

North Yorkshire County Council**Transport, Economy and Environment Overview and Scrutiny Committee****21 January 2015****LEP update on the Skills Agenda and performance of the current programmes,
and Local Governance for Economic Growth**

- **Part A: LEP update on the Skills Agenda and performance of the current programmes**

1 Purpose of Report (Part A)

- 1.1 To update the Committee on the work of the York, North Yorkshire and East Riding LEP on the Skills Agenda and performance of the current programmes.

2 Background

- 2.1 There are currently two skills programmes being delivered on behalf of the LEP:
- Skills Support for the Workforce
 - Local Response Fund
- 2.2 Both programmes are being delivered by a consortium led by Grimsby Institute of Further and Higher Education (GIFHE) contracted directly from Skills Funding Agency. We therefore have limited financial levers to influence performance.
- 2.3 As a LEP we have led the development of the Local Response Fund proposals, directly responding to local opportunities, whilst Skills Support for the Workforce has been delivered through GIFHE in partnership with local colleges across the LEP area.
- 2.4 Other initiatives in the county include the Apprenticeship Hub which is a Leeds City Region funded project.

3 Skills Support for the Workforce (SSW)

- 3.1 Delivery of this contract has been extremely poor. In June senior managers from GIFHE attended the Skills Board meeting to explain their poor performance and set out a recovery plan.
- 3.2 At the September Skills Board meeting it was decided to formally write to the Skills Funding Agency (SFA) to complain about the poor performance of the SSW contract. The SFA had indicated that it would reduce the contract value due to the low levels of activity against the contract.
- 3.3 The Skills Board felt that the poor performance of the contract was not the fault of the LEP and that it was therefore unfair to reduce the contract until proper contract management was in place. The letter set out the ways in which the SFA

had failed to manage the contract properly and the efforts the LEP had gone to in order to mitigate those failings.

3.4 The SFA agreed that it would put in place rigorous performance management processes with the purpose of driving up performance. It also agreed not to reduce the contract value for the next quarter.

3.5 Whilst the contract is showing green shoots of recovery, there is still a long way to go. Latest figures are set out below:

SFA Contract		YTD volume		YTD value		Work in Progress	
Value (£)	Volume	Contract	Actual	Contract	Actual	Volume	Value
£1,659,335	1,533	1003	739	£906,545	£485,633	57	£23,042

3.6 It is expected that the SFA will conduct another quarterly performance review in December and as the figures are still very low against profile it may recommend a reduction.

3.7 The Skills Board opted to form a Governance Group after Grimsby Institute had attended the June meeting. The Governance Group was formed in August and has met monthly since. Four members of the Skills and Employability Board sit on the Governance Group as well as representatives from the contract holders and delivery partners. The Governance Group has been a positive driver for change in the contract particularly in relation to the relationship between the contract holder (Grimsby Institute) the delivery partners.

3.8 However, the fact remains that the contract is not performing as it should and despite delivery partners now working hard to maximise their budgets, there could be a reduction to the contract value in the next couple of months. Partners are aware of this.

3.9 We are working with the SFA to produce data from the SSW contract in neighbouring LEPs so that we can build a picture of activity in the overlap areas. This will show the full investment from SSW across the geography of the LEP.

4 Local Response Fund (LRF)

4.1 The LRF is almost fully committed (see breakdown below) but not yet contracted. Five projects (BioVale, Visitor Economy and the three Agritech packages) have been contracted out and delivery is about to start. The remaining projects have not yet gone out to tender but will do so imminently. All projects must be completed by July 2015.

4.2 GIFHE has appointed Peter Johnson, funded by LRF, to work based in the LEP to drive delivery of these projects. The LRF investment breakdown is given below:

	Local Response Fund	Committed funds
1)	BioVale	£364,844
2)	LRF Management	£66,416
3)	Visitor Economy (NY	£250,370

	Moors)	
4)	Agri-Tech (3 work-packages)	£638,506
5)	Construction/Engineering	£266,910
6)	Visitor Economy (Low Skills)	£157,970
7)	Care Skills	£147,501
8)	Skills Conferences	£32,058
		£1,924,575

5 Apprenticeship Hub

- 5.1 The Apprenticeship Hub is a Leeds City Region funded project which operates in Craven, Harrogate and Selby districts. There is also an Apprenticeship Hub in York. The Apprenticeship Hub exists to promote Apprenticeships to small businesses, encourage businesses to take Apprentices on, supports them through the paperwork and helps to recruit young people into the vacancies.
- 5.2 17 Apprentices have started to date in in Craven, Harrogate and Selby districts to date and 53 in York.
- 5.3 The project has been successful in engaging with businesses (57 in in Craven, Harrogate and Selby districts and 95 in York) but the conversion to Apprenticeship starts has been slower than anticipated. There is also a low conversion rate which means that a great deal of resource is needed to create one new Apprenticeship start.
- 5.4 The target for the full contract Craven, Harrogate and Selby districts is 101 and 88 in York. The Apprenticeship Hub runs until March 2016.

6 Strategic Economic Plan: Inspired People priority

- 6.1 The Strategic Economic Plan under the Inspired People priority has three objectives:
- A productive workforce for growing businesses
 - Inspired People making the right choices
 - Empowered communities delivering support and inclusion
- 6.2 By integrating and aligning funding and performance drivers in a way that is driven by the local economy, so we deliver the socio-economic outcomes needed, whilst delivering a workforce with the skills demanded by the local economy is a key challenge for the LEP and its partners over the coming months.
- 6.3 Building on this the LEP has the following aims:
- Our economy is driven by small business, we want a system which understands their needs and reflects these is the skills it gives people.
 - Every student must know what job opportunities are there for them, what skills they need and a process to get those skills.

- Every unemployed person receiving help and support must receive employability training focused on local job opportunities.
- What is clear from the work to date is that the skills agenda is incredibly broad, with a complex mix of funding streams, stakeholders and conflicting drivers.
- This complexity also creates a real challenge around the devolution agenda. We have the opportunity to make a case to government to devolve more funding and powers to a local level. But we must create a step change in performance.
- A key objective of the LEP Board and Skills and Employability Board is to identify what powers and funding, if delivered to a local level would create much better outcomes with much improved value for money.
- Work is underway to understand where multiple funding streams are targeted at the same groups, and where a locally driven solution could provide a more streamlined, outcome focused solution. In particular we need to ensure any business case addresses our local economic needs, for example small business economy, coastal deprivation and rural isolation.

7 Future LEP Skills Delivery plan

- 7.1 The Skills and Employability Board (SEB) was formed in January 2014 with responsibility for developing and driving the skills delivery plan.
- 7.2 Three task and finish groups have been created to focus on:
- Workforce skills
 - Young People
 - Social Inclusion and communities
- 7.3 The focus of these groups was to understand the current activity going on in the LEP area; what works, what doesn't work, where the gaps are and what are the key areas for the LEP to focus on. The aim is to create a plan which clearly reflects the needs and opportunities of the LEP area and identifies where the LEP can add value through implementation of its delivery plan.
- 7.4 A Task & Finish group consultation over the summer and early autumn confirmed the direction of travel as outlined in the Strategic Economic Plan. The priority now is to distil down the huge evidence base to a few key areas for action and focus.
- 7.5 The Delivery Plan will serve three purposes:
- Inform the EUSIF Implementation Plan so that commissioning of EU funded skills programmes reflects the needs of the area.
 - Set out in brief what the key priorities for action are so that stakeholders and partners can align their work with the LEP easily
 - Be the basis for a skills business plan for the LEP secretariat.
- 7.6 The delivery plan will be finalised by February 2015, to align with timeframes for EU funding which is expected to be available mid-2015.

8 Workforce Skills

- 8.1 Our economy is driven by small businesses. We need a skills system which understands their needs and reflects this in the skills it gives people.

- 8.2 We have identified in our Small Business priority that much of our growth will come from micro businesses growing and creating 1 or 2 extra jobs. Therefore, we have two main challenges
- Creating ambition and developing the skills of our small business owners.
 - In a region dominated by micro businesses, creating a system which is able to agglomerate their needs to enable providers to deliver skills driven by business need. Our Growth Hub will play a key role in supporting this.
- 8.3 Equally, there is a need to respond to specific sector needs. We are targeting major growth in agri-tech and bio-renewables, engineering skills are an issue UK wide, as are construction skills. We need to respond to this by working with industry to attract more people into the sector with clearer, better defined career paths.

Objective	Actions from Strategic Economic Plan	Priority Actions
A productive workforce for growing businesses	<ol style="list-style-type: none"> 1. Increase productivity by investing in workforce skills 2. Build competitive advantage through higher level skills 	<ul style="list-style-type: none"> • Develop bespoke Leadership and Management programmes for micro businesses • Sector specific provision for agri-tech, food manufacture and bio-renewables • Develop better, higher quality provision and employment routes to attract more people into engineering • Promote job opportunities for girls in STEM related careers • Invest in FE college infrastructure to ensure facilities meet the needs of business • Invest in specialist centres to provide multi-skilled training facilities for the engineering, food manufacturing and bioeconomy industry • Ensure provision is business led by working with industry groups to create sector specific programmes • Increase the number and range of Higher Level Apprenticeships (degree level)

9 Young People

- 9.1 We want every student to know what job opportunities are there for them, what skills they need to get the job and a process to provide those skills.
- 9.2 Schools are driven by Ofsted ratings. Both North Yorkshire & East Riding are below the national average in terms of the % students attending schools with good or excellent Ofsted ratings.
- 9.3 The LEP role is to provide a stronger link to businesses and work with schools and Local Authorities demonstrate how we can help them achieve excellent Ofsted ratings.
- 9.4 Our headline ambition of connecting every student to business, along with targeting Gold Standard careers advice in all schools, will raise aspirations, provide key employability skills and ensure young people make the best choices to realise their potential. These will help schools improve their OFSTED ratings.

Objective	Actions from Strategic Economic Plan	Priority Actions
Inspired people making the right job choices	<ol style="list-style-type: none"> 1. Increase employability by connecting business to education 2. Build skills, attitude and ambition to help people access jobs 3. Support high quality apprenticeships and internships 	<ul style="list-style-type: none"> • Connect every student to business by rolling out and expanding events such as Scarborough Engineering Week and Opportunity Knocks. • Ramp up employability charter to connect business to every school • Gold Standard Careers Advice in every school - Ensure students make the right career choices. • Work with business and schools to create and fill high quality Apprenticeship opportunities • Increase small businesses taking interns • Ensure young people from disadvantaged backgrounds get the same opportunities to fulfil their potential in education

10 Social Inclusion

- 10.1 We need to ensure that unemployed people receiving help and support receive employability training focused on local job opportunities.
- 10.2 The aim of social inclusion is to work with unemployed to get them into good quality employment. Currently the annual welfare costs in our LEP area are:
 - Job Seekers Allowance – £98,234,975
 - Employment Support Allowance - £267,755,920
 Total - £365,990,895
- 10.3 An important measure of success for our social inclusion work will be on reducing the welfare bill.
- 10.4 The numbers on Job Seekers Allowance have been falling for some time as the economic recovery continues. However, those who remain are often people with multiple reasons for not getting a job over a long period. There is also a problem with people securing a job but not being able to sustain it due to other factors in their lives. The term coined for this is ‘entrenched worklessness’.
- 10.5 There is also significant health funding targeting these individuals, who may suffer from mental health, alcohol, drug or other health related problems. We must ensure that individuals are not targeted twice and that as a LEP we work closely with the Health & Wellbeing Board. This will ensure LEP funding is focused on increasing the employability of the individual, whilst health funding addresses social and health problems.

Objective	Actions from Strategic Economic Plan	Key actions for future
Empowered communities delivering support and inclusion	<ol style="list-style-type: none"> 1. Build skills, attitude and ambition to help people access jobs 2. Develop strong communities and active inclusion 	<p>‘Try before you buy’ employment placements</p> <p>Reduce the burden of direct welfare costs by tackling entrenched worklessness</p> <p>Help people on Employment Support Allowance to get closer to the job market</p> <p>Build the vol/com sector to deliver services formerly offered by local authorities</p> <p>Flexible social inclusion small grants programme to tackle financial/health barriers</p> <p>Tailored business support for not-for-profit enterprises</p>

11 Recommendations

- 11.1 That the Committee notes the work of the York, North Yorkshire and East Riding LEP on the Skills Agenda and performance of the current programmes.

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North Yorkshire County Council**

13 January 2015

North Yorkshire County Council

Transport, Economy and Environment Overview and Scrutiny Committee

21 January 2015

LEP update on the Skills Agenda and performance of the current programmes, and Local Governance for Economic Growth

- **Part B: Local Governance for Economic Growth**

1 Purpose of Report (Part B)

- 1.1 To outline the options for strengthening governance for York, North Yorkshire and East Riding to maximise the opportunities of devolution and to attract investment.

2 Background

- 2.1 The Government considered a range of factors when negotiating Growth Deals, including the strength of local partnerships. The purpose is to ensure clear decision making over large areas, underpinned by a strong democratic mandate.
- 2.2 The extent and strength of local governance has been a major factor in City Deals and Growth Deals and appears to now be directly influencing the options for English devolution. Combined Authorities, as developed in city regions, are being highlighted as the preferred vehicle for achieving this.
- 2.3 This leaves an uncertain future for those areas outside city regions, such as the East Riding and parts of North Yorkshire. It is also reasonable to expect that the extent of governance arrangements established will also influence any review of LEP boundaries and arrangements following the election.
- 2.4 The recent Growth Deal offered by Government to the York, North Yorkshire and East Riding (YNYER) LEP area clearly took account of the progress made thus far in strengthening local governance for this area. However, the deal does require strengthened cooperation across YNYER in terms of planning and transport. The Deal requires that 'the LEP and local planning authorities commit to getting up-to-date Local Plans in place, deliver effective strategic planning by working together and across boundaries, and ensure delivery of housing in Local Plans'.
- 2.5 The Growth Deal also requires that 'The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on long-term strategic road network planning to support local economic growth'. In order to secure greater responsibilities and finances, we need to demonstrate strong local governance.

- 2.6 Whilst a looming general election and potential political change may mean some changes to LEPs and local devolutionary structures, both the major parties are committed to Combined Authorities and LEPs as key building blocks - hence thinking about this now is helpful, all the more so as other areas are too.
- 2.7 *To summarise: Whilst the existing local governance structures have secured a short term growth deal via the LEP, there is a need to strengthen them still further. Combined Authorities are the strongest option and the governments preferred governance model. They will secure greatest devolution, more flexibilities and longer term settlements. Combined Authorities are also the most difficult to deliver and cannot operate on overlapping boundaries.*

3 Potential Governance Arrangements

- 3.1 The governance improvements required are focused on bringing Local Authorities together to make collaborative decisions over a wider spatial area. These structures work in close partnership with the LEP but are separate to the LEP Board and secretariat. There are three models that are considered by government to be suitable for strengthening governance and ensuring that there is greater accountability for any public funding under the Growth Deal and for delivery of agreed projects and investments; namely:
- (A) A Formal Joint Committee - a forum in which to address collaboratively issues relating to economic development, regeneration, strategic planning and transport matters
 - (B) An Economic Prosperity Board (Similar to a Combined Authority but without the transport functions)
 - (C) A Combined Authority –responsibility for transport and economic development (although this is expanding with asks around housing, skills, regeneration)
- 3.2 Transport issues remain a key barrier to delivery of strategic improvements, individual developments and many local plans. An Economic Prosperity Board, which excludes transport matters, therefore would not address the challenges and strategic growth issues of the LEP area. For the purposes of this report we only consider Joint Committees and Combined Authorities.
- 3.3 **Appendix A** provides a high level analysis of each model together with an assessment of their suitability for YNYER requirements.
- 3.4 *Conclusion: The optimum model, which would maximise investment into the region would be a Combined Authority. However, with overlapping LEP areas and the General Election in 2015, a Joint Committee should be progressed immediately, whilst developing the model for a Combined Authority. This will allow for informed consideration post-election.*
- 3.5 A Joint Committee can be quickly and easily delivered, and could evolve into a Combined Authority post May 2015. All local authorities involved in a Combined Authority need to formally assent to becoming one, and a review is underway to assess the likely position and possibilities in this regard as well as the case for and against becoming a Combined Authority. It is worth noting that a Combined Authority is a long term commitment, which is difficult to exit.

- 3.6 It is expected that post-election, LEP boundaries will be reviewed, possibly to remove overlaps. This will need to be done in conjunction with discussions around Combined Authorities and local governance to ensure consistent boundaries across both agendas. It is expected that LEP boundaries will be required to be coterminous with one or more Combined Authority boundaries. (i.e. a LEP boundaries will not overlap and could cover the whole of one or more Combined Authority areas, - they will not cover only part of any Combined Authority area).

4 Delivering on the potential of the LEP area

- 4.1 Government policy to date has been focussed on the core cities with a growing focus on creating a Northern Powerhouse linking Manchester, Leeds & Sheffield. Manchester is leading the way in this debate, having committed to a Metro Mayor and securing devolution across a broader policy remit. Leeds & Sheffield City Regions are now in negotiations with Government around increasing their devolved powers across a broader policy range.
- 4.2 There has been a significant change in pace in the agenda, resulting from the Scottish Devolution debate with the potential policy areas under discussion broadened from the traditional transport and Economic Development to include housing, skills, business support and more.
- 4.3 As a consequence, a significant amount of the discussions, both nationally and locally have taken about what geography a Combined Authority should operate across. Locally this has focused on:
- Should all of YNYER join in with Leeds City Region to be a minor player in the metropolitan focused Northern Powerhouse?
 - Would we achieve better results creating a smaller City-County Combined Authority across York, North Yorkshire & East Riding?
 - Should York & North Yorkshire join Leeds City Region, whilst East Riding develop a Combined Authority with Hull?
- 4.4 What is clear from discussions with Ministers and All-Party Parliamentary meetings with Lords Heseltine and Adonis is that we need to demonstrate the following:
- **Clear ambition.**
 - **Leadership** – the ability to speak with one voice and gain consensus from all of our constituents;
 - **Clear economic priorities** – demonstrating to government the ability to prioritise at a regional level and deliver maximum economic impact
 - **An economic ‘model’** – create the rationale for equitable focus, investment and devolved responsibilities.
 - **A strong evidence base** – quantifying the contribution of our area to the national economy, in a way that stands up to scrutiny by economists and policy makers
 - **Delivery capability** – convincing decision makers that there is both strength and depth in resource to carry through the proposition to delivery.
 - **A clear business case** – demonstrating value for money, impact and economic of scale

4.5 A key discussion point is therefore what powers would we wish to be devolved and what outcomes will this achieve. For example:

Challenge / Opportunity	Potential function devolved into a Combined Authority
Strategic Planning	Functions: Strategic Transport, and Strategic planning from Local Authorities Finances: Long term funding package from Dept for Transport
Economic Regeneration	Functions: LA Economic Development functions Finances: LA New Homes Bonus Business Rate Retentions DEFRA Coastal Communities Investments DEFRA Rural Investments HCA Housing Investments
Coastal Regeneration	
Rural Growth	
Flood Defences	
Housing Growth & Affordable Homes	
Skills	Functions & Finances: Skills Funding Agency Adult Skills budgets Apprenticeships
Business Support	Functions & Finances Business Growth Service UK Trade & Investment Innovate UK R&D Funding

4.6 Work is underway to develop the economic case for York, North Yorkshire & East Riding to support an informed decision post-election.

5 Recommendations

5.1 That the Committee supports the work of the Local Authorities in the LEP area in creating a Joint Committee whilst developing a business case to allow informed decisions around the benefits of creating a Combined Authority.

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13 January 2015

Annexes:

Appendix A: High level comparison of different governance models.

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	Existing Structure	Joint Committee	Combined Authority
Achievability	Already in Place and has functioned to date.	Easy to set up with agreement by each authority.	Takes time to set up: 1. Review of existing and future arrangements 2. development of a scheme 3. approval of Secretary of State followed by draft order being laid before Parliament.
Governance	Not recognised by Central Government as a secure way to make decisions across the region	Recognised by Central Government as the minimum required to ensure suitable governance arrangements are in place Decisions can be formally delegated to a joint committee.	Recognised by Central Government as the highest form of governance with the ability to last in the long term.
Flexibility	Completely flexible	Each Authority delegates its powers to the Joint Committee – could be different for each authority. Each authority, subject to any agreement, can then revoke those delegations. The Committee can easily flex to accommodate more powers as time develops.	A new Combined Authority is created by Order and cannot be disbanded or altered without the approval of the Secretary of State. This model provides the least flexibility in terms of change as the structure is more secure and harder to amend. In addition, Local Authorities are not allowed to be constituent members of more than one

	Existing Structure	Joint Committee	Combined Authority
		<p>There is a concern that that such a model would not have the permanence and accountability that exists within a Combined Authority to attract, for example longer term infrastructure funding.</p> <p>Provides a flexible approach to the current position where there are overlapping LEP Boundaries.</p>	combined authority.
Administration	Least burdensome administratively.	<p>Relative lack of bureaucracy – joint committee will require officer support.</p> <p>The Committee will need an authority to host the Committee and provide all necessary secretarial, legal and financial support (including Section 151 and Monitoring Officer Roles).</p>	Creates a completely new authority that needs to be administered.
Legal Basis	Informal arrangement	<p>Section 101(5) Local Government Act 1972 enables two or more local authorities to discharge any of their functions jointly and arrange for the discharge of those functions by a Joint Committee.</p> <p>If Executive Functions are being delegated to the Joint Committee, the Local Authorities (Arrangements for the</p>	<p>The Local Democracy, Economic Development and Construction Act 2009 provides the legal basis for creating Combined Authorities and Economic Prosperity Boards.</p> <p>A Statutory Order needs to be passed to set up a new Combined Authority/Economic Prosperity Board.</p> <p>A Combined Authority can attract additional functions and powers in their own right,</p>

	Existing Structure	Joint Committee	Combined Authority
		<p>Discharge of Functions) (England) Regulations 2012/1019 states the Committee should contain Executive Members.</p> <p>Regulations further state that the Committee would not allow for any co-optation.</p>	<p>including the general power of competence.</p> <p>The Localism Act 2011 allows ministers to devolve powers to Councils, but ministers have consistently stated that they would prefer to devolve powers to combined authorities because the types of powers that can be devolved would affect whole regions and across Council boundaries.</p>
Addresses the long strategic economic challenges	Limited	Potentially – there is flexibility around which functions are included.	Yes – fully integrates transport and economic development and supports an agreed spatial approach and investment
Improves decision making	No. Very little joint decision making by local authorities.	Yes - Decisions can be formally delegated to a joint committee	Yes – Combined Authorities are approved by parliament with a formal legal status
Satisfies government demands for devolution	No	Partially - Recognised by Central Government as the minimum required to ensure suitable governance arrangements are in place	Yes – Recognised by Central Government as the strongest form of local governance
Likely to increase investment attracted	No	Yes – to a lesser extent. Will enable the region to meet minimum requirements but unlikely to secure longer term funding	Yes – Allows for integration of budgets and the model most likely to achieve maximum devolution and maximise government investment.
Improves deliverability of Local Plans	No	<p>Improved over current and could support a more strategic approach with HCA and developers</p> <p>Addresses duty to co-operate</p>	<p>Yes – will support a more strategic approach with HCA and developers</p> <p>Addresses duty to co-operate. If combined with shared elements of plan making this approach would support production of a Spatial Plan with development plan status.</p>
Deliverable	Yes – already in place and	Yes – Can be quickly and reasonably	Would require all Local Authorities committing

	Existing Structure	Joint Committee	Combined Authority
	functioning	easily developed. The primary challenge will be agreeing responsibilities devolved to the Joint Committee	long term – A longer more formal process including consultation and approval by Secretary of State

Assessment of the Governance options in relation to YNYER requirements

Governance Model	Analysis
Existing Structures	
<p>Current structures support short term funding secured through the LEP Local Growth Deal.</p> <p>Two tier local government in North Yorkshire results in a siloed approach, and complicated negotiations between county and districts, delaying developments.</p> <p>There is no spatial plan at either a county or a LEP level and transport strategy in NY does not support Local Plan delivery. Relationships and joint working is varied across the LEP area.</p> <p>The existing model supports overlapping LEP areas for East Riding, York, Harrogate, Selby & Craven however stronger governance in neighbouring areas places significant risk of long term sustainability.</p> <p>The current model has no formal legal status and would be insufficient to secure significant devolution through a deal with government. Funding would remain short term and inflexible.</p> <p>This model does not meet local or national requirements and has significant risks in terms of achieving investment and devolution</p>	
Joint Committee	
<p>Seen by government as the minimum level of governance to support devolution. This is a flexible and relatively un-political model which allows for different relationships with different areas.</p> <p>There is flexibility around which powers are devolved to a joint committee, however a Local Authority may legally devolve powers.</p> <p>It supports spatial planning at a wider level and the duty to co-operate within local plans. This would enable wider regional working to help address some of the housing challenges within Local Plans and would support a stronger relationship with potential investment partners such</p>	

as HCA & Highways Agency. It would also likely provide greater flexibility over local growth funding received from government.

It could be created quickly and easily and provide a vehicle to better integrate and provide coherence between current bodies such as Housing Board, Devolved Local Transport Body, Spatial Planning & Transport Board.

This model works well in an overlapping LEP area. Local Authorities can be members of separate Combined Authorities and Joint Committees.

This would be an easy first step to build trust and a shared vision for the wider area. It would also demonstrate progress to government in strengthening local governance. This is the minimum recommendation

Combined Authority for York, North Yorkshire & East Riding

A combined Authority would be the optimum solution, best positioning the region to maximise investment and devolution. The benefits of a combined authority would be;

Recognised by Central Government as the highest form of governance with the ability to last in the long term.

A Combined Authority can attract additional functions and powers in their own right and Ministers have consistently stated that they would prefer to devolve powers to combined authorities because the types of powers that can be devolved would affect whole regions and across Council boundaries.

A Combined Authority has full decision making powers that are given to it through an Order from the Secretary of State.

This would enable effective spatial planning integrating strategic transport and local plans. This integrated approach would reduce delays caused by the current fragmented two tier approach and better align local growth and transport agendas.

This approach could pool the limited resources of authorities, particularly within the 2-tier area, to provide a more capable and resilient team. It would maximise the potential for devolution of powers and funding and provide greatest flexibility in identifying and investing in local priorities

A new Combined Authority is created by Order and cannot be disbanded or altered without the approval of the Secretary of State.

This model provides the least flexibility in terms of change as the structure is more secure and harder to amend.

In addition, Local Authorities are not allowed to be constituent members of more than one combined authority.

Would require all Local Authorities to commit. The current situation in overlapping areas with East Riding a member of the Humber Joint Committee and York a non-constituent member of Leeds City Region Combined Authority make this a more complicated

approach at the current time.

Deliverability of this model could be revisited following the 2015 elections.

Combined Authority For North Yorkshire plus a Joint Committee with York & East Riding

As stated above a combined Authority would be the optimum solution providing greatest confidence to government to support devolution of funding and powers. The strengths of a Combined Authority are detailed above.

With the complications of the East Riding & York memberships of neighbouring LEP structures, an alternative option would be to create a Combined Authority at a North Yorkshire level with a wider Joint Committee including York & East Riding to support the LEP functional economic geography.

This would address the challenges of planning growth in a two tier authority area, whilst supporting wider spatial planning and prioritisation with York and East Riding. It would send a strong message to government about local governance and position the area for devolution.

Timeframes for creating a Combined Authority are long and it would go beyond the General Election. There would be the option for York and/or East Riding to join a Combined Authority at a later date.

This would deliver the benefits detailed in the Combined Authority section above whilst supporting the functional economic geography of the LEP

The potential downside of this model is the resource requirement to service two new entities with more complicated governance. It could also encourage the 'break up' of the LEP geography post election 2015, if accepted LEPs with overlapping boundaries are reconfigured.

This would be a sub-optimal model, albeit a step forward, however with an election in 2015 it should be included as part of a review considering a Combined Authority at a LEP level post elections.