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# Devolution to Yorkshire: The hole in the Northern Powerhouse?

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On 16 March at Sheffield Hallam University, leading academics, campaigners and government representatives gathered to discuss the prospects for devolution to the White Rose County. This event was the fourth in a series of discussions held across England as part of the British Academy's Governing England programme. As mayoral elections take place elsewhere in England on the 4 May, Akash Paun and Maddy Thimont Jack discuss the main insights from the event and what may come next for Yorkshire.

## Context – the story so far

Since plans for an elected regional assembly for the whole Yorkshire and Humber region (areas 1-8 on Map 1) were abandoned, devolution to Yorkshire has been on the backburner. Small steps forward were taken with the 2011 Localism Act and the 2014 Growth Deals with the Sheffield City Region (Map 2) and Leeds City Region (areas 1c, 2, 3a, b, c and 4 on Map 1) Local Enterprise Partnerships. The real gamechanger came with the 2014 Greater Manchester devolution deal, as well as the previous government's wider commitment to its Northern Powerhouse strategy. These developments opened the way for 'devo deals' around the major city-regions of Yorkshire.

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In 2015 the Sheffield City Region Combined Authority (SCRCA) (areas 1, 2, 4, 6, 8 and 9 on Map 2) signed a devolution deal with the Government that promised an additional £30 million a year over 30 years to invest in growth and skills, along with an agreement that the SCRCA would have responsibility for the transport budget and strategic planning in the area. In a similar manner to other combined authority devolution deals, the SCRCA accepted the creation of a mayor as a central point of contact for central government.

The SCRCA currently includes Chesterfield in Derbyshire and Bassetlaw in Nottinghamshire as constituent members due to the towns' close economic links with Sheffield. This has undermined the plan to elect a mayor alongside the other metro mayors on the 4 May. Derbyshire County Council applied for a judicial review of the Chesterfield decision to join the SCRCA and the High Court found that the people of Chesterfield had not been properly consulted as to whether the town should become part of the city region. It ruled that the consultation process had to be repeated and the mayoral election delayed. Subject to the outcome of the consultation process, the current expectation is that the mayoral election will take place a year late in May 2018.

In comparison to the pragmatic approach taken by the Sheffield City Region, the West Yorkshire Combined Authority (WYCA) (areas 2 and 4 on Map 1) sought a more ambitious deal for the Leeds City Region with greater fiscal responsibility and a total of 27 "devolution asks". Local leaders took a tougher line in the negotiations with Whitehall, stating that they would only accept the introduction of a mayor "if the powers and funding on offer from government match their substantial ambition for the city region's economy, infrastructure, jobs and housing". At our event, it was suggested that this bolder strategy reflected a belief that Leeds's status as a major economic hub would force the Government to compromise in order to ensure a deal was made.

However, the WYCA proposal failed to gain an official response from government and is now considered dead. One speaker argued that the WYCA had overestimated their bargaining power. There was also discussion of the role of local Conservative MPs in blocking the deal. At least one MP has publicly confirmed that he lobbied against the deal due to the inclusion of York and Harrogate, which lie outside of West Yorkshire.

In February 2017 the WYCA instead began to explore the possibility of a pan-Yorkshire deal, which would include rural areas of Yorkshire that have been largely ignored by the devolution debate. A discussion paper outlined the WYCA vision and suggested that "an all of Yorkshire proposal would provide another avenue for the SCR [Sheffield City Region] to achieve their aims if their current work proves not possible, albeit on the basis of a single Yorkshire mayor".

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## Governance arrangements

The devolution deals explored by the Sheffield City Region and Leeds City Region were based on the creation of a combined authority; the SCRCA and the WYCA were both established on 1 April 2014. The combined authorities were set up to provide a focal point of governance for devolved city regions, working alongside and holding to account the newly elected mayors. They are designed to enable a grouping of different councils to collaborate and make decisions in different policy areas across council boundaries. In our discussion, combined authorities at the city-region level were perceived to have become local powerbases in Yorkshire, meaning that they remain central to the WYCA vision of a pan-Yorkshire devolution deal.

Just as we have heard at previous British Academy events in the [East of England](#) and the [North East](#), the mayoral model was generally unpopular amongst local councillors. As noted, the SCRCA accepted the prospect of a mayor as a necessary price to pay to agree a devolution deal, while in West Yorkshire there was an attempt to tie the introduction of a mayor subject to the scope of powers being devolved.

The different responsibilities of the combined authority and the mayor are laid out in the SCRCA [devolution agreement](#), as well as their relationship to each other. For example, the deal specifies that the mayor consults the SCRCA Cabinet on their strategies, and that the Cabinet can amend the mayor's spending plans if two thirds agree to do so. These checks were described as important in persuading local councils to sign up to the deal, although it seems likely that the metro mayors will be the dominant players within the combined authorities.

## Geography

The contested geography of the devolution deals in Yorkshire has been an obstacle to successful implementation. Although these combined authority areas are largely a return to metropolitan county areas abolished in 1986, both combined authorities in Yorkshire extend beyond the pre-1986 boundaries. As noted already, the SCRCA deal has been delayed because the Sheffield City Region includes councils in other counties: Chesterfield and Bassetlaw.

In addition, the [Leeds City Region deal](#) was to include various parts of North Yorkshire, including York and Harrogate, which were described as being part of a single functional economic area. As in the Sheffield case, this was a [source of controversy](#) in the region, with local MPs and council leaders from elsewhere in North Yorkshire opposing these plans.

One attendee suggested that the challenge of marrying differing political and economic geographies has been the key reason for the slow progress towards devolution in Yorkshire. This is compounded by the non-coterminous administrative geographies used in sectors such as education, policing, health and mental health. One participant even suggested that the dissimilar approaches to territorial organisation adopted by different

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government departments allowed Whitehall to “divide and rule” by preventing the emergence of powerful regional institutions.

The view was also expressed that the Government’s approach to devolution, focused on core cities, has meant that the needs of smaller cities and towns have been lesser priorities. One participant described smaller cities as being treated as “spokes around these [core city] hubs”. This was a source of frustration, given that smaller towns and cities often have lower economic output per head than the core cities as well as pressing infrastructure needs. For instance, Bradford was noted to be the largest English city not on a rail mainline.

The emphasis on urban-centred combined authorities has also left large parts of Yorkshire neglected altogether by the devolution discussion. This “grey area”, as it was described at our event, includes North Yorkshire, the East Riding and Hull (areas 3, 5 and 6 on Map 1), none of which formed combined authorities in 2014 when the SCRCA and the WYCA were established. This may help explain why these authorities are supporters of a pan-Yorkshire deal, although it is West Yorkshire that has recently taken the lead on this agenda.

The preferred proposal laid out in [the discussion paper](#) in February was for a structure of multiple combined authorities (including creating new ones in areas currently without) to collaborate on pan-Yorkshire issues alongside a single directly-elected mayor for the whole of the county. Again, there has been some confusion over the geographical nature of this proposed region. The Sheffield City Region was absent from the discussion, although the WYCA paper suggested that the delay on the SCRCA deal could offer a window of opportunity to bring in the whole of the historic county.

In terms of traction, there has been [some support amongst councillors and MPs](#) in Yorkshire, including in the Sheffield City Region. However, at our event, a number of attendees questioned the practicality of this model, arguing that the lack of current pan-Yorkshire institutions would make creating a whole new regional governance structure extremely difficult.

There was also some discussion of the still-more-ambitious suggestion of a devolution model encompassing the entire North of England. This idea is outlined in the recent IPPR North publication, *Taking back control in the North*, which argues that devolution to the North of England makes economic sense, as a larger geographic area is more likely to attract global investors and devolution to a wider region would encourage “a long-term path to greater fiscal autonomy ... through risk-sharing at scale”. Furthermore, the report suggests that the idea of a devolved North would have greater salience with the population than previous plans due to the “recent resurgence of ‘northern imagination’” and because there are clear regional boundaries; only Chesterfield remains problematic.

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## Why devolve?

A number of different reasons were posited as to why devolution to Yorkshire should be supported. The first logic was technocratic and held that certain types of economic policy decisions, for instance, relating to planning and infrastructure functions, are more efficiently taken at the city-region level than by either local or central government. The creation of new devolved institutions is therefore driven by a functionalist analysis that seeks to devolve specific powers where there is a defined economic case for so doing. City regions (such as Sheffield, the court challenge notwithstanding) with which successful deals have been struck were regarded as having responded pragmatically to the opportunity created by central government. By going with the grain of this Whitehall-led agenda, city regions could acquire some useful additional powers and flexibilities to tackle specific challenges such as the lack of affordable housing or poor transport coordination. While almost all participants at the event favoured devolution of these powers, this approach was perceived by many as unambitious and as lending itself to a weak form of devolution that would not meet the needs of Yorkshire.

A second, more political case for devolution held that creating democratic institutions at the regional level, including mayors, would provide better representation of regional interests at Westminster and in national political debate more generally. One participant made the comparison with the Mayor of London, stating that Sadiq Khan is able to defend London's interests in the negotiations over the terms of Brexit and that it was important for Yorkshire to have a voice as well. It was suggested that having a clear voice for the advocacy of Yorkshire's interests was more important than the precise geographical footprint for devolution, given the urgency of the situation. It was pointed out that if there is no regional governance architecture, then there are no institutions to which additional powers or budgets (for instance, relating to regional economic development) can be devolved once these are repatriated from the European Union. This perspective implies that it might be the 'soft power' of the new powers that is most significant, rather than the fairly narrow legal functions being devolved. It also takes a longer-term view in accepting a weak form of devolution as a first step towards something more substantial in future.

A third perspective went further and linked the case for devolution with broader arguments about regional identity, democratic reform and accountability. While it was recognised that the strong national identities found in Scotland, Wales and Northern Ireland did not exist in the same way at the subnational level in England, Yorkshire is seen as to some extent an exception, with a strong and historic regional sense of belonging. As noted, the [case for devolution to the wider North of England](#) was also made in reference to "a reimagination of cultural and historical identity".

The relationship between institutions and identity was also discussed at our event. For instance, some participants believed that the creation of institutions at the county or wider northern level would in itself develop or strengthen a sense of regional political identity. One attendee identified this as having happened in Italy, where regional identities have developed in response to the creation of regional political institutions.

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Stronger regional identity could in turn enhance the ability of the region to define and defend its interests in negotiations with central government, and to develop more ambitious ideas for how devolution could evolve, perhaps in time leading to a fundamental rebalancing of the English political system. From this perspective, devolution should be seen as part of a broader politics of democratic reform, in which creating a new locus for regional politics is more important than the precise powers being devolved.

## What do the people want?

It is difficult to establish the level of public support for different proposed devolution models in Yorkshire due to the paucity of polling data at this scale. Drawing on polls conducted across England or the wider north, John Curtice, Professor of Politics at the University of Strathclyde and member of the British Academy Governing England working group, argued that there was “broad but shallow” support for local decision making but that this has not necessarily translated into support for specific forms of devolution.

In terms of the mayoral model, unpopular with local councillors, there were few strong opinions amongst the public, although when asked a majority of people polled did not agree that a mayor should be a precondition for devolution. Further, while a [BBC/ComRes poll](#) conducted in 2014 demonstrated a wide support for greater decision-making powers in local areas, [an Institution of Civil Engineers/ComRes survey](#) from February 2016 showed that, of those polled in the North of England, only 40% of respondents thought this would have a positive impact on local services, with 43% remaining unsure. There is also little apparent support for the devolution of fiscal powers.

## What to devolve?

The logic behind devolution to combined authorities in England has been largely economic, with a focus on functions relating to infrastructure, housing and skills development. The proposal laid out by the WYCA also sought greater fiscal control, including 100% retention of business rates as well as pooling funding and assets of national and local public sector agencies within the region. By contrast, the city region approach agreed with the SCRCAs has been about passing certain narrower functions down from Whitehall, particularly adult skills, the creation of a spatial framework when it comes to housing, and local transport. The deal also envisages continued close collaboration with central government, for example, working with UK Trade and Investment (now incorporated into the Department for International Trade) to boost trade and investment in the region.

One attendee at the event criticised how the devolution deals have been drawn up, arguing that there has been too much focus on the issue of electing a mayor and not enough on the practicalities of the deal. The deals were criticised for low levels of capital expenditure and challenged on how the proposed budgets would enable, for

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example, sufficient housing development in the region. Other attendees argued that a serious devolution model had to move towards greater fiscal responsibility for regional or local government, an issue neglected in current devolution deals. Concern was expressed over the current Government's commitment to move towards business rate retention in local areas within a redistribution model to account for varying revenue. However, both business rates and council tax were judged to be flawed taxes which would fail to provide local government with useful fiscal levers to encourage balanced economic growth or to achieve other policy objectives.

## What next?

There was general consensus among participants that the devolution deals already concluded will be carried forward with central and local government working together on implementation, but several attendees questioned whether Theresa May's government has the same commitment to pursue new devolution deals as its predecessor. The deprioritisation of devolution since summer 2016 was seen as a result of the personal views of the new Conservative leadership, as well as the reality that the Brexit negotiations will take up a great deal of government focus and resources, leaving little capacity to pursue additional 'devo deals'.

On 4 May voters will elect new 'metro mayors' in six areas of England where devolution deals have been finalised: Greater Manchester, Liverpool, the West of England, Cambridge and Peterborough, the West Midlands, and Tees Valley. In Yorkshire, there will be no such election, and as the attention of politicians swiftly shifts from the local elections to the general election on the 8 June, it will be worth watching whether the major parties commit to further devolution in their election manifestos. Even if they do, however, it seems unlikely that the devolution agenda will be anywhere near as high a priority as it was in 2015-16, when former Chancellor George Osborne, in particular, ensured that devolution was at the heart of the Government's reform strategy.

This does not bode well for the chances of an ambitious deal re-emerging in West Yorkshire, and there may even be a question mark about whether the SCRCA deal now sees the light of day. There also appears little immediate likelihood of progress toward a pan-Yorkshire deal or a Council of the North of the kind favoured by several participants in our event. Ministerial responses to these proposals have been lukewarm, although Communities and Local Government Secretary Sajid Javid [stated in a letter](#) to West Yorkshire council leaders that "there is clearly enthusiasm for further devolution in Yorkshire, and I hope to see progress made". So, there appears to be some openness in Whitehall to an ongoing dialogue about further devolution to the region.

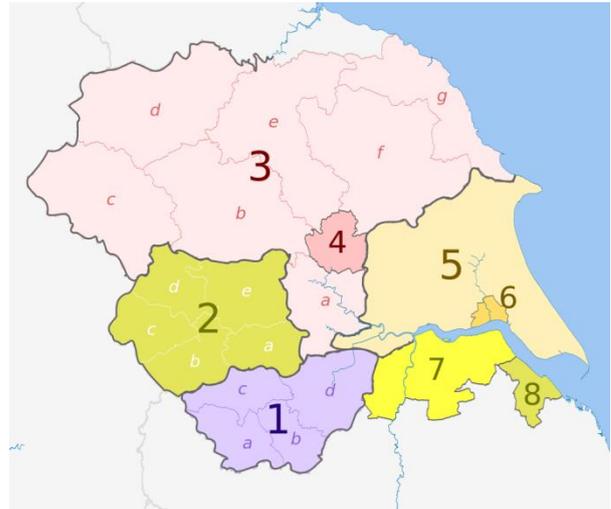
The immediate prospect, however, is that Leeds, Sheffield and the rest of Yorkshire will stand and watch as metro mayors take office in other parts of the north, including Greater Manchester and Merseyside. For now, Yorkshire risks becoming what one attendee termed "the hole in the Northern Powerhouse".

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## Annex

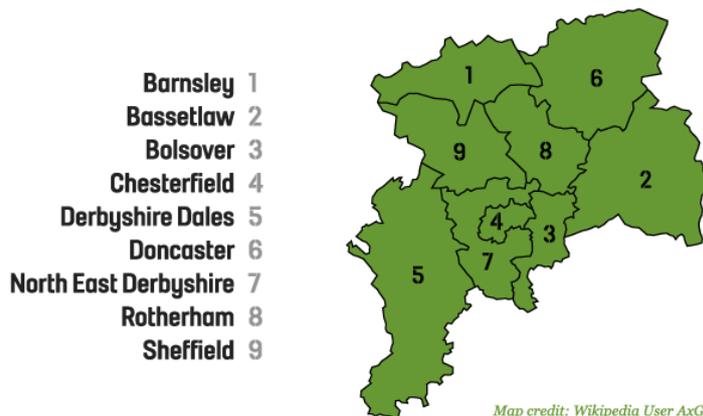
### Map 1: The Yorkshire and Humber region

1. South Yorkshire metropolitan county, comprising: a) Sheffield; b) Rotherham; c) Barnsley; d) Doncaster Thurrock unitary authority
2. West Yorkshire metropolitan county, comprising: a) Wakefield; b) Kirklees; c) Calderdale; d) Bradford; e) Leeds
3. North Yorkshire County Council, comprising: a) Selby; b) Harrogate; c) Craven; d) Richmondshire; e) Hambleton; f) Ryedale; g) Scarborough
4. York unitary authority
5. East Riding of Yorkshire unitary authority
6. Kingston upon Hull unitary authority
7. North Lincolnshire unitary authority
8. North East Lincolnshire unitary authority



Map source: Dr Greg and Nilfanion. Contains Ordnance Survey data © Crown copyright and database right 2011 [CC BY-SA 3.0, via Wikipedia Commons:  
[https://en.wikipedia.org/wiki/Yorkshire\\_and\\_the\\_Humber#/media/File:Yorkshire\\_and\\_the\\_Humber\\_counties\\_2009\\_map.svg](https://en.wikipedia.org/wiki/Yorkshire_and_the_Humber#/media/File:Yorkshire_and_the_Humber_counties_2009_map.svg)

### Map 2: The Sheffield City Region



Map credit: Wikipedia User AxG

Map source: Sheffield City Region <https://i2.wp.com/www.sheffieldcityregion.org.uk/wp-content/uploads/2012/05/sheffield-city-region-map.png>

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