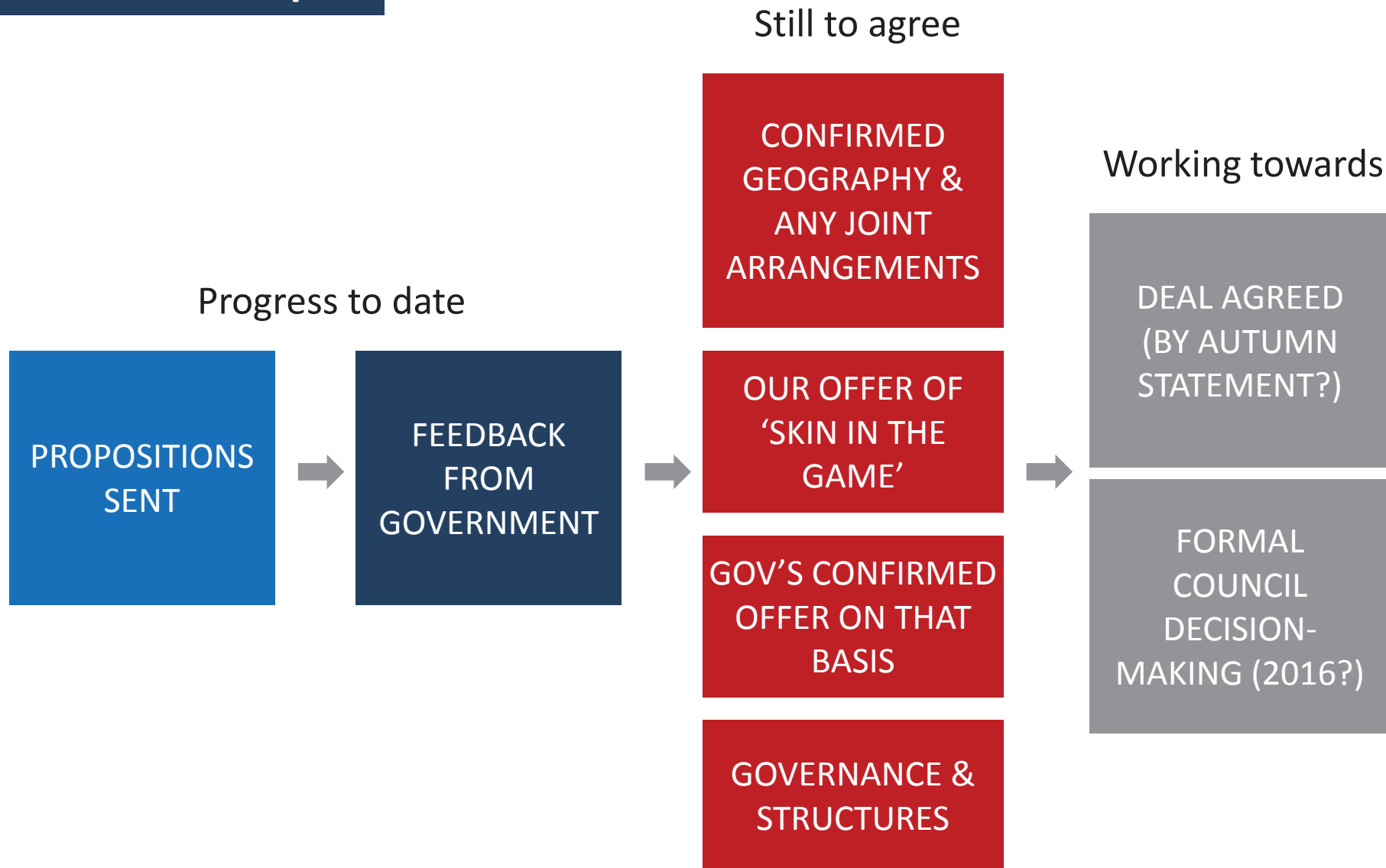

DEVOLUTION

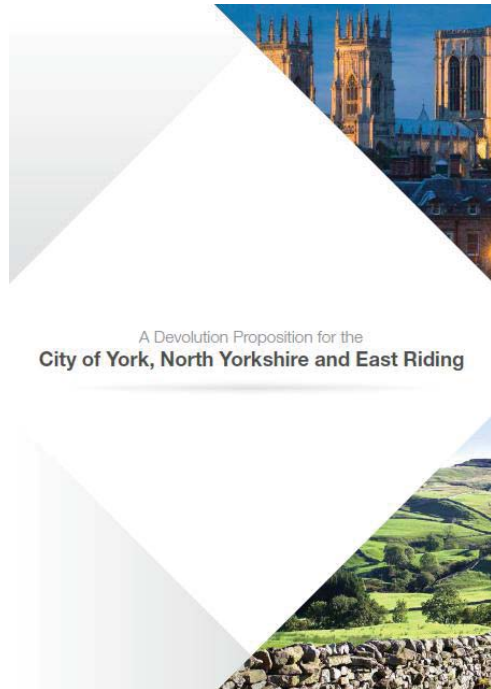
UPDATE

The landscape



PROGRESS TO DATE

Propositions Sent



YNYER



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

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

4th 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 proposal 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

LCR

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

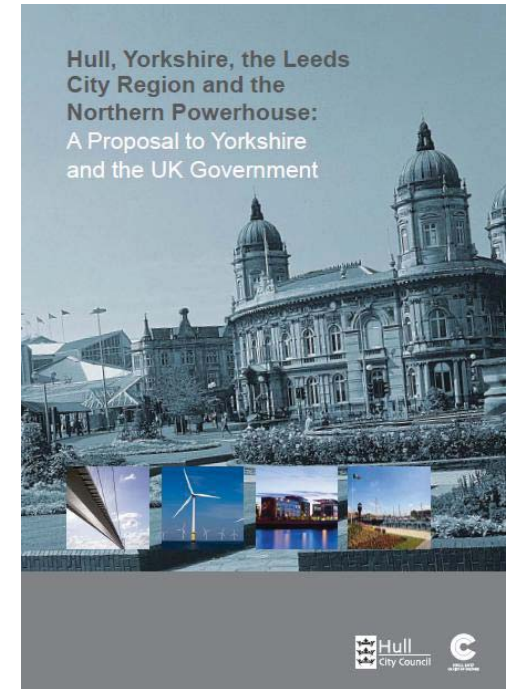
Bradford	Calderdale	Craven	City of York
East Yorkshire	Hambleton	Harrogate	Hull
Kirkcaldy	North Yorkshire	Leeds	Richmondshire
Ryedale	Scarborough	Selby	Wakefield

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.

Greater Yorkshire (MP proposal)



Greater Yorkshire (Hull proposal)

Feedback on propositions

On the proposals:

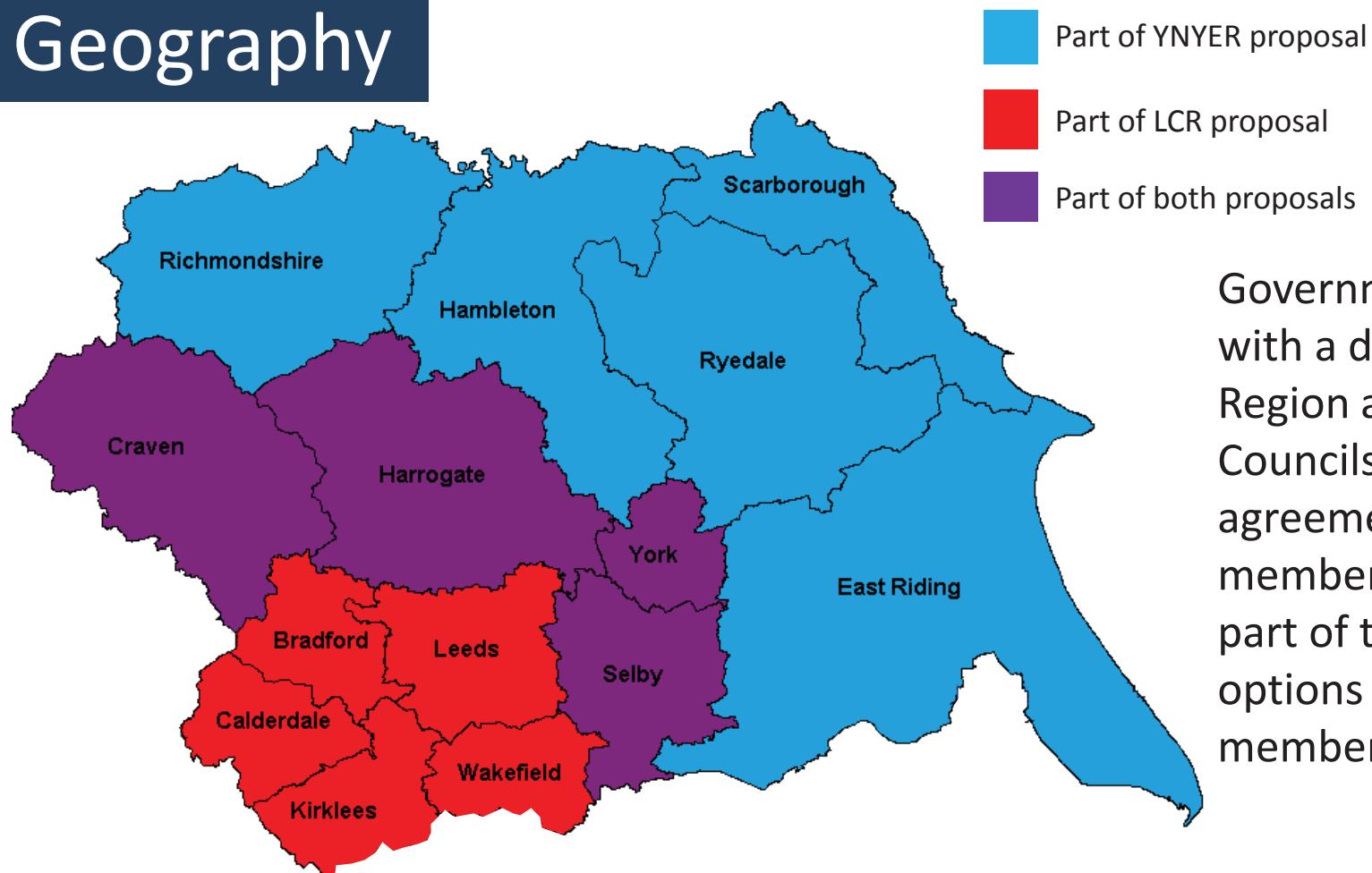
- YNYER proposition well received in general
- Government clear that that we need to demonstrate our offer to them, especially given perception of our cash-rich geography. There is already some of this in our offer document (such as the £10m for York Central) but we need more.
- Need to demonstrate the current issues which the asks will specifically overcome and how + the figures behind this
- Some asks a flat no; e.g. stamp duty retention / regional schools commissioner

On geography:

- It is for local determination, but all authorities need full agreement to any geography
- Deal with West Yorkshire being taken forward for Autumn Statement. Interest in parallel deal to cover a geography closer to 'Greater Yorkshire' with joint arrangements.

STILL TO AGREE

Geography



Government is proceeding with a deal with Leeds City Region authorities. Any Councils where universal agreement on full membership would not be a part of the core deal (but options for associate membership).

OPTIONS FOR YNYER AUTHORITIES FOR AUTUMN STATEMENT:

- No YNYER authorities part of devolution deal
- No devolution deal for North Yorkshire & East Riding, LCR authorities part of deal with districts as associate members.
- Parallel YNYER deal with joint arrangements with West Yorkshire to form 'Greater Yorkshire' deal: with the question of Hull to be resolved.

If the preference is C, agree joint arrangements

Either associate membership

Greater participation in WY-led economic arrangement

acknowledging functional economic geography and City-led growth

Mayoral mandate only for full members = “observer status” in practice

Or/and joint arrangements

Parity between WY, Y & NY/ER

Greater opportunity for parity in deals

A stepping stone to Greater Yorkshire

If the preference is C, agree our local offer to Government

- Expectation from Government of *deals* with both parties contributing
- The degree of which a deal can be reached will be proportional to what we are able to offer, and determine which 'asks' can be taken forward.
- We need clarity on this to be able take forward and agree 'asks' or withdraw them.

If the preference is C, agree details of 'asks' with Government

- Chief Exec-led groups of officers working up details and directly with Government under themes to articulate:
 - What is the strategic problem this solves?
 - What is the evidence this is the right answer to the problem?
 - What are we contributing to the deal?
 - What will Government contribute to the deal?
 - What are the figures involved?
 - How will it be governed?
- We need clarity on this as soon as possible to either be able take forward and agree 'asks' or withdraw them.

WORKING TOWARDS

What will happen at Autumn Statement?

West Yorkshire authorities are working to a 'Leeds City Region' devolution announcement by Autumn Statement (25 November 2015).

Aligning a YNYER deal as closely as possible with that offers the best chance of securing substantial devolution from Government, equivalent to an HMT-led deal with a core city (as opposed to a "second division" deal with others).

Formal Decision making processes will follow (in 2016?)

A Hole in the Northern Powerhouse

