

NORTH YORKSHIRE COUNTY COUNCIL

22 July 2015

STATEMENT OF THE LEADER
COUNTY COUNCILLOR CARL LES**Devolution – “A once in a generation opportunity”**

Devolution featured as one of the key areas of legislation in the Queens speech and has been the subject of focus from both the Chancellor George Osborne and the new Secretary of State for Communities and Local Government, Greg Clark. George Osborne in a speech on the Northern powerhouse described his view of devolution for cities but also for what he described as “towns and great counties” of the North. This has given the impetus to a number of local discussions looking at how devolution could be taken forward and the Budget on 8 July further emphasised devolution as a key policy driver.

I have in the last few weeks chaired two meetings of Leaders and Chief Executives from across North Yorkshire, York, East Riding and also involving colleagues from Hull and West Yorkshire to consider the question of devolution. There are three obvious issues that need to be addressed. Firstly, the question of geography; secondly, the issues that devolution should cover; and, finally the form of governance that should be applied to the geographical area. The meetings that have taken place to date have touched on all of these issues. However, further discussions with neighbouring councils will need to take place before definitive conclusions are reached.

In terms of geography there have been a number of options considered from our current LEP geography of York, North Yorkshire and East Riding through to a possible option of a Greater Yorkshire model taking in potentially all or a major part of the County of Yorkshire. Clearly, this latter model involves many local authority areas and requires a considerable level of discussion in order to understand the issues and the opportunities in devolving to such a geographic area. One of the issues raised by this size of geography is governance and it is clear that any alignment with a major city such as Leeds would require Mayoral governance. We recognise completely the economic importance the Leeds City Region plays to parts of our county area.

For my part I am clear that there are a number of fundamental issues that we should pursue through devolution. These are maintaining the integrity of the county area in a devolution settlement, ensuring close alignment of the City of York, winning significant local freedoms and flexibilities to improve transport, housing, skills, broadband and mobile telephone coverage amongst other issues and in addition putting into place effective and efficient governance that provides opportunities for other public service reform that will help maintain services and deliver value for money at what will become an increasingly financially challenging time for the public sector.

Discussions around devolution will carry on over the coming months and I will endeavour to keep County Councillors informed of progress.

Although I am happy to answer questions today, I feel a much better understanding of the complex issues can be achieved in a seminar setting probably in September.

Budget

The council's budget outturn figures for 2014/15 have been published and indeed feature in the papers for this meeting. They describe the council as making excellent progress financially through extremely difficult circumstances. I would like to commend all of the council staff and managers for the diligence that they continue to show in respect of financial issues. It is particularly pleasing to see all of the directorates, come within their budget limits for the year. Gareth will pick up points of detail.

A major feature of the outturn is that we are £4.4million ahead of programme in terms of our 2020 North Yorkshire savings. It is crucial at this stage of the present period of austerity that we manage budgets effectively and deliver savings early where possible given the enormity of the challenge that is likely to have to be faced over the next 3 years at least.

The Chancellors Budget Statement on 8 July concentrated on the balance between welfare and work it did not tell as much about what to expect for local government and its finances – we will have to await the Spending Review later this year. It was pleasing to note, however, that funding for 2015/16 was not re-opened although we await information about reductions in public health grant and the announcement on the new living wage will bring additional pressure on our budgets. I do not believe there is a need for in year adjustment as we have a sound Plan and the Chancellor's remarks about a smoother trajectory of cuts may be helpful. We will need to review the effects on the County Council of this Budget and the following Spending Review as part of next year's Budget / MTFS.

County Councillor Carl Les
Leader of the Council