



REPORT TO: FULL COUNCIL

DATE: 03 SEPTEMBER 2015

REPORT OF THE: CHIEF EXECUTIVE
JANET WAGGOTT

TITLE OF REPORT: DEVOLUTION – COMBINED AUTHORITIES

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To update Members on the current position regarding the ongoing national devolution debate, regional developments and how these may impact on Ryedale District Council.

2.0 RECOMMENDATION

- 2.1 It is recommended that Council agree to be part of a York, North Yorkshire and East Riding proposal for a Combined Authority (which may include Hull), which is to be submitted to the Treasury by the 4 September 2015 deadline.

3.0 REASON FOR RECOMMENDATION

- 3.1 It is likely that the only option available to the Council for inclusion in a Combined Authority proposal by the deadline for submission will be that for the York, North Yorkshire and East Riding (which may include Hull)

4.0 BACKGROUND

- 4.1 Combined Authorities were introduced in England outside Greater London by the Local Democracy, Economic Development and Construction Act 2009. The first combined authority, covering the Greater Manchester area, was formally established on 1 April 2011. Further combined authorities were established in the North East, West Yorkshire, Sheffield and Liverpool in April 2014.
- 4.2 Combined authorities have their origins in the 2012 Hesletine Review “No stone unturned in the pursuit of growth” which set a clear message that the drivers of the economy – business, central government and local leadership – “should be organised and structured for success”. The Review received broad cross-party support and calls for devolution within English regions intensified following the Scottish referendum in September 2014.

- 4.3 Combined Authorities bring together key decision making powers into a single body, putting member authorities in a much stronger position to tackle shared economic challenges, including improving transport and boosting jobs and growth. Other efficiencies should follow from shared functions, procurement and commissioning powers.
- 4.4 Greater Manchester Combined Authority (GMCA) has been leading the way, and in November 2014 its 'City Deal' was published. This included devolving additional transport powers, a housing capital budget, various business support and skills related budgets, a statutory spatial strategy, with a promise of closer working on the Work Programme and further education reform. In February 2015, further proposals on devolving strategic responsibility for commissioning of NHS and social care services were published. The 2015 Budget signalled an intention to allow Greater Manchester Combined Authority to retain 100% of business rate growth, if certain targets are met. It will be led by a directly elected Mayor, who will be responsible for the strategic government of Greater Manchester, including health, transport, housing, strategic planning, policing and skills. The Mayor will hold significant powers but can be vetoed if a majority of 10 combined authority leaders vote against proposals put forward. The role of the Greater Manchester Police and Crime Commissioner will be rolled into the new mayoralty.

5.0 POLICY CONTEXT

- 5.1 In May 2015, the Queen's Speech set out the Government's legislative programme for the 2015/16 Parliament. The '*Cities and Local Government Bill*' (applicable to England and Wales only) was one of 26 Bills announced. This provided a generic and enabling legislative framework to deliver the Greater Manchester devolution deal and subsequent deals in larger cities and "other places" which choose to have directly elected mayors. The following flow chart summarises the progress on the Cities and Local Government Devolution Bill 2015 (The Devolution Bill):

- 5.2 The House of Lords passed three amendments to the Bill including devolving powers to cities without the need for a mayor; however it is likely this will be overturned when the Bill is debated in the Commons. In parallel with the progress of the Bill through Parliament, groupings of local authorities have been invited to submit proposals for Combined Authorities comprising devolution 'Asks' and an agreed geography over which devolved powers might be exercised. Such proposals are expected to be fiscally neutral.

6.0 CONSULTATION

- 6.1 Ryedale District Council is consulting with residents and local businesses, the consultation is available on Ryedale Districts Council's website. Local media have also been involved in seeking public opinion on this matter. Feedback on this consultation will be presented to the Council meeting on the 3 September 2015.

7.0 REPORT DETAILS

- 7.1 Initial proposals for Combined Authorities need to be with the Government by 4 September 2015. Decisions on 'Asks' and geography cannot be taken without regard to potential governance arrangements. Ryedale District Council is not part of a combined authority area and, as a lower tier district authority, cannot currently be a full member of a combined authority independently of the County Council (this is due to the County holding statutory transport responsibilities). However, in April 2012 the Government issued a consultation on a Legislative Reform Order that would remove such barriers. This has now been incorporated into the Cities and Local Government Devolution Bill. If the legislation is passed its effect will be to:
- i. enable local authorities with non-contiguous boundaries and "doughnut" authorities to join or form a combined authority
 - ii. enable a county council to delegate or share its transport function with a combined authority for part of the county council's area; and
 - iii. simplify the administrative processes required to make changes to an existing combined authority.
- 7.2 In summary, the Devolution Bill streamlines the process for new joiners to a combined authority by removing the requirement to undertake a review and publish a scheme for combined authorities wishing to change their constitution, function or funding; replacing this with a requirement for all authorities concerned to consent to proposed changes before an application to make the changes is made to the Secretary of State. It also streamlines the process by providing circumstances where the Secretary of State need not consult on the proposed changes. The Bill reiterates the need for all authorities to consent to the change for an order to be made.
- 7.3 Members are reminded that a report was submitted to the 4 September 2014 Policy and Resources Committee and 18 December 2014 Council. The report addressed the views of Local Government, North Yorkshire and York (LGNYY) on the issue of future governance within the area served by the North Yorkshire, York and East Riding Local Enterprise Partnership in relation to economic growth. The report highlighted the then Government's thinking in relation to the devolution of powers via a combined authority and that local partnerships would be required to take decisions on issues relating to economic growth over large geographical areas.

Regional Proposals

- 7.4 LGNYY decided to progress with the establishment of a Joint Committee for the area, whilst at the same time progressing with work to develop a combined authority model that would be re-visited after the General and Local Elections in May 2015. Council supported, in principle, the position taken by LGNYY and agreed that the issue would be reconsidered after May 2015.
- 7.5 Since the General Election, the Conservative Government has indicated its intention to devolve powers to parts of England and has announced its Cities and Local Government Devolution Bill which proposes devolved powers.
- 7.6 In the Government's Spending Review published on 21 July 2015, it was announced that "*City regions that want to agree a devolution deal in return for a mayor by the spending review will need to submit formal, fiscally neutral proposals and an agreed geography to the Treasury by 4 September 2015*".

- 7.7 Locally, devolution proposals are being worked up for both the Leeds City Region and North Yorkshire, York and East Riding Local Enterprise Partnership areas. The devolution 'Asks' will be worked on, up to and beyond the 4 September deadline as negotiations with Government and between local authorities continue. The September deadline is for initial proposals / expressions of interest, and the detail of the "Asks" will be finalised in sufficient time to inform announcements in the Autumn Statement due in November / December 2015.
- 7.8 During the last three months, discussions have been taking place across the region and sub-region in response to the Government's stated position of increased devolution of powers. The Leeds City Region (which includes the five West Yorkshire Authorities, Bradford, Calderdale, Kirklees, Leeds, Wakefield and North Yorkshire County Council, Harrogate Borough Council, Craven District Council, Selby District Council and the City of York Council as members) has had detailed discussions with the Government on a potential devolution deal. Negotiations about the deal are currently ongoing and what deal may result, i.e. the powers that would be devolved and the geographical area that would be included.

Options

- 7.9 Ryedale, Hambleton, Richmondshire and Scarborough are not part of the Leeds City Region and would not form part of a devolution deal based on the West Yorkshire Combined Authority Metropolitan area. Given this situation, authorities in York, North Yorkshire and East Riding Local Enterprise Partnership have held discussions on options that might be available. The Leader of the Council and Chief Executive have attended meetings in York to discuss the various options and scenarios available. Alternative options that have unfolded and been discussed include:
- i. A 'Yorkshire' option – for the whole of the geographical area of North Yorkshire, West Yorkshire, South Yorkshire, East Riding and Hull (an area of Gross Value Added 'GVA' of £95.4billion and a well known 'brand')
 - ii. A 'Greater Yorkshire' option – which would add North Yorkshire, York, East Riding and Hull to the West Yorkshire Combined Authority geographical area, or similar variation (an area with a GVA over £60billion); and
 - iii. A York, North Yorkshire, East Riding and possibly Hull option, or similar variation (an area with a GVA of between £20-26billion)

Conclusion

- 7.10 Since the Spending Review terms of reference were issued on 21 July 2015, the devolution agenda has been moving at a rapid pace and there have been many changes within regional, sub-regional and local areas on their approach during this period. However, the deadline for initial expressions of interest of 4 September 2015 has focused attention at the time of preparing this report.
- 7.11 The Council will need to make a decision on its' position relating to devolution and at this stage the Council only has one option available to it if it wishes to be part of a devolution outcome / deal. This is the York led option for devolution of powers to a York, North Yorkshire and East Riding (with or without Hull) geographical area, based on a combined authority model. On this basis it is recommended that Council agree to be part of the York, North Yorkshire and East Riding proposal, which is to be submitted by the 4 September deadline. If the expression of interest is accepted by

Government, there will be much more discussion and debate on the detail of any worked up bid for devolved powers to the Local Enterprise Partnership sub-region.

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Background Papers:

Report to Policy and Resources Committee, 4 September 2014
and to Full Council on 18 December 2014

Background Papers are available for inspection at:

www.ryedale.gov.uk

[Local Democracy, Economic Development and Construction Act 2009](#)

[The Cities and Local Government Devolution Bill 2015-16](#)