

## **MAKING OUR AMBITION HAPPEN:** **A DEVOLUTION PROPOSITION FOR THE YORK CITY REGION<sup>1</sup>**

The Northern Powerhouse is about rebalancing the economy, driving growth in the North of England. The York City Region, which includes the City of York, two national parks, a vibrant energy sector and one of the UK's most famous coastlines is already leading the way in many areas. We are already delivering significant growth and tax receipts to the exchequer.

The York City Region partners have the vision and commitment to deliver on a number of shared Government and local objectives including:

- **Playing a key part in redressing the current imbalance between the north and south in terms of productivity and economic growth.** Our proposals, granted in full will deliver an x% increase in productivity for the region and an [x%] uplift on forecast economic growth through the creation of 80,000 jobs over 20 years, targeting high value sectors.
- **Making the most of a diverse economy centred on York** the city with the highest level of skills in the north, equidistant between London and Edinburgh and our leading edge science, innovation and knowledge based capabilities
- **Unlocking the full potential of our urban areas and rural and coastal hinterlands to drive economic growth,** delivering on the priorities set out by Government in their productivity plan, including the recently published 10 point plan for rural productivity .
- **Addressing housing issues in our region, specifically** delivering at least 108,000 new homes over 20 years across all our geographies, whilst protecting areas of natural beauty and the quality of place of our cities, towns and villages

We fully support the Government's intention to address our national financial position, which is why our vision and approach is grounded on the need to deliver better quality outcomes, whilst being fiscally neutral.

Nevertheless, our long term aim is to go further than this and play a key part in helping redress the fact that only London and a few places in the south currently 'pay their way' and deliver more tax revenue to the Exchequer than spending.

There is also a demonstrable commitment to this region from the private sector. In recent years, we have seen a planned £5bn [LEP to clarify figures] private sector investment in our area, providing a provides a once in a generation opportunity. From innovative carbon capture and storage projects and infrastructure, to the cutting edge National Agri-Food Innovation Centre, through to the recently approved £1.7 billion investment into the potash mine near Whitby and the Humber 'Energy Estuary' brand which has seen £1.3 billion of recent investment in offshore wind developments.

More still could be done with integration across a wider Yorkshire geography and it is our ambition to work collaboratively with neighbouring geographies, but even on this footprint, a huge amount is possible.

---

<sup>1</sup> Title of area to be confirmed

## ACHIEVING OUR AMBITION

With agreed Economic, Housing and Spatial Plans covering our area, we have a well-developed understanding of our challenges and priorities – and, importantly, clarity about what specifically is needed to unlock the opportunities to address these. Working across a wider geography, changing the way we work together, joining up funds and strategically prioritising our investment will enable us to realise our ambitions

**We need to harness our key strengths and realise the full potential of the area to deliver productivity growth**, particularly in high value sectors. Specifically, this means:

- Delivering York Central as a new CBD 1h45 from London: a ‘Kings Cross of the North’ delivering 5000 professional services and high value rail jobs for the region.
- Unlocking university and innovation-led growth in agri-food and the bioeconomy, building on the world-recognised research at the University of York, Fera Science Ltd and others to enable local businesses to realise new products and services, attract FDI into the region and drive international collaboration and export.
- Realising the opportunities stemming from offshore energy, the Humber Energy Estuary, and the proposed Carbon Capture facility centred on Drax near Selby and York Potash mine development near Whitby.
- Enabling viable high value rural growth through the roll out of next generation digital infrastructure to galvanise the region’s abundance of creative and innovative SMEs and risks to existing businesses and communities.
- Removing the viability challenges for high value sites presented by flood and coastal risks.
- Enabling our enterprising coast to benefit from new opportunities in existing sectors such as fishing and tourism and the huge operations and maintenance function to support off-shore wind development.

**We need to accelerate house-building.** Including 2 of the top 5 places to live in the UK, and a beautiful rural hinterland and coast, the region is already a highly desirable place to live. However, this creates pressures on house prices and affordability for local people and limits the ability of working age households to live in this area. Rebalancing the economy only adds to the need for homes in sought-after locations for highly skilled, higher income households- the intellectual capital serving Yorkshire cities and the wider northern economy. To address this we must continue to unblock barriers to new development, making the most of brownfield and dormant publicly-owned sites in the region. We will continue our coordinated approach across districts to help to address disparities in supply and demand and affordability challenges across the region.

**We need to improve transport connectivity across and beyond our area.** As the intersection between Manchester, Leeds and Newcastle, with the fastest connections to London of any Northern city; the region play a pivotal role in **delivering the Government’s Northern Powerhouse ambitions**. There is the potential for York Station to be an early exemplar high speed hub on HS2 and HS3 lines, demonstrating the impact of high speed investment and accelerating Eastern line. To deliver the agglomeration benefits of the Northern Powerhouse, we must be intentional and strategic about better connecting the towns and considerable rural population into key economic hubs including York, Leeds, Bradford and Hull (including the Humber ports), with coordinated investment and integrated ticketing and pricing across the entire region.

**We need to be empowered to deliver public sector reforms** to achieve efficiency gains across our large geographic area. New delivery models offer some of the most exciting and achievable opportunities to deliver better public services at lower cost, especially to rural areas.

## **HOW WILL WE MAKE IT HAPPEN?**

As a region, we are committed to working together to deliver these ambitions within the freedoms already afforded by Government. We can get a good way towards our aspirations working in this way, and we intend to do so. However, there are also notable limitations which could and should be unlocked to fully realise this opportunity.

We have therefore shaped and limited our additional 'asks' by focussing directly on the priority outcomes of delivery high value economic growth; addressing housing need and demand; connecting residents and businesses between key hubs in the region and beyond; and improving public service outcomes which are vital for both local and national priorities.

Together, we must move towards a locally driven, sustainable revenue model, where we are consistently re-investing and multiplying returns from growth locally.

Together, we must embed a long term investment approach, with greater integration, pooled funds, intelligent targeting of public investment, and a focus on creating the conditions for private investment.

Together, we must harness the focussed tools required to unlock the key barriers and opportunities in the region.

And together, we must empower enterprising businesses and people, ensuring responsive to local business and skills needs with simple integrated functions to access support

# MAKING OUR AMBITION HAPPEN: A DEVOLUTION PROPOSITION FOR THE YORK CITY REGION

ASKS	To deliver high value economic growth, better paid jobs & improved business performance	To address regional housing needs	To connect residents and businesses between key hubs in the region and beyond	To deliver better public services and utilities
Locally driven sustainable revenue	1 100% retention of growth in business rates	2 Freedoms and Flexibilities for the Housing Revenue Account	4 Power to exercise a time limited infrastructure levy where public support can be demonstrated.	5 Unlocking a route to market for an Energy Services Company public-private initiative
	3 X% retention of Residential Stamp Duty Land Tax on new homes built in the region			
A long term investment approach	6 Powers to take an integrated approach to infrastructure, housing development and spatial planning in the region, with multi-year consolidated budgets			10 Explore joint working/commissioning with the DWP around worklessness and troubled families
	7 Intermediary body status for European funding (ESIF)		9 A Strategic Transport Authority with a comprehensive strategic investment plan across the devolved geography	11 Explore with Gov the possibility to integrate health and social care budgets and planning processes
	8 Explore devolved powers and funding to deliver rural growth			
Focussed tools to unlock the key barriers and opportunities	12 Land Commission for the region with control over key public sector capital assets for regional economic growth		14 Responsibility for franchised bus services to enable integrated smart ticketing across all local modes of transport	
	13 Power to create a Development Corporation, with compulsory purchase powers			
Enablers for business & education inspired growth	15 Control of budgets & powers for integrated skills provision to reflect local employers / sector needs			17 Responsibility of resources and powers of the regional schools commissioner
	16 All Gov business support delivered through an integrated regional service with a single front door (Growth Hub)			
GAME-CHANGING PROJECTS	<p><i>Examples including:</i> York Central Enterprise Zone Bioeconomy Enterprise Zone* Costal Enterprise Zone* Potash &amp; Energy corridor Bridlington Marina Ultrafast broadband rollout</p> <p><small>*100% rates retention would enable additional bespoke self-funded EZs</small></p>	<p><i>Examples including:</i> York Central Derwent Park Northallerton Central Market/Futurist Scarborough Targeted initiatives for SME builders, starter homes, rural sites, and older persons housing</p>	<p><i>Examples including:</i> Dualling A1237 York ring road A64 dualling to Malton + Malton to Scarborough improvements A1079 dual and improvements York to Harrogate rail electrification Hull to Selby rail electrification</p>	<p><i>Examples including:</i> Energy Services public-private initiative Integrated targeted intervention programmes at a household level</p>
	<p><i>Over 20 year period:</i> Higher wages and productivity per head through key initiatives (by c.X% above baseline projections) leading to higher tax yields X GVA uplift 80,000 jobs Unlocking York Central alone will deliver 5,000 high value jobs and 250m GVA uplift 100% coverage of ultra-high speed broadband and latest generation mobile connectivity</p>	<p><i>Over 20 year period:</i> 108,000 homes An additional X homes (X% more) built above continuing at baseline housebuilding rates Accelerated delivery Targeted initiatives will ensure the right homes in the right places for the right people, so both supply <i>and</i> need are addressed Over 200,000 properties with reduced flood risk and £6.7bn damages avoided</p>	<p><i>Over 20 year period:</i> X GVA uplift delivered through integrated transport investment fund Reduced journey times from homes to key economic hubs and onward to London, Manchester and Edinburgh Greater agglomeration benefits to realise Northern Powerhouse X current commuters (+ more in the future) benefiting from smart ticketing across districts and with other combined authorities</p>	<p><i>Over 20 year period:</i> Ambitious public service efficiencies able to be realised More joined up services Constraints of the electricity grid tackled locally and a cost effective and sustainable energy to the National Grid Improved outcomes for young people, with greater career prospects Reductions in state dependency</p>
OUTCOMES				

# 'ASKS' OF GOVERNMENT TO DELIVER OUR AMBITION

## Delivering locally driven sustainable revenue

### High value economic growth

- 1) 100% retention of growth in business rates to be allocated towards unlocking key sites and infrastructure enhancements for high value economic growth, for example to deliver self-funded bespoke enterprise zones focussed on key high value sectors. Alongside this:
  - Support for EZ status for key sites as part of latest competitive round
  - To explore with Government the possibility of alternative approaches to retention of local business rates to replace receipt of Revenue Support Grant

### Addressing housing needs

- 2) X% retention of Residential Stamp Duty Land Tax (SDLT) on new homes built in the region

### Addressing housing needs

- 3) Freedoms and Flexibilities for the Housing Revenue Account:
  - Retention of full Right To Buy capital receipts to invest in new stock
  - Retention of market rents charged to high earners (equal treatment with Housing Associations)
  - Debt cap lifted on Housing Revenue Account, with authorities able to determine what to borrow themselves following principles set in the Prudential Borrowing Code
  - When properties become vacant, flexibility to allocate, where there is demand, from waiting list rather than sale
  - There may be scope to consider pooling HRA resource in the future although this should be with a view to meeting identified needs

### Connecting residents & businesses

- 4) Power to exercise a time limited levy to fund major cross-authority infrastructure projects (e.g. through Combined Authority being granted the same business rates supplement powers currently provided to county and unitary authorities), where public support can be demonstrated

### Better public services

- 5) Explore with Government how to address the difficulties, delays and high cost in getting connections to the National Grid, ensuring that Distribution Network Operators target investment at areas zoned for economic development in our spatial plan  
*This will enable the potential development of a regional public-private partnership, potentially in the form an Energy Services Company (ESCO) to enter the energy generation sector, utilising the region's unique assets to:*
  - *Provide cost effective and sustainable locally produced renewable energy to the National Grid, local customers, and local businesses;*
  - *Tackle the constraints on the electricity grid locally;*
  - *Improve ability to attract inward investment from high energy use sectors*
  - *Integrating a range of other services and initiatives under one body*

## Delivering a long term investment approach

High value economic growth	Addressing housing needs	Connecting residents & businesses	<p>6) Powers to take an integrated approach to infrastructure, housing development and spatial planning in the region:</p> <ul style="list-style-type: none"><li>- Responsibility for a devolved and consolidated transport budget, with a 20 year settlement</li><li>- Control of a single multi-year housing and regeneration investment fund (including HCA budgets, and with an agreed recovery rate for Government)</li><li>- Responsibility for budgets (including DCMS/ BDUK) and a share of 5G licensing receipts to deliver ultra-fast broadband provision and next generation mobile connectivity.</li><li>- Responsibility for devolved flood and coastal risk management powers, assurance accountability and capital and revenue budgets (currently undertaken by the Environment Agency on behalf of Defra)</li><li>- To explore with Government how the New Town Act 1981 might be amended to enable more than one new settlement to be efficiently delivered to meet the aspirations for growth within the region.</li></ul>
----------------------------	--------------------------	-----------------------------------	--

High value economic growth	7) Intermediary body status and associated share of management budgets to enable the management of European Structural and Investment Funds (ESIF).
----------------------------	---

High value economic growth	8) Explore with Government the potential to devolve powers and funding from DEFRA to coordinate support for rural areas including the work of the Environment Agency, Natural England, MMO, RDPE and Coastal Communities Fund to support rural jobs growth.
----------------------------	---

Connecting residents & businesses	<p>9) The ability for the Combined Authority to act a Strategic Transport Authority, with powers of an ITA, and a comprehensive strategic investment plan across the devolved geography, including:</p> <ul style="list-style-type: none"><li>- Responsibility for a devolved and consolidated transport budget, with a 20 year settlement</li><li>- Joint agreement with Highways England on a strategic investment plan and priorities for the strategic network within the devolved geography.</li><li>- Explore enabling devolved local discretion in the operation of a concessionary fares scheme for pensioners and people with specific disabilities or needs</li></ul>
-----------------------------------	---

Better public services	<p>10) Explore the possibility of joint working/commissioning with the DWP to:</p> <ul style="list-style-type: none"><li>- achieve an integrated approach to troubled family funding*</li><li>- to address worklessness (currently Work Programme) and integration of DWP Youth Contract with our skills and employment agenda</li></ul>
------------------------	--

11) Explore with Government the possibility to integrate health and social care budgets and planning processes. [wording to be refined]

## Delivering focussed tools unlock the key barriers and opportunities

- 12) Control of public sector assets to support the region's economic growth:
- To work with Government to establish a Land Commission for the region
  - Through this body, control of strategically important regional Network Rail, HCA and MoD capital assets which are unused or to be disposed of
  - Through this body, control where small strips of publically owned land is blocking strategically important development
  - To take ownership and control of other public/quasi-public operations, including Trust Ports, where necessary to facilitate development

- 13) The ability for the Combined Authority to create Development Corporations, and have compulsory purchase powers, both subject to the agreement of the leader(s) of the local authorities in the relevant area. Alongside this:
- Explore with how powers and legislation around a development corporation might be amended to enable the provision of infrastructure funded through the uplift in land values.

14) Responsibility for franchised bus services in the devolved geography for integrating smart ticketing across all local modes of transport, including integrated smart ticketing extension to the Transport for the North connected cities ticketing initiative

## Delivering the enablers for business and education inspired growth

High value  
economic growth

15) Control of budgets and related powers for integrated local skills provision which reflects the needs of employers and local sectors, including:

- Devolved Further Education (FE) capital and revenue budgets (including 16-18 provision). Our focus of this will be building on excellent provision and raising standards further.
- Devolved budgets and responsibilities for careers advice in schools
- Devolved employer-led skills development funding
- Devolved Apprentice Grant for Employers in order to increase apprenticeship numbers in key economic sectors
- Local control of Small Business Unit of National Apprenticeship Service

High value  
economic growth

16) Government business support delivered through an integrated regional business support service with a single front door (Growth Hub) including;

- Devolved budgets for Business Growth Service (MAS, Growth Accelerator & UKTI Export Support)
- Devolved budgets from UK Agri-tech strategy to accelerate innovation in food, agri-tech & bio-economy, supported by world leading assets such as FERA Science Ltd and Bio-Renewables Development Centre
- Strategic influence and co-ordination over nationally delivered grants including Innovate UK Grants for Research & Development

Better public  
services

17) Responsibility and devolution of resources of the regional schools commissioner (including oversight of improvement work required in academies and the ability to determine the academy sponsor where new schools are being locally built) to enable closer involvement of local businesses/colleges and wider education community in the supply and delivery of academies, and enhance the sustainability and quality local educational provision.



## **STRENGTHENING GOVERNANCE TO DELIVER**

[insert Chief Execs Governance paper, 1 – 2 sides]