



**ALL-PARTY PARLIAMENTARY  
YORKSHIRE AND NORTHERN  
LINCOLNSHIRE GROUP**



# **DEVOLUTION FOR PROSPERITY**

a “manifesto” for Yorkshire and Northern Lincolnshire after May 2015

The All-Party Parliamentary Yorkshire & Northern Lincolnshire Group is supported by:



Yorkshire and Northern Lincolnshire embrace devolution. Local, rather than national, decision making is a good thing in itself. But what galvanises support – and brings together MPs from across the parties, councillors from all local authorities, representatives of the private sector as well as further and higher education and a range of other key partners – is the potential devolution has to enhance prosperity.

We are very proud of Yorkshire and Northern Lincolnshire. Last year the Tour de France highlighted on the international stage what a wonderful place it is. But we are ambitious to make it even greater by building on our many strengths and considerable assets, and in particular to improve the economy for the benefit of all.

The All-Party Parliamentary Group, which was established with cross party support in 2012, has proved itself an excellent way for MPs to engage both with key stakeholders in the region and with Government. In total we have had ten meetings, including four with Secretaries of State and six with Ministers, and at these meetings three Select Committee Chairs and seven shadow spokespersons were also in attendance.

Whilst there will undoubtedly remain a role for the APPG, it is time for a step change in devolution so that the institutions of Yorkshire – local authorities and combined authorities working with LEPs – have more say over the key decisions that affect all those who live here.

Devolution must not, however, become simply the delegation of the difficult decisions required to reduce the deficit. It must offer the hope that, if we can make the right decisions, growth will improve and ultimately decisions will get easier as prosperity returns. It must encourage a new era of empowerment, positive thinking and the clarity of purpose “to get things done”.

This agenda, with its four principles, is aimed at all major political parties at a critical time when they are finalising their manifestoes. We very much hope that the conclusions contained here will be given the serious consideration that they deserve. What is clear is we cannot go on as before. It is time for change. It is time for devolution for prosperity!



**Andrew Percy MP**  
Co-chair



**Barry Sheerman MP**  
Co-chair

# THE OPPORTUNITIES AND CHALLENGES FACING YORKSHIRE AND NORTHERN LINCOLNSHIRE

Yorkshire and Northern Lincolnshire is a great place to live, work, learn, visit and invest in. It has a population and an economy the size of Scotland's with particular strengths in advanced manufacturing, financial services, energy creation including renewables and in the bio-economy (food and farming). It has a long, proud and rich industrial and cultural history.

It has vibrant 'core' cities such as Leeds and Sheffield. It has areas of outstanding beauty such as the North York moors, Pennines and Peak District. It has historic cities such as York and an extremely important coastline from Whitby to Cleethorpes including key ports in Hull, Grimsby and Immingham. Above all it is the 5 million people who live here that make this place special by creating its own diverse and distinct identity.

However, we also know there are some specific and longstanding issues that need to be resolved if we are to build prosperity that is sustainable and enjoyed by all. Transport must improve. Skills need to be better and more honed to the needs of both the private and public sectors. Support for businesses is crucial. If we can get all these right, by building on our assets and successes, employment levels and productivity will increase.

Yorkshire and Northern Lincolnshire has a tradition of sub-regional working. It therefore has four Local Enterprise Partnerships, following local economic geography, two of which are also aligned with new Combined Authorities. We see these as the chief building blocks for its future prosperity. They are:

- Leeds City Region LEP – consisting of ten local authorities: Leeds, Bradford, York, Kirklees, Barnsley, Wakefield, Selby, Calderdale, Harrogate and Craven and (part of) North Yorkshire. With close to 3 million people, a resident workforce of 1.4 million, over 109,000 businesses and an economy worth £56 billion in 2013 (second only to London's).
- Sheffield City Region LEP– consisting of the nine local authorities of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield. The City Region has a total population of 1.8 million, 700,000 jobs, 45,000 businesses and an economy worth £26.4 billion.

- York, North Yorkshire and East Riding LEP - consisting of North Yorkshire County Council and the unitary city council of York plus the district councils of Craven , Hambleton, Harrogate , Richmondshire, Ryedale , Scarborough and Selby as well as the Yorkshire Dales and the North York Moors National Park Authority. Total population 1.1 million, workforce of 552,000, over 48,210 businesses and an economy worth £21.7 billion.
- Humber LEP - consisting representatives from businesses as well as the University of Hull and the four Local Authorities in the Humber area: Hull City Council, East Riding of Yorkshire Council, North Lincolnshire Council and North East Lincolnshire Council. Total population 920,000, workforce of 451,500, 32, 500 businesses and an economy worth £14.6 billion.

Ultimately the goal must be to improve the quality of life for all with a more prosperous and also more equitable society that balances life and work and is truly sustainable.

Part of the solution is, we believe, to reverse the centralisation that has taken place in English politics over many years. Devolution is the answer for Yorkshire and Northern Lincolnshire; however, it is important that devolution is done well and commands consensus support. We therefore propose the following four key principles.



# PRINCIPLES FOR DEVOLUTION IN YORKSHIRE AND NORTHERN LINCOLNSHIRE

## **Devolution must enable and enhance prosperity, specifically through the devolution of new powers and funding for transport, skills and support for businesses**

Devolution must be for a purpose – to enable and enhance economic growth and prosperity for all as well as to rebalance the national economy geographically and sectorally. The issue of skills is seen as crucial to the development of the knowledge economy of the future by all sectors within Yorkshire and Northern Lincolnshire, with the lack of the right skills in the right place seen as hampering economic growth. Devolving responsibilities is important and a range of interventions are needed; businesses and employers need to better articulate demand with universities and colleges, as well as local authorities and combined authorities, who are key players in delivery of skills development.

Meanwhile support for businesses – channelled through LEPs – will improve entrepreneurship, innovation and productivity. Improved connectivity - transport by road, rail and bus as well as through our ports and airports - is also crucial in terms of better linking the key centres of Yorkshire and the North as well as the inter-connectivity for each city region. The investment required to achieve this vision and bring the transport connectivity in line with economic comparators in Europe is significant. The APPG has prioritised these issues but this does not mean the APPG does not recognise the importance of others – such as health, housing and education - where more local control should also be encouraged.

## **Move resolutely to devolve to all areas of Yorkshire and Northern Lincolnshire**

We understand that devolution has been taking place at a different pace in different parts of Great Britain. The Scottish Parliament and the Assembly for Wales both began in 1999. The first elections for the London Mayor and the London Assembly took place in 2000. Manchester City Region has secured a different deal from the settlement agreed with Sheffield City Region. Leeds City Region, and the other two LEP areas look forward to making further progress. We do not expect that devolution will, even after May 2015, happen 'symmetrically' with the same powers and resources for all areas. Devolution that is bespoke and at different speeds is acceptable BUT we do believe that it must not become a competitive process with nothing for some. All areas must make progress, so all must have some more powers including North Yorkshire and the Humber.



## **Be mindful that devolution must make politics more straightforward not more complicated**

It is clear from the history of devolution, including the Regional Assemblies experiment, that the public do not want more bureaucracy and more politicians. It is equally clear, however, that they do want more say over decisions that affect them and less remote, Whitehall-based Government. In the spirit of devolution it seems right that the centre should not impose its will on local areas as regards precise governance arrangements in the future. Therefore the APPG looks forward to new arrangements emerging which command consensus support. Whatever form these take, all are agreed that devolution must make decision making, for example on planning, clearer, quicker and more straightforward so politics is more efficient as well as more accountable.

## **Greater local financial control and freedom must ultimately be part of the devolution journey**

If devolution is to become a reality, greater control over key policy 'levers' must be matched by greater financial control and freedom at the local level. So far there have been only a very few small steps in this direction – the introduction of business rate retention and payment by results for Greater Manchester, Leeds City Region and some other LEPs. Although removing ringfencing provides some greater discretion other actions taken by the coalition Government - for example capping council tax which limits local authorities' resources - has reduced financial discretion. It is recognised that local and national government have to work in partnership and trust needs to develop before devolution will work properly and fully. However greater financial control and freedom should be part of the journey, the next step after devolution of policy levers and not a last, faraway, step.

Over the next few pages we set out how devolution in the three key areas of transport, skills and support for business would benefit Yorkshire and Northern Lincolnshire.

# TRANSPORT

The Yorkshire and Northern Lincolnshire APPG has returned to the subject of transport on four occasions over the last two years, including twice holding sessions with the Secretary of State. This is because the importance of good connectivity to prosperity and quality of life is appreciated by all. It is also motivated by the historic, and very large, disparity in investment in transport funding going to the North of England compared to that going to the Greater South East and comparatively to other strong performing economies in Europe.

There have been some notable achievements by the Group:

- At the suggestion of the group the Transport Select Committee initiated an inquiry into the economic value and role of our ports infrastructure
- A strong Yorkshire & Northern Lincolnshire response, across all interested organisations, was submitted to the Transport Committee's 'Aviation Strategy' inquiry - emphasising the importance and economic growth potential of the three airports within the region.
- The APPG expressed its specific support towards the Doncaster bid to host the HS2 College within Yorkshire, which was confirmed by Government in October 2014. This will boost skills levels and ensure there will be the labour force to deliver this transport project.

On transport it is important to get the right issue devolved to the right spatial level: sometimes issues are local (buses) and sometimes sub-regional (buses, trains) but also sometimes regional (roads, rail), trans-regional (e.g. Rail in North) or still national (strategic road and rail). Clearly Combined Authorities/LEPs need to work together to identify where there is greatest potential to join up more effectively on key, shared transport investment priorities that will deliver growth across Yorkshire and Northern Lincolnshire. And there remains the need for greater intelligence and information-sharing across Yorkshire and Humber's LEPs so they can learn from each other as well as collaborate.

But there is a strong argument for significant further devolution to the LEP, Integrated Transport Authority, Combined Authority or County Council level. Such local partnerships are best placed to make the right transport decisions which unlock further major business investment in construction, renewable energy, manufacturing etc. Speedier decision-making and implementation is also needed, to ensure growth and increased jobs can be delivered in much shorter timescales.



The APPG therefore recommends that the next Government prioritises transport funding for allocation to the north in general and Yorkshire and Northern Lincolnshire in particular, including ensuring investment funds are devolved for our specific priorities such as:

- Improved intra and inter connectivity between the urban centres of the North and in particular to support the policy and investment requirements that emerge from One North and Transport for the North, with dedicated substantial funding to ensure the transformation in northern linkages happens.
- The need to consider the “Humber” region specifically as a vital, integrated transport hub of UK importance – across its road, rail, port and airport linkages and in particular rail electrification through to Hull and the maximisation of opportunities of freight movement that contribute significantly to the port activities of the Humber and linking that through to the Northern corridor.
- The urgency of improvements to the A64 connecting the coast to York and through to Leeds and beyond.
- Tackling proposed EU port services regulations, which pose a serious threat to investment in the sector.
- Addressing the very poor physical condition of so much of the rural, non-Highways Agency roads network.
- The need to ensure proper ongoing funding of the concessionary fares scheme and local authority tendered bus services as well as to help ensure vibrant local bus services which are critical to our aims on growth, connectivity, employment/skills, health and housing.
- Transport legislation has not caught up with the fact that everyone is now required to participate in education and training until their 18th birthday. The transport rights for 16 to 18-year-olds in education should mirror those which apply to school children so that all young people can choose the courses which best enable them to achieve their potential.
- The need to strategic plan the strategic highways network to a horizon of 15 years.
- To continue to support LEP’s/CA’s city region governance with devolved major scheme funding for transport and infrastructure investment, including more certainty and forward planning on the next iterations of funding for major improvements, sustainable transport and maintenance including devolution and growth deals to shape the investments on the strategic road and rail networks.



## SKILLS

Skills is another issue to which the APPG has returned time and time again. The importance of the right skills in the right place – for boosting productivity and facilitating growth - is appreciated by all partners.

The APPG called on the Government to fully assess the long-term economic impacts of funding reforms to the education and skills sector, and develop a clearer understanding of the need to update the physical infrastructure of educational institutions so that they are fit for training people in advanced, modern industrial sectors.

It also wrote to the Business and Education Secretaries to emphasise the excellent work taking place across the region on the skills agenda, with MPs agreeing to help ensure a regional perspective is provided in response to Westminster discussions on skills – calling for devolution and local flexibility to develop employer and demand-led systems that genuinely reflect local economies and labour markets.

Once again devolving responsibilities is important, but so is getting the right spatial level and the most effective level of institutional autonomy. A range of interventions are needed to improve skills - universities and colleges as well as local authorities and combined authorities are all key players in skills development. With many of the country's top performing universities and colleges in the region, the aspiration will be to balance autonomy with coherence and to engender the freedom and flexibility to deliver localised solutions for businesses, employers and local economies.

Devolution would allow Yorkshire and Northern Lincolnshire:

- to prioritise and boost awareness of the opportunities presented by apprenticeships and colleges as well as the future potential of new delivery mechanisms;
- to strike the correct balance between “vocational” and “academic” priorities, with greater attention needed on measuring education performance by (progression and) employment outcomes;
- to ensure that the region can respond quickly in training the engineers, technicians and professionals of the future and to shape the evolution of higher technical and professional certificates, developed in partnership with employers;

- to deliver a renewed focus on a professional and regulated careers advice service, ensuring the provision of both virtual and face-to-face support, and which is also shaped by businesses, employers and the genuine economic and labour market opportunities that exist locally;
- to encourage LEPs and other local skills partnerships to work proactively to share best practice (e.g. between universities, colleges and schools) to develop localised solutions and explore all opportunities to collaborate;
- to broaden the learning opportunities presented by all forms of training, especially in key growth sectors and to support entrepreneurship;
- to promote work to develop 'demand-led' local skills programmes, leading to increased investment by business in training and jobs;
- to help in the work to tackle local skills shortages created by new jobs being attracted to the area as well as address long-term and youth unemployment.





Yorkshire and Northern Lincolnshire have particular economic strengths – advanced manufacturing, financial services, the green economy, including renewables, food and farming.

The APPG provided a detailed submission to Government on the measures required to unlock greater manufacturing growth – where BIS is seen to have the key, coordinating lead across Whitehall. This highlighted specific blockages to growth expressed by businesses – including access to investment finance, access to Government procurement contracts, and the support needed to enable firms, especially SMEs, to access new and emerging Global Markets.

The APPG also called for greater certainty at national level around Energy Policy – to address the concerns of businesses about future priorities and the need to invest now in the solutions that will generate cheaper, cleaner, more reliable power generation in the long term. It also campaigned for emerging proposals around a ‘Business Bank’ to be accelerated by Government as a priority, to support greater access to finance.

What is now required is far greater devolution of business support from central Government - building on the Heseltine “No Stone Unturned” report - to more local-level decision-making with critical roles to play for the region’s LEPs. Bureaucratic, bidding-round processes needed for nationally-managed initiatives, deter many businesses from engaging and are very inefficient.

In particular greater control of policy and funding at a LEP or Combined Authority level would allow:

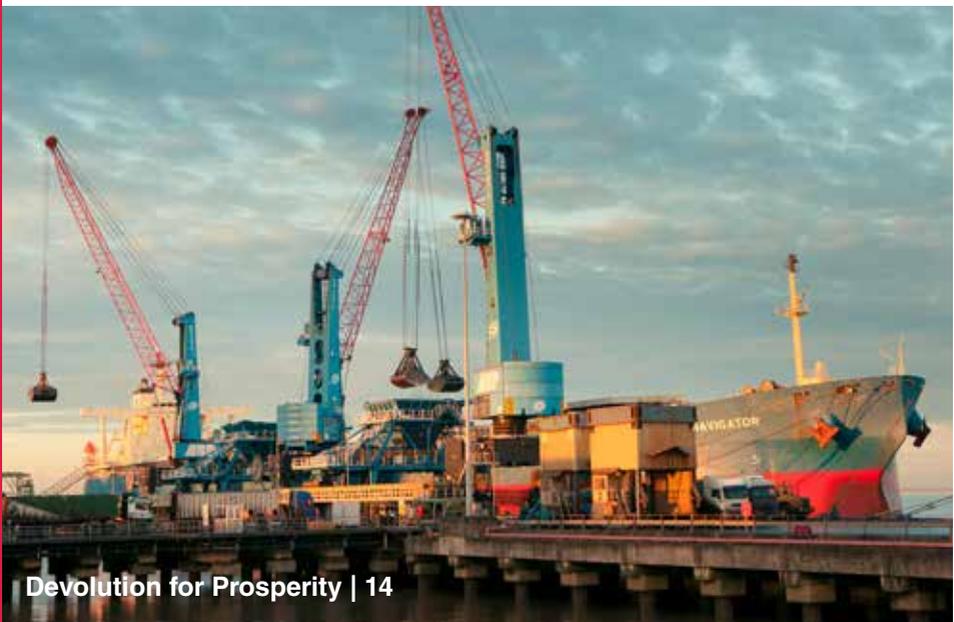
- LEPs to ensure that local business support provision meets businesses’ needs;
- the development of sector-specific industrial strategies – e.g. for the aviation industry, the energy and “green growth” sectors;
- the promotion of a ‘Bio-economy Strategy’ with support from Government Departments - not different conversations with different departments;
- the marketing of opportunities to a range of audiences and help translate them in a way that people want to hear;
- the acceleration of timeframes in the interest of investor certainty and local job security /growth;
- greater integration and a more joined up business support offer to companies;

- the ability to respond flexibly to emerging growth opportunities, ensuring competitiveness with overseas locations;
- a greater local focus on the promotion of innovation and better links between HE institutions and small business;
- more close working with investors and supply chain organisations at the local level, speeding up decision-making, and maximising the benefits for local communities.

Finally it is also incumbent on the Government to develop a better understanding of its own regulatory framework on businesses and the impact its Departments and Agencies (e.g. Highways Agency, Environment Agency) can have on holding back local growth.

In effect the Government needs to more effectively “local growth proof” all of its activity, to avoid conflicting policies and legislation that risk undermining local capacity to deliver – e.g. the restrictions around local levies for infrastructure investment imposed by DCLG, but running counter to BIS local growth ambitions.

Ultimately the “burden of proof” for investment decisions needs to shift in favour of devolution, away from centralisation and Whitehall-led control. And overall public spend in infrastructure must be more closely aligned to economic opportunities that boost economic performance and help rebalance the national economy geographically as well as sectorally.





# IDENTITY YORKSHIRE AND NORTHERN LINCOLNSHIRE

The APPG endorses and supports the four LEP strategic economic plans. But it also mindful that the identity – or brand – of Yorkshire as well as of the Humber and of Lincolnshire are assets which must be prized and exploited, not ignored. The Tour de France showed the region at its best and the benefits that have flowed as regards image – and not just to the tourism sector – need to be further realised.

There is therefore a need for joined-up approaches that can support the region competing on a global stage including across the EU and USA as well as Middle East and Far East. UKTI must work with the region's LEPs to open up Yorkshire & Northern Lincolnshire firms to global markets and reflect their full economic potential.



# “NOWT” IS NO LONGER AN OPTION

Yorkshire and Northern Lincolnshire needs a new political and place-based settlement to equip its constituent parts for the twenty first century.

The APPG therefore believes the current party political consensus in favour of devolution must be built upon with a significant step forward in the next Parliament. This should be followed by a longer period – 15 to 20 years – of stability. This would allow further smaller steps - for example to devolve incrementally further powers as areas prove themselves - which is what the private sector and all partners require in order to plan, invest and deliver.

It is incumbent on Yorkshire and Northern Lincolnshire’s MPs to continue to work positively and supportively, for example by maintaining the APPG as well as calling for Parliamentary Debates and Early Day Motions on matters that will help boost the profile of LEP infrastructure priorities and deliver growth. MPs already work closely with their LEPs and combined authorities to promote investment and devolution proposals from their areas to Government, and should continue to do so in the next Parliament.

But what we must see, and swiftly, is:

- **Devolution that enables and enhances prosperity, specifically through the devolution of new powers and funding for transport, skills and support for businesses.**
- **Significant devolution to all areas of Yorkshire and Northern Lincolnshire.**
- **A commitment to the principle that devolution must make politics more straightforward not more complicated.**
- **An acceptance that greater local financial control and freedom must ultimately be part of the devolution journey.**



For further information about the work of the All-Party Parliamentary Yorkshire & Northern Lincolnshire Group please contact Steve Barwick on [s.barwick@connectpa.co.uk](mailto:s.barwick@connectpa.co.uk) or 020 7592 9592 or 07826 872 375

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