governance arrangements for the operation of a Mayoral Yorkshire Combined Authority and a practical ‘route map’ to establish a Yorkshire Mayor by May 2020; and
  - Preparing an accessible, public facing version of the proposed deal which summarises the benefits.
- 2.5 On 9 July 2018, the Secretary of State, Rt Hon James Brokenshire MP, responded to One Yorkshire Leaders’ March submission letter 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 Yorkshire Leaders responded to the Secretary of State on 16 July 2018 stating that: “We are already developing the detail of the economic case underpinning One Yorkshire and would welcome the involvement of officials from Government in that process. We hope you will respond constructively so that rapid progress can be made in the coming weeks and months. Your support is essential to 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.”

### **Recent Progress**

- 2.7 Over summer 2018, the additional work identified in Section 2.4 was completed to the satisfaction of One Yorkshire Leaders and Chief Executives. On 10<sup>th</sup> October 2018 One Yorkshire Leaders sent the Secretary of State a letter including: an independent study on the economic rationale for devolving to Yorkshire; further developments in relation to the governance proposals; and a route map – based on a single One Yorkshire Combined Authority which would be overseen by a directly elected Mayor from May 2020. This submission can be found for information at <https://www.westyorks-ca.gov.uk/economy/devolution/> . The background to, and key elements of, this submission are summarised below.
- 2.8 The One Yorkshire Chief Executives sub group commissioned Steer consultants to independently assess the data and evidence (including

published data, econometric modelling and views drawn from structured interviews with business) in relation to the One Yorkshire geography as a coherent economic area. The intent of the commissioned study (*The economic rationale for devolving to Yorkshire, Steer Economic Development, 2018*), was twofold:

- to assess the overall economic and strategic rationale for devolving powers and budgets to the Yorkshire level; and to
- identify key opportunities and tangible benefits which could be secured by, and for, all communities and businesses across the region's urban, rural, and coastal areas.

2.9 The independent economic study's key messages can be summarised as follows:

- **One Yorkshire is found to be a coherent economic area. Together it is more than the sum of its parts:**
  - Yorkshire's growth is currently limited by sub-regional barriers in areas such as transport and skills which can be overcome by One Yorkshire approach;
  - Yorkshire's identity is considered a real asset by business in local national and international activity; and
  - Yorkshire is markedly different from the UK economy which makes it suitable for discharging devolved powers -
    - we face a unique set of challenges (eg in relation to exports, R&D, business base and skills), and
    - Yorkshire has a nationally distinctive sectoral mix with greater employment specialisation in manufacturing; distribution, transport, accommodation & food; and public administration, education and health.
- **A powerful One Yorkshire devolution deal will deliver demonstrable economic and social benefits to the region's communities and the country:**
  - the Yorkshire level is capable of maximising the opportunities and benefits of devolution, and would complement and add value to local and also pan-Northern arrangements, including Transport for the North;
  - between £9bn and £30bn-a-year increase in Yorkshire's economic output, equating to up to £5,400 per person annually over 20 years;
  - economic uplifts including across exports (up to £10.4bn), inward investment (up to £19.7m), R&D (up to £1.3bn) and skills (up to £1.56bn); and
  - strong local business support for devolving powers with a majority favouring devolving to the Yorkshire level.

2.10 Further developed governance proposals, which were also included in One Yorkshire Leaders' October 2018 submission to Government, respond to issues and challenges raised through the structured business engagement exercise undertaken as part of the independent economic study. For example local business concerns were raised about devolution creating: additional

bureaucracy; uncertainty over functions to be covered; and perceptions of risk of smaller areas losing out to larger ones. In addition, the proposals responded to Government's concern that appropriate arrangements would need to be put in place that reflect Yorkshire's scale and diversity.

2.11 The proposed governance arrangements are based on the 'form follows function' principle and include:

- **A One Yorkshire Combined Authority** - A directly elected Yorkshire Mayor will Chair a single Combined Authority, where all local authority members are represented and can have a say, including on a regional budget and policy framework. A Yorkshire-wide Industrial Strategy would be the key mechanism through which full use will be made of all our strategic assets and infrastructure. Overview and Scrutiny arrangements will be fully embedded within the Yorkshire Combined Authority which will embrace both Combined Authority and LEP structures.
- **Pan-Yorkshire Thematic Boards** - will be established as Committees of the Combined Authority and have a county-wide remit and include the Mayor or designated Mayoral lead, sub-regional representatives and key partners. These decision-making Boards (for example, Strategic Transport, Skills, Trade and Investment, and Innovation) would develop investment priorities, commission delivery of projects and programmes, and monitor progress and impacts of investments made.
- **Sub-regional arrangements** – would also be established as Committees of the Combined Authority to reflect as far as practicable Yorkshire's functional economic and LEP areas: providing local intelligence, data and insight; overseeing delivery of activity in their sub-region; and maintaining a place-based focus.

2.12 The governance element of the submission also includes a route map which sets out the possible steps needed to deliver a One Yorkshire deal by 2020. The route map proposes what Leaders consider to be, subject to Government support, a pragmatic way forward to both unlock and implement the Sheffield City Region (SCR) devolution deal and progress an ambitious One Yorkshire deal which includes all 18 of the partner authorities from day one. It recognises the Government's position that the first step towards a One Yorkshire deal is to ensure the full implementation of the SCR deal. In order to enable Leaders' ambition for the election of a One Yorkshire Mayor in 2020, the route map proposes that the two distinct processes should be progressed in parallel instead of entirely sequentially. The timings were considered ambitious, but based on legal advice received, ultimately achievable.

2.13 In order to enable wider communications and engagement, including with the public, business and other stakeholders, an accessible plain English summary of the One Yorkshire proposals has been developed. This summary can also be found at <https://www.westyorks-ca.gov.uk/economy/devolution/> for information and has been published by the Combined Authority and One Yorkshire Councils.

## **Next steps**

- 2.14 Matters related to devolution were discussed at a recent Yorkshire Leaders meeting held in York on 11 January 2019 where it was noted that a number of sub-regional meetings had been convened with the Northern Powerhouse Minister Jake Berry MP before Christmas 2018 on the subject of devolution in Yorkshire. These discussions were seen by Leaders to have been constructive. At these meetings, the Minister confirmed that a Government response to Leaders' October 2018 submission would be provided.
- 2.15 Leaders noted at their meeting in January 2019 that a response from the Secretary of State had not been received to date and that a firm commitment was needed from Government to progress a One Yorkshire deal.
- 2.16 It was also recognised by Leaders that the time being taken by the Government to consider their proposal in detail had impacted on the proposed route map, and therefore potentially the deliverability of a One Yorkshire Mayor by 2020. Leaders therefore agreed to review their route map and consider any interim funding arrangements which might be required should a 2020 timeline no longer be practicable, such a Growth Deal extension
- 2.17 Finally, Yorkshire Leaders recognised the need to continue to engage with and gain the support of the public, business, MPs and Peers and agreed to consider ways in which wider public opinion on One Yorkshire devolution could be gathered.

## **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 That the Combined Authority note and discuss the progress made and next steps on devolution to Leeds City Region.

## **8 Background Documents**

- 8.1 None