

What is devolution?

The Government is offering places in England the chance to have greater responsibility and control over decisions and spending in their region.

This process of transferring powers and decisions which would usually be taken by central Government to a more local level or regional level is called devolution.

How do things currently work?

Currently, most spending decisions affecting York (and other local areas) are made by central Government. Further, many of the taxes raised within York (and other local areas) flow back to central Government for it to redistribute as it sees fit. A recent report showed that £1.5 billion is raised in taxes each year in York but less than £150 million of this is available to the council to spend on local services.

In other countries, more decisions are made at a local or regional level. The situation in the UK could change. The proposed arrangements for Scotland could offer one of the most significant devolutions of power anywhere in the world.

Why would places want to have more powers and responsibilities from Government?

Places may want to have additional powers and responsibilities:

- To focus spending on local priorities, and have more of a say over local taxation.
- To work together across services and use local knowledge to get better value for money
- To be more self-sufficient and have more responsibility for the future of the local area
- For decisions to be taken by locally elected politicians who better understand local issues, and can be held to account more easily

Why is this important now?

The Government is actively offering places in England the chance to have greater responsibility and control over decisions and spending in their region. Places have until the 4th of September to “submit formal, fiscally neutral proposals and an agreed geography to the Treasury”.

We are at a point in this process of looking at the options for York. We want your views to give you the opportunity to help shape decisions made about the long term future of our city.

How do places get these powers and responsibilities?

Individual councils cannot get these extra powers and resources on their own. The Government has been clear that to have the most powers and responsibilities ‘devolved’, places must:

1. Be part of a joint body with other places where decisions about these things would be taken. Technically, this is called a ‘Combined Authority’
2. Have a regional elected mayor who would have responsibility over the powers and resources gained through any deal. This would be a bit like the Mayor of London and would work in a similar way

Any arrangement would need to be agreed by all the places involved, as well as central Government.

Does York already work with other areas or would this be something new?

York already works a lot with other areas in the region. This happens particularly on things related to businesses, jobs and transport, as these things often happen over a larger area than just a single Council (e.g. somebody commuting to work, or a business working with suppliers outside of the city boundary it is located in).

York has been part of joint working arrangements, and a joint body, with authorities in West Yorkshire (Leeds, Bradford, Wakefield, Kirklees and Calderdale) for around a decade.

York has been part of a joint body with North Yorkshire and East Riding for the past 4 years.

What has York got from working in joint arrangements with other places?

From these arrangements with other places, York has received funding from Government for things like:

- University research centres
- Support for small businesses
- Skills and apprenticeships provision
- Business grants
- Developing major sites like York Central

Examples of projects York has received funding for include £1.6m towards York Central flood risk work, and £8m towards developing a BioHub Centre of Excellence at Heslington East.

There is also funding earmarked through the West Yorkshire Transport Fund for work to improve York’s Northern Outer Ring Road and enable full access to the York Central site.

What sorts of things would the Government consider giving regions in England the power or responsibility for?

Government has been discussing this with places in England.

Things that could be possible through a 'devolution deal' include:

1. The chance to keep more of the taxes raised locally to spend at a regional level (money which would otherwise go directly to central Government)
2. Cheaper and better transport links to neighbouring places, including improvements to public transport and key roads
3. The chance to deliver public services more efficiently at a larger geography, to keep Council Tax as low as possible
4. A greater say at a regional level on education and training
5. Funding to build houses on existing sites (brown field) and take joint decisions about planning and housing over a larger area. This could help protect the green belt
6. A higher proportion of future Government funding and a greater say at a regional level in areas affecting businesses, jobs and housing
7. The chance for health and social care to work in a more joined up way, for better services for patients and to ease pressure on health services
8. The potential for an additional levy for businesses or residents to help invest in important projects in the region (as London has done for transport projects)

Have any places already got these powers?

A recent example of such an area where powers have been 'devolved' or given has been Greater Manchester which, as well as Manchester, also includes towns such as Salford, Bolton, Wigan, Oldham and Trafford.

This gives an idea of the size of area upon the Government may be looking to devolve powers and responsibilities.

As part of their deal, the region has been granted many of the powers highlighted above, including:

- The chance to keep more of the taxes raised locally to spend at a regional level (money which would otherwise go directly to central Government)
- A greater say at a regional level on education and training
- Funding to build houses on existing sites (brown field)
- The chance to look into health and social care working in a more joined up way in Manchester

What other things – apart from the potential for York to get extra powers and funding – need to be considered for York in being part of such a deal?

- To get the most powers and responsibilities, a regional elected mayor would be required. The mayor would have responsibility over the powers and resources gained through the deal. This would be a bit like the Mayor of London and would work in a similar way.

- In taking on extra responsibilities, regional bodies could be responsible for making future public sector savings or other difficult decisions in these areas.

- In London, the Mayor has raised additional funding for important projects in the region, such as the transport network, by having additional levy for businesses or residents in the city. There could be the potential for a similar levy to be considered for an area York was part of.

- Having a regional body could mean councils could explore services being delivered jointly with other places to make budget savings required and help keep Council Tax as low as possible. There is no requirement to do this, but it opens up the possibility.

- Most of the discussions are about transferring powers *from Government to a more local level*. However, some decisions which are currently taken locally, e.g. major transport projects, could be required to be taken by the region in the future depending on what the deal is. Decisions about local Council services will continue to be taken at a York level.

What regional bodies is York part of?

York is currently a member of two local enterprise partnerships (LEPs), Leeds City Region and York North Yorkshire and East Riding. It is also a non-constituent member of the West Yorkshire Combined Authority. It isn't currently possible for York to be a full member as it doesn't border any of the West Yorkshire authorities.

What is a LEP? What is a Combined Authority? What is the difference?

LEPs (Local Enterprise Partnerships) are voluntary business-led partnerships of local businesses, local authorities and other partners to promote economic growth across a "functional economic geography". LEP proposals and Boards are approved by the Secretaries of State for Business Innovation & Skills, and Communities & Local Government. LEPs can bid for funding from government through 'Growth Deals'.

Combined Authorities are statutory bodies within which local authorities work together to deliver economic development, regeneration and transport functions. The idea is that if local authorities work together on these issues, they can work more effectively.

The key difference between LEPs and Combined Authorities is that as Combined Authorities are statutory bodies they can act as accountable bodies for funding from Government.

Can York be part of more than one LEP / Combined Authority / devolution deal?

York is already a member of 2 LEPs. Currently, the law does not allow places to be part of more than one Combined Authority. Based on current legislation and plans, it is unlikely that York would be able to part of more than one significant devolution deal, as they are directly linked to Combined Authorities.

Why do you need a mayor to get fully devolved powers from Government?

Recent Government policy has stated that places need an elected mayor to access devolved powers and resources. An elected mayor would act as an individual to unite and work across the region, and can be held to account for decisions made on a regional level .

York already has a Lord Mayor, what's the difference?

The office of Lord Mayor is a ceremonial role which applies only to the City of York local authority area. Through the Cities and Local Government Bill, the Government is creating a new post of mayor for a Combined Authority area. This post could have significant powers over any local authority function, any public function (such as the NHS) and the powers of Police & Crime Commissioners over an area covered by a Combined Authority.

What would the process be for agreeing a deal which York was part of?

In order to reach a devolution deal which York was part of there would first need to be agreement between all relevant local authority areas and central Government about:

- What powers and responsibilities would be devolved
- What geography, and which local authorities, the deal would and wouldn't cover
- How these new arrangements would be governed.

The announcement of this may be at a major Government announcement such as the Autumn Spending Review or a future Budget. There would then be a process of setting up new arrangements as agreed ahead of the new powers and responsibilities being in place

Would it just create an extra tier of Government?

There are already decisions which are taken at a local level (through local authorities like City of York Council), regionally (through Combined Authorities) and nationally by the Government. Devolution would primarily be about strengthening regional arrangements, with greater democratic accountability and powers to take decisions which currently take place in London.

What would happen to local Council services?

There would not be immediate changes to local Council services if York entered into a devolution deal. However, in the longer term some services may be delivered on a regional rather than local level if this is deemed more efficient or better value for money.

Will it mean more taxes?

Government has stated proposals for devolution should be 'fiscally neutral' – meaning they do not cost any more than current spending levels. The law currently doesn't allow local authorities to raise council tax above a threshold set by Government (2% in the last Parliament), without carrying out a referendum and a majority of residents agreeing to the increase. Business rates are set by central Government.

What geographic area would the extra powers and responsibilities be for / what area would the mayor cover?

It is not yet decided what regional geography York would be part of. The area could involve different parts of North, East and West Yorkshire and would be decided as a result of discussions with these places and with central Government.

Are there any possible deals on the table?

Government is currently in discussions with several areas in Yorkshire, including in West Yorkshire and North Yorkshire, but nothing has yet been agreed between government and the places involved.

Keep up to date

Thank you very much for taking the time to discuss your views with us. If you would like to receive updates on where we are with a potential devolution deal for York, **please sign up on www.york.gov.uk/devolution**

