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**Report to:** Overview & Scrutiny Committee

**Date:** 13 September 2019

**Subject:** **Devolution**

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**Director:** Ben Still, Managing Director

**Author(s):** James Flanagan, Lead Policy Manager

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## **1. Purpose of this report**

- 1.1 To provide an update on progress towards securing devolution to Leeds City Region since the Committee was last briefed in March.

## **2. Information**

### Background

- 2.1 In March, the Committee noted that the One Yorkshire devolution proposals submitted last year by 18 Yorkshire Council Leaders and the Sheffield City Region Mayor had been rejected by the government.
- 2.2 Members expressed their frustration and disappointment with the reported developments and expressed concern that the continuing absence of a deal will mean that the region will continue to miss out on needed funding and fall further behind other regions with devolution in place.
- 2.3 In the Chair's Foreword to the 2019/20 Corporate Plan, Cllr Susan Hinchcliffe states that: "We remain steadfast in our belief that only further devolution will give us the powers and money we need to make the right, long-term decisions that will tackle inequalities within our economy. We will continue to be pragmatic and flexible with Government, and be prepared to work with colleagues across Yorkshire to advance a deal that will bring more investment into our interests of the people and communities we serve".

### Recent developments

- 2.4 On 12 February 2019, the then Secretary of State, the Rt Hon James Brokenshire MP, wrote to One Yorkshire Leaders and Mayors in response to the One Yorkshire proposals. The Secretary of State offered to "begin

discussions about a different, localist approach to devolution in Yorkshire” whilst also stating the completion of the Sheffield City Region deal “is essential for talks to progress”. Following the letter from the Secretary of State, Hambleton District Council withdrew its support for pursuing a One Yorkshire deal.

- 2.5 The remaining 18 One Yorkshire Leaders and Mayors were subsequently invited to a meeting with the Secretary of State in Ripon on 1 March 2019 in order to discuss the following agenda items: devolution criteria, why One Yorkshire still has local support; interim arrangements; and next steps.
- 2.6 As a result of that discussion, One Yorkshire Leaders and Mayors issued a statement on 1 March 2019 which highlighted that they remained committed to the One Yorkshire approach to devolution. In recognition of the further work that is required to make progress, and the time that this would require, this should include discussions on interim funding arrangements. There was therefore agreement with the Secretary of State that Chief Executives from One Yorkshire authorities would begin work immediately with senior officials from the Ministry of Housing Communities and Local Government and HM Treasury on these interim arrangements and the points raised in the One Yorkshire submission; and an agreement to meet with the Secretary of State again later in the year.
- 2.7 On Friday 8 March 2019, the One Yorkshire Conference was held in Leeds bringing together leading national and regional figures including key note speeches by Cllr Judith Blake and the Northern Powerhouse Minister, Jake Berry MP, which both explored Yorkshire’s place in a post-Brexit economy and how devolution to the region can ensure it plays its full part in driving future prosperity for the North and the UK.
- 2.8 On 7 May 2019, the then Secretary of State responded to a 25 March 2019 letter from the Sheffield City Region (SCR) Mayor Dan Jarvis and the four South Yorkshire council Leaders and Mayor about how the SCR deal might be unlocked. In the reply, the Secretary of State proposed that he is “...prepared to implement the (SCR) deal with an understanding that after 2022, those Councils that do not see their future in the City Region should be free to join an alternative wider Yorkshire devolution group...”
- 2.9 At Prime Minister’s questions on 26 June 2019, in response to a question from Julian Sturdy MP, the then Prime Minister, Theresa May stated: “I absolutely recognise, as we do across the Government, Yorkshire’s enthusiasm for and dedication to devolution and the potential seen there for harnessing local people’s sense of identity with Yorkshire. We share the ambition of doing what is best for Yorkshire, its people and its businesses. My right Hon. Friend the Communities Secretary has now met with Yorkshire leaders. Discussions are continuing about a different localist approach to devolution, and officials are having initial meetings with councils, including York, and will be interested in hearing their ambitions for devolution”.

- 2.10 Following constructive talks including between West Yorkshire council Leaders and the then Exchequer Secretary to the Treasury, Robert Jenrick MP, on 17 July, One Yorkshire Leaders wrote to the new Prime Minister, Boris Johnson, on 24 July 2019, outlining new devolution proposals (see attached at **Appendix 1**). On 29 July 2019, this letter was published. The proposals contained in the letter include a series of interim devolution deals to be agreed across Yorkshire to run in parallel with the existing SCR agreement. Negotiations would then continue with Government to have a One Yorkshire devolution agreement completed by 2022, the end of the current SCR Mayor's term. At this point, any SCR authorities wishing to be part of the wider Yorkshire deal would be allowed to do so. The proposals outline how a One Yorkshire devolution deal could deliver economic benefits worth £30bn a year.
- 2.11 The letter from One Yorkshire Leaders to the Prime Minister highlights that in response to the decision by the Government to turn down previous proposals from 2018, the approach of One Yorkshire leaders has been revised accordingly, so that whilst keeping true to the ambition for a Yorkshire deal, it would secure interim arrangements to allow the benefits of devolution to be felt more immediately. The letter further states that proposals also outline how devolution in Yorkshire is critical to delivering shared objectives, which cross political divides and are about growth in a post-Brexit world. It aligns to the Government's priorities of more investment in much needed transport and full-fibre digital infrastructure; increased inward investment and help for our companies to export; the delivery of more houses to meet the national shortage; speed up the progress we are making in sustainable energy generation and carbon capture; better address the skills shortages in our workforce; and help tackle deprivation within communities.
- 2.12 There has been no response to the letter to date. However in one of his first actions as Prime Minister, Boris Johnson delivered a speech in Manchester on 27 July 2019 which included the following statements in support of further devolution:

*“Places need power and a sense of responsibility, accountability. Taking back control doesn't just apply to Westminster regaining sovereignty from the EU. It means our cities and counties and towns becoming more self-governing. It means people taking more responsibility for their own communities. London and Manchester have boomed partly because they have had Mayors – some better than others, I would say, but all with the power to speak for their cities, to bang heads together, to get things done. These are the lessons from London and Manchester. Liveability. Connectivity. Culture. And power.”*

and

*“So we are going to give greater powers to council leaders and to communities. We are going to level up the powers offered to mayors so that more people can benefit from the kind of local government structures seen in London and here in Manchester. We are going to give more communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth.”*

**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 Overview and Scrutiny Committee considers the report and provides any comments or recommendations.

**8. Background Documents**

None.

**9. Appendices**

9.1 Appendix 1 - Letter from One Yorkshire Leaders and Mayors to Prime Minister