

## Policy Committee – September 15<sup>th</sup> 2015

### Devolution



#### Report of the Chief Executive

Ward(s) affected: All

1. **Purpose of Report** – To update Members on the submissions to Government on devolution impacting on Craven and to agree a consultation process on devolution.
2. **Recommendations** – Members are recommended to:
  - 2.1 Note the contents of the report
  - 2.2 Agree the proposed consultation process outlined in 6.1
3. **Background**
  - 3.1 Combined Authorities (CAs) were introduced in England outside Greater London by the Local Democracy, Economic Development and Construction Act 2009. The first CA, covering the Greater Manchester area, was formally established on 1 April 2011. Further CAs were established in the North-East, West Yorkshire, Sheffield and Liverpool in April 2014. CAs bring together key decision-making powers into a single body, putting 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.
  - 3.2. Combined authorities have their origins in the 2012 Heseltine 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 its calls for devolution within English regions intensified following the Scottish referendum in September 2014.
  - 3.3 Greater Manchester Combined Authority (GMCA) has been leading the way and in November 2014 their 'City Deal' was published. This included devolving additional transport powers, a housing capital budget, and 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 GMCA to retain 100% of business rate growth, if certain targets are met. The GMCA 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 the ten GMCA leaders vote against proposals put forward. The role of the Greater Manchester police and crime commissioner will be rolled into the new mayoralty.

### 3.4 **Devolution Bill (Cities and Local Government Bill)**

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 Bill:



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 comprising devolution 'Asks' and an agreed geography over which devolved powers might be exercised. Such proposals are expected to be fiscally neutral.

3.5 Initial proposals needed to be with government by 4th September. Decisions on 'Asks' and geography cannot be taken without regard to potential governance arrangements. Craven DC is not part of a CA area and, as a lower tier district authority, cannot currently be a full member of a CA independently of the County Council (due to the County holding transport responsibilities). However, in April 2012 the Government issued a consultation on a Legislative Reform Order (LRO) that would remove such barriers. This has now been incorporated into the Cities and Local Government Bill. If the legislation is passed its effect will be to:

1. Enable local authorities with non-contiguous boundaries and "doughnut" authorities to join or form a combined authority
2. Enable a county council to delegate or share its transport functions with a combined authority for part of the county council's area; and
3. Simplify the administrative processes required to make changes to an existing combined authority.

- 3.6 The amendments to the Devolution Bill incorporating sections of the LRO have the following implications for CDC in joining a Combined Authority independently of NYCC:
- An order can be made to change the boundaries of the WYCA to include CDC as a full member with NYCC delegating its transport function in respect of the CDC area to the CA, however NYCC's consent to this will be required before an Order can be made.(See paragraph 3.3.1below)
  - CDC cannot be a full member of the CA without transport functions being delegated.
  - The process for changing the boundaries of the CA has been streamlined (it is not mandatory to prepare & publish a scheme). However, if one is prepared & published and consulted on, the Secretary of State need not carry out his own consultation before making the Order.
  - If the CA has an elected mayor, the mayor must consent to CDC joining
  - The Secretary of State would need to consider the impact on neighbouring areas if Craven joins the CA
- 3.7 As noted above, North Yorkshire County Council can veto Craven becoming a full member of the WYCA, and this "veto" has now been exercised by NYCC, a copy of the letter sent to the leaders of Selby, Harrogate and Craven is shown at Appendix A. However, there is still an option to become an 'associate member'.
- 3.8 In summary, the Devolution Bill streamlines the process for new joiners to a CA by removing the requirement to undertake a review and publish a scheme for CAs 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 re-iterates the need for all authorities to consent to the change for an order to be made.
- 4 Devolution geography and submissions**
- 4.1 At the time of writing this report there appeared to be three submissions that would be sent to Government by the September 4<sup>th</sup> deadline.
- A York City Region bid, involving all the North Yorkshire districts, NYCC, East Riding and with the door left open for Hull and the West Yorkshire Authorities. A copy of this submission is attached at Appendix B.
  - A Leeds City Region bid which includes the five West Yorkshire Authorities, namely Leeds, Bradford, Kirklees, Calderdale and Wakefield as well as York and the three NY Districts of Craven, Harrogate and Selby attached at Appendix E.
  - A "Greater Yorkshire" bid, covering the five West Yorkshire Authorities, NYCC and the seven Districts and East Riding. A copy of this submission is attached at Appendix D
  - A copy of the original letter and reply sent to the West Yorkshire Leaders from the "hinge" authorities of York and the three NY Districts is attached at Appendix C along with the actual submission at Appendix E
  - A fourth proposal was received on Friday September 4<sup>th</sup> from Kingston upon Hull. This is shown at Appendix F.

As stated above, NYCC have effectively vetoed this bid, so if the government is not willing to deal with the legal and technical issues associated with the bid, then the West Yorkshire authorities are likely to stay with the a Combined Authority based solely on that geography.

- 4.2 The Greater Yorkshire bid is not surprisingly an amalgam of the LCR and YCR bids.
- 4.3 Appendices B, D and E list the “asks” of government. However, it should be noted that these are very likely to change as a result of negotiation with government departments, if any of the submissions are successful. When those negotiations are complete it will be for each constituent council to formally approve or otherwise the final document, which is on the table, which will include detailed governance arrangements for the new Combined Authority.
- 4.4 The proposals, not surprisingly, have a good deal of common ground and both seek:
- Transport powers similar to Transport for London
  - Funding settlements over a longer time frame
  - The ability to introduce a time limited infrastructure precept that is not subject to capping
  - 100% Business Rates retention for new growth
  - Greater use of and control over surplus public assets
  - Devolved responsibility for management of European Structured Funds
  - Establishment of a Strategic Housing and Regeneration Fund
  - Powers akin to those enjoyed by a Land Commission or Development Corporation
  - Control over Further Education Capital Budgets.
- 4.5 Apart from geographical coverage, the most notable difference expected between the proposals is in relation to wider public sector reform. In their submissions the YNYER and Greater Yorkshire proposal covers alignment of health and social care and only the LCR proposal proposes transfer of powers currently vested in the Police and Crime Commissioner. All bids will have considerable hurdles to overcome in order to achieve their stated goals.

## **5 Devolution Financial Implications**

- 5.1 From a financial perspective, the devolution agenda is welcomed given the great potential economic benefit and large scale public service efficiency opportunities it presents. The issues in the following section should be taken in the context of the developing proposals, for which further detailed information is still required for the full implications to be understood.
- 5.2 There are many similarities between the ‘Asks’ of the Greater Yorkshire, Leeds City Region (LCR) and the York City Region proposals. As such, whichever proposal is pursued may give rise to the following financial/governance risks:

The proposals will involve massive sums of public expenditure. The financial affairs of Local Government are tightly governed by legislation, in particular s.151 of the

1972 Local Government Act and s.114 of the 1988 Local Government Act. Whilst the Devolution Bill has been amended to include provision of Scrutiny and Audit Committees for devolved authorities, clarity has not yet been provided on the internal financial governance arrangements of these bodies. This is particularly important in relation to income derived from Council Tax precepts given the need for a Local Government Chief Finance Officer to demonstrate fiduciary responsibility to local taxpayers.

- 5.3 Proposals throughout refer to cost neutrality of initiatives, however risks related to not realising this and on whom and how the liability for covering the cost requires consideration. The organisation will require monitoring systems to ensure that the return on spending is at least as effective as under the current system.
- 5.4 The proposals may be significantly affected by potential outcomes from the latest Comprehensive Spending Review which will be announced on 25 November 2015. With the protection afforded to Government spending around Health, Education, Defence and International Development, the scope for reducing overall public expenditure narrows to departments such as Communities & Local Government, Transport, Environment Food & Rural Affairs and Energy & Climate Change. Many of the proposals outlined are related to functions delivered directly or indirectly by unprotected Government departments, and whilst one of the outcomes of devolution will be to deliver efficiencies and economies of scale, the rate of funding reductions, which may fall between 25-40% by 2019/20, could outpace the ability to realise this.
- 5.5 Whilst welcoming 100% retention of local growth in business rates, clarity would be required as to arrangements for dealing with losses and safety nets as evident in the current system. Current pooling arrangements allow for pools to cease operation by giving notice in September of each year which is a useful safeguard if one pool authority looks like it will experience a significant future loss in rates, with the Government covering some of the loss with a safety net payment rather than the retained growth by other pool members. The presumption would be that by locking into a long term devolution deal, this flexibility would be lost.
- 5.6 A devolution deal based on the LCR geography would represent a significant change from current arrangements and would raise issues around precepting, policing and future liabilities. These are considered further in Appendix D and will need to be taken into account if/when CDC is asked to endorse the WYCA submission. More generally as the scope of the devolution proposals develop, it may be necessary to seek external advice in areas including provisions within Local Government legislation.

## **6 Consultation**

- 6.1 Whilst there has been very wide press coverage and members have been kept informed on the quickly changing geography and asks, there has been no formal public consultation. It is proposed that 3/4 public meetings are held, clustering parish areas together. This would include meetings in the north of Craven, Skipton area and South Craven and alongside this a web based consultation to obtain the

view of businesses and the public alike. These meetings would be scheduled for the autumn, after the feedback from government is received.

## **7 Implications**

7.1 Financial Implications - Covered in the report

7.2 Legal Implications – none at this moment in time

7.3 Contribution to Corporate Priorities – Financial Resilience

7.4 Risk Management - Covered in the report

### **7.5 Equality Impact Assessment -**

The Council's Equality Impact Assessment Procedure **has not been** followed. Therefore neither an Initial Screening or an Equality Impact Assessment has been undertaken on the proposed policy, strategy, procedure or function to identify whether it has/does not have the potential to cause negative impact or discriminate against different groups in the community based on age, disability, gender, race/ethnicity, religion or religious belief (faith), sexual orientation or rural isolation.

**8. Consultations with Others** – other North Yorkshire Councils, Leader and CLT.

**9. Access to Information: Background Documents** –  
Devolution Bill (Cities and Local Government Bill)

**10. Author of the Report** –  
Paul Shevlin, Chief Executive. Telephone - 01756706201  
Email: [pshevlin@cravendc.gov.uk](mailto:pshevlin@cravendc.gov.uk)

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

**11. Appendices** –  
Appendix A – Letter from the Leader of NYCC.  
Appendix B – York City Region submission  
Appendix C1 – Letter from WY Authorities  
Appendix C2 – Reply from the hinge Authority Leaders  
Appendix D1 – Greater Yorkshire Devolution Statement of Intent  
Appendix D2 – Greater Yorkshire Devolution Asks  
Appendix E - Leeds City Region submission  
Appendix F – Hull City Council Devolution Document

**Councillor Carl Les**  
Leader of the Council  
North Yorkshire County Council  
County Hall  
Northallerton  
North Yorkshire  
DL7 8AD  
Tel: 01609 536030  
Fax: 01609 778199  
Email: [cllr.carl.les@northyorks.gov.uk](mailto:cllr.carl.les@northyorks.gov.uk)

Our Ref: LS/CL

26 August 2015

*Dear Richard, Richard, and Mark*

As indicated at our last meeting in Harrogate, I discussed the transfer of powers with my Cabinet colleagues this morning, the first opportunity we have had with all members present.

I'm conscious that Richard (C) has used the phrase that he must consider any decision he takes to be of "benefit to the taxpayer", and I support that position completely. As County Councillors, and Richard is one himself, we need to be mindful that we have a responsibility to all the residents of North Yorkshire.

We believe that it is important, vital even, to maintain County functions as viable entities to deliver good services to our residents. The reason for rescinding the agency agreement some years ago, which related to Harrogate Town and Knaresborough, but not rural Harrogate Borough, was to ensure the future sustainability of such a service. The question we discussed this morning was not about exercising a veto, rather about why we should transfer powers. Would there be a benefit to the whole County area? We concluded, unanimously, that the case was not made.

We do not support a LCR bid for the numerous reasons we have advanced, but principally because it divides the County area into those who have opportunity, and those who have not.

We remain committed to a Greater Yorkshire bid, however difficult that may be. As a component part of that process we are also committed to developing a set of asks based on the NY, EY, York LEP boundaries. If this has to be seen as stand-alone in due course so be it, but its value is that it can be either.

In either case we do support the formation of a Strategic Transport body as part of a new Combined Authority arrangement where all partners will sit round a table to discuss the devolution of powers from central government, and where each authority will in future be able to directly influence the strategic transport issues that affect their local communities. I see all the hinge authorities having a voice in this process, and in a NY, EY and York model having an even stronger voice than in a Greater model. We would welcome such an involvement as

we seek to make improvements for all the residents we collectively serve. From conversations I have had with you, I'm sure we share the same sense of priorities and asks.

I would like to continue our dialogues, and also involve Don Mackenzie who is our Transport portfolio holder. I'm very happy to meet with you all individually, or collectively, and as quickly as you would like to meet. Don and I are both free over this weekend, and into next week.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Carl', with a stylized flourish at the end.

Carl Les  
Leader of the Council





A Devolution Proposition for the  
**City of York, North Yorkshire and East Riding**



The geography covered by this proposition; the City of York, together with the distinct communities of North Yorkshire and East Riding are a rich mix of urban, rural and coastal areas and offers much opportunity to help address shared local and national challenges, most notably the north-south productivity gap and the transformation of public services.





The geography covered by this proposition; the City of York, together with the distinct communities of North Yorkshire and East Riding are a rich mix of urban, rural and coastal areas and offers much opportunity to help address shared local and national challenges, most notably the north-south productivity gap and the transformation of public services.

Our leading edge science, innovation and knowledge based capabilities combine well with our strengths and ambitions in the agri-tech, bio-renewables, chemicals, food manufacturing and energy sectors. Our transport links, economic activities and housing markets are already closely intertwined with the growth of neighbouring City Regions.

We also have a strong service sector in our region, with significant financial sector employment in York (such as the insurance sector businesses Aviva and Hiscox). We also have a strong tourist sector across the region with the conference centre at Harrogate, the City of York, two national parks and a vibrant and varied coastline.

Significantly, there is also a demonstrable commitment to this region from the private sector. £5 billion private sector investment provides a once in a generation opportunity to realise the potential of our area. This includes a range of key projects such as innovative carbon capture and storage initiatives, the cutting edge National Agri-Food Innovation Centre, the recently approved £1.7 billion investment into the potash mine near Whitby, the Humber ‘Energy Estuary’ brand which has seen £1.3 billion of recent investment in offshore wind developments.

The York, North Yorkshire and East Riding partners, including our Local Enterprise Partnerships 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 increase in productivity for the region and an 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 economic geography, including York** the city with the highest level of skills in the north, equidistant between London and Edinburgh and with advantages in rail, bio tech and the financial services industries.
- ▶ Whilst our urban areas will be the key driver of our efforts to rebalance economic growth, our rural and coastal areas are vital to the region’s future prospects. We fully agree with the recently published Government 10 point plan for **rural productivity** and our plan is aligned to this.
- ▶ We will also ensure that we **invest strategically to address housing issues in our region**, specifically delivering at least 108,000 new homes over 20 years across all our geographies, in keeping with Local Plan processes, whilst protecting areas of natural beauty and the greenbelts of our urban areas and the character and variety of our towns, villages and coast.
- ▶ 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. As an area, we are committed to maximise the opportunity to work in close conjunction with Government Departments and statutory providers to secure efficiency gains. 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. This document is built on these principles.

“  
Devolution on the geography of the YNYER LEP allows an unique opportunity to create a Cambridge of the North by using the innovation assets that emanate from the region and to use them to drive productivity, economic growth and well-being of this area. By maximising the regions assets and building on £5 billion private sector investment in food, agri-tech and energy, we will create the perfect environment for innovation, delivering good quality jobs across the region.

Greater devolution allows us to shape the needs of the locality to deliver on this vision. We will do this by connecting businesses through high speed broadband and improving the physical infrastructure through housing, roads and transport links. We will link businesses with the institutions that drive innovation.

The York and North Yorkshire with East Riding LEP is committed to supporting the Northern Powerhouse and believes the way forward is to organise ourselves into business sectors across the North. Businesses can then more easily support each other with innovation, University links, best practice, supply chain development and targeted inward investment. Sector working also has the advantage of removing both political and boundary constraints.”

Barry Dodd CBE - LEP Chairman



TO DELIVER HIGH VALUE ECONOMIC GROWTH, BETTER PAID JOBS & IMPROVED BUSINESS PERFORMANCE

Higher wages and productivity per head through key initiatives leading to higher tax yields  
80,000 jobs

Unlocking York Central and Flaxby Business Park alone will deliver 10,000 high value jobs and 750m GVA uplift

100% coverage of ultra-high speed broadband and latest generation mobile connectivity

TO ADDRESS REGIONAL HOUSING NEEDS

108,000 homes

An additional 48,000 homes (80% increase) above current housebuilding rates

Accelerated delivery

Targeted initiatives will ensure the right homes in the right places for the right people, so both supply *and* need are addressed

Over 200,000 properties with reduced flood risk and £6.7bn damages avoided

TO CONNECT RESIDENTS & BUSINESSES BETWEEN KEY HUBS IN THE REGION AND BEYOND

An uplift to our local GVA 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

Over 70,000 current commuters (+ more in the future) benefiting from smart ticketing across transport authorities and with other combined authorities

TO DELIVER BETTER PUBLIC SERVICES & UTILITIES

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

WHAT WE WILL DELIVER...\*

...THROUGH GAME-CHANGING PROJECTS...

*Examples including:*

York Central Enterprise Zone  
Bioeconomy Enterprise Zone\*  
Costal Enterprise Zone\*  
Potash & Energy corridor  
Harrogate & Skipton Business Parks  
Ultrafast broadband rollout  
Yorkshire Harbour and Marina

\*100% rates retention would enable additional bespoke self-funded EZs

*Examples including:*

York Central  
Derwent Park  
Northallerton Central  
Market/Futurist Scarborough  
Targeted initiatives for SME builders, starter homes, rural sites, and older persons housing

*Examples including:*

Dualling A1237 York ring road  
A64 dualling to Malton + Malton to Scarborough improvements  
Thirsk Parkway Station  
York-Harrogate-Leeds rail electrification  
Hull to Selby rail electrification

*Examples including:*

Energy Services public-private initiative

Integrated targeted intervention programmes at a household level

...MADE POSSIBLE BY OUR ASKS

Locally driven sustainable revenue

1

100% retention of growth in business rates

9

30% retention of Residential Stamp Duty Land Tax on new homes built in the region

10

Freedoms and Flexibilities for the Housing Revenue Account

11

The ability to exercise a business rates supplement to fund major cross-authority infrastructure projects where public support can be demonstrated.

14

Unlocking a route to market for an Energy Services Company public-private initiative

A long term investment approach

2

Powers to take an integrated approach to infrastructure, housing development and spatial planning in the region, with multi-year consolidated budgets

3

Stronger co-commissioning for European funding (ESIF)

4

Devolved powers and funding to deliver rural growth

12

A Combined Transport Authority with a comprehensive strategic investment plan across the devolved geography

15

Explore joint working/commissioning with the DWP around employability and troubled families

16

To work with Gov to develop a sustainable model for health , social care and blue light services in our region

Focused tools to unlock the key barriers and opportunities

5

Land Commission for the region with control over key public sector capital assets for regional economic growth

6

Power to create a Development Corporation, with compulsory purchase powers

13

Responsibility for franchised bus services to enable integrated smart ticketing across all local modes of transport

Enablers for business & education inspired growth

7

Control of budgets & powers for integrated skills provision to reflect local employers / sector needs

8

All Gov business support delivered through an integrated regional service with a single front door (Growth Hub)

17

Responsibility of resources and powers of the regional schools commissioner



# ‘ASKS’ OF GOVERNMENT TO DELIVER 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. As a region, we are committed to working together to deliver these ambitions within the freedoms already afforded by Government. We believe we will make significant progress 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 through the deal proposed below.

## TO DELIVER HIGH VALUE ECONOMIC GROWTH, BETTER PAID JOBS & IMPROVED BUSINESS PERFORMANCE

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 (including high value chemicals), building on the world-recognised research at the University of York, Fera Science Ltd, Saltend Chemicals Park 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.
- ▶ 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, including development of the Yorkshire harbour and Marina, Bridlington.

Therefore to enable this, our ‘asks’ are:

**1) 100% retention of growth in business rates to be allocated directly towards unlocking key sites and infrastructure enhancements for high value economic growth in the region,** and to deliver self-funded tailored 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.

This will provide us with sustainable, locally driven funding to unlock key sites and infrastructure enhancements.

**2) Powers to take an integrated approach to infrastructure including transport, housing development and spatial planning in the region:**

- ▶ Devolved powers for the Combined Authority to undertake strategic planning for growth through the formal recognition of a combined Spatial Plan which would require a unanimous vote from all local authorities and an associated strategic infrastructure investment plan.
- ▶ Responsibility for a devolved and consolidated transport budget, with a multi-year settlement
- ▶ Control of a single multi-year housing and regeneration investment fund (including HCA budgets, and with an agreed recovery rate for Government)
- ▶ Explore the scope to take responsibility for budgets (including DCMS/ BDUK) and a share of 5G licensing receipts to deliver ultra-fast broadband provision and next generation mobile connectivity.
- ▶ Explore the scope for additional flood and coastal risk management powers, assurance accountability and capital and revenue budgets (currently undertaken by the Environment Agency on behalf of Defra), developed through a Single Conversation approach

This will enable a more joined up and proactive approach to identifying opportunities to unlock growth potential and decision making while still facilitating input from communities at the local level. This will also mean the region is best placed to contribute to the higher level issues and relationships within the Northern Powerhouse and a more integrated approach between the major urban areas of West and South Yorkshire, the Humber and the North.

**3) A stronger co-commissioning role for the Combined Authority in the management of European Structural and Investment Funds (ESIF), including prioritisation of funds.**

**4) Devolved 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.**

**5) Management of public sector assets to support the region’s economic growth:**

- ▶ To work with Government to establish a Land Commission for the region, building on the work begun through the One Public Estate initiative, including the recent successful bid around York Central.
- ▶ Through this body, management of strategically important regional Network Rail, HCA and MoD capital assets which are unused or to be disposed of (i.e surplus assets); or small strips of publically owned land which are blocking strategically important development.
- ▶ To take ownership and/or powers of other public/ quasi-public operations, including Trust Ports, where necessary to facilitate strategic development.

This will ensure that our currently underused public sector sites (including York Central) realise their full potential and unlock maximum economic growth for the region.

**6) 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.**

This will unlock the maximum growth potential for the region whilst enabling to address site-specific challenges.. Integrating the resources and capacity of the HCA and local authorities will increase efficiency, enabling focused action and more effective use of powers to speed up development (including around the development of our constrained town centres). It will foster a strong, strategic dialogue with key developers and landowners.

**7) 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 budgets. We will focus on excellent providers linked to key economic sectors.
- ▶ Devolution of a proportion of 16-18 participation funding (linked to existing rates of NEET) to target gaps in provision, reduce NEET and improve employability in key sectors.
- ▶ Devolved budgets and responsibilities for careers education, information, advice and guidance in schools leading to a careers inspiration service.
- ▶ Devolved employer-led skills development funding
- ▶ Devolved Apprentice Grant for Employers in order to increase apprenticeship numbers in key economic sectors
- ▶ Local control of the Small Business Unit of the National Apprenticeship Service
- ▶ Explore with government how the Ofsted regime might be flexed in order that local future employability needs can be better reflected

**8) 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, Saltend Chemicals Park, and Bio-Renewables Development Centre
- ▶ Strategic influence and co-ordination over nationally delivered grants including Innovate UK Grants for Research & Development.

**In return for this, our offer is to provide:**

- ▶ Local investment to unlock key sites, including £10m funding allocated to unlock the York Central site.
- ▶ Greater integration and therefore, efficiency savings around strategic planning, transport, skills and economic development functions.
- ▶ With business rate growth retention, a willingness to explore new additional tailored enterprise zones around high value sectors (e.g. bioeconomy), fully funded by the local area.

**TO ADDRESS REGIONAL HOUSING NEEDS**

Our region is already one of the most desirable places to live in England, including 2 of the top 5 places to live in the UK (Harrogate and York), and a beautiful rural hinterland and coast. 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. 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 whilst protecting our greenbelt and areas of natural beauty. We will continue our coordinated approach across districts to help to address disparities in supply and demand and affordability challenges across the region.

**Therefore to enable this, our ‘asks’ are:**

**9) 30% retention of Residential Stamp Duty Land Tax (SDLT) on new homes built in the region, to be used towards an integrated housing and regeneration investment fund (see below in ask 2).**

We estimate that, under current tax rates and thresholds, this could deliver around £75million over 20 years to invest in unlocking higher rates of house building in our region. Over the same 20 year period, we estimate that with the local ability to steer through more high quality development that delivers community benefit, Government will receive approximately 25% above what it would receive from our region without this measure. This could also enable a joint financial planning approach with Government to secure regeneration.

**10) 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)
- ▶ When properties become vacant, flexibility to allocate from waiting list rather than sale in areas of greatest need
- ▶ To explore the benefits of aligning HRA resource in the future with a view to meeting specific identified needs

**See also: 2) Powers to take an integrated approach to infrastructure including transport, housing development and spatial planning in the region:**

- ▶ Devolved powers for the new Combined Authority to undertake strategic planning for growth through the formal recognition of a combined Spatial Plan which would require a unanimous vote from all local authorities, and associated strategic infrastructure investment plan.
- ▶ Control of a single multi-year housing and regeneration investment fund (including HCA budgets, and with an agreed recovery rate for Government)
- ▶ Explore the scope for additional flood and coastal risk management powers, assurance accountability and capital and revenue budgets (currently undertaken by the Environment Agency on behalf of Defra)

In particular, working closely with the HCA around their funding programmes and assets would enable a range of resources to pulled together to increase development capacity.

**See also: 5) Management of public sector assets to support the region’s economic growth:**

- ▶ To work with Government to establish a Land Commission for the region, building on the work begun through the One Public Estate initiative, including the recent successful bid around York Central.
- ▶ Through this body, management of strategically important regional Network Rail, HCA and MoD capital assets which are unused or to be disposed of (i.e surplus); or small strips of publically owned land which are blocking strategically important development
- ▶ To take ownership and/or powers of other public/quasi-public operations, including Trust Ports, where necessary to facilitate strategic development.

**See also: 6) 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.**

**In return for this, our offer is to provide:**

- ▶ Local investment to unlock key sites
- ▶ Delivery of the full local plan allocations across the region, increasing current housebuilding rates by 80% (48,000 homes over 20 year period) and focusing development in sustainable locations and encouraging brownfield development.
- ▶ A reduction in the future burden on public services by delivering the right type of housing in the right location to meet locally identified need.
- ▶ Greater integration and therefore, efficiency savings around strategic planning and housing functions.
- ▶ Willingness to take on risk of delivery on devolved departmental responsibilities.



TO CONNECT RESIDENTS & BUSINESSES  
BETWEEN KEY HUBS IN THE REGION

We need to improve transport connectivity and journey times across and beyond our area for both passengers and freight. As the intersection between Manchester, Leeds, and Newcastle, providing direct access to global markets through the Humber Ports, and with York having the fastest connections to London of any Northern city; the region plays 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 our urban centres, market towns and considerable rural population into key economic hubs including York, Leeds, Bradford, Manchester, Sheffield and Hull (and the Humber ports), with coordinated investment and integrated ticketing and pricing across the entire region. This will provide benefits, not just in the movement of people, but in the movement of freight around our region.

Therefore to enable this, our ‘asks’ are:

**11) Combined Authority granted the same business rates supplement powers currently provided to county and unitary authorities to have the potential to exercise a time limited levy to fund major cross-authority infrastructure projects, where public support can be demonstrated**

**12) The ability and powers for the Combined Authority to deliver strategic transport planning, joint transport investment,** smart ticketing, bus regulation and other transport priorities both by itself and together with other transport authorities, principally West Yorkshire, and collaboratively as part of Transport for the North, including:

- ▶ Responsibility for a devolved and consolidated strategic transport budget, with a multi-year settlement
- ▶ Joint agreement with Highways England on a strategic investment plan and priorities for the strategic network within the devolved geography.
- ▶ Statutory Consultee/Service Specifier Status alongside the former PTE areas for the development with Network Rail of Initial Industry Plans, with DfT for in franchise train service specification changes and with the Office of Road and Rail, for track access for both franchise Train Operator and Open Access Operator requests for paths.

**13) 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.

**See also: 2) Powers to take an integrated approach to infrastructure including transport, housing development and spatial planning in the region**

**In return for this, our offer is to provide:**

- ▶ Local investment to unlock key transport improvements.
- ▶ Greater integration and therefore, efficiency savings around strategic transport functions.

TO DELIVER BETTER PUBLIC SERVICES & UTILITIES

We are clear that this is not just about sustainable economic growth but we will also need to be empowered to take the tough decisions locally to deliver public sector reforms to achieve efficiency gains across our large geographic area. We are committed to look at new delivery models across our area in order to offer achievable opportunities to deliver better public services at lower cost, especially to rural and coastal areas. For us, devolution is part of a model which sees integration and personalisation transferring power from Whitehall to our region, from the region to local places, from local places to practitioners and from practitioners to people who use services. Further integration will be key to this.

**Therefore to enable this, our ‘asks’ are:**

**14) To explore with Government how to address the difficulties, delays and high cost of 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, especially through delivery of the Carbon Capture facility at Drax
- ▶ Integrating a range of other services and initiatives under one body

**15) To explore with Government the possibility of joint working/ commissioning with the DWP to:**

- ▶ achieve an integrated approach to troubled family funding
- ▶ to address employability (currently Work Programme) and integration of DWP Youth Contract with our skills and employment agenda

**16) To work with Government to develop a sustainable future model for health, social care and blue light services in our region**

Our model of health and social care is focused around place-based commissioning, with high levels of engagement from GPs, practitioners and communities within localities. The current arrangements have engendered much greater local ownership, and a willingness to take difficult decisions. However, we need organisational certainty and planning confidence to enable long-term challenges to be addressed.

The current funding and regulatory system creates significant challenges for our system, particularly in terms of the transactional and seasonal costs incurred in very rural areas and coastal communities and the impact that these have, for example, on the sustainability of remote, medium-sized hospitals and the care market.

We would welcome a discussion with Government to explore potential scope for devolved powers and funding in areas such as the ability to make long-term financial decisions and maximise the efficiency of contractual arrangements over a longer period, workforce flexibility, the funding formula for rural and coastal communities, the tariff system, organisational stability and sector-led improvement and local prioritisation of access to secondary care.

We would also be interested in exploring potential flexibilities around our Public Health responsibilities, including how we work together across the NHS and local government on issues such as pharmacy services, prison health, military and veteran health, alcohol pricing, the use of planning legislation on food outlets and maximising the use of locally sourced food (linked to other initiatives to promote agriculture and local tourism) and potential measures to promote healthy communities and physical activity through planning, housing and education.

Whilst we recognise that our geography is not co-terminus with police force areas, we also wish to explore the scope to reform and reconfigure ‘blue light’ services to provide a more effective and value for money service especially in rural areas nitially through the integration of first responder resources, prevention campaigns and multi-agency approaches to the adoption of information technologies. Our aim to achieve alignment of structures and accountability in the longer term.

**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, enhance the sustainability and quality local educational provision.

**In return for this, our offer is to provide:**

- ▶ A full commitment to integrate our services and help deliver better quality, more efficient public services at the regional level.



# STRENGTHENING GOVERNANCE TO DELIVER

To successfully deliver the proposed devolution deal, we are committed to building strong and accountable regional governance arrangements to oversee the extra powers and resources gained through the deal and take an integrated approach across policy areas and functions. This would include City of York Council, North Yorkshire County Council, the York, North Yorkshire and East Riding Local Enterprise Partnership, East Riding of Yorkshire Council Selby District Council, Harrogate Borough Council, Craven District Council, Richmondshire District Council, Hambleton District Council, Ryedale District Council and Scarborough District Council.

There is no unanimous agreement at this stage from all the authorities in West, North and East Yorkshire to enable a devolution agreement between all of these authorities, although many of these authorities would support that geography. However, given the aspiration to work towards arrangements across this wider geography, we would ensure that governance proposals would be developed and implemented in a way which can include West Yorkshire and Hull.

The principle behind the proposal is one of equity for constituent members and this would take the form of:

- ▶ Introduction of a directly elected mayor to cover the geography as specified in the agreement. A mayor would provide a clear point of accountability, speak with one voice for the Combined Authority ensuring the continuation of strong democracy in the region, act as a uniting voice between the authorities and help enable authorities to work effectively together to deliver services and support growth at this wider spatial level.
- ▶ A Combined Authority acting as the overarching governing body for the region to co-ordinate key economic development, regeneration and transport functions, as well as progressing other elements included in the proposal. The Executive Board / Cabinet would include the leaders of the constituent authorities. This will ensure a joined up and consistent approach is taken and will ensure we are functioning as effectively as possible to deliver the best outcomes for the region.
- ▶ Through integrated arrangements, the Combined Authority would seek sufficient powers to enable it to deliver strategic transport planning, joint transport investment, smart ticketing, bus regulation and other transport priorities both by itself and together with other transport authorities, principally West Yorkshire.
- ▶ The Combined Authority would look to establish sub-committees, commissions and/or advisory groups as it sees fit when the specifics of the devolution deal are known.
- ▶ Voting arrangements and budgetary contributions will need to be agreed by all constituent authorities, and as such these will be developed by the partner authorities.
- ▶ Provisionally, it is proposed to establish the Combined Authority by April 2017(?), with early establishment of shadow arrangements from April 2016.
- ▶ The Combined Authority will also have a key role in fostering strong relationships with neighbouring combined authorities, including Tees Valley, West and South Yorkshire and Lancashire in order to work together on cross border issues or those strategic issues best addressed at a wider geography.

We acknowledge the need for this work to be sufficiently resourced, both throughout the development of a devolution deal and subsequently, and we are making plans to do this accordingly.





Cllr Richard Foster  
Leader, Craven District Council

Cllr Richard Cooper  
Leader, Harrogate Borough Council

Cllr Mark Crane  
Leader, Selby District Council

Cllr Chris Steward  
Leader, City of York Council

CC: Roger Marsh OBE  
Chair, Leeds City Region Enterprise Partnership

20<sup>th</sup> August 2015

BY EMAIL

Dear Councillors Foster, Cooper, Crane and Steward,

We want to formally seek your support to secure our unanimous preference for a transformational devolution deal with the Government which covers the geography of the Leeds City Region, that includes West Yorkshire and the Districts of Craven, Harrogate and Selby and the City of York.

You may be aware that Government is requiring City Regions that want to agree a devolution deal in return for a mayor by the Spending Review to submit their proposals and an agreed geography to the Treasury, as a basis for negotiation, by 4 September 2015.

Ahead of this particular deadline, we shall be seeking a meeting with the Commercial Secretary to the Treasury to make the case for a deal to cover the City Region geography and therefore it would strengthen the force of the argument to have your in principle support.

Although securing devolved powers down to the Leeds City Region geography will pose some technical and administrative challenges, the pros side is compelling:

- an economic powerhouse in its own right with a population of 2.8m with a GVA of £57.7bn;
- a coherent economic geography, with a 92.7% self-contained labour market, and particular synergies such as between York, Harrogate and Leeds;
- very strong business support and a LEP that covers the full Leeds City Region area;
- through the award of the biggest Growth Deal in the country, Government's recognition of the extraordinary level of ambition contained in the Leeds City Region Strategic Economic Plan (SEP);

- a set of fiscal, transport, housing, business, skills, and public service devolution proposals (attached to this letter) which we believe would transform our ability to deliver the SEP's ambition to deliver extraordinary economic growth to all parts of the City Region; and
- has economic clout to provide a strong voice in our proposals for a 'Council for the North' which establishes formal links with Sheffield, Manchester, the North East, Merseyside, the East Riding and Humberside.

The timescales for submitting proposals to Treasury are tight and it is currently a period when many have holiday leave commitments. Hopefully however we can collectively work together towards a devolution deal with Government which covers the geography of the Leeds City Region and which reflects our shared level of ambition. If this does not prove to be deliverable we will progress on a West Yorkshire basis and seek your involvement on an associate partner basis in order to work towards our shared ambition.

Yours sincerely



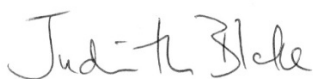
**Cllr David Green**  
Leader  
City of Bradford MDC



**Cllr Tim Swift**  
Leader  
Calderdale Council



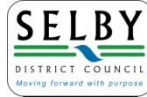
**Cllr David Sheard**  
Leader  
Kirklees Council



**Cllr Judith Blake**  
Leader  
Leeds City Council



**Cllr Peter Box**  
Leader  
City of Wakefield Council



Cllr David Green  
Leader, City of Bradford MDC

Cllr Tim Swift  
Leader, Calderdale Council

Cllr David Sheard  
Leader, Kirklees Council

Cllr Judith Blake  
Leader, Leeds City Council

Cllr Peter Box  
Leader, City of Wakefield Council

Copy to: Roger Marsh OBE, Chair, Leeds City Region Enterprise Partnership

4<sup>th</sup> September 2015

Dear Councillors Green, Swift, Sheard, Blake and Box

May we first thank you for your kind invitation to support the formation of a Combined Authority and to progress a devolution deal based on the Leeds City Region (LCR) footprint. This has been received positively by us. As a group of authorities we have a history of working well together and achieving mutual goals for the Leeds City Region, its businesses, visitors and residents.

However, we also recognise the “technical and administrative challenges” as you state in your email and we would add legislative challenges around the Police and Crime Commissioner (PCC) position and the potential of veto by another authority. We are keen, though, to constructively examine and facilitate all viable options which are submitted on 4 September prior to making a final decision later in the autumn. We are therefore willing to work with you to overcome those hurdles and to explore potential solutions.

This will not prejudice the choice we make but will allow us to objectively assess the benefits of each option in the full knowledge that it is technically viable.

Whatever the outcome, we would still want to see positive collaboration between our authorities for many of the economic reasons you outline.

Yours sincerely

**Cllr Chris Steward**  
Leader, City of York Council

**Cllr Richard Foster**  
Leader, Craven District Council

**Cllr Richard Cooper**  
Leader, Harrogate Borough Council

**Cllr Mark Crane**  
Leader, Selby District Council

# GREATER YORKSHIRE, GREATER AMBITION

## Greater Yorkshire Devolution: Statement of Intent

*“The Northern Powerhouse will be a success if the North has a fast growing economy linked together by world class infrastructure. In order to achieve scale and critical mass we must evolve as one diverse economy and not several. As a powerful economic bloc we will compete on a world scale. This is not a UK competition.*

*The York and North Yorkshire with East Riding LEP believes the way forward is to organise ourselves into business sectors across the North. Businesses can then more easily support each other with innovation, University links, best practice, supply chain development, forward planning for skills and targeted inward investment. Sector working also has the advantage of removing both political and boundary constraints.*

*Devolution is necessary at a level which will support our ambitions. The international brand recognised and supported by most of our people is Yorkshire. When working ‘abroad’ we are proud to tell people ‘we are from Yorkshire’. Therefore devolution at a Greater Yorkshire level is our first choice. It makes sense. We believe this will provide the scale needed to successfully deliver the skills and physical infrastructure necessary for growth.”*

Barry Dodd CBE, Chair Y, NY, ER LEP

We the persons listed below are pleased to submit the attached Statement of Intent outlining our proposals for a devolution deal on the geography of Greater Yorkshire consisting of

Bradford	Calderdale	Craven	City of York
East Yorkshire	Hambleton	Harrogate	Hull
Kirklees	North Yorkshire	Leeds	Richmondshire
Ryedale	Scarborough	Selby	Wakefield

It is our wish that all 16 local authorities work with our 3 Local Enterprise Partnerships and the private sector to deliver real economic growth.

In recognition of the uniqueness of our history and strength of our locality, our preferred option is to open up detailed dialogue with Central Government on a devolution deal centred around the geography of Greater Yorkshire as our preferred option.

We believe that the sense of attachment to the locality of Yorkshire is unique and provides an ideal opportunity to provide a devolution deal on a scale which will allow Greater Yorkshire to compete on a global scale and provide the engine to drive the Northern Powerhouse. The scale of such a devolution deal will allow the authorities to come together to provide an effective body to tackle the key issues for the region. We consider that this option will provide the strongest solution to support local growth, create faster transport links between cities and rural areas, improve skills and increase training.

We must accept that South Yorkshire has decided that they will be responsible for their future. This geography ensures that Greater Yorkshire, all of Yorkshire except South Yorkshire, provides for all local authorities to be included in the Northern Powerhouse project, with no one being excluded because of location or economic challenge.

We feel that this proposed geography meets the Chancellor's call to be ambitious. We believe that although diverse we can bring together the financial power of the Leeds City region, Britain's third biggest port complex at Hull, the renewable energy projects of the Humber and the Coastal area, the agri-business, world-class food manufacturing, and outstanding tourism assets of North and East Yorkshire and York, and York's role as a Science City, the energy generation in Selby which powers our industries and keeps the country's lights on, and the massive contribution potash mining will add to our national GVA

Moreover Greater Yorkshire is more recognisable than its constituent parts, and brings together a rich tapestry of rural and urban economies. The millions who watched the Tour de France Grand Depart not only appreciated the individual locations, but also took away an impression of a collective and connected place.

Working together has seen an All Party Parliamentary Group of MP's deliver benefits for the region

Our aspirations are:

1. Transform Public service delivery
2. Raise Productivity
3. Significantly accelerate housing delivery
4. Invest in infrastructure to provide faster connectivity between cities and global gateway ports and airports

Working in partnership with the Government we will:-

Transform public service delivery through strong and transparent leadership and governance and by a commitment to work together to provide high quality services to our residents in a fiscally responsible way.

Increase productivity by raising skills and aspirations among our workforce and supporting the development of key industrial sectors including sustainable energy, advanced manufacturing and engineering, traditional service industries and new digital industries, biotechnology and agritech industries.

Increase the rate of house building to meet the needs of our growing population, support economic growth and provide affordable high quality housing for everyone in the region.

Invest in transport and communications infrastructure which provides faster connectivity between cities, global gateway ports and airports to ensure that Greater Yorkshire sits at the heart of the Northern Powerhouse.

### **Devolution of Powers to Greater Yorkshire**

The geography of Greater Yorkshire has a historic and proud identity which is recognised worldwide. Yorkshire provides a real sense of place and tradition with which residents are proud to identify. The Yorkshire brand is a powerful driving force behind a unique devolution opportunity which needs to be explored in greater detail. This devolution deal allows Greater Yorkshire to make decisions about its future which will further raise the profile of the area across the country and abroad.

Greater Yorkshire has a population of 3.7m and a GVA of £73bn A Greater Yorkshire (GY) would provide the optimum locality to devolve a range of functions to have the greatest impact for the region and to provide a true powerhouse of the North.

It is noted that Greater Yorkshire has the potential to provide real growth opportunities and compete on a world stage. Greater Yorkshire has:

- Yorkshire has a clear identity and would be able to speak with one voice on issues of transport and economic development, ensuring the region is heard on the national and international stage.
- Unity under a global brand of “Yorkshire”.
- Strategic consideration of major infrastructures such as motorways, airports and the Port of Hull.
- An opportunity for better connections across Yorkshire to access exporting and support key sectors of the economy.
- The best opportunity to “punch above our weight” in the northern powerhouse for all areas of Yorkshire
- 93% of journeys to work starting in GY are internal to GY
- The biggest devolution deal in the country

We have attached an annex illustrating the Greater Yorkshire asks which combine both the desires of the West Yorkshire Combined Authority and the York, North Yorkshire and East Yorkshire proposals. The annex also shows how closely aligned the asks are across the region and provides a valuable opportunity to be more ambitious by developing our conversation further with the Treasury for a greater devolution deal that will bring further benefits to all our residents. The size of the proposed geography and economy should give greater confidence that further powers can be devolved to the Mayor and the Combined Authority for Greater Yorkshire.

It is considered that the geography of Greater Yorkshire provides such a compelling case for devolution that greater time should be allowed to explore this option and that Central Government

should provide the greatest possible levels of flexibilities and freedoms to such a region to provide the best outcomes for local people.

There is a need to capture the moment and the momentum that the Chancellor has placed on offer, but it also only correct that time should be taken to pause and allow the largest devolution deal in the country to be done properly and for maximum effect.

### **Governance**

*"I want to hear what local councils, local people think is the best way to make sure that Yorkshire has a strong voice and that decisions that affect Yorkshire are taken in Yorkshire" - George Osborne*

*"We need a united region not a parochial carve-up" – political correspondent, Tom Richmond, writing in The Yorkshire Post.*

We believe that this option is the best way to give the people of Yorkshire a strong voice and to ensure that any decision about Yorkshire, will be made in Yorkshire. In return for devolution on this scale, we would see strong governance arrangements in place across the region which would consist of a single Combined Authority with an elected Mayor and an Executive of Leaders.

We strongly believe that any devolution deal must be through the agreement of all the local authorities involved and that devolution should not be forced on an unwilling partner. Each partner authority will then have the energy and the responsibility to sell the benefits of devolution to the residents it is elected to serve. We would like to open up discussions on this geography as we are convinced that a compelling case can be made for devolution on this scale that will have the greatest impact. In return we wish to have a devolution deal which reflects the scale of the geography and the variety of powers that would need to be devolved to drive. We have therefore submitted this statement of intent to allow more time to be given to explore this option with Government and with our partners so that this proposal can be taken forward as the preferred option for the region.

MEP's, MP's, Council Leaders, and Group Leaders have come together in discussions to consider a proposal that we believe is in the best interests of Yorkshire and its residents.

We now invite Government to work with us to develop this proposal.

So far the list of Councils, Group Leaders, MEP's and MP's supporting this proposal is below:-

#### **Council Leaders;**

Craven – Cllr Richard Foster , City of York – Cllr Chris Steward , East Riding of Yorkshire – Cllr Stephen Parnaby, Hambleton – Cllr Mark Robson, Harrogate – Cllr Richard Cooper , Hull City – Cllr Stephen Brady , North Yorkshire – Cllr Carl Les, Richmondshire – Cllr Yvonne Peacock , Ryedale – Cllr Linda Cowling , Scarborough – Cllr Derek Bastiman , Selby – Cllr Mark Crane



**Conservative Group Leaders;**

Bradford – Cllr Simon Cooke, Calderdale – Cllr Stephen Baines, Kirklees – Cllr Robert Light,  
Leeds - Cllr Andrew Carter, Wakefield – Cllr Nadeem Ahmed

**Member of European Parliament;**

Timothy Kirkhope

**Members of Parliament;**

Craig Whittaker, Jason McCartney, Julian Smith, Julian Sturdy, Kevin Hollinrake, Nigel Adams, Rishi Sunak, Stuart Andrew, Alec Shelbrooke, Robert Goodwill, Diana Johnson, Alan Johnson, Karl Turner

*"The word great is often overused in marketing, but Yorkshire truly is a great region, with great people, and great businesses. Yorkshire has a strong brand which is recognised worldwide, and the Tour de France showed that when we work together we can achieve the greatest of things."*

Gary Verity, Welcome to Yorkshire

### Devolution Asks for Greater Yorkshire

The following compares the asks from the West Yorkshire Combined Authority (WYCA) with the emerging York, North Yorkshire & East Riding area (YNYER) and then concludes with the potential ask for a Greater Yorkshire. The analysis starts broadly with the asks and headings submitted by WYCA.

As can be seen, a Greater Yorkshire deal should be capable of securing a greater number of asks than the 2 individual components. Both areas can remain as building blocks for a Greater Yorkshire and some asks can be granted to a Greater Yorkshire but then only exercised in areas where there is support and government approval (e.g. infrastructure precept exempt from council tax capping).

In addition, there may be bolder asks which can be put forward on the Greater Yorkshire footprint. We will work with Government to develop further ideas. A successful devolution deal would, in any case, create a stronger voice well placed to increase devolved powers as further opportunities are identified.

#### **Fiscal**

		WYCA	YNYER	Gt Yorks
	Control of a 10-year infrastructure precept, which is exempt from the Council Tax capping regime to deliver major new investments such as a world class Metro style public transport network that is HS2 and HS3 ready	✓	x	WY Only
	Power to levy and retain a Supplementary Business Rate to invest in major strategic infrastructure in a similar way to London Crossrail scheme	✓	Part only; time limited and only for specific projects	Part only; time limited and only for specific projects
	Retention of share of Residential Stamp Duty Land Tax on new homes built	x	✓	✓
	Retention of 100% of local growth in business rates	✓	✓	✓

#### **Transport**

		WYCA	YNYER	Gt Yorks
	Responsibility for a devolved and consolidated transport budget, with a multi-year settlement	✓	✓	✓
	Responsibility for franchised bus services and for integrating simple smart ticketing across all local modes of transport	✓	✓	✓
	Devolved ownership of local rail stations, with associated maintenance budgets	✓	x	✓
	Devolved powers for a locally defined strategic highways network	✓	✓	✓
	A memorandum of understanding with Highways England with regards to traffic management and emergency management M62	✓	x	WY Only

**Housing, Regeneration & Planning**

		WYCA	YNYER	Gt Yorks
	Control of Housing and Regeneration Investment Fund	✓	✓	✓
	Enterprise Zone / Tax Increment Financing status for major developments at growth areas	✓	✓	✓
	Control of public assets and land	✓	✓	✓
	Increased powers to bring forward strategic sites for development	✓	✓	✓
	Responsibility for a strategic investment plan to direct infrastructure investment priorities	✓	✓	✓
	Responsibility for budgets, including DCMS/BDUK, to deliver ultrafast broadband connectivity share of 5G licensing receipts to deliver next generation mobile ?	✓	✓	✓
	Responsibility for local energy generation and efficiency	✓	part	✓
	Responsibility for flood defence capital investment through devolved DEFRA and Environment Agency Powers and budgets	✓	✓	✓
	Freedom of flexibilities for Housing Revenue Account	x	✓	✓

**Growth/Investment**

		WYCA	YNYER	Gt Yorks
	Responsibility for managing European Structural and Investment Funds (ESiF)	✓	✓	✓
	Responsibility for devolved and integrated business support budgets	✓	✓	✓
	Allocation of a share of national investment for global R&D facilities to accelerate our Northern Powerhouse research and SME commercial strengths	✓	Part	✓
	Secure ring-fenced UKTI resource on inward investment and sector specialists, and deliver culture, arts and tourism through oversight of devolved funding held by Arts Council England and Heritage Lottery Fund	✓	x	✓

**Education, Skills & Employment**

		WYCA	YNYER	Gt Yorks
	Responsibility for regional education advisory services, care, multi-agency interventions	✓	✓	✓
	Powers to drive the improvement of careers advice and schools and for local authorities to intervene in failing academy schools deemed by Ofsted to be	✓	✓	✓
	Control of Further Education (FE) capital and revenue budgets (including 16-18 provision) and powers to reshape and re-structure local appropriate skills provision	✓	✓	✓
	Devolved budgets for employer-led skills investment	✓	✓	✓
	Devolve DWP national programmes and budgets targeted at addressing worklessness (currently work programme)	✓	✓	✓

**Public Service Reform**

		WYCA	YNYER	Gt Yorks
	To adopt the powers of the Police and Crime Commissioners and explore potential oversight of other blue light and Criminal Justice services including Courts and Probation to support interoperability and protect the front line	✓	x	✓
	Control of programme that extends the successful Troubled Families model	✓	✓	✓
	Explore possibility of integrated Health and Social Care budgets and planning	x	✓	✓



Lord O'Neill of Gatley  
Commercial Secretary to the Treasury  
Unit 1  
1 Horse Guards Road  
London  
SW1A 2HQ

C/o West Yorkshire Combined  
Authority  
Wellington House  
40-50 Wellington Street  
Leeds  
LS1 2DE

4<sup>TH</sup> September 2015

Dear Lord O'Neill,

On behalf of the Leaders of West Yorkshire Councils, North Yorkshire District Councils of Craven, Harrogate and Selby, City of York Council and Leeds City Region Enterprise Partnership, we have pleasure in submitting our proposals to the Treasury to secure a transformational devolution deal covering our shared geography of the Leeds City Region.

We recently discussed with you in Leeds that securing devolved powers to the City Region will likely pose some technical and administrative challenges. Therefore we would ask for your continued help and guidance in finding a way through, including how to ensure that, if necessary, an associate membership model is made meaningful and encourages collaboration on specific priorities and impact.

The following case for a Leeds City Region deal which fulfils the objective criteria of helping close the national productivity gap and balancing the books, which is at the heart of the Chancellor's Northern Powerhouse aspiration, is however compelling:

- it is an economic powerhouse in its own right, comprising dynamic urban and rural areas, with a population of 2.8m with a GVA of £57.7bn;
- forms a coherent economic geography, with a 92.7% self-contained labour market, and particular synergies such as between York, Harrogate and Leeds;
- has very strong business support and a LEP that covers the full Leeds City Region functional economic area;
- through the award of the biggest Growth Deal in the country, the Government has recognised the extraordinary level of ambition contained in the Leeds City Region Strategic Economic Plan (SEP);
- our devolution proposals will accelerate and deliver the full extent of the ambition contained within our SEP including: £5.2bn additional economic output; 62,000 jobs, £675m benefits

savings to the Exchequer, and the City Region will become a net contributor to the public purse;

- a deal would also build coherently on our track record of delivering: a “NEET-free” City Region; a Growth Hub to meet the support needs of growing local businesses and sectors; and a £1.4bn West Yorkshire Plus Transport Fund (which alone will create in the medium term an additional 20,000 jobs and 2% uplift to the City Region’s GVA), underpinned by streamlined and robust local decision-making arrangements;
- and finally, the City Region has the economic clout to provide a strong voice in our wider proposals for a ‘Council for the North’ which establishes formal links with Sheffield, Manchester, the North East, Merseyside, the East Riding and Humberside.

Our set of 27 fiscal, transport, housing, business, skills, and public service devolution proposals, which we believe would transform our ability to deliver the SEP’s ambition to deliver extraordinary economic growth to all parts of the City Region, is attached to this letter.

Understanding how effective our devolution deal policies are in achieving economic, social or environmental outcomes is also important. To undertake evaluations as robustly and efficiently as possible, we will seek work in partnership including with the What Works Centre for Local Economic Growth.

We are grateful for your continued support to ensure that our ambition for a transformative devolution deal is realised by the Spending Review and look forward to working with you on this most important agenda over the coming weeks.

Yours sincerely



**Cllr Peter Box**

**Chair, West Yorkshire Combined Authority**



**Cllr Judith Blake**

**Leader, Leeds City Council**



**Roger Marsh**

**Chair, Leeds City Region Enterprise Partnership**

## **Leeds City Region Devolution Asks**

**4<sup>th</sup> September 2015**

### Fiscal:

- Control of a 10-year infrastructure precept, which is exempt from the Council Tax capping regime, to deliver major new investments such as a world class 'metro-style' public transport network that is HS2 and HS3 ready;
- Power to levy and retain Supplementary Business Rates to invest in major strategic infrastructure in a similar way to the London Crossrail scheme; and
- Retention of 100% of the local growth in business rates.

### Transport:

- Responsibility for a devolved and consolidated transport budget, with a multi-year settlement to be agreed at Spending Reviews;
- Responsibility for franchised bus services (subject to the Buses Bill) to secure access to 'fare box' revenues, and for integrating simple smart ticketing across all local modes of transport;
- Devolved ownership of local rail stations, with associated budgets;
- Devolved powers, responsibility and maintenance budgets for a locally defined strategic highways network (including the M621 and M606), including new traffic management powers such as moving traffic enforcement; and
- A Memorandum of Understanding with Highways England with regards to traffic management and emergency management on the M62.

### Housing, Regeneration and Planning:

- Control of a new £500 million Housing and Regeneration Investment Fund, including a fiscally-neutral transferred £350m revolving loan facility;
- Enterprise Zone / Tax Increment Financing status for major developments at growth areas around principal transport hubs, including Leeds South Bank, York Central, Bradford City Centre, Wakefield, Huddersfield and Halifax , as well as any new wider area based Enterprise Zones that may be established in areas such as in the Colne Valley, Dewsbury and Harrogate;
- To be the Government's delivery agency (potentially via a Land Commission arrangement similar to London) to ensure assets are used and disposed of in a way that supports growth and regeneration, to include local assets, such as those belonging to HCA, Network Rail, Highways England, NHS, MoD - and other Public Assets not currently controlled by the HCA;
- Responsibility for a strategic infrastructure investment plan to direct infrastructure investment priorities which will provide long term confidence to those wishing to invest in the City Region;
- Powers to incentivise developers to bring forward strategic sites and prevent land banking - and to bring empty buildings back into use;
- Responsibility for budgets, including DCMS/BDUK, to deliver ultrafast broadband connectivity and further develop the market;
- Responsibility for local energy generation and efficiency; and
- Responsibility for flood defence capital investment through devolved DEFRA and Environment Agency powers and budgets.

### Growth/ Investment:

- Responsibility for managing European Structural and Investment Funds in the same way as London;
- Responsibility for devolved and integrated business support budgets, building on the LEP's growth hub, including the resources for Growth Accelerator, Manufacturing Advice Service (MAS), Innovate UK and UK Trade and Investment (UKTI) Export Advice. Working closely with the City Region Universities and HEFCE, secure greater influence over national investment in HE for innovation and business engagement, so it is better linked to our priority economic sectors, for example via Catalyst and knowledge exchange funds. This will build on the Memorandum of Understanding already in place with the City Region Universities;
- Identify a significant share of national investment for global R&D facilities on a par with the Crick Institute, to accelerate our Northern Powerhouse research and SME commercial strengths in digital health innovation and innovative manufacturing - and work with the City Region to relocate a Research Council to our area; and
- Secure ring fenced UKTI resource on inward investment and sector specialists, and deliver culture, arts and tourism through oversight of devolved funding held by Arts Council England and Heritage Lottery Fund.

### Education, Skills and Employment

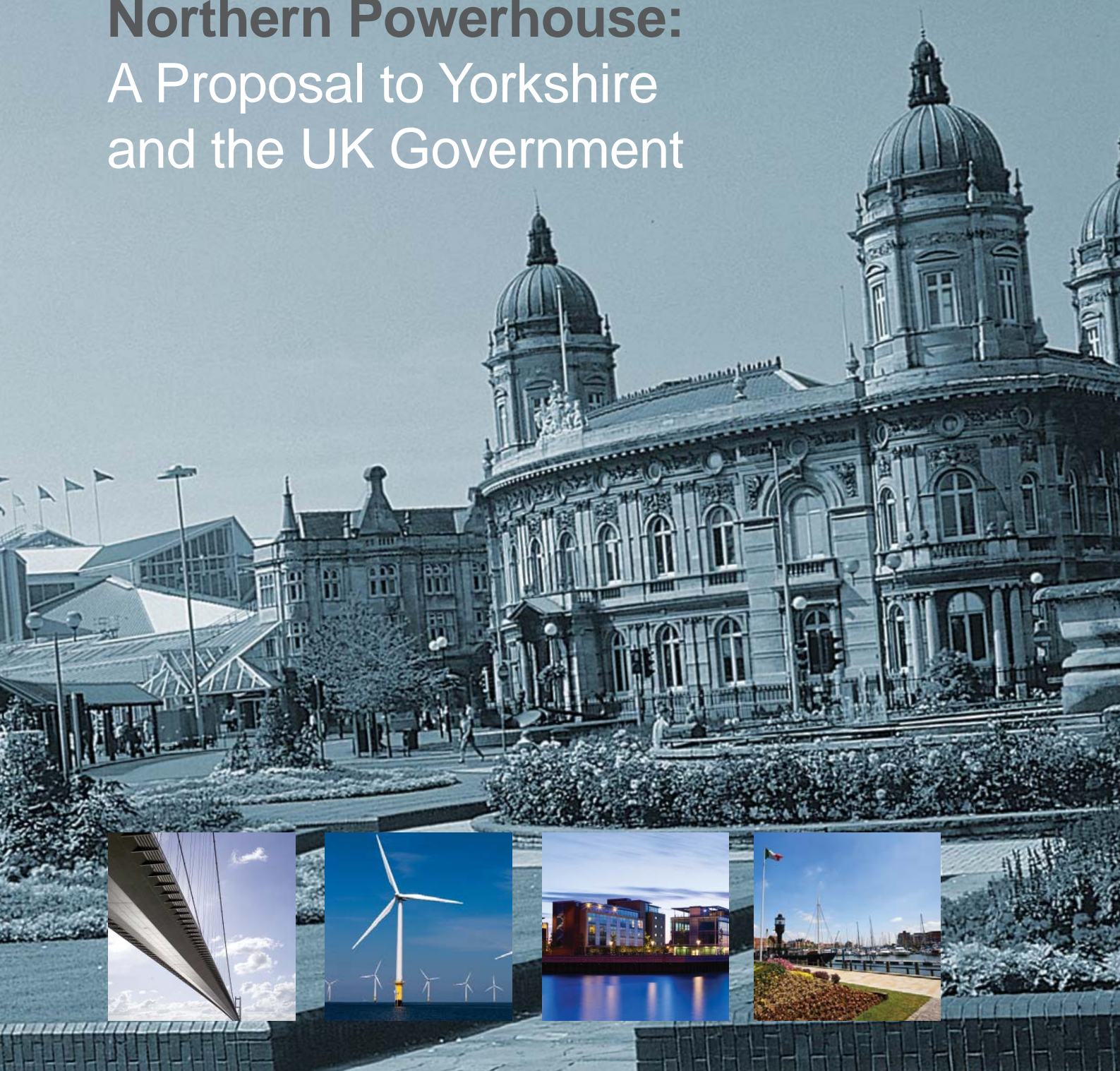
- Responsibility for regional education advisory services, innovation funds for kinship care, family group conferencing and multi-agency interventions to put children and young people at the heart of the economic growth strategy;
- Powers to drive the improvement of careers advice and schools - and for local authorities to be able to intervene in academy schools deemed by Ofsted to be failing;
- Control of Further Education capital and revenue budgets (including 16-18 provision) - and powers to reshape and re-structure local skills provision that is responsive to the needs of employers and communities, including giving approval for and development of specialist technical & vocational education facilities;
- Devolved budgets for employer-led skills investment to allow our joined-up skills brokerage service to help more employers offer apprenticeships;
- Devolved DWP national programmes and budgets targeted at addressing worklessness (currently the Work Programme).

### Public Service Reform

- To adopt Police and Crime Commissioner powers - and explore potential oversight of other 'blue light' and criminal justice services to improve interoperability and protect the front line; and
- Control of a programme that extends the successful Troubled Families model of joined-up public services to a cohort of adults with multiple and complex needs, with financial costs and benefits shared between local and national partners.



# Hull, Yorkshire, the Leeds City Region and the Northern Powerhouse: A Proposal to Yorkshire and the UK Government



Hull  
City Council



HULL 2017  
UK CITY OF CULTURE

## Index

Executive Summary.....	3
Statement from the Leader of Kingston upon Hull City Council .....	5
Introduction.....	6
Context .....	8
The Hull and Humber Economy .....	11
Exploiting the Opportunities and Addressing the Challenges.....	13
Hull's Key Role in Transport for the North .....	17
Northern Powerhouse & North European Trade Axis.....	18
An Untapped Historic Economic Asset.....	19
Transport Links .....	20
Hull – A World Class Visitor Destination .....	22
Working in Wider Partnership.....	22
Planned Investment as Part of the City Plan.....	23
Addressing Previous Governance Failures .....	24
Appendix 1: Historic Governance Arrangements.....	26
Figure 1: Spatial Context.....	6
Figure 2: Economic Complementarities across the North .....	7
Figure 3: Share of Total UK GVA, 2013.....	9
Figure 4: Hull's Economic Connectivity with the Region .....	12
Figure 5: Travel to Work Areas .....	13
Figure 6: Hull's Place in the Northern Powerhouse.....	14
Figure 7: Jobs Profile for the City of Hull .....	15
Figure 8: Current Freight Movements, Distribution Centres and Employment in the North.....	17
Figure 9: UK Trade Distribution .....	17
Figure 10: Northern Powerhouse / North Europe Trade Axis .....	18
Figure 11: Canals / navigable inland waterways .....	19
Figure 12: Rail Services – Future service Aspiration .....	21
Table 1: Population Comparison.....	4
Table 2: GVA Contributions.....	11
Table 3: Mid Year Population Estimates 2014 .....	16
Table 4: Comparison of rail journeys between Hull / Leeds and London Victoria / Brighton .....	20



## Executive Summary

This is Hull City Council's response to the Government's request, issued in the July Budget, for cities interested in devolution to make their proposals by September 4th.

We firmly believe that there is a compelling argument for devolution at a greater Yorkshire scale. However, in the absence of consensus, this case is presented for Hull to be an integral part of the Leeds City Region devolution proposals. Perhaps, given the importance of the opportunities offered by devolution, more time is required by all parties to agree on a Greater Yorkshire scale of ambition.

The Government believes in devolution and so do we. We share a commitment to strong cities driving the UK economy and in the potential of the Northern Powerhouse to transform the economy of Northern England. We also unequivocally agree that the transfer of significant powers to cities will require governance with the capacity and skills to manage new powers effectively. We believe that directly elected Metro Mayors have an important role to play. These are our proposals for the role that Hull can play in our economic transformation as part of the Leeds City Region and of a wider Yorkshire economy and our proposals for how the governance of the county can develop to meet the challenge and rise to the opportunities ahead. Our proposals are evidence based, building on our economic purpose of place and firmly based upon contributing to the Government's productivity agenda.

Hull is:

- The Northern Powerhouse's Gateway to Europe
- The Functional Economic Area for 500,000 people – 10% of Yorkshire
- Experiencing the highest level of investment in the tradable economy of any comparable UK City, with major investments of:
  - £310 million by Siemens
  - £150 million by Reckitt Benckiser
  - £200 million by Energy Works
- A potential net contributor in terms of GVA to the Yorkshire economy.

However, Hull has higher unemployment and lower house prices than almost anywhere else in the country. The city is perceived as isolated, although that is only because of poor investment decisions over generations. Already on a vital freight corridor Hull could, as part of the Northern Powerhouse, reduce our dependence on the Southern Ports and the congested South of England infrastructure.

With effective and eminently affordable improved rail connections to Leeds only a 45 minute train ride away, our commuting population would grow exponentially, making Hull an effective part of the Leeds City Region and enhancing our property market.

Cooperation on skills would enable Hull's people to access higher level jobs in Leeds and elsewhere in Yorkshire.

So Hull has much to offer: massive and significantly untapped potential and the leadership to chart the way forward.

We want to play our role in a strong Leeds City Region and what would be an even stronger Yorkshire if we work together. We have formally asked Leeds that Hull participate as a constituent member of the Leeds City Region Combined Authority. This offer has, for now, been declined. We therefore make a counter-proposal in this, our submission.

Hull is ready to play its part. In that context we are actively encouraging Government to demonstrate strong leadership and encourage devolution to a Greater Yorkshire, enabling the cities to build and optimise respective economic strengths. We recognise that this will be a challenge but the prize is worth the effort. We also believe that despite the views of others with limited foresight and perception, Hull does have a meaningful part to play within a Leeds City Region Combined Authority. We look forward to working with partners in Yorkshire and in Government to make progress in the weeks ahead.

**Table 1: Population Comparison**

	Hull City Region	West Yorks CA
Population	594,825	2,468,768
Land Area (ha)	247,913	230,121

Our Asks:

- Establishment of a 'Greater Yorkshire' Combined Authority, with Hull included in the Leeds City Region Combined Authority as an absolute minimum
- Creation of a Directly Elected Mayor for the Combined Authority
- Development of Hull's cruise terminal together with economic maximisation of the port estate as regional and national assets
- Progression of rail electrification
- Progress City 'Eastern' by-pass to support regional economic competitiveness
- Engage in appropriate skills funding 'Devolution'
- Develop the North European Trade Axis to support the Northern Powerhouse
- Define Governance of the North.

In summary, we ask for control over public sector investment in infrastructure, skills, housing, transport and a greater say in determining the economic and employment impact of the Port of Hull.

## **Statement from the Leader of Kingston upon Hull City Council**

As Leader of Kingston upon Hull City Council, I have firmly committed to a necessary change agenda in order to strengthen the relationship between the city, its local authority, public sector and business partners as they collectively seek to develop the local economy for the purpose of delivering on the 'freedoms and flexibilities' being continually offered to cities, such as ours, within the context of the rapidly evolving devolution agenda. We are committed to this agenda despite Hull being the only city not currently part of any established or proposed Combined Authority arrangements.

Cities are no longer merely the focus for civic pride and centres of population; they are the economic drivers that are universally recognised with which to deliver future prosperity. With such 'evolution' in the purpose of cities, comes an explicit requirement for cities to engage in appropriate dialogue with Government; present a competitive case for investment within the context of ongoing public sector austerity; provide the 'place' from which to contribute to wider economic prosperity of the UK and to act as a 'champion' of their respective localities.

Irrespective of political persuasion, I am actively seeking to exercise the appropriate leadership to deliver the economic future for the city and the wider region based upon exploiting the economic, cultural and alternative governance opportunities that are now converging. I do this in the full knowledge that we need to, as others have successfully done, embark on enabling a different way of working to that of the past.

As a city, and a wider region, we have to play our role in delivering on the opportunities presented by the devolution agenda. We are not interested in 'devolution by association', only in an unequivocal commitment to devolution by full-blooded participation at the appropriate level.

We recognise that the Northern Powerhouse and devolution are not necessarily the same thing. However, devolution is not just about economics, it is about returning power to the appropriate level, in our case as the City Functional Economic Area. It is about place and community and belonging, Yorkshire cricket, the Tour de Yorkshire, rugby league, Leeds/Hull football rivalry. Hull is Yorkshire and needs enabling to play its full role as an integral part of the Northern Powerhouse.

The evidence presented in this paper will show that the city has now 're-purposed' itself, benefitting from a strong coalition of city, civic and business leadership who have the primary purpose of developing the recognised economic potential of the city and the region, proven by the investment decisions of Siemens, Reckitt Benckiser and more latterly Smith & Nephew. The burgeoning cultural potential of the city, for so long developing organically, has now been nationally recognised by the awarding of UK City of Culture 2017, supported by Council investment, an award that will deliver a sustainable cultural and economic legacy for years to come.

**Councillor Stephen Brady**

**Leader – Hull City Council**

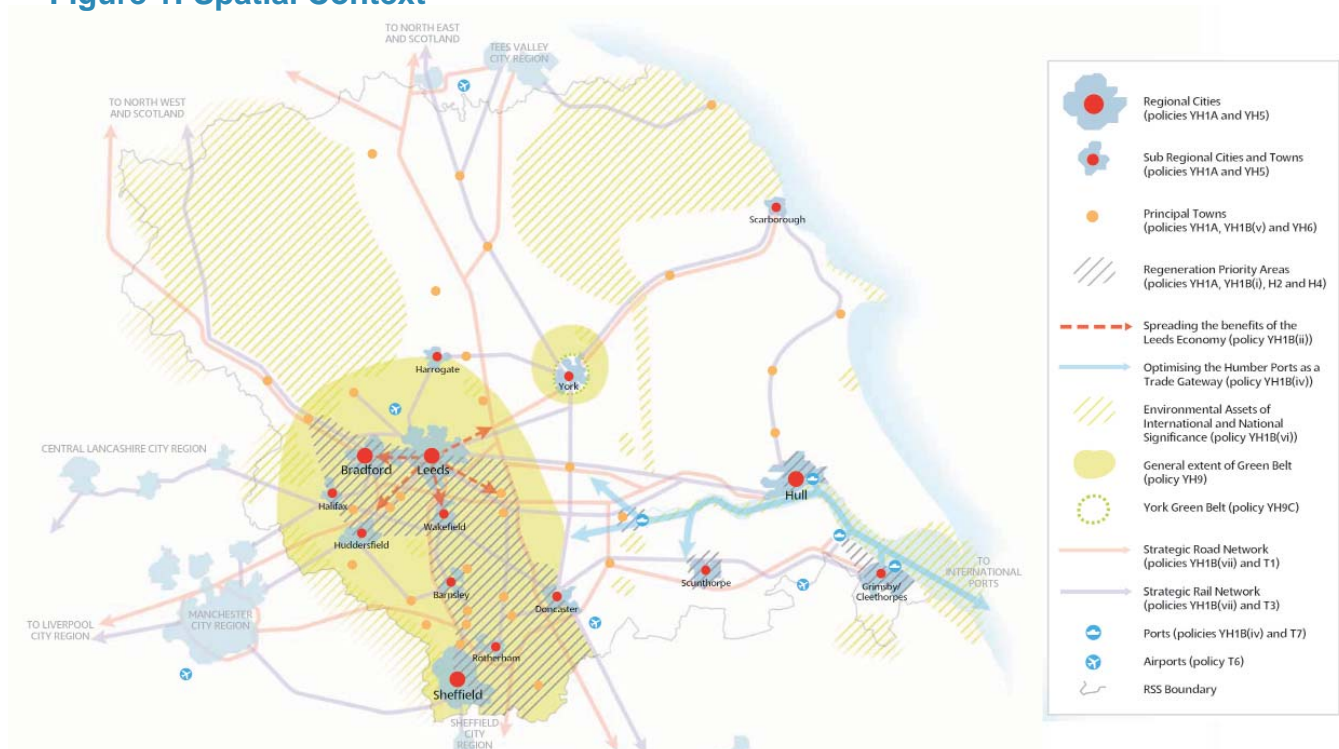
## Introduction

This paper will inform the ongoing debate regarding the role, purpose and establishment of Greater Yorkshire Devolution and of the Leeds City Region Combined Authority.

It will add further considerations that seek to strengthen the ability of a wider Yorkshire Devolution agenda to delivery greater economic prosperity. The ‘central’ aspects of this greater delivery will be to ensure that the Hull Functional Economic Area delivers its part of a central economic belt represented by the economic connectivity routes from the Port (and thereby Europe) into West Yorkshire and beyond, ultimately to Liverpool on the West coast.

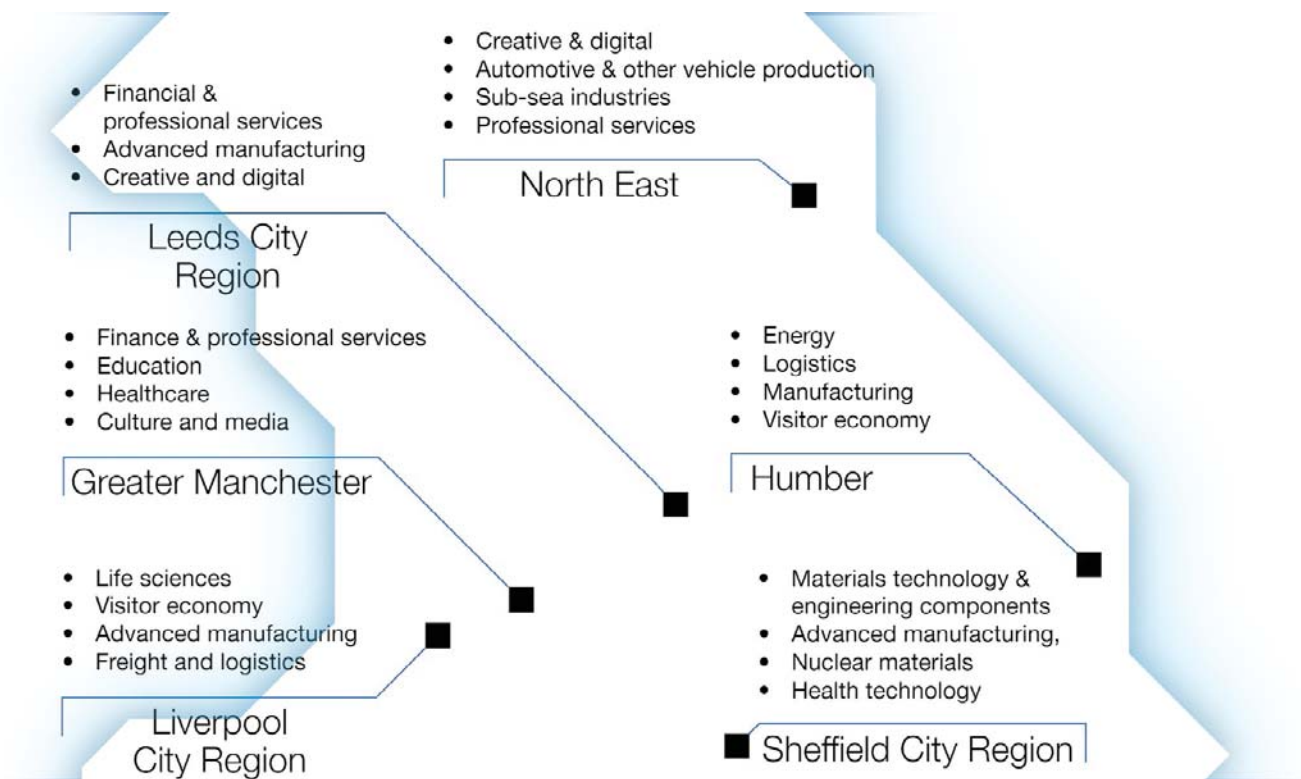
That economic and connectivity relationship has already been established in a UK economic context through the Northern Powerhouse. This paper will present the economic and spatial synergies that are both currently present and have the potential to deliver more.

**Figure 1: Spatial Context**



Complementary economic sectors between Leeds and the Humber offer potential for greater combined economic growth rather than competition, building on inherent strengths of industries and skills bases, creating a very strong offer to international markets.

In terms of the Government’s ‘Productivity Agenda’, the ability of individual City Regions to “work together” is a key competitive advantage for the North, with the simple and basic economic facts that proximity means more effective business connections and innovation spill-over which can help ‘re-balance’ the UK economy.

**Figure 2: Economic Complementarities across the North**

Source: TfN

### Growth sectors identified in City Regions' Strategic Economic Plans

Developing the local economy and the creation of employment by improving productivity is the cornerstone of the city and City Council's strategic plan. Through the stated ambition of creating jobs, as articulated in the City Plan, the city is transforming the local economy. Major public<sup>1</sup> and private sector investments will deliver a sustainable and resilient economy that makes a major contribution to the region through building on existing economic synergies. Key economic sectors including healthcare, logistics and the education sector with an emphasis on knowledge as an economic driver, will continue to grow the local economy over the coming years.

In demonstrating Hull's contribution, this paper provides a short overview of key economic data for the West Yorkshire Combined Authority (WYCA) which brings together Bradford, Calderdale, Kirklees, Leeds, Wakefield and York, alongside Hull and East Riding's outputs.

<sup>1</sup> As an example The Humber LEP's Growth Deal will see 62,228 properties and 251,485 sq.m of commercial floorspace with reduced flood risk across the Humber. Protecting the region from flooding is one the main priorities with almost £48m LGF secured.



## Context

The economic profile and potential of the Yorkshire economy is already well documented. The 'process' of devolution has presented the opportunity for the five cities of Yorkshire to combine their respective strengths.

Recognised consistently as the commercial centre of the Humber<sup>2</sup> (Humber LEP, 2014), Hull as a city has become the focus of globally significant inward investment<sup>3</sup> and an enhanced profile. As such, it is continually seeking to deliver the latent economic potential of such investment, and previous recommendations concerning realising its economic contribution to the wider regional economy. Historically, attempts to fulfil this potential have been constrained and 'frustrated' through governance arrangements seeking equitable distribution of finance, economic wealth and benefit, rather than supporting the city as the recognised economic driver for the Humber. With such 'history', Hull's increasingly important role in the Northern Powerhouse Agenda, as the latest Government Policy Framework, should not be underestimated, or indeed be allowed to be underplayed as in the past, by the region.

Hull, as one of the great Yorkshire cities, is integral to defining the relative future economic success of the other cities. As suggested, central to this is the city's centric role in the international trading profile of Yorkshire and, in particular, the ability to underpin and grow the tradable economy of Yorkshire and beyond through the city's port and trading assets.

Recognising that Hull, as the economic centre of the wider Humber, is already delivering economic benefit to its immediate hinterland and the added strength of Hull being part of an appropriate Combined Authority, should be viewed in the context of continuing to support the current Humber Local Enterprise Partnership.

Some view Hull as economically dependent on Government support or second to other places. Hull is now in a position where it is moving towards becoming a net contributor to the regional economy and, in terms of intent, has presented a number of deliverable 'game-changers' for the region, not least UK City of Culture 2017; a proposed cruise terminal with regional impact; an economic investment profile to rival any city and a willingness to engage in the Northern Powerhouse and Devolution Agenda.

Hull has the potential to support the move to economic parity for a combined GVA (Hull City Region and West Yorkshire) to match that of Manchester.

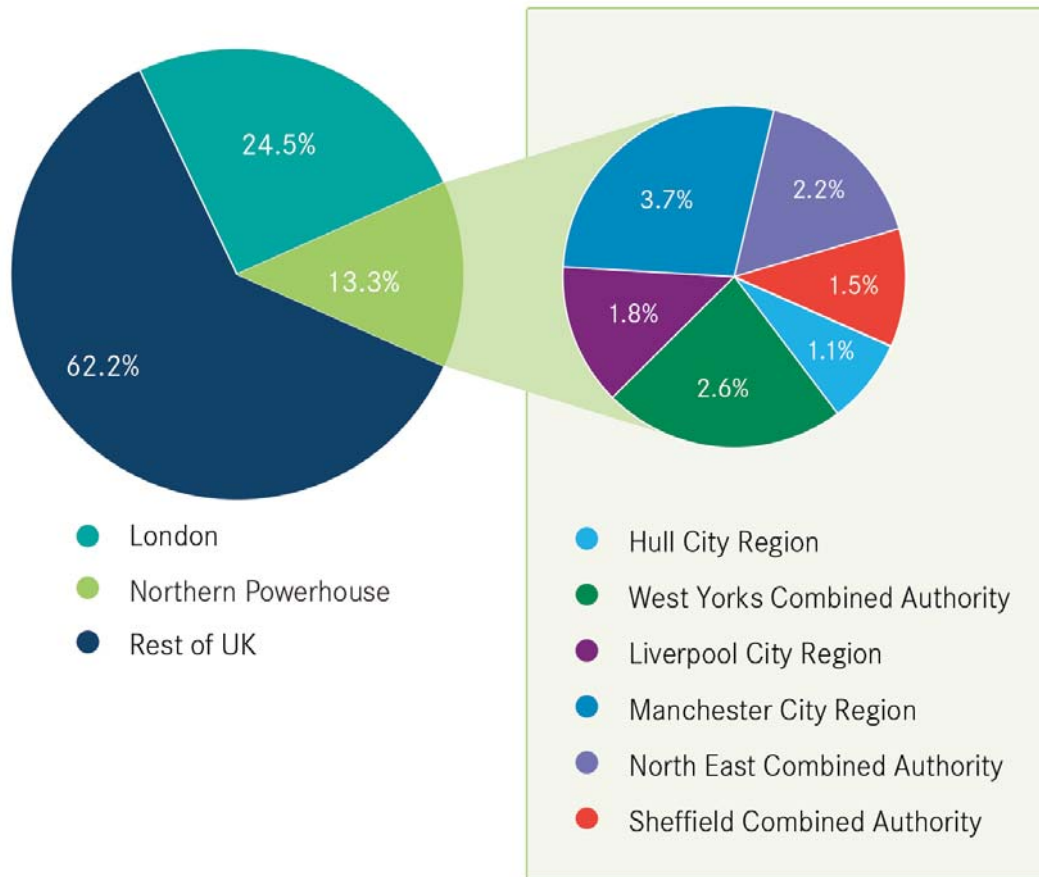
Hull City Region has a significant level of GVA – it has seen growth matching those of other regions and so comes as an equal partner.

---

<sup>2</sup> As referred to in The Humber Strategic Economic Plan

<sup>3</sup> Siemens and Associated British Ports are to invest £310m in Greenport Hull providing future economic benefits from recognised strengths of Hull and the wider Humber (University of Hull, 2013).



**Figure 3: Share of Total UK GVA, 2013**

Source: ONS, 2014.

With investment levels continuing to increase with Siemens, Reckitt Benckiser and Hull University committed to a combined investment of £0.5bn, this will only strengthen in the future. As a Council, we expect to invest up to £80m in delivering the projects aligned to the City Plan and UK City of Culture 2017. This will lever over £300m in additional investment for the City. We have also invested close to £100m in our housing, leveraging in a further £790m of investment. Overall, we have invested £180m in our city against an investment programme of over £1 billion.

As an example of the need (and opportunity) to deliver future economic benefits, the move towards a “Northern Powerhouse” requires Hull’s engagement for future mutual economic benefit. If that opportunity is not realised, then the Northern Powerhouse approach will almost certainly progress with the economic exclusion of Hull and the wider Functional Economic Area<sup>4</sup> with the resultant loss of economic opportunity, laying the region open to the neglect of recognised economic relationships, especially in relation to the port sector<sup>5</sup>.

<sup>4</sup> See <http://www.politics.co.uk/comment-analysis/2014/06/23/george-osborne-s-northern-powerhouse-speech-in-full>

<sup>5</sup> See City Relationships: Economic linkages in Northern City regions: Hull and Humber Ports

It is appropriate that the city reminds those who need reminding that, as articulated in the Northern Powerhouse framework, physical distances should be seen as less of a barrier to exercising effective governance and developing economic capacity and capability. Many of Hull's economic investors operate on a global platform and those coming from 'outside of the region' do not see the distances between economic centres in Yorkshire as a barrier. For example, recent American investment in the economy dismisses the distance to international airports in the region as incidental.

Recent investments and announcements have underpinned a 'behavioural shift' to a prevailing positive culture, especially amongst the civic and business leadership community, seeking to realise the economic 'prize' presented through what have been described collectively, in a local economy context, as 'game changers'. The city, based on such opportunity, is now actively seeking to manage known (secured) and future economic opportunities, in line with 'best practice' to deliver sustainable and resilient economic growth, directly addressing the causes and manifestations of identified city underperformance.

Given the unprecedented devolution opportunities being presented, whatever is put in place in terms of governance arrangements has to be optimal, not sub-optimal. Our contention is that future arrangements should reflect the economic synergies and functionality present within respective Functional Economic Areas (FEAs).

As indicated, the West Yorkshire Combined Authority produced 3.9% of England's Gross Value Added (GVA) in 2013, with Leeds contributing the largest percentage to this economy. The value of the local Hull economy would make a significant contribution to the GVA levels and, in headline terms, would support the combined area becoming equal in economic terms to 'competitor regions'.

Therefore, to summarise the issues presented in this paper, we believe are central to any combined authority arrangements that Government may decide to support. We believe that strong leadership is needed in this context and at this juncture, should see the need for a wider combined authority, based on FEA's, than currently proposed.

## The Hull and Humber Economy

Hull is the key economic hub within the Humber for investment. The Humber Ports are the UK's largest ports complex and handle over 91 million tonnes of cargo per year. The Humber's most important contributions to the national economy relate to its 'energy estuary' role, thus Hull and the Humber:

- Has the 4th largest ports complex in Europe
- Lands and distributes 33% of the UK's natural gas; Provides more than 30% of the UK's oil refining capacity
- Imports 33% of the UK's coal, which generates around 17% of the UK's electricity
- Has the largest bio-fuel production centres in the UK
- 3 of the world's largest wind farms are in the North Sea and will attract between £75bn - £100bn of investment
- Has secured a major inward investment from Siemens to build an offshore wind turbine blade manufacturing plant at the Port of Hull.

Hull's GVA, at £18,902 per head of population, created £4,869 million in 2013.

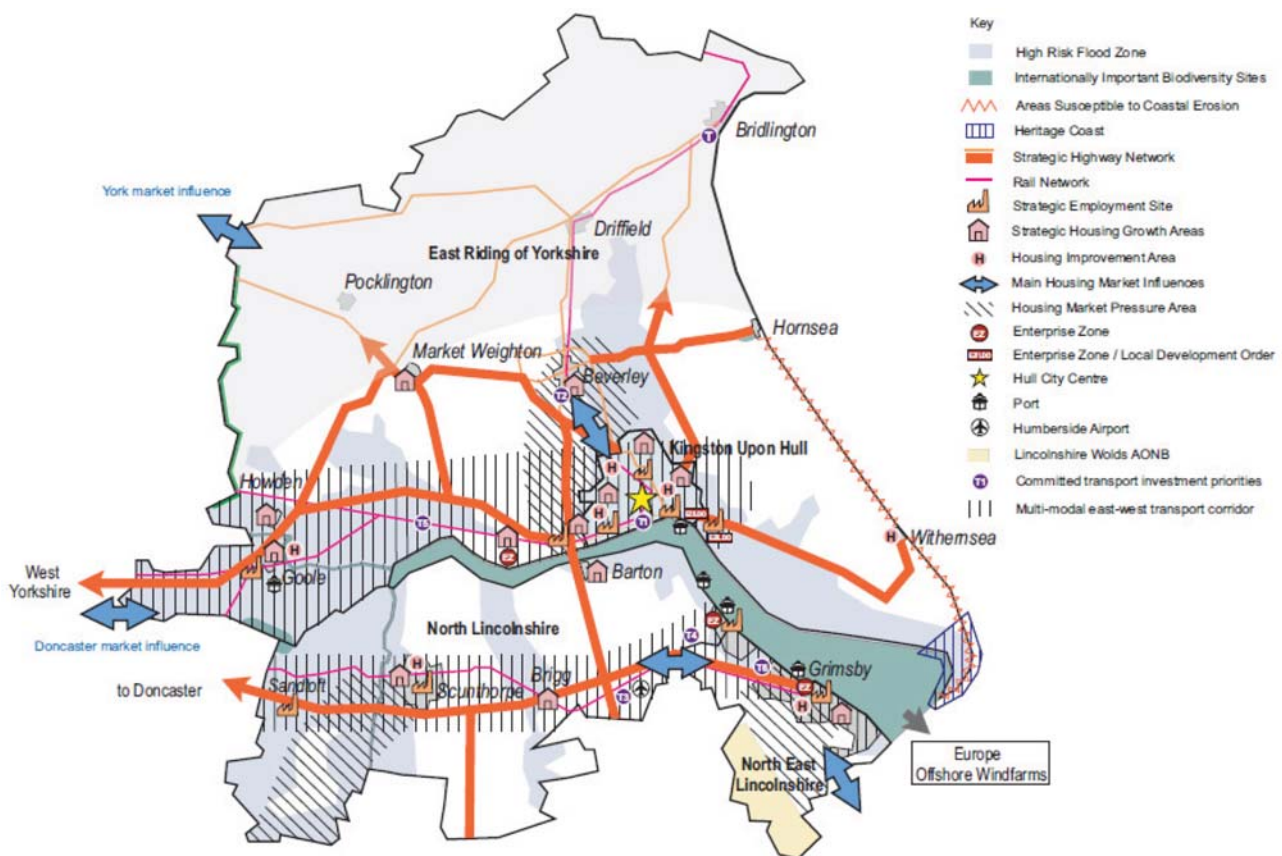
In comparison to the West Yorkshire Combined Authority, this ranks it ahead of Calderdale and Kirklees and Bradford. As outlined, Hull also increases the overall share of the combined area to 4.3% of England's total economy.

**Table 2: GVA Contributions**

	Total GVA (£m)	Share of England GVA	Average GVA Per Head (£)
Bradford	8,735	0.7%	16,595
Calderdale and Kirklees	10,669	0.8%	16,812
Leeds	20,362	1.6%	26,741
Wakefield	6,470	0.5%	19,623
York	4,754	0.4%	23,483
<b>West Yorkshire Combined Authority</b>	<b>50,990</b>	<b>3.9%</b>	<b>20,651</b>
<b>Hull</b>	<b>4,869</b>	<b>0.4%</b>	<b>18,902</b>
<b>WYCA and Hull Combined</b>	<b>55,859</b>	<b>4.3%</b>	<b>20,488</b>

Hull's significant input into the production and manufacturing sectors, representing 26% of the local economy, was worth £1.3 billion in 2012, compared with 15% for the existing West Yorkshire Combined Authority Area. However, this does not convey the true extent of the economic contribution as many of our multi-nationals report profits elsewhere, often overseas. Although the benefits of their respective investments occur in Hull, as demonstrated in this submission, the true economic benefits are significantly greater and potentially wider felt.

**Figure 4: Hull's Economic Connectivity with the Region**



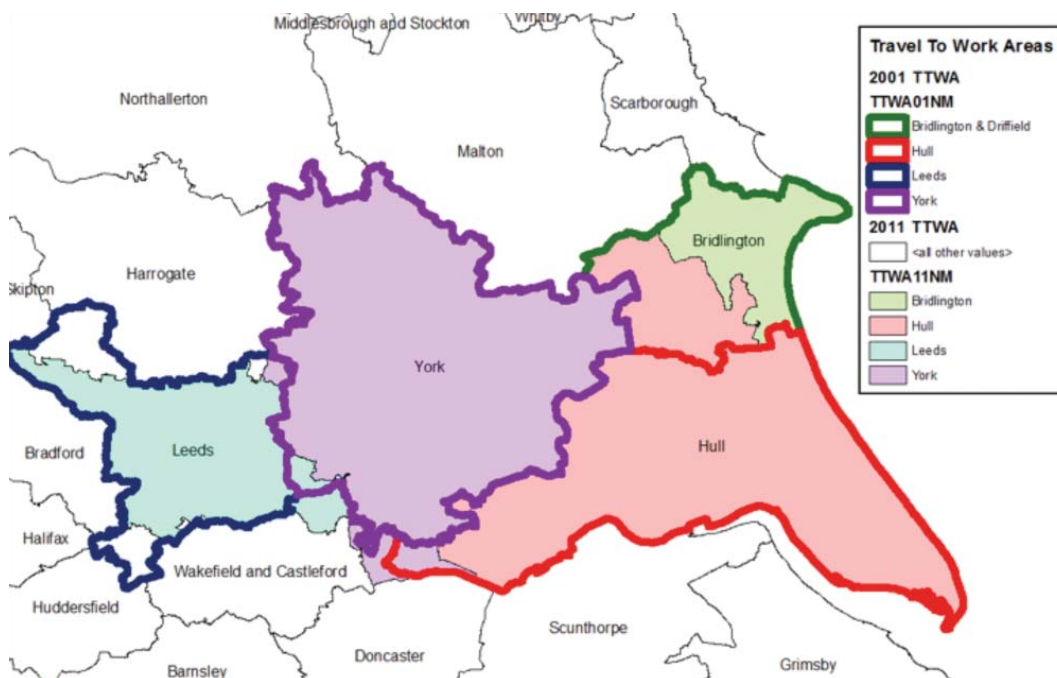
Whilst working on the economic basis of Travel to Work Areas, (accepting that current definitions do not align totally with the local authority boundaries) then the following would apply. The inclusion of Hull in a wider devolution area would:

- Raise the Employment rate from 69.8% to 70.2%
- Increase the number of available jobs by 259,000 but reduce jobs density slightly from 0.77 to 0.75 (as a result of the low jobs density in East Riding)
- Increase the total population by over half a million. This would include an increase in the working age population (16 – 64) of 371,500
- Reduce average house prices from £120,315 to £115,318 as a result of the significantly lower average house prices in Hull, offering the potential for greater labour mobility.

## Exploiting the Opportunities and Addressing the Challenges

The relevant Travel to Work Areas (TTWAs) present a clear and unambiguous picture of economic connectivity across a wide area of the Region and one that would benefit from complementary outcomes that could be delivered through 'joint' decisions on infrastructure, economic development and planning.

**Figure 5: Travel to Work Areas**



It is evident from the TTWA relationships that Hull has limited or arguably non-existent economic linkages with the South Bank of the Humber. The clear and unambiguous 'economic and transport corridor' that Hull (and its TTWA), positioned as a key strategic economic and logistics centre, especially in the context of European trade, presents economic benefits for the region and beyond. This reflects both the current recognised economic centres of activity and a growing emphasis on realising the objectives present in the Northern Powerhouse through a 'stronger' Northern European Trade Axis.

If the relationships with the economic 'centres' across the North is explored, the picture as to the benefits to be derived from a stronger economic relationship as proposed becomes clearer and arguably strengthened.

From Hull's perspective, examples of existing economic linkages present scope for further regional economic integration and growth:

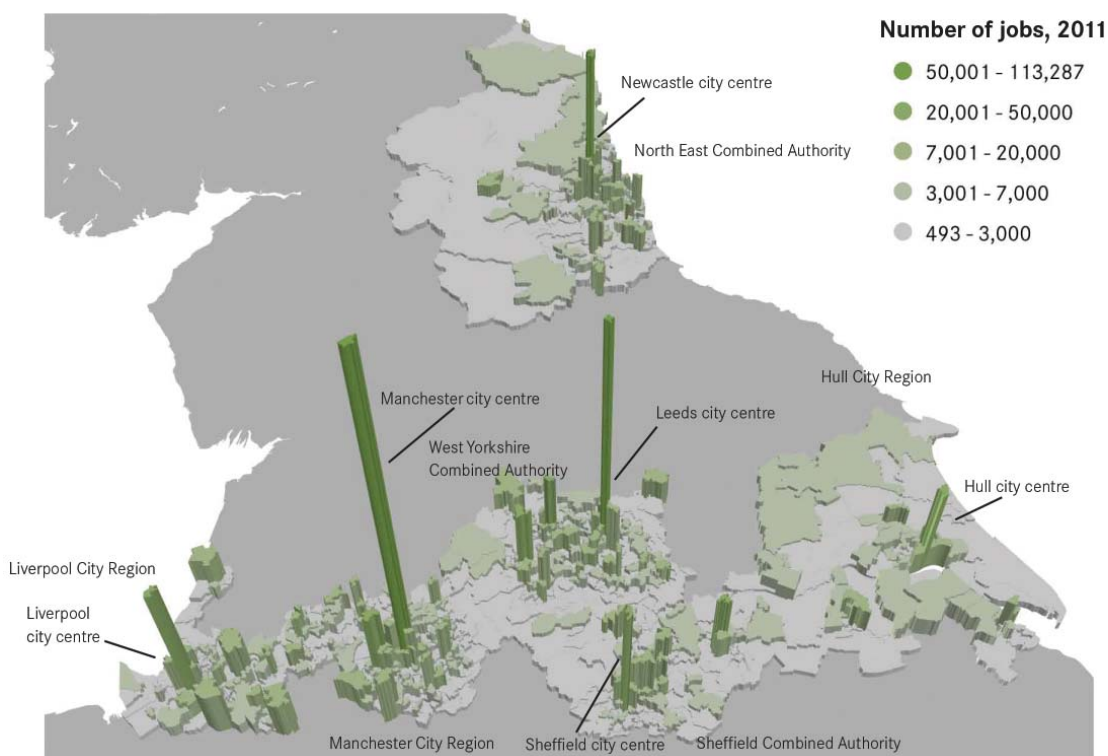
- **Healthcare:** Some of the leading names within the sector are based in the area with the likes of Johnson & Johnson in Bradford and both Smith & Nephew with their wound-care management facility and RB who earlier this year announced a £100million investment in to their Worldwide Healthcare R&D facility here in Hull. In addition to these businesses there is also the Hull & York Medical School supporting the industry



- **Offshore Wind Energy:** With the emergence of the offshore wind energy sector in Hull and the surrounding area, it is likely that legal and financial business, as well as ‘traditional’ supply chains in the Leeds area will benefit greatly from an increase in requirements for their services, as not all of these requirements will be able to be met locally
- **Food:** Hull and East Riding, like the rest of Yorkshire, has a major food production industry providing ingredients and finished products for the catering and hospitality sector, along with major supermarkets such as ASDA and Morrisons that are based in West Yorkshire. Companies such as Cranswick Foods, Jacksons Bakery, Aunt Bessies and Greencore, to name just a few of the larger brands that are based in Hull, supply all the major supermarkets as well and many smaller producers
- **Logistics:** For any business importing or exporting products to and from mainland Europe, the Port of Hull is the obvious choice for shipping their goods, with daily sailings from Hull to both Rotterdam in Holland and Zeebrugge in Belgium, allowing access to 320 million consumers within 24hrs
- **Tourism:** Hull is an increasingly important destination on the tourism map. Established attractions including the Deep, have built a profile of visitor interest that has delivered a visitor economy worth £265m (2014) with the full benefit of City of Culture 2017, projected at £184m of visitor spend by 2020, yet to be realised.

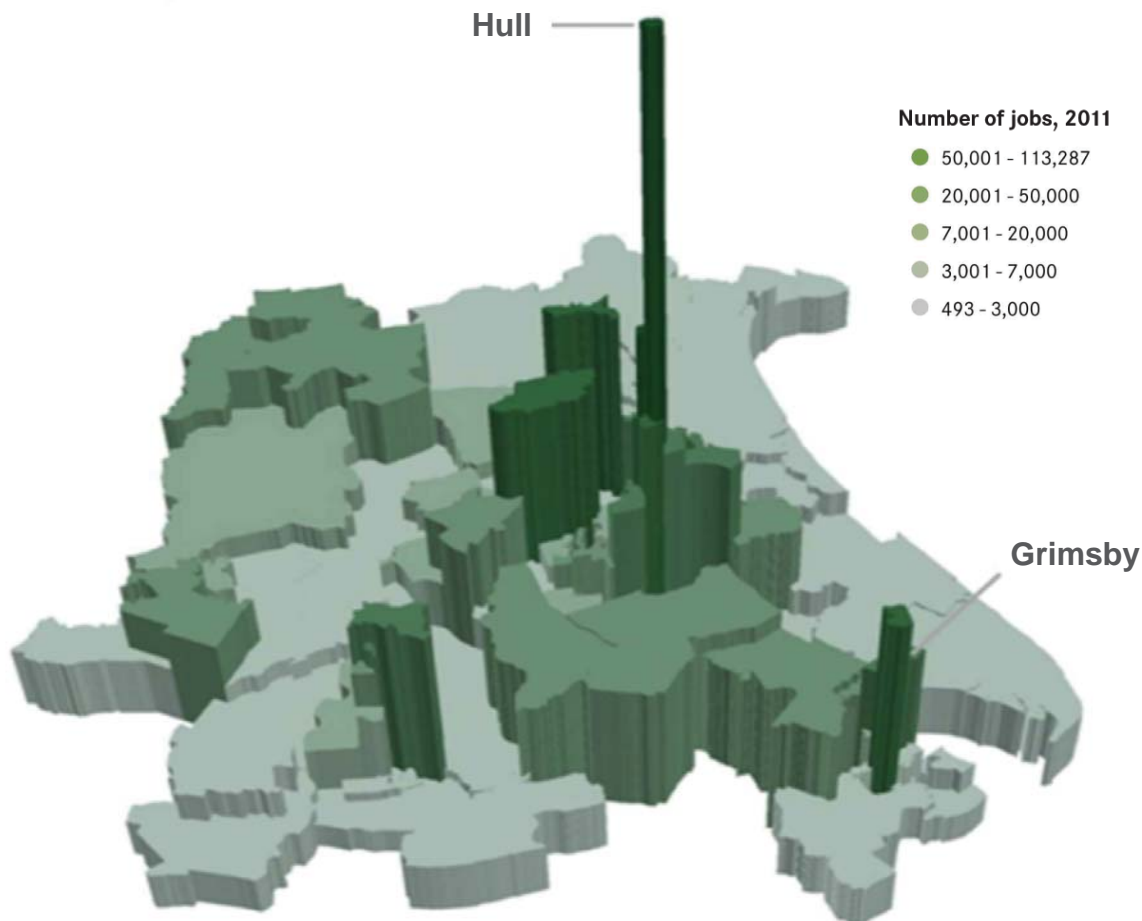
If we focus on Hull, the implications for the city as an economic centre across the Northern Powerhouse become self evident.

**Figure 6: Hull’s Place in the Northern Powerhouse**



As recognised by Centre for Cities, Hull is the largest source of all jobs in the Humber LEP area and then primary source of high skilled, high paid jobs.

**Figure 7: Jobs Profile for the City of Hull**



Source: NOMIS, Census 2011.

Overall, the West Yorkshire Combined Authority has a combined population of nearly 2.5 million, which is 4.5% of England's population.

Hull's economic area increases the population of the current West Yorkshire Combined Authority by over half a million, creating an area larger than any of the eight proposed city regions in the North and Midlands. This would include an increase in the working age population (16 – 64) of 371,500 and see an increase in the latent flexibility, mobility and resource of the workforce to deliver productivity gains.

**Table 3: Mid Year Population Estimates 2014**

	Pop	0 - 15	16 - 64	65+
Bradford	528,155	24%	62%	14%
Calderdale	207,376	20%	63%	18%
Kirklees	431,020	20%	63%	17%
Leeds	766,399	19%	66%	15%
Wakefield	331,379	19%	63%	18%
York	204,439	16%	66%	18%
<b>West Yorkshire Combined Authority</b>	<b>2,468,768</b>	<b>20%</b>	<b>64%</b>	<b>16%</b>

Hull	257,710	19%	66%	15%
East Riding	337,115	16%	60%	24%
<b>Hull and East Riding</b>	<b>594,825</b>	<b>18%</b>	<b>62%</b>	<b>20%</b>

<b>Combined</b>	<b>3,063,593</b>	<b>19%</b>	<b>64%</b>	<b>17%</b>
-----------------	------------------	------------	------------	------------



## Hull's Key Role in Transport for the North

**As we know, a report on the Northern Transport Strategy will:**

- Report March 2016
- Identify infrastructure upgrades – most are already known
- Re-enforce the view that the key to growing the Northern economy is improving East-West rail connectivity/capacity.

If we bear in mind the clear transport and economic corridors, there are significant transport, logistical, distribution and employment factors already present that require active 'management' to deliver sustainable economic benefit.

### Figure 8: Current Freight Movements, Distribution Centres and Employment in the North

Source: Freight Strategy for One North by MDS Transmodal Ltd October 2014



quantity of freight in tonne that the M62 accommodates per year



number of freight distribution sites in the North



people employed at these sites

Hull's position as a key trading port for the movement of goods, services and people, places the North at a strategic advantage in resolving issues that are well recognised by the Government in terms of seeking to 're-balance' the economy. Hull's port and access to trading economies provides the opportunity to support the Northern Powerhouse by inward and outward trade outside of the southern ports. Hull being part of the 'relay team' working with the others, would be able to fully support and engage in the delivery of logistical solutions along the trans-european E20 corridor and beyond.

There is an opportunity to address the UK's recognised unnatural and misaligned trade flows, removing congestion from the south east, reducing carbon emissions and improving economic productivity – all part of an E20 solution. But there needs to be much more done to reduce the environmental impact of the current north/south traffic flows which leads to:

- 200 million wasted road/rail miles
- 200,000 additional truck journeys
- 20 million tonnes of 'unnecessary' CO<sub>2</sub> emissions.

In this context there is a key relationship with Associated British Ports (ABP) that the city can help deliver for the region. In the wider context of Transport for the North, ABP need to act as a strategic economic partner for the benefit of the north.

### Figure 9: UK Trade Distribution



## Northern Powerhouse & North European Trade Axis

### Key Growth Proposals

We firmly believe that connectivity across the North is centric to future economic prosperity. To that end, we have actively engaged in development of the Northern Powerhouse and the North European Trade Axis; recognising the synergy between the two initiatives and the desire of Government to make the Northern Powerhouse ‘work’ for the North.

The North European Trade Axis is simple in its ambition:

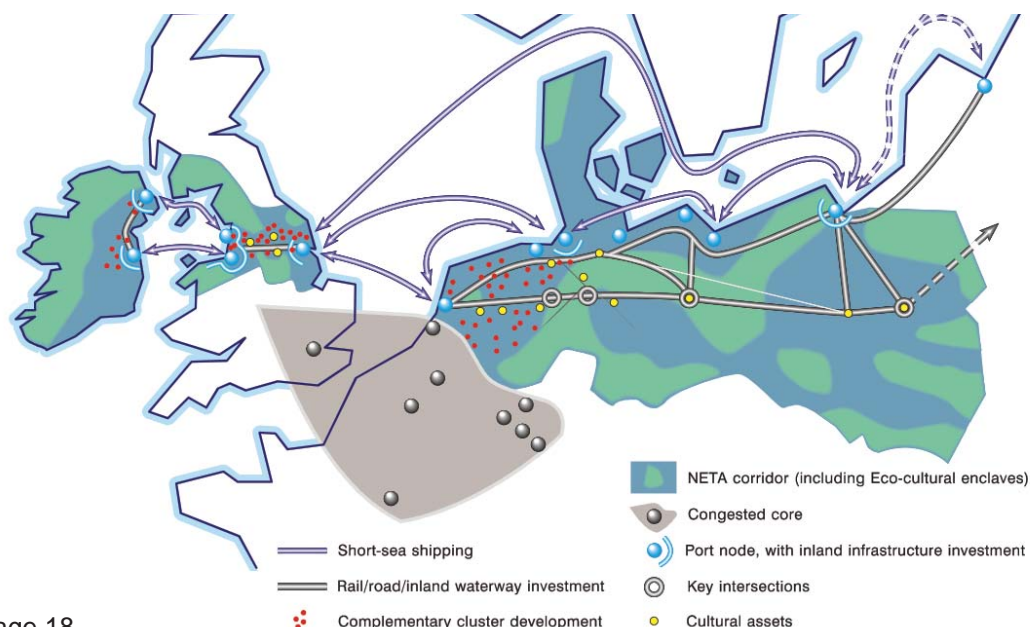
**“To develop an economically thriving and environmentally friendly trade corridor linking Ireland to Northern and Eastern Europe via the UK”**

To the West it reaches out to Ireland and then to the North and South America / Panama Canal and onto Australasia and the Far East. To the East it reaches out to Scandinavia, The Baltic, Eastern Europe and the Cohesion Fund States and then to the Far East. Hull has actively engaged in the development of the Northern Powerhouse initiative. Whilst needing to be seen as a wider “economic system”, the transport assets of Hull and the Humber Ports and the need for improved connectivity to and from the rest of the UK are a key aspect of the approach, as articulated in the Transport Strategy for the North.

The beneficiaries of improved transport services and enhanced connectivity are not defined by administrative boundaries. Any economic or social mobility benefits arising from Hull’s leading engagement role will be delivered on a wider spatial scale than the city. The devolution agenda has been a long time in the making but is now at a critical stage for Hull and the region.

Without this, the more successful the Northern Powerhouse, the greater the congestion on all routes going to the southern ports of Felixstowe, Portsmouth, Southampton.

**Figure 10: Northern Powerhouse / North Europe Trade Axis**



## An Untapped Historic Economic Asset

**Figure 11: Canals / navigable inland waterways**



Hull is at the start of the EU network for inward and outward access, and the provision of inland connections to the inland waterway network is an untapped opportunity for real growth that will work in an integrated transport network of air, rail, road and water.

The industrial revolution saw Yorkshire towns and cities such as Leeds, Sheffield, Bradford and Huddersfield develop large textile and coal mining industries, which required an efficient transport system. As early as the late 17th century, the Aire and Calder and Calder and Hebble navigations had been canalised, allowing navigation from Leeds to the Humber Estuary, whereas the River Don Navigation connected Sheffield to the Humber. Estimates of over 10 million tons of coal being ferried around the canal systems in the North during the 1800's are documented.

Hull is well placed to take advantage of the wide network of navigable inland waterways/ canals stretching deep into Yorkshire. Hull is located on the Humber Estuary which forms the confluence for Yorkshire's great rivers including the River Derwent; River Ouse; River Aire; and River Calder. An increase in waterborne freight will reduce the amount of HGVs on Yorkshire's strategic road network, including the A63, A1(M) and M62. The environmental benefits of water transport over road travel are numerous. The Council is trying to encourage greater water transport movement between the Port of Hull/River Hull Corridor and Yorkshire's inland ports. We considers this could have a useful role, especially in the carriage of bulky, low value cargoes.

## Transport Links

Hull is easily reached from across the Yorkshire and Humber area. It possesses good road and rail links to all parts of the UK and enjoys some of the best international connections of any English city, thanks to its ferry terminals and regional airports.

**Airports:** Hull is within one hour's drive of both Humberside and Robin Hood (Doncaster/Sheffield) airports, and within two hours' drive of East Midlands, Manchester, Leeds Bradford and Durham Tees Valley airports. These give a wide range of connections to Europe and beyond. The regular train service from Hull to Manchester now takes less than two hours (1hr 53m prior to electrification) however we have no regular direct service to Manchester Airport.

**Ferries:** Daily overnight ferry services run between Hull and Rotterdam and Hull and Zeebrugge. They provide a direct link into the wider European motorway and rail networks. Over one million passengers are carried each year through the Port of Hull.

**Rail:** Eight direct rail services run each day between Hull and London taking as little as two hours 40 minutes each way. There is an hourly service on the north Trans Pennine line to Leeds (and on to Manchester and its airport) and a twice-hourly service to Doncaster and Sheffield (with connections to the East Coast Main Line and into the Midlands).

In addition, we need to remind people that journey times from the city centre and its attractive marina residential environment compare favourably to the more 'recognised' commuter journeys.

The City Council is actively involved in shaping future rail franchises for the region and, in the wider context of the development of the network, is seeking to further the case for a direct link to Manchester Airport, which will add further value to the existing economic links within the region.

**Table 4: Comparison of rail journeys between Hull / Leeds and London Victoria / Brighton**

Journey	Journey Time Duration <sup>6</sup>
Hull to Leeds	54 to 55 Minutes
Leeds to Hull	53 to 58 Minutes
Brighton to London Victoria	54 Minutes to 1Hour 10 minutes
London Victoria to Brighton	54 Minutes to 1Hour 5 minutes

---

<sup>6</sup> Based on information from the National Rail Enquiries on-line service of direct train journeys (not having to change trains)



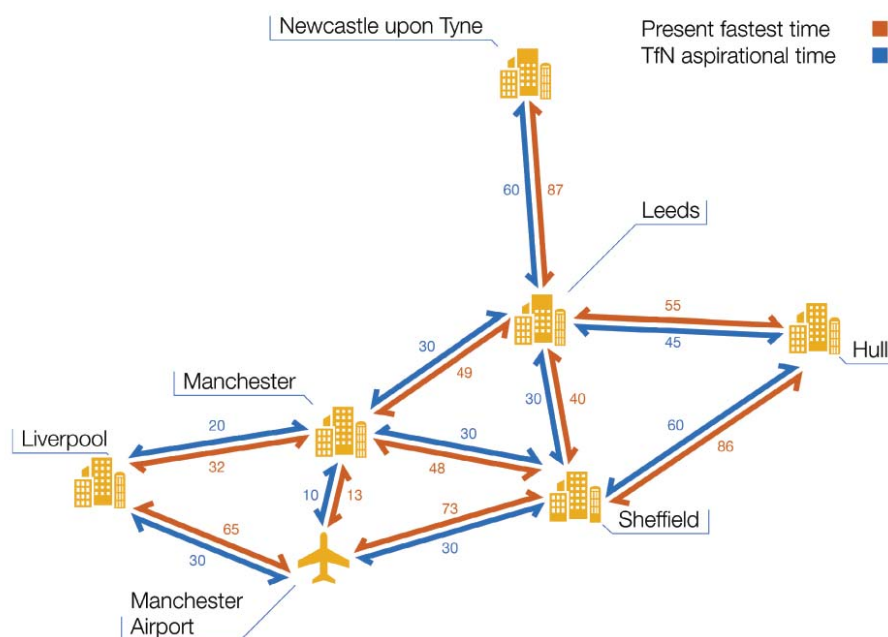
We look forward to a complete modernisation of the Northern rolling stock fleet, which will involve replacing Pacer trains completely by 2020 and delivering high quality modern trains for passengers as set out in the franchise specification documents published jointly by Rail North and the Government in Spring this year.

Specifically, we hope to see in the new franchises for Northern and Transpennine:

- An increase from 1 to 2 trains per hour between Hull and Manchester (via Leeds)
- Reinstatement of a regular hourly direct service between Hull and Manchester Airport
- A regular hourly faster service between Hull and York.

In the longer term we are working as an integral part of Transport for the North to deliver the Northern Powerhouse agenda, specifically to deliver faster, higher quality rail services to Leeds, Sheffield, Manchester, Liverpool and Newcastle.

**Figure 12: Rail Services – Future Service Aspiration**



**Road:** The A63 Trunk Road connects Hull directly into the national motorway system (M62/M18/M1). The A1079 connects Hull to York and the North East and the Humber Bridge links into the A15 and the M180 to the south. These major road connections are relatively congestion-free and bring up to 10 million people to within two hours' drive of Hull.

The North Humber Bank – Franchise Consultation Rail Report assesses the impact of introducing a half hour service from Hull to Leeds, with one service per hour continuing to Manchester. It is estimated that the introduction of such a service would generate around £5m of agglomeration benefits every year, with the majority of these, (79%), relating to improved connectivity to the Leeds economy. These results would be improved further with the journey time reductions proposed as part of the Northern Hub and also as a result of any improvements between Hull and Leeds.

## Hull – A World Class Visitor Destination

Hull City Council delivers its tourism marketing and development through Visit Hull & East Yorkshire (VHEY), which is a partnership between the East Riding of Yorkshire Council, Hull City Council and local private sector visitor economy businesses. The partnership leads and coordinates a range of activities with a strong focus on improving the visitor experience and increasing visitor spend, all of which is aligned to the 2015-18 Joint Tourism Strategy.

The Cambridge Economic Impact model details the value and volume of the visitor economy of the city of Hull which was estimated at £265.1 million in 2014, supporting an estimated 5,721 actual jobs.

Since the baseline visitor economy value and volume report was commissioned in 2012, Hull has shown growth in the overall value of the city's tourism economy:

- 8% growth in value of tourism
- 7.5% growth in actual jobs
- 14% growth in day visitor spend
- 8% growth in business turnover.

## Working in Wider Partnership

Hull's tourism team work in partner destinations at many different levels, delivering national and Yorkshire visitor economy activities. Currently, as a lead destination, Hull City Council is working with Northern Destination Partners, Visit England and Visit Britain, delivering the Northern Tourism Growth Fund.

At a Yorkshire level, Hull works with Welcome to Yorkshire through an agreed SLA and annual subscription fee.

Hull also plays an active role co-ordinating Yorkshire tourism activity with all local authorities through the Yorkshire Destinations group and Yorkshire Conference Bureau group with partners including Leeds, Sheffield and York.

## Planned Investment as Part of the City Plan

Overall, the City Plan is expected to deliver £605m GVA benefits through its Visitor Destination Programme.

### Cruise Terminal:

Initial £35m investment.  
The cruise terminal will boost visitor numbers and tourism in the area, generating £13 million annually for the city's economy and an additional £15 million for the region.  
GVA benefit £39m



**Hull UK City of Culture 2017:** Massive potential for legacy on the back of significant investment in city centre cultural assets, along side £24m investment in the public realm, GVA benefit of £21m

**Hull Venue:** £32m investment in a purpose built conference and event venue in the city centre.  
GVA benefit £108m.



## Addressing Previous Governance Failures

It is the case that the governance frameworks, and indeed the policy initiatives, aimed at supporting cities in securing an economic role have been in a constant state of relative flux. A situation not conducive to medium to long term economic and civic planning, with many of the investment levers, e.g. skills funding, held at arm's length from local economies and decision making. However, Government has clearly stated its support for economic devolution based on economic potential; strong leadership and medium to long term City plans, addressing the levels of low productivity in the UK.

Hull has listened to this message and has put in place, initially within its current boundaries, the frameworks to deliver on the Government's promise of increased freedoms and flexibilities for cities, clearly and precisely articulated through the City Plan – Hull's ten year vision for the city, its economy and its people. It has also played its part for the future benefit of the region, underpinning the activity of the Humber Local Enterprise Partnership and, more recently, positioning the city and the region as a key location in the Northern Powerhouse Agenda, with the intention of delivering economic benefit to its dependant local neighbours as well as the city.

From Hull's perspective, recognising the need for change, the presence of strategic and committed leadership from democratically elected politicians has become increasingly apparent, particularly in the context of strategic collaboration outside the 'walls' of current administrative and indeed political boundaries. Experience of previously adverse economic conditions, alongside a self-defeating attitude of seeking to "manage decline" and accompanying similar self-reinforcing path dependency traits amongst many businesses and residents alike, are now being consigned to a previous era.

There have been failings in delivering the opportunities arising from partnership working. These historic failings now have contemporary consequences, with Hull unable to build on previous attempts to progress economic programmes and now constrained by governance and delivery arrangements that are unsuited to the combined authority Agenda.

What the city has sought through this chronology of initiatives is a collaborative and supportive relationship for its economic priorities and growth opportunities.



It is clear there is the real risk of the city being further isolated as neighbouring authorities seek to forge alignments with the ultimate objective of realising a combined authority arrangement. For Hull, with its united ambitions between the private, public and voluntary sectors, to be isolated from any devolution proposals is clearly unacceptable. The views of senior players in the local economy do not see any barriers to making that happen in a meaningful way

We recognise that any future governance arrangements for Greater Yorkshire or an extended Leeds City Region would present challenges in terms of representation and decision-making. The presence of two-tier arrangements for some areas would add to the complexity. That said, we feel there are models of governance that can provide the solutions to this issue, e.g. population weighed voting.

## Appendix 1

### Historic Governance Arrangements

The collective list of policy and strategic initiatives below highlights the inability of effective and, importantly, sustainable intent to support the development of a more prosperous economy. Frustratingly, all the initiatives have had degrees of collaboration as their underlying principle. In seeking to support the necessary aspects of successful economic development, the region has come close on a number of occasions to combining all its actions, reflecting the economic and labour dynamics, to support the local economy for mutual benefit.

- **2004, City Region Development Programme (CRDP).** Each of the 8 City regions in the North asked to produce a CRDP as part of the then Northern Way Initiative, in Hull's case the Global Gateway UK – provided an evidence base and rationale for working together. Agreed by the Unitary Leaders in 2006 but not taken forward. However, formed basis for a resultant **Multi Area Agreement (MAA)**
- **2006, MAA** first touted as part of a wider review of sub-national review of economic development and regeneration. **Hull initiated conversations with GOYH in 2007** in advance of any formal invite from the GOYH. Discussions progressed for two years, largely due to an inability to focus on agreed economic outcomes and actions. The MAA itself went through various and protracted iterations under the umbrella of the then Humber Economic Partnership, resulting in a **concentration upon skills and employment issues**. However, the MAA was formally abandoned in May 2009 by the Directors of the Humber LEP
- **Other City regions in the North subsequently progressed further the MAA type work which was the origin of the concept of combined authorities.**
- **2010, Government introduced legislation to provide for the establishment of cross boundary working** – i.e. Economic Prosperity Boards and Combined Authorities. Incoming coalition government did not repeal any of this legislation and advocated the principle of combined authorities
- **June 2010, Government proposed LEPs** – It was suggested by the respective Leaders at the time that a North Bank LEP be formed, comprising Hull, East and Scarborough, based upon this reflecting a more functional economic area. This was never going to be a perfect fit due to local authority boundaries
- **June 2011**, Government recognised the Humber LEP, comprising the four authorities, following a clear statement by the Leader of the City Council stating his support upon becoming the ruling administration
- **Hull is the only authority in the 'Humber' that is part of only 1 LEP<sup>7,8</sup>** – the other 3 Humber authorities have the benefit of being in two LEPs - other authorities having eyes on both pots and could be said to be 'riding both horses'

- **October 2012, The Humber LEP was invited to develop a City Deal Wave 2** – one of 20 - Protracted discussion about the ‘what’ with the final focus on skills and freedom and flexibilities on pursuing a more efficient economic development arrangement in relation to the engagement of statutory agencies – e.g. engagement with the Environment Agency of mitigation measures to enable economic development in the Humber. **Signed off by the Government in December 2013**
- **2014, Following a competitive process, Humber Growth Deal Fund (Local Growth Fund) was announced.** For Hull, this was highly sub-optimal, with no City of Culture 2017 / public realm projects supported and a large proportion of projects, e.g. flood mitigation, being re-branded /re-presented for mainstream DeFRA Funding of some £28m.

History shows, anything based on the Humber alone is not enough to make a step change in the City region economy.

---

<sup>7</sup> Extract for North East Lincolnshire Cabinet 14th Feb 2011: CB.134 LOCAL ENTERPRISE PARTNERSHIPS – THE NEXT STEPS Cabinet considered a report from the Executive Director of Regeneration outlining the current position with regard to the various Local Enterprise Partnerships’ arrangements. RECOMMENDED TO COUNCIL - (1) That North East Lincolnshire formally applies to join the Local Enterprise Partnership (LEP) covering the Lincolnshire (LCC) area. (2) That authority be delegated to the Chief Executive, in consultation with the Leader of the Council and the Portfolio Holder for Regeneration and Housing, to continue to work with public and private sector partners to develop proposals for a Humber-wide LEP.

<sup>8</sup> North Lincolnshire Cabinet – 12th July 2011: 928 (2) **LOCAL ENTERPRISE PARTNERSHIPS (LEPs)** - The Head of Regeneration and Planning submitted a report seeking approval to support the Humber Chamber proposal to develop a Humber Local Enterprise Partnership to become a key partner and a full member of the Greater Lincolnshire Local Enterprise Partnership. **Resolved** - (a) That the council support the Humber Chamber proposal to develop a Humber-wide LEP and become a key partner, and (b) that the council also join the Greater Lincolnshire LEP as a full member.

Darryl Stephenson  
Chief Executive  
Hull City Council

Councillor Stephen Brady  
Leader  
Hull City Council

Hull City Council, Guildhall, Hull HU1 2AA.  
Tel: +44 (0) 1482 613100



Hull  
City Council

