

Briefing:

York and North Yorkshire Devolution Deal (1 August 2022)

Executive summary

Context

- The government has agreed a [York and North Yorkshire Level 3 devolution deal](#), that will see a Combined Authority (CA) created (City of York Council and North Yorkshire Council) led by a Directly Elected Mayor (DEM).
- York and North Yorkshire were not listed as one of the nine county deal areas announced in the [Levelling Up white paper](#) (LUWP- Surrey County Council [SCC briefing](#)); however, the terms of this devolution deal make explicit reference to the Devolution Framework set out in the white paper and it is being described as the first “rural” mayoral combined authority.
- North Yorkshire Council is currently undergoing reorganisation to [become a unitary authority from April 2023](#). Cornwall and Durham are two other unitary authorities featured as part of the original nine county deal areas.
- A number of local challenges are noted in the deal that have clear alignment to the [12 headline Levelling Up missions](#): Poor rural digital connectivity; Poor transport connectivity; High house prices, coupled with low wages; Coastal deprivation, which puts the area in the bottom ten percent for social mobility.

Key points

Devolution framework – Significant parts of the deal relate to powers/functions that are reserved for areas pursuing a Level 3 DEM deal (e.g., multi-year investment fund; integrated transport settlement; Homes England partnership). The details about Level 2 powers/functions will be important to inform the development of some of Surrey’s draft proposals for a county deal.

UKSPF – The deal reaffirms government’s position that the devolved powers over planning and delivery of the UK Shared Prosperity Fund will not be transferred until 2025/26.

Supporting growth in private sector – The government has outlined an intention to work with existing Mayoral Combined Authorities on “trailblazer deals” to develop ‘*a holistic package of powers, roles, functions and strategic relationships to grow the private sector at a local level*’ and this will act as a blueprint for other county deals.

Local Enterprise Partnership (LEP) integration – The deal is consistent with government’s plans to include LEP integration as part of devolution deals. As York and North Yorkshire will become a CA, it outlines more details on how the current LEP will be incorporated as a non-voting member into the new body being created.

Adult Education Budget (AEB) – Control of AEB follows the model used in previous devolution deals and would be transferred in 2025/26 (aligned to timings of UKSPF control) subject to readiness requirements. It also notes the opportunity for match-funding from government to support implementation.

Clusters – Reference is made to two specific “cluster projects” (BioYorkshire and Scarborough Cyber Cluster) which aligns to a section in the LUWP where government

outlines the different types of role/support it will provide to foster clusters and improve connections between public and private sector.

Devolution Accountability Framework – The government has committed to producing a reformed accountability framework for all devolved institutions which will be published later this year. The aim is to improve the consistency of data and reporting, streamline approach to focus on clear and transparent outcomes and ensure the right mechanisms are in place to promote good practice, as well as address serious concerns.

Summary of the deal

A 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.

Key: * Level 1 ** Level 2 *** Level 3
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Directly elected mayor – 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. The mayor will have the power to set a precept to fund mayoral functions and the power to charge a business rate supplement (subject to ballot). ***

Investment and economic development –

- Control of a £18 million per year allocation of investment funding over 30 years (35 per cent capital, 65 per cent revenue), to be invested by York and North Yorkshire to drive growth and take forward its priorities over the longer term. ***
- 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 (YNY LEP) into 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. **
- 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. **

Transport – 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 a Key Route Network. **(available only to combined authorities)
- An integrated transport settlement starting in 2024/25 and an additional £1 million to support the development of local transport plans. ***
- A commitment to explore a local partnership with Great British Railways so that the mayor can help shape and improve local rail. ***

Skills – New powers to better shape local skills provision to meet the needs of the local economy, including:

- Devolution of the core Adult Education Budget. **
- Input into the new Local Skills Improvement Plans. **

Infrastructure and housing – 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 Gross Value Added (GVA) to the area, the government is minded to provide additional support to the York Central brownfield regeneration scheme. ***

Net zero and climate change –

- £7 million investment to enable York and North Yorkshire to drive green economic growth towards their ambitions to be a carbon negative region. This investment is subject to agreement of submitted business case. *
- Support to develop a Natural Capital Investment plan for York and North Yorkshire. *

Culture – Commitments to work in partnership with the area on the development and delivery of strategies to realise the region’s cultural potential. *

Public safety – 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. ***

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