

# Local Government North Yorkshire & York

## Devolution Update

### 1.0 Purpose of the Report

1.1 This report provides an update on progress with implementing the York and North Yorkshire devolution deal. The report covers:

- Governance
- Brownfield Funding & Net Zero Investment
- Wider Asks Implementation

### 2.0 Governance

- Following the statutory public consultation, both City of York and North Yorkshire Councils have met and approved:
  - Submission of a Consultation Summary Report to Government.
  - Approve amendments to the Scheme and proposals for the operating model of the Combined Authority primarily to ensure the consent of the Planning Authority required for Mayoral Development Corporations is clear that the National Parks are the planning authority in the parks.
  - Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to undertake any action necessary to submit the Consultation Summary Report and Scheme to Government, in line with recommendations (i) and (ii).
  - Approve amendments to the Terms of Reference for the York and North Yorkshire Joint Devolution Committee, namely;
    - It was agreed that instead of electing a Chair and Vice Chair, Cllr Aspden and Cllr Les would be joint chairs, alternating between meetings; and
    - It was agreed that the Committee's remit should be widened to include nonExecutive members to act as substitutes and therefore to amend the Committee from being a purely joint executive committee to a committee that can exercise council and executive functions.
  - Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to undertake any action necessary to provide consent to the Order

2.1 The next step is for Government to review the consultation and scheme and once satisfied that it is compliant to draft the Order. We remain on track for the MCA to be created in November 23.

### 3.0 Brownfield & Net Zero Funding

#### 12.7m Brownfield Funding

3.1 An expression of interest process has been undertaken to identify a strong housing pipeline and ensure delivery of the £12.7m Brownfield funding in the deal. The table below summarises the responses which are proposed to be shortlisted to Full Business Case. The Joint Committee will consider this and shortlist projects. A verbal update will be provided on the day.

	To proceed to Full Business Case (FBC)		
	CoYC (Geographical area)	NYCC (Geographical area)	TOTAL
BHF Funding Requested	£17,922,000	£6,410,841	<b>£24,332,841</b>
BHF Ask per Dwelling (average)	£15,611	£16,189	<b>£15,760</b>
New Homes Developed	1,148	396	<b>1,544</b>
Eol Applications	15	13	<b>28</b>

#### £7m Net Zero Funding

3.2 An expression of interest process has also been undertaken to identify project for Net Zero investment. The funding was split £1m revenue for feasibility/development project and £6m for delivery.. The tables below summarises the responses which are proposed to be shortlisted to Full Business Case.

		Revenue Projects to Proceed to Full Business Case		
		CYC (Geographical area)	NYCC (Geographical area)	TOTAL
<b>NZF Requested Funding</b>		£443,500.00	£1,131,604.00	<b>£1,575,104.00</b>
<b>Total Funding</b>		£470,500.00	£1,397,644.00	<b>£1,868,144.00</b>
Routemap Strategic Priorities	Energy Projects	£343,500.00	£424,000.00	£767,500.00
	Heat & Buildings Projects	£100,000.00	£227,240.00	£327,240.00
	Industry & Business	-	£201,364.00	£201,364.00
	Transport	-	£140,000.00	£140,000.00
	Land Use & Marine	-	£139,000.00	£139,000.00

		Capital Projects To proceed to Full Business Case (FBC)		
		CYC (Geographical area)	NYCC (Geographical area)	TOTAL
<b>NZF Requested Funding</b>		£5,811,401.00	£11,204,355.27	<b>£17,015,756.27</b>
<b>Total Funding</b>		£9,678,793.00	£18,257,797.84	<b>£27,936,590.84</b>
Routemap Strategic Priorities	Energy Projects	£647,350.00	£4,382,000.00	£5,029,350.00
	Heat & Buildings Projects	£2,728,193.00	£2,728,193.00	£4,053,193.00
	Industry & Business Projects	£3,039,051.00	-	£3,039,051.00
	Transport Projects	-	£3,574,572.02	£3,574,572.02
	Land Use & Marine Projects	£800,000.00	£519,590.00	£1,319,590.00

#### 4.0 Implementation of the Devolution Commitments

4.1 Within the York and North Yorkshire Devolution Deal, published August 2022 there were a range of commitments across;

- Finance and Investment
- Education and Skills
- Housing and Land
- Transport
- Net Zero, Climate Change and Natural Capital
- Public Service Reform
- Resilience and Public Safety
- Culture and Tourism
- Digital
- Innovation, Trade and Investment

4.2 Work to progress these commitments is taking place across both City of York Council, North Yorkshire Council, the York and North Yorkshire Local Enterprise Partnership and several government departments/agencies.

4.3 Finance & Investment.

##### Mayoral Investment Fund

- Development of set of priorities (Economic Framework),
- 5 Year Gateway Assessment & Evaluation Framework
- £9m received Dec 23; £18m pa from May 24

A project is underway, led by the York and North Yorkshire LEP, in collaboration with City of York and North Yorkshire Economic Development Teams to develop an economic framework and economic intelligence hub. This collaboration will develop a clear set of priorities alongside baseline economic data against which the five year gateway will be assessed.

### Shared Prosperity Fund

- Est. £13m pa subject to CSR

The MCA will lead local planning and delivery of the SPF from 2025/26. The current Shared Prosperity Funds are being delivered by City of York and North Yorkshire Councils. Development of the prospectus for 2025/25 will not be required until 2024/25.

### Wider financial instruments including borrowing powers

Agreement of borrowing powers cannot be agreed until the Mayor is elected and in office. No work underway at present.

## 4.4 Skills & Education

### Adult Education Budget (from academic year 2025/26)

- Government will consult with York and North Yorkshire on a funding formula for calculating the size of the grant to be paid to the York and North Yorkshire Mayoral Combined Authority
- statutory tests must be met.
- Learner protection arrangements are must be agreed between parties.

A joint working team across City of York Council, North Yorkshire Council and the LEP is in place. Advice from other MCA's is to allow at least 2 years to become 'Investment ready'. Early discussions have been held with Department for Education and Education Skills Funding Agency regarding to provide clarity around the parameters of the fund. It is expected that local match funding will be required to secure the capacity funding from Department for Education.

Activity has included

- Fact finding involving discussions with colleagues at North of Tyne MCA, West Yorkshire MCA and Tees Valley MCA to understand what works well as these all currently have devolved AEB
- Discussions with learning providers and in particular the Further Education colleges. This looked at those that already access AEB from other areas and also lessons learnt. Early involvement and engagement with the learning providers is essential moving forward.
- The working group has recommended development of a framework of skills needs and provision in the area. This will help to align the existing skills strategies across York and North Yorkshire. The intention is to develop this further over the coming months so that partners have a good understanding of the current skills landscape.

- Project Plan being drafted setting out the process and key stages in establishing an operating model for AEB in York and North Yorkshire.

#### Local Skills Implementation Plans

- York and North Yorkshire will support and provide input into the Local Skills Improvement Plan (LSIP) for the area.

City of York and North Yorkshire Council sit on the LSIP Board and Steering Group alongside the LEP who are also providing an evidence base funded through the Skills Advisory Panel, established and funded within LEPs.

#### 4.5 Housing & Land

##### Future Housing Pipeline

- York and North Yorkshire and Homes England are committed to working collaboratively – combining their skills and capacity – to develop a pipeline for the region. This will be underpinned by a clear Action Plan.
- City of York Council and North Yorkshire Council have long established relationship with Homes England. Homes England are working proactively with both Authorities to agree a model for joint working

##### York Central Enterprise Zone Extension

- City of York have submitted a business case and HMT ministers have now given provisional agreement to an extension of the York Central Enterprise Zone, subject to the agreement of a final business case including in relation to the length of the extension. Discussions are ongoing to secure the final details.

#### 4.6 Transport

The Joint Officer Working Group has now met a total of six times and at the latest meeting a workshop was held on the development of proposals for the Key Route Network. A paper is to be developed for consideration which will allow the Joint Committee to approve the KRN for York and North Yorkshire and it is planned to bring this paper to members in Autumn 2023.

Work also continues on the development of the Local Transport Plan with national guidance still yet to be published but expected in March 2023. The timetable for devolution dictated that we were not able to wait for the guidance to be published before starting work on the LTP however, officers are confident that the work to date is all in accordance with the anticipated guidance. The County Council is planning to commence a consultation exercise towards the end of March 2023 as part of the 'Lets' Talk.....' series and the programmes for both local authorities will merge in the Autumn.

Work on the development of a joint major schemes pipeline and Strategic Highway Asset Management Plan continues

## 4.7 Net Zero, Climate Change and Natural Capital

£7m Net Zero Fund – See section 3

### Single Conversation with Government

The York and North Yorkshire LEP maintain an ongoing relationship with the Yorkshire & North East Energy Hub which is hosted by Tees Valley Combined Authority. This includes an embedded post within the YNY LEP. Given the changes at a national level (creation of a new Department of Energy Security and Net Zero) no further national engagement until greater clarity is received.

### Natural Capital Investment Plan

York and North Yorkshire have submitted a bid to DEFRA to participate in a Local Investment in Natural Capital pilot programme. If successful, this will include;

- developing a Natural Capital Investment Plan,
- Building a pipeline of investment proposals; and
- Co-designing of a local investment vehicle and accelerator

A decision is expected March 23.

## 4.8 Public Service Reform

No further discussions until the MCA is established.

## 4.9 Resilience and Public Safety

Once established the MCA will become a member of the Local Resilience Forum

## 4.10 Culture and Tourism

### Culture & Heritage

- Develop and deliver strategies to realise the region's cultural potential, using the new combined authority as an opportunity for a strategic appraisal of the current culture and leisure provision
- Work with Arts Council England and other local partners to identify how the CA can support an increase in cultural opportunity in the Selby District Area ('Levelling Up for Culture' place)
- Take forward the recommendations of the Celebrating our Distinctive Heritage report (including the direction of investment spending towards agreed priorities)

Through Local Government Reorganisation North Yorkshire Council have appointed a senior post to lead culture and heritage. In City of York, Make it York take the strategic lead. Once in place, joint working and collaboration will be explored working jointly with the government Arms Length Bodies.

## Tourism

- Work with DCMS to explore the best structures and geographies for future Destination Management and Marketing interventions.

North Yorkshire Council and Make it York are collaborating and working with Visit England to explore and develop future tourism structures in the region.

### 4.11 Digital

- Government will engage with the York and North Yorkshire Combined Authority on a regular basis, on delivery plans in the region

Responsibility for digital infrastructure has moved to the newly formed Department for Science, innovation and technology. The priorities of the new department include:

- Promote a diverse research and innovation system that connects discovery to new companies, growth and jobs – including by delivering world-class physical and digital infrastructure (such as gigabit broadband), making the UK the best place to start and grow a technology business and developing and attracting top talent.

A relationship with the new department will be formed once it is fully established with structures in place.

### 4.12 Innovation, Trade and Investment

## BioYorkshire

A cross department working group including Innovate UK and UKRI is established and in place working with the BioYorkshire Steering Group (University of York, FERA Science, Askham Bryan College, City of York Council & YNY LEP).

Work in underway to refine the BioYorkshire proposal developing a clear routemap whilst engaging with the new government departments linked to national initiatives such as Innovation Clusters and Innovation Corridors.

## Scarborough Cyber Security Cluster

Scarborough Borough Council, Coventry University (Scarborough) and Plexal have been working collaboratively to develop the cyber proposition for North Yorkshire. Pilot activity is currently planned to engage both communities and industry which will further shape the proposition and enable engagement with the new government department for Science, Innovation & Technology.

## **5.0 Recommendations**

5.1 LGNYY are asked to note the progress in implementing devolution.