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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>25 AUGUST 2022</b>
<b>REPORT OF THE:</b>	<b>PROGRAMME DIRECTOR – PLACE &amp; RESOURCES PHILLIP SPURR</b>
<b>TITLE OF REPORT:</b>	<b>YORK AND NORTH YORKSHIRE DEVOLUTION DEAL</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1. The purpose of this report is to present to committee details of the 'minded to' York and North Yorkshire Devolution Deal, which was announced by government on 1 August 2022.
- 1.2. This paper summarises the content of the deal, and the proposed governance steps. Committee is asked to consider the content of the deal, which will be presented to Full Council on 15 September 2022, alongside details of the proposed governance review, and Scheme for the Mayoral Combined Authority (MCA).

### **2.0 RECOMMENDATION**

- 2.1 It is recommended that Members:
  - consider the content of the York and North Yorkshire Devolution Deal, and note that a report, including the details set out at s.1.2, will be presented to Full Council on 15 September 2022.

### **3.0 REASONS FOR RECOMMENDATION**

- 3.1 To present the contents of the York and North Yorkshire Devolution Deal, and to note that a more detailed report will be presented to Full Council on 15 September 2022.

### **4.0 SIGNIFICANT RISKS**

- 4.1 It is understood that the district and borough councils in North Yorkshire are not formally required to agree the devolution proposals – formal agreement is only required from the two constituent authorities, City of York Council, and NYCC as the new North

Yorkshire Council. Nevertheless, there are reputational risks to this council should the deal, the governance review, and the MCA Scheme not be agreed by RDC.

## **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 RDC's Council Plan 2020 – 2024 identifies a number of key challenges facing the district, including:

- low wages and a talent drain out of the area
- the sustainability of rural services, communities and economy
- housing affordability
- poor digital, transport and communications connectivity

5.2 The Council Plan identifies the need to address these issues, to build strong, attractive and inclusive communities; an economy which delivers growth, homes and jobs; and, a sustainable safe and clean environment. The powers and funding available through the devolution deal, set out at s.6.9, offer the opportunity to help address these issues within Ryedale, but also across a wider York and North Yorkshire geography.

## **6.0 REPORT**

### **6.1 REPORT DETAILS**

6.2 Negotiations on the York and North Yorkshire Devolution Deal commenced following publication of the Levelling Up White Paper in February 2022.

6.3 The Levelling Up White Paper set out a devolution framework summarising three levels of devolution, as set out in the following table:

**Table 2.3 Devolution Framework**

**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

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		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	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			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	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

- 6.4 In order to secure the greatest investment for York and North Yorkshire, a Level 3 deal was pursued, consistent with the proposals submitted to Whitehall in December 2020. These proposals were considered and supported by RDC in Summer 2020.
- 6.5 Following the conclusion on negotiations a 'minded to' deal was published by the Secretary of State for Levelling Up, Housing and Communities, Rt Hon Greg Clark MP, on 1 August 2022.
- 6.6 This deal is attached at Annex A.

## **6.7 The 'Minded To' Deal**

6.8 The 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.

6.9 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 the 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 our ambitions to be a carbon negative region. This investment is subject to agreement of a 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 into the 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.

## **6.10 Governance of the Mayoral Combined Authority**

6.11 The 'minded to' deal sets out the voting structure of the Mayoral Combined Authority, alongside functions and decision-making powers.

6.12 In addition, further governance steps are required locally to enable the constituent authorities to formally accept the deal and complete the necessary governance steps.

6.13 There are three formal local governance stages:

- The constituent councils accept the content of the deal and agree to a governance review.
- Subject to point one above, the constituent councils develop a Scheme setting out what the Combined Authority is and how it will operate, and agree to publish the Scheme for public consultation; and
- Following a public consultation which is compliant with Gunning Principles, the feedback is considered and, provided the constituent councils wish to proceed, the Scheme is finalised and submitted to Whitehall.

6.14 Assuming stages 1,2 and 3 progress according to plan, it is anticipated the final Scheme could, if approved, be ready to submit to Whitehall around February 2023 with a view to the Order being placed before Parliament in/around November 2023 to facilitate creation of the Combined Authority and allow the election of a Mayor in May 2024.

6.15 Annex B provides a LGA simple guide to the devolution process.

## **6.16 Next Steps**

6.17 In order to facilitate this process and enable a consultation in Autumn/Winter 2022, a report is being produced for consideration by all districts, the County, and the City of York councils in September 2022. This report, which will be considered by Full Council on 15 September 2022, will include the following details:

- The Deal and process to be followed
- The technical Governance Review, and
- A draft Scheme for consultation

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

(i) Financial

The agreement of a Devolution Deal for York and North Yorkshire will unlock a Gainshare Fund (Mayoral Investment Fund) of £540m (£18m per annum) over the next thirty years, in addition to the further funding identified at s.6.9. Additional funding will be allocated to the sub-region through future Comprehensive Speeding Review rounds,

with the deal estimated to be worth in excess of £750m, with potential further funding to follow through future phases of devolution.

(ii) Legal

As highlighted above, RDC is not formally required to agree the deal. Legal issues around the Governance Review, and the draft Scheme for consultation will be considered in the report to September Full Council.

(iii) Environmental, Ecological, Climate Change and Carbon

While there are no direct Environmental issues flowing out of this report, as highlighted at s.6.9, opportunities to drive green economic growth and support York and North Yorkshire's ambitions to be a carbon negative region feature prominently in the devolution deal.

(iv) Equalities

There are no direct Equalities issues flowing out of this report.

(v) Staffing

There are no direct Staffing issue for RDC flowing out of this report.

(vi) Planning

There are no direct Planning issues flowing out of this report.

(vii) Health and Safety

There are no direct Health & Safety issues flowing out of this report.

(viii) Crime & Disorder

There are no direct Crime & Disorder issues flowing out of this report.

(ix) Data Privacy

There are no direct Data Privacy issues flowing out of this report.

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**Background Papers:**  
Annex A – York and North Yorkshire Devolution Deal  
Annex B – Combined Authorities: A Plain English Guide