

Hull and East Yorkshire Devolution Deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including, public consultation, the consent of councils affected, and parliamentary approval of the secondary legislation implementing the provisions of this Deal.

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Introduction

1. Hull and East Yorkshire's (HEY) contrasts have marked out the area for centuries. The urban grain of Kingston upon Hull, built on longstanding industrial and maritime success, stands alongside the ageless chalk hills and rurality of the Yorkshire Wolds, abutting the North Sea to the east and its beautiful natural sites at the Bempton Cliffs and Spurn Point with the Humber Estuary to the south. In all times, the area has played a significant role in history, with East Yorkshire playing host to the Battle of Stamford Bridge in 1066 and Hull's major role at the start of the First English Civil War, when King Charles I was refused entry at Beverley Gate, to facing the brunt of Axis aggression in the Second World War, when 95% of the city's houses were damaged or destroyed. The area is home to Beverley Grammar School, the oldest continuously operating state school in England (700 CE); Kiplingcotes Derby, the world's oldest horse race (held annually since 1519 CE); and was the home of William Wilberforce who was instrumental in the abolition of the slave trade in Britain. The area's land and cityscapes have inspired both artist David Hockney and author JRR Tolkien, setting the scene for Hull's celebrated turn as UK City of Culture in 2017. Hull and East Yorkshire's complex and distinctive character is defined by the places and people within it.
2. The Government has set itself a mission that, by 2030, every part of England that wants a devolution deal will have a devolution deal with powers at, or approaching, the highest level of devolution, with a simplified, long-term funding settlement. The 2022 Levelling Up White Paper makes clear the case for devolution as the engine room of improved productivity and reduced regional disparities. Devolution will be critical to delivering our twelve headline levelling up missions by strengthening local leadership to act more flexibly and innovatively to respond to local need, whether on transport, skills or regeneration.
3. In the Levelling Up White Paper, the Government published for the first time a devolution framework, which set out a clear menu of options for places in England that wish to unlock the benefits of devolution. This framework places a strong emphasis on the importance of high profile, directly elected local leadership, strong local governance, and joint working across sensible and coherent economic geographies. The most comprehensive package is a Level 3 deal, for areas with a single institution over a sensible geography, with the strongest and most accountable leadership, such as a mayoral combined authority (MCA) or a mayoral combined county authority (MCCA) covering a functional economic area or the whole county geography with a directly elected mayor. The Level 2 offer is for devolution to single local government institutions without a directly elected mayor, such as a combined authority or combined county authority covering a functional economic area or the whole county geography. The Level 1 offer is for local authorities with looser joint working arrangements, such as a joint committee model.

4. This document sets out the terms of an agreement for a Level 3 devolution deal between the Government and the local authorities of Kingston upon Hull City Council and East Riding of Yorkshire Council (“Hull and East Yorkshire”), subject to ratification of the deal by the Councils and the statutory requirements for making the secondary legislation implementing the deal. This document describes both the offer of functions and funding from the Government, and the reforms and measures that Hull and East Yorkshire will need to deliver. Central to this is the election of a directly elected mayor of a Mayoral Combined Authority across the deal area, to champion the area’s interests, deliver on local priorities, and be accountable to local people. The statutory requirements for implementing the deal include public consultation, the Councils consenting to the secondary legislation implementing aspects of the deal, and Parliament approving it. Once this legislation is approved and made, the devolution deal will be confirmed.
5. A devolution deal offers the opportunity to leverage Hull and East Yorkshire’s sectoral strengths in the transition to a more productive, low carbon economy whilst improving the living standards and economic opportunities for their most deprived communities. This will build on a long and successful history of partnership working between the two authorities which has pioneered new delivery approaches and policy development across a range of economic development interventions, but with a focus on their combined strengths in sustainable energy generation, flood risk and environmental management, and water-sensitive regeneration.
6. The Hull and East Yorkshire area is home to 610,000 people and represents a dynamic economy comprising the city of Hull and the diverse mix of urban, rural and coastal communities in East Yorkshire. The Kingston upon Hull City Council area has a high population density and tight urban grain, whilst the East Riding of Yorkshire Council area has an average density of just 143 people per square km.
7. The local authorities of Hull and East Yorkshire and Government have agreed a historic Level 3 devolution deal which will provide powers and funding to enable Hull and East Yorkshire to unleash its economic potential and in doing so level up, raise living standards for its communities and make a greater contribution to the UK economy. The Hull and East Yorkshire devolution deal shows how levelling up can be done in practice – with clear alignment to the twelve headline Levelling Up missions.
8. Hull and East Yorkshire’s growth sectors include manufacturing, chemicals, low carbon technologies, health technologies, pharmaceuticals and healthcare, food and drink, ports and logistics, construction, knowledge and digital economies including creative industries as well as tourism and culture.

9. Hull and East Yorkshire's ambitions for devolution, set against the challenges and opportunities the area faces in driving productivity and low carbon economic prosperity, whilst adapting to climate change, are:
- Capitalising on Hull and East Yorkshire's existing assets, including their world- leading digital infrastructure.
 - Raising skills levels so that people can access more economic opportunities, and in turn reduce local levels of under-employment and narrow the local productivity gap.
 - Supporting innovation and business growth in Hull and East Yorkshire's key sectors to enhance their competitiveness and increase productivity across the economy.
 - Raising living standards for everyone, based on well-targeted, long-term interventions delivering balanced and inclusive growth.
 - Focusing on work/life/leisure balance for Hull and East Yorkshire's residents, with easy access to the services of a city and with great connections between the city and East Yorkshire's rural and coastal hinterland, and to the rest of the country.
 - Enabling healthier and more content communities, tackling the challenges that combine to impact people's health and happiness.
10. Government investment is already supporting the area's economic opportunities and challenges, including access to investment from the £141.5 million and £145.9 million Local Growth Funding previously provided through the former Humber and York, North Yorkshire and East Riding LEPs respectively, and £13.4 million of the Getting Building Fund invested in Hull and East Yorkshire. Hull has received £19.5 million from the Levelling Up Fund and has been announced as a 'Levelling Up Partnership' that will see up to £20 million of investment and the collective power of Government working with local stakeholders to identify and address the biggest barriers to levelling up. In addition, National Highways are investing £355 million to upgrade the A63 in the city. In East Yorkshire, Goole is one of the Government's Town Deal areas and benefitting from £25 million of investment and Hull and East Yorkshire are collectively benefitting from over £22.5 million of UK Shared Prosperity Funding, with East Yorkshire receiving an additional £1.8 million through the Rural England Prosperity Fund.
11. As part of the wider Humber sub-region, Hull and East Yorkshire is benefitting from the largest Enterprise Zone award in the country across multiple sites and is part of the Humber Freeport with a comprehensive package of measures, including business tax reliefs and customs support, to establish the Humber as a global hub for investment and trade. The Government is also supporting the Humber's transition from being the highest carbon emitting industrial cluster in the UK to net zero emissions, including over £21 million support to the Zero Carbon Humber Partnership to support delivery of one of the world's first at-scale low carbon hydrogen

production plants at Saltend Chemical Park to the east of Hull. In addition, the East Coast Cluster, covering the Humber and Teesside, has been selected as one of the first carbon capture, usage and storage clusters to be taken forward by the UK Government.

12. Government recognises that devolution is a journey, not a one-off event. This agreement is the first step in a process of further devolution. As institutions mature, they can gain greater responsibility, and Hull and East Yorkshire will be able to deepen their devolution arrangements over time, subject to Government agreement. The Government will also continue to work with Hull and East Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas whilst tackling climate change, on our journey to 2030.

Summary of the Devolution Deal between Government and the Local Authorities of Hull and East Yorkshire, comprising Kingston upon Hull City Council and East Riding of Yorkshire Council

The Government and Hull and East Yorkshire are minded to agree a devolution deal which will provide the area with new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements.

A devolution agreement is contingent upon Hull and East Yorkshire proceeding through the steps necessary to meet the governance criteria required for a Level 3 devolution deal.

This devolution agreement includes:

- The formation of the Hull & East Yorkshire MCA, and the election of a directly elected mayor to provide overall vision and leadership, seek the best value for taxpayers' money, be directly accountable to the area's electorate and to receive new powers on transport, housing and skills.
- Control of a £13.34 million per year allocation of investment funding, worth £400 million over 30 years, 35% capital and 65% revenue, to be invested by the Hull & East Yorkshire MCA to drive growth and take forward its priorities over the long term.
- Up to £15 million capital funding in the current Spending Review period to support transport, flood and coastal erosion programmes across the area, a brownfield employment programme in Hull, and a coastal regeneration programme in the East Riding of Yorkshire. This investment is subject to agreement of the relevant business cases.
- Up to £5 million of capital funding in the current Spending Review period to further support Hull and East Yorkshire's economic growth priorities,

including any further expansion of the Siemens Gamesa Offshore Wind Facility, subject to a full business case and clear value for money.

- £4.6 million for the building of new homes on brownfield land in 2024/25, subject to sufficient eligible projects for funding being identified.
- £2 million of Mayoral Capacity Funding over 3 years (FY 2024/25 – 2026/27) to support the Hull and East Yorkshire MCA in the early stages of this deal.
- UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level from 2025/26, subject to funding, policy and delivery considerations at the next Spending Review.
- New powers to shape local skills provision to better meet the needs of the local economy and local people, including devolution of the core Adult Education Budget, as well as input into the new Local Skills Improvement Plans.
- New powers to drive the regeneration of the area and to build more affordable homes including compulsory purchase powers and the ability to establish Mayoral Development Corporations.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising, and control of appropriate local transport functions.
- Responsibility for a consolidated local transport settlement for the Hull & East Yorkshire MCA, which Government will provide Hull & East Yorkshire MCA at the next Spending Review.
- A commitment to explore a new rail partnership with Great British Railways, once established, so their priorities can be taken into consideration in future decisions regarding their local network.
- Observer representation from Department for Energy, Security and Net Zero on the Humber Energy Board, through which they will support the development of a Net Zero Strategy.
- A commitment for Hull & East Yorkshire MCA and a subset of the Department for Culture, Media and Sport's arm's length bodies to establish a collaborative partnership to share expertise and insight across culture, heritage, sport, communities and the visitor economy.
- A commitment for Government to consider the development of a specialist med- tech business park in Hull, including exploring support for Phase 1 of the project, subject to further discussions.

More detail on these commitments is given in the main body of the document below. Further powers may be agreed over time and included in future legislation.

Governance

Mayoral Combined Authority and its membership

13. A key advantage of a single institution, such as the MCA model, across a functional economic geography is its joint governance arrangements for key growth levers such as transport, skills, economic development, and regeneration, which allow for strategic prioritisation across its area and integrated policy development. In addition, a directly elected mayor provides greater leadership, local accountability and decision-making power, working in partnership with the combined authority and constituent councils.
14. As part of this agreement, Hull and East Yorkshire will, through the process set out in the Local Democracy, Economic Development and Construction Act 2009, as amended by the Levelling Up and Regeneration Act 2023 ("the Act") adopt the model of a directly elected mayor over a combined authority across the area of Hull and East Riding of Yorkshire, with the first mayoral election in May 2025. The new mayor will be elected by the local government electors for the areas of the constituent councils of the new combined authority – Kingston upon Hull City Council and East Riding of Yorkshire Council. The initial mayoral term will last four years, with subsequent terms lasting four years.
15. The Hull and East Yorkshire Mayoral Combined Authority will comprise the following voting members:
 - The mayor.
 - Two (2) elected members from each constituent council, one of whom will act as the lead member for their constituent council. Each constituent council must nominate a named substitute for each of their Combined Authority Members;

The MCA will also be able to appoint up to four (4) non-constituent members including:

- One (1) Member appointed by the HEY MCA Business Board;
 - One (1) Member who will be the Humberside Police and Crime Commissioner (PCC).
16. Constituent Members of the MCA and the Mayor must have full voting rights. Non- Constituent members are non-voting unless the MCA resolves to give them a vote on any issue, within the restrictions set out in the Act.
 17. The Humberside PCC will have a valuable role to play in the operation of the MCA and the future prosperity of Hull and East Yorkshire. Safer communities are key to the Government's Levelling Up Mission, and so the MCA will ensure that it engages appropriately with the PCC as the leader elected to represent public safety in Hull and East Yorkshire. With that in mind, it is expected that the Humberside PCC will be a non-constituent member of the MCA.

Functions and consent

18. The mayor will be required to consult the MCA on their strategies, and this will be subject to the following conditions:
 - The MCA will be able to amend the mayor's budget if three (3) out of the four (4) voting members agree to do so.
 - The MCA will be able to amend the mayor's transport strategy if three (3) of the four voting members agree to do so.
19. The MCA will explore opportunities for further collaboration with its neighbouring councils, including and especially any future Greater Lincolnshire Combined County Authority through pan-Humber working arrangements, as well as West Yorkshire Combined Authority, Tees Valley Combined Authority, South Yorkshire Mayoral Combined Authority, York and North Yorkshire Combined Authority (once established), and across the whole of Yorkshire through the Yorkshire Leaders Board. The MCA may invite representatives from other partner councils to attend (and speak) at any MCA meeting.
20. The mayor and the other combined authority members will be required to work together. Specifically:
 - The mayor will provide overall leadership and chair combined authority meetings;
 - The mayor may choose to delegate function(s) to members of the combined authority. Where this is the case the member to which a specific Mayoral function has been delegated will exercise that function on behalf of the mayor;
 - More generally, members of the combined authority may also act to support and advise the mayor in the exercise of mayoral functions;
 - The mayor may appoint one person as the mayor's political adviser;
 - The combined authority may establish an independent remuneration panel to recommend allowances payable to the mayor and any non-constituent council/associate members as appropriate.
21. Functions contained in this deal document will be devolved to the MCA by the Government. Some of these functions will be exercisable by the mayor and some by the combined authority. Where these functions are local authority functions, they will be held concurrently with the local authorities in the area to ensure joined up decision making, other than for transport powers. Arrangements for the concurrent exercise of the functions will be a matter for agreement between the combined authority and the constituent councils.
22. The MCA will be given powers in relation to:
 - Economic development and regeneration functions;
 - Adult education and skills functions;

- Transport functions, including responsibility for an area-wide Local Transport Plan; and to set up and coordinate a Key Route Network (KRN) on behalf of the mayor;
- Housing supply, regeneration and place-making functions, along with provision of housing and land, land acquisition and disposal and the development and regeneration of land functions;
- Finance – power to borrow up to an agreed cap for non-transport functions;
- Functional power of competence.

23. The directly elected mayor for the Hull and East Yorkshire Combined Authority will autonomously exercise their new functions with personal accountability to the electorate, devolved from central government and set out in legislation. These functions will be:

- Functional power of competence;
- Housing and planning;
 1. Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation (see consent requirements below);
 2. Housing and land acquisition powers (see consent requirements below) to support housing regeneration, infrastructure and community development and wellbeing, unlocking housing opportunities and accelerating business growth;
- Finance;
 1. Power for the mayor to set a precept on council tax to fund Mayoral functions (resulting from the setting of the mayoral budget as set out below);
 2. Power to charge business rate supplement (subject to ballot);
- Transport;
 1. To draw up a local transport plan and strategies (The Hull and East Yorkshire Combined Authority will be able to amend the mayor's transport strategy if three members agree to do so);
 2. Bus franchising powers;
 3. Ability to pay grants to bus service operators;
 4. Power of direction over the Key Route Network;
- Authority to establish joint mayoral committees.

24. No constituent council functions are being removed from those councils other than transport functions. Where existing functions or resources

currently held by the constituent authorities are to be shared with the mayor and the Hull and East Yorkshire combined authority, this must be agreed by the constituent councils. The combined authority may exercise functions in relation to its area and may exercise functions outside its area, subject to and in accordance with statutory provisions.

25. The following decisions will require the consent of the lead member of the relevant constituent member, or substitute members acting in their place, in whose area the decision will apply:
- Designation by the mayor of any area of land as a Mayoral Development Area leading to the establishment (by Order) of a Corporation (the consent of the relevant planning authority in whose area the decision will apply is also required).
 - Compulsory purchase of land or buildings by the mayor or the MCA.
 - In addition, the exercise of Homes England compulsory purchase powers will also require the consent of the relevant planning authority.
 - Any decision by the mayor that could lead to a financial liability falling directly upon that constituent council.
 - Such other matters as may be contained in the MCA constitution and agreed with the mayor.

Voting arrangements

26. Proposals for decisions by the MCA may be put forward by the mayor or any MCA constituent member. The mayor will have one vote as will other voting members of the MCA. Any decisions to be resolved by the MCA are to be decided by a simple majority of the members present and voting, unless otherwise stated in this document or provided for in legislation and that majority must include the vote of the mayor.
27. The non-constituent members, including the member appointed by the HEY MCA Business Board and the PCC, are non-voting but could individually be given a vote on some or all issues voted upon, subject to agreement of the voting members.
28. In addition, for the following decisions the majority of members must include the lead member (or their substitute acting in their place) from each constituent council:
- Approving and amending the Combined Authority's budget (excluding decisions which relate to the mayor's budget);
 - Setting a levy;
 - Approving and amending the Combined Authority's constitution.

Accountability

29. The mayor and the MCA will be scrutinised and held to account by the MCA's Overview and Scrutiny Committee(s) and Audit Committee.
30. For the Overview and Scrutiny Committee(s) six members will be nominated from each constituent council for each committee.
31. The chair and vice-chair of each Overview and Scrutiny Committee will be appointed by the MCA, following a proposal put to them by the Overview and Scrutiny Committee in question. The chair shall not be a member of a registered political party of which the mayor is also a member. The mayor and the MCA may also seek to enhance scrutiny and develop wider conference with all elected members in Hull and East Yorkshire to engage on key issues.
32. For the Audit Committee four members will be nominated from each constituent council for each committee. The Audit Committee will also include one independent person.
33. As a local government institution with devolved powers, the MCA will be subject to the English Devolution Accountability Framework ('the Framework'). The Framework applies to all English institutions with devolved powers. In line with the Framework, the Government, Hull and East Yorkshire and other areas with devolution deals will work together to put in place mechanisms to ensure that local leaders and institutions are transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money, and maintain strong ethical standards.
34. Hull and East Yorkshire should also have regard for the Government's Scrutiny Protocol, which develops the standards and best practice to make sure that scrutiny committees in areas with devolution deals can meet this unique challenge. This is to empower local residents and provide them with the confidence that devolution is leading to improvements in their area.

Role of the LEP

35. The Levelling Up White Paper announced the Government's intention to support the integration of Local Enterprise Partnership functions and roles into local democratic institutions. On 4 August 2023 Government confirmed its previous 'minded to' decision to withdraw central Government support (core funding) for Local Enterprise Partnerships from April 2024 and transfer their functions to local and combined authorities. This deal confirms the integration of LEP functions into Hull and East Yorkshire, subject to agreement of an integration plan by the constituent local authorities and its subsequent endorsement by Government.
36. Hull and East Yorkshire will be supported to take on relevant functions and roles of the Hull and East Yorkshire LEP in line with published guidance and with any agreed interim arrangements. In doing so, all parties will work together to ensure the independence of the local business voice is maintained, with the business voice to be represented within the

Combined Authority and with advisory boards representative of the geographies and composition of their local communities. Hull and East Yorkshire will ensure that any business advisory board or equivalent structure is meaningfully involved in local decision making, maintaining a culture of constructive challenge and scrutiny with the Hull and East Yorkshire assurance framework.

37. Government funding for integrating LEP functions will be subject to future spending decisions by individual departments and business planning.

Implementation

38. In line with the process set out in the Act, the constituent councils will produce a devolution proposal based on this deal. They will publicly consult on that proposal with local communities and business and any other interested stakeholders. They will consider the outcomes of the consultation before making any revisions to the proposal, before deciding to submit it, alongside a summary of the consultation responses to the Government, for consideration and implementation.
39. Implementation of the deal is subject to the Secretary of State being satisfied that the required statutory requirements have been met, the consent of each constituent member being provided, and parliamentary approval of the required secondary legislation.
40. As institutions mature, they can gain greater responsibility, and Hull and East Yorkshire will be able to deepen their devolution arrangements over time, subject to Government agreement and appropriate accountability arrangements.
41. As part of deepening devolution, the trailblazer devolution deals recently concluded with Greater Manchester MCA and the West Midlands MCA include single funding settlements which give the flexibility and independence needed to deliver locally whilst providing assurance of MCA performance through a single outcomes-based accountability framework. The Government's ambition is to roll a single settlement funding model out to all areas in England with a devolution deal and a directly elected leader over time.

Finance and Investment

42. The constituent councils will create a fully devolved funding programme covering all budgets for devolved functions (the Hull and East Yorkshire Investment Fund"), accountable to the Hull and East Yorkshire Combined Authority.
43. Hull and East Yorkshire will use the Hull and East Yorkshire Investment Fund to deliver a programme of transformational long-term investment. The Government agrees to allocate £13.34 million per annum for 30 years (£400 million in total, 35% capital and 65% revenue) which will form part of the Hull and East Yorkshire Investment Fund. This will be subject to five-yearly gateway assessments to confirm that the investment has

contributed to economic growth and levelling up. Once the Order is made establishing the Combined Authority and Hull and East Yorkshire has its Assurance Framework confirmed with the Government, Hull and East Yorkshire may have access to the Investment Fund prior to the election of a directly elected mayor, subject to the agreement of suitable caps with Government.

44. The Government will also provide the Hull and East Yorkshire Combined Authority with up to £15 million capital funding in the current Spending Review period to support transport, flood and coastal erosion programmes across the area, a brownfield employment programme in Hull, and a coastal regeneration programme in the East Riding of Yorkshire. This investment is subject to agreement of the relevant business cases.
45. The Hull and East Yorkshire Combined Authority will have the flexibility to secure private and public sector leverage. As per local government guidance, Hull and East Yorkshire will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives.
46. Hull and East Yorkshire Combined Authority will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. Hull and East Yorkshire will agree overall debt limits with HM Treasury. These limits are subject to review as set out in the debt cap agreements. The Combined Authority will update HM Treasury about any deviation from its underlying borrowing plans in order to support HM Treasury in its duty to monitor and forecast changes in the fiscal aggregates. Hull and East Yorkshire will also provide information, explanation and assistance to support the Office for Budget Responsibility in its duty to produce economic and fiscal forecasts for the UK economy.
47. The costs of establishing the Combined Authority will be met from the overall resources of the MCA. To support Hull and East Yorkshire Combined Authority in its early stages of this deal, the Government will provide £500,000 of Mayoral Capacity Funding in 2024/25, £1 million in 2025/26, and £500,000 in 2026/27. This will be provided on the basis that the establishing legislation has been made and the Assurance Framework confirmed with the Government. Any future capacity funding will be subject to Spending Review, in line with arrangements for other devolution deals. Additional activities or capital allocations from Government will be supported by revenue allocated to the combined authority in line with practice for existing areas with a Level 3 devolution deal.
48. The elected mayor will have the power to issue a precept on local council tax bills to help pay for the mayor's work. This precept can only be raised for mayoral functions.
49. The elected mayor will have the power to introduce a supplement on business rates for expenditure on a project or projects that will promote

economic development in the area, subject to a ballot of affected businesses.

50. Subject to funding, policy and delivery considerations at the next Spending Review, the Levelling Up White Paper sets out the Government's expectation that delivery responsibility for the UK Shared Prosperity Fund will be aligned with devolution deal responsibilities. This would mean Hull and East Yorkshire MCA could have such responsibilities from 2025/26. In carrying out this role, it will need to engage constituent councils and other local partners to ensure that the needs of residents can be effectively addressed.
51. The Government understands that Hull and East Yorkshire currently has, and will in the future have, interest in applying for funding and other opportunities made available. This deal does not preclude participation in these processes where the Hull and East Yorkshire Combined Authority meets the relevant criteria.

UK Infrastructure Bank

52. The UK Infrastructure Bank ("the Bank") will increase infrastructure investment across the UK by partnering with the private sector and local government to help tackle climate change and support regional and local economic growth. The Bank can offer advice and support to local actors, including the Hull and East Yorkshire Combined Authority, to help deliver on their objectives, including driving investment into net zero infrastructure and innovative local projects. It can also act as a convenor, bringing together local actors for collaborative projects, and where appropriate identifying where projects can be aggregated to achieve greater impacts.

Skills and education

Adult education

53. Hull and East Yorkshire has an annual GVA of £13.4 billion (2021)¹ and 20,945 businesses (2023)². The area has a nationally significant concentration of manufacturing, accounting for 22%³ of Hull and East Yorkshire's GVA. Transport and logistics represent another key sector, reflecting the importance of the ports of Hull and Goole. Overall productivity, in terms of GVA per hour worked, in Hull and East Riding of Yorkshire is below the national average, sitting at 76% and 89% of that average respectively (2021)⁴, with rankings of 320th and 225th (out of 362 localities) respectively in the 2021 UK Competitiveness Index⁵.
54. The structural challenges of a persistent low skill, low wage economy in some areas limits the economic prosperity of communities. Over a quarter (28%) of Lower Layer Super Output Areas (LSOAs) in Hull and East Yorkshire are within the 20% most deprived nationally⁶, and overall qualification levels throughout the area remain below the national average. Only 33% of the area's population is qualified to Level 4+ compared to 44% in England, 40% in the East Riding and only 25% in

Hull⁷. The area faces particularly high patterns of deprivation and benefits dependency in parts of the city of Hull, Goole and along the coastline. In Hull and the East Riding, the average healthy life expectancy of residents is below the current state pension age with an average of 59.7 compared with 63.5 in England⁸.

55. The area has a high proportion of working age people with trade apprenticeships, reflecting the industrial nature of the area, however, the majority of these are lower level (Level 1 or 2).
56. The Government will fully devolve the Adult Education Budget (AEB) to Hull and East Yorkshire from academic year 2026/27 subject to readiness conditions and Parliamentary approval of the required secondary legislation conferring the appropriate functions. Funding for Free Courses for Jobs (FCFJ) will also be devolved and will be ring-fenced.
57. Prior to full devolution taking place, the Government will work with Hull and East Yorkshire MCA to support their preparations for taking on the relevant functions and will make implementation funding available for Hull and East Yorkshire, subject to the availability of appropriate central funding including in the next Spending Review.
58. Upon devolution, Hull and East Yorkshire Combined Authority will be responsible for making allocations to providers in accordance with the conditions imposed on them, including ministerial directions, and the outcomes to be achieved. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices.
59. The Government will inform Hull and East Yorkshire on which basis the existing methodology operates to calculate the size of the grant to be paid to Hull and East Yorkshire for the purpose of exercising the devolved adult education functions.
60. The Government will discuss with Hull and East Yorkshire, and other areas with, or which are planning to secure, devolved adult education functions, any proposed changes to its methodology for calculating devolved areas' grants. Any discussions will be undertaken in a timely manner and before decisions are made.
61. In order to proceed with devolution, the Government needs to be assured of the following readiness conditions:
 - The Secretary of State for Education and appropriate accounting officer are assured that the Hull and East Yorkshire Combined Authority is operationally ready to administer the adult education budget and is satisfied the required statutory tests have been met.
 - Parliament has legislated to enable transfer to Hull and East Yorkshire of the current statutory duties on the Secretary of State

to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.

- Agreement to a memorandum of understanding between the Department for Education and Hull and East Yorkshire that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
- Learner protection arrangements are agreed between parties.

62. The Department for Education will continue to work with Hull & East Yorkshire to commission a local programme of Skills Bootcamps, to be informed by future spending agreements.

Skills

63. Local Skills Improvement Plans (LSIPs) will set out the current and future skills needs of the area and how local provision needs to change to help people develop the skills they need to get good jobs and increase their prospects. LSIPs will build a stronger and more dynamic partnership between employers and further education providers and allow provision to be more responsive to the skills needs of employers in local labour markets.

64. Working with the designated Employer Representative Body, and utilising and sharing the local labour market intelligence and analysis developed, Hull and East Yorkshire will support and provide input into the LSIP for the area.

65. Hull and East Yorkshire will be considered alongside other areas with a Level 3 devolution deal at future Spending Reviews with regard to the devolution of skills funding.

Employment

66. The Government recognises the challenges facing Hull and East Yorkshire with an urban, coastal and rural economy experiencing a complex range of issues relating to structural industrial decline, peripherality and a relatively low skilled/low wage workforce, as well as significant income, employment and education deprivation in Hull.

67. There is a need to develop and deliver targeted local programmes through devolved funding streams such as the UK Shared Prosperity Fund and the Adult Education Budget to address the unique and diverse challenges across the region. Hull and East Yorkshire will continue to be expected to work in partnership with local Department for Work and Pensions Jobcentre Plus and regional DWP Strategic Partnership Managers to develop local programmes that meet local needs and complement national employment provision.

68. The Government and Hull & East Yorkshire will also work together to better target employment support by understanding and utilising publicly available local labour market intelligence and analysis. As part of the

development of the economic framework, the Government is committed to working together on Hull and East Yorkshire's strategic priorities and supporting the development of the area's economic framework.

69. The Department for Work and Pensions and Hull & East Yorkshire MCA will work together on Hull & East Yorkshire's strategic priorities for employment through:

- enhanced engagement by way of membership of the joint Department for Work and Pensions and Department for Education Mayoral Combined Authority Advisory Group.
- continuing regular engagement with DWP Strategic Partnership Managers, the regional Employer and Partnership team in Jobcentre Plus, and strategic labour market partnership teams.

70. The Department for Work and Pensions will also consider what role Hull and East Yorkshire could have in the design and delivery of future Contracted Employment Programmes.

Careers education and advice

71. The Government recognises the significant unique opportunities that are developing across Hull & East Yorkshire and that, to ensure maximum benefit of the AEB allocation and the area's economic growth, a more place-based and industry led approach to careers education is developed for both adults and young people. Ensuring access to high quality careers, advice and guidance is a crucial element of the Government's long-term ambitions around social mobility, raising aspiration and ensuring the future workforce responds to local economic needs.

72. In support of this objective, HEY LEP and the constituent councils have worked closely on the development of the Hull & East Yorkshire's Career Hub. With the folding in of relevant LEP functions as announced in August 2023, the Government and partners within Hull & East Yorkshire wish to ensure that there remains a shared focus on careers education and advice for young people. This is particularly crucial given the specific challenges faced in Hull & East Yorkshire, including proportionally higher numbers of young people at risk of becoming NEET and high levels of pupils with special educational needs. The Department for Education will therefore seek to work with the Department for Levelling Up, Hull & East Yorkshire and other relevant partners to support the continuity of activity within the Careers Hub.

73. To ensure a more place-based and joined-up approach to careers education locally, the Government supports Hull & East Yorkshire MCA to work with local stakeholders to align careers provision with devolved AEB activities.

Housing and land

74. The Hull and East Yorkshire Combined Authority will have broad powers to acquire and dispose of land to build houses, commercial space and

infrastructure, for growth and regeneration. Hull and East Yorkshire will be able to invest to deliver housing for the area.

75. Hull and East Yorkshire Combined Authority will have land assembly and compulsory purchase powers to bring forward housing and regeneration which may include commercial uses, subject to the agreement of the constituent councils where the relevant land is located, and to the consent of the Secretary of State for Levelling Up, Housing and Communities.
76. The directly elected mayor will have the power to designate a Mayoral Development Area and to create Mayoral Development Corporations, which will support delivery on strategic sites in Hull and East Yorkshire. Where relevant, this power may be exercised only with the consent of the constituent member(s) who represent the area in which the Development Corporation is to be established.
77. Hull and East Yorkshire faces particular challenges in development viability. Almost all of Hull's development land is brownfield, with a large proportion suffering from contamination and flood risk, along with archaeology, typical of a historic area. East Riding's rurality and coastal context similarly work to limit the feasibility of new development. Land availability and underutilisation because of development viability is a critical issue for both local authorities.
78. As a mayoral combined authority, the Hull and East Yorkshire Combined Authority will be awarded £4.6 million of devolved capital funding in 2024/25 to support the building of new homes on brownfield land, subject to sufficient eligible projects for funding being identified.
79. To support Hull and East Yorkshire Combined Authority to identify and bring forward a pipeline of housing projects, Government will also provide £135,000 in capacity funding in 2024/25.
80. The devolution of locally-led brownfield funding to areas with a Level 3 deal is a part of the devolution framework. Subject to the agreement of appropriate brownfield funding with HMT in the next Spending Review, Hull & East Yorkshire could expect devolution of locally-led brownfield funding into future years, in line with the position outlined in the devolution framework

Working with Homes England

81. The Hull and East Yorkshire Combined Authority and Homes England are committed, with the support of the Department for Levelling Up, Housing and Communities (DLUHC), to working collaboratively as strategic partners – combining their skills and capacity – to unlock the barriers to affordable housing delivery, regeneration and wider housing growth through the development of a pipeline for the region. This will be underpinned by a clear Action Plan setting out workstreams, timescales and milestones, as well as respective roles and responsibilities.

82. Homes England and the Government will explore the potential for investing in the delivery of this pipeline through current and future funding streams, including the Affordable Housing Programme.
83. Government will support Hull and East Yorkshire to build on the success of the One Public Estate model and Place Pilot work within Hull to better understand and utilise public land in the area.
84. As a legacy of the Place Pilot, Hull and East Yorkshire will establish a Land Commission with the aim of developing a long-term strategy for the use and management of public land holdings. The Land Commission will have a particular focus on how public assets and land can be used to deliver positive health, sustainability and housing and regeneration outcomes, while also considering their role in delivering natural capital, supporting nature recovery and climate resilience and adaptation.
85. DLUHC, Homes England and Hull and East Yorkshire MCA will work together to support the area's plans to increase rural affordable housing supply, in line with the measures set out in Homes England's rural housing statement and the wider steps DLUHC and DEFRA are taking to support rural communities.

Howden

86. East Riding of Yorkshire Council has identified Howden as an area of housing growth, with potential for delivery of up to 1900 homes. Government recognises the importance of this scheme and the benefits it would unlock locally, and supports East Riding of Yorkshire Council's ambition to deliver much needed new housing. As part of the additional capital funding in the deal, the Government commits immediately to provide up to £1 million (subject to approval of the business case) to contribute to getting the link road scheme to tender stage.

Transport

Network North

87. As set out in the recent Network North announcement:
- The Hull and East Yorkshire MCA will receive a proportion of the £2.5 billion announced as part of Network North to transform local transport in areas in the North outside of the big city regions.
 - The Hull and East Yorkshire MCA will receive a proportion of the £770 million of funding for Bus Service Improvement Plans in the North.
 - The Hull and East Yorkshire MCA will receive a proportion of the £3.3 billion funding to fix potholes in the North.

Powers of the Local Transport Authority and Local Transport Plans

88. The Hull and East Yorkshire MCA will become the Local Transport Authority for the new combined authority area and take on all associated responsibilities and local public transport powers.

89. As part of becoming the LTA, responsibility for an area-wide Local Transport Plan (LTP) will be conferred on Hull and East Yorkshire MCA and exercised by the mayor. Hull and East Yorkshire will develop a provisional area-wide LTP by March 2025 to be finalised by the Hull and East Yorkshire MCA once established. Spending Review is expected in 2024; in developing its case for local transport investment DfT will be engaging the local transport sector. As such, Government will look to draw on any emerging evidence base and strategy Hull and East Yorkshire is able to make available by that time. Hull and East Yorkshire MCA will be expected to ensure its LTP aligns with best practice in transport planning including any revised LTP guidance, and to update their LTP as necessary.

Local and Regional Partnership Working

90. The Government recognises that local and regional level organisations are often best placed to make practical changes required to meet shared strategic objectives on local economic growth and decarbonisation, ensuring that local communities and businesses are engaged. Transport for the North (TfN) will develop its Regional Centre of Excellence, which will offer bespoke capability and tools to support to all local authorities in the TfN area. This provides the opportunity for the Hull and East Yorkshire MCA to work with TfN to establish if Hull and East Yorkshire would benefit from capability support.

91. As set out in the National Electric Vehicle Strategy, the Government recognises the aspirations of Hull and East Yorkshire MCA to improve public electric vehicle charging infrastructure, which would increase the uptake of electric vehicles and reduce carbon emissions by supporting all motorists in making the switch. Hull and East Yorkshire MCA can also access support from TfN, which has received Government funding to develop a regional Electric Vehicle Charging Infrastructure (EVCI) strategy. This strategy will provide a robust plan of charging needs in Hull and East Yorkshire and can be used to underpin any public sector funding proposals, including applications for the LEVI Capital Fund. It will also help local authorities in Hull and East Yorkshire to develop their own strategies to scale up the rollout of public chargepoints in their areas. The constituent councils within Hull and East Yorkshire have also received £5.17 million in capital funding from Government's Local EV Infrastructure Fund and a further £790,000 revenue funding for increasing their capability to deliver associated EV infrastructure. Through the LEVI fund, Hull and East Yorkshire MCA will be able to utilise the LEVI support body for further assistance and upskilling of EV officers.

Consolidated Local Transport Budget

92. The directly elected mayor will be responsible for a multi-year consolidated local transport settlement for Hull and East Yorkshire MCA, which Government will provide following the next Spending Review. Local transport funding will be consolidated in line with the principles set out in the Levelling Up White Paper and Funding Simplification Doctrine. The quantum of funding and the number/remit of individual funding lines will

be agreed through the next Spending Review Process, however we anticipate this will build on the current Level 3 offer of consolidating highways maintenance funding and integrated transport block.

Local Highways Networks

93. The Hull and East Yorkshire MCA will set up and coordinate a Key Route Network (KRN) on behalf of the mayor. This will allow the most important local roads to be managed in a strategic way to improve traffic flow, reduce congestion and introduce traffic management measures to, for example, improve public transport and cycling and walking infrastructure across Hull and East Yorkshire. The constituent councils will remain the highway authority for their area, responsible for the management and operation of the local highway network. The mayor will hold a power of direction allowing them to direct member highway authorities in the exercise of their powers with regard to the KRN.
94. Hull and East Yorkshire MCA will be able to enter into agreements with Government, other Local Authorities and National Highways, including to determine shared priorities for its strategic route network roads and KRN.
95. The Mayor and the Hull and East Yorkshire MCA may by exception also take on some highways powers to coordinate or deliver highways functions for the full area, to be exercised concurrently with the relevant highway authorities. Any such powers are to be agreed separately with HM Government and set out in the proposal/required scheme and consultation, with local agreement on how concurrency will work in practice.
96. Unless otherwise agreed locally, all operational responsibility for highways will remain with the constituent councils. However, where practical we would expect the Hull and East Yorkshire MCA to work towards streamlining contractual and delivery arrangements across the region. The Hull and East Yorkshire MCA should consider how highways across the region are managed, which may include developing a single strategic assessment plan for local highways in the area, in partnership with constituent councils.

Bus Enhanced Partnerships

97. As the Local Transport Authority, the Hull and East Yorkshire MCA will be responsible for:
- Bus Service Improvement Plans;
 - Enhanced Partnerships;
 - Subsidised bus services;
 - Concessionary fare schemes.
98. And will, where practical, streamline engagement with bus operators and seek efficiencies in their future contractual and delivery arrangements across the combined area.

Bus Franchising

99. Hull and East Yorkshire Combined Authority will have access to franchising powers in the Transport Act 2000.

Bus Service Improvement Plans (BSIPs)

100. The Hull and East Yorkshire MCA will work with constituent councils to deliver against the existing Bus Service Improvement Plans (BSIPs). Hull and East Yorkshire MCA will work towards integrating the existing BSIPs in the area.

Bus Service Operators Grant (BSOG)

101. In line with the commitment in the National Bus Strategy, the Government is working on the reform of BSOG. The Government will devolve powers for the payment of BSOG to Hull and East Yorkshire MCA.

Rail

102. The Government will support Hull and East Yorkshire MCA in seeking a new rail partnership with Great British Railways, once established, so that the MCA's priorities can be taken into consideration in future decisions regarding their local network. Hull and East Yorkshire MCA, alongside existing Level 3 authorities, will be considered a priority for these agreements which will provide the ability to influence the local rail offer. Local priorities will need to be coordinated and compatible with surrounding areas and the needs of the national network.
103. The Government will bring Hull into Northern Powerhouse Rail, electrifying and improving the line speed between Hull to Leeds and Hull to Sheffield. This will cut the journey between Leeds and Hull from 58 to 48 minutes; and from Hull to Manchester from 107 to 84 minutes. This will enable 2 fast trains an hour to Leeds, double trains between Hull and Sheffield from 1 to 2 per hour and enable capacity to double.
104. The Hull and East Yorkshire MCA has ambitions to expand and improve rail services in the area. These include a new Melton/Ferriby Parkway Station, which would offer improved public transport links connecting the City of Hull and its neighbouring communities in the East Riding. The Department for Transport will provide advice and support to the Hull and East Yorkshire MCA on developing a business case for this project.

Active Travel

105. To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure walking and cycling schemes are designed and delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). The Hull and East Yorkshire MCA will work with ATE to improve the design quality of all active travel schemes funded by Government and those that are locally funded. All cycling and walking schemes funded by Government must be approved by ATE as complying with LTN 1/20.

Rural Transport

106. Government recognises that Hull and East Yorkshire have ambitions to improve rural transport in the area. Expansive rurality abutting urban centres and busy market towns makes Hull and East Yorkshire an excellent laboratory in which to collect data, monitor trends and trial new ideas and innovations for bettering local transport and ensuring connectivity to key employment sites and services. Hull and East Yorkshire wishes to utilise its extensive road network as a mechanism to improving access to services, tackling isolation and increasing access to jobs in rural and remote areas. The Department for Transport has published 'Future of Transport: supporting rural transport innovation', which sets out how innovative and emerging technologies could address some of the major challenges in rural communities.

Net Zero

107. As part of its Net Zero Strategy and Net Zero Growth Plan, the Government recognises that devolved and local government can play an essential role in meeting national net zero ambitions. Local leaders in the Hull and East Yorkshire area and elsewhere are well placed to engage with all parts of their communities and to understand local policy, political, social, and economic nuances relevant to climate action. This is why the devolution framework grants places the opportunity to adopt innovative local proposals to deliver action on climate change and the UK's net zero targets.
108. The Local Net Zero Forum, chaired by the Department for Energy Security and Net Zero, is cross-Government and brings together national and local Government senior officials. Through representative organisations on the forum such as the Local Government Association (LGA), Association for Public Service Excellence (APSE), Core Cities and the Association of Directors of Environment, Economy, Planning & Transport (ADEPT), Hull and East Yorkshire Combined Authority will get the opportunity to discuss local net zero policy and delivery issues in the round.

Energy system

109. The Government recognises the need to increase Hull and East Yorkshire's electricity network capacity to meet future electricity demand. We are committed to ensuring that devolved regional institutions such as combined authorities, including the Hull and East Yorkshire Combined Authority, have a meaningful role in planning our future energy system for net zero, alongside other local areas as appropriate.
110. The Government acknowledges Hull and East Yorkshire's current efforts in developing a Local Area Energy Plan in coordination with the Net Zero Hub. The Government is considering the role of local energy plans, including their role in supporting strategic network investment, working closely with Ofgem as part of its ongoing governance review into local energy institutions and its proposals on regional energy system planning.

Heat networks

111. The Government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, Zoning Coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. Local authorities will have powers to require certain buildings to connect to heat networks within the zones. This will enable the Hull and East Yorkshire Combined Authority to assume the role of heat network Zoning Coordinator for its locality if they wish to play this role in the delivery of heat decarbonisation infrastructure. The Government is committed to have heat network zoning in place by 2025.
112. The Government will support the Hull and East Yorkshire Combined Authority alongside other local authorities across England to take forward heat network zoning, including collaboration with the private sector on developing heat networks within zones and to help capitalise on unique local opportunities to utilise all available low carbon heat sources, including geothermal energy.

Buildings

113. The Government commits to explore the potential benefits of and design options for a place-based approach to delivering retrofit measures, as part of the Government's commitment in the Net Zero Strategy to explore how we could simplify and consolidate funds which target net zero initiatives at the local level where this provides the best approach to tackling climate change.
114. This work will involve inviting the Hull and East Yorkshire Combined Authority to work with Government through the relevant representative organisations to consider if such an approach could accelerate the meeting of net zero goals and provide better value for money.

Green Jobs

115. Through the Green Jobs Delivery Group, we are working to ensure that workers, businesses and local areas, including Hull and East Yorkshire, are supported through the net zero transition. The Hull and East Yorkshire Combined Authority now has the opportunity to deliver green skills interventions at a local level through having a greater role in delivering the Adult Education Budget and UK Shared Prosperity Fund (UKSPF).
116. To further contribute to Government's ambition of capturing and storing 20-30 MtCO₂ per year, Government will continue to develop the Track-1 and Track 2 clusters to increase the benefits they can deliver. Government will launch a process this year to begin further expansion of Track-1 clusters, beyond the initial deployment, identifying and selecting projects to fill the available storage and network capacity anticipated to be available in and around 2030. Additionally, Government has concluded that the Viking transport and storage (T&S) system, based in Humber,

along with the Acorn T&S based in Scotland, due to their maturity, remain best placed to deliver Government's objectives for Track-2, at this stage, subject to final decisions, due diligence, consenting, subsidy control, affordability, and value for money assessments. Government will set out the process by which capture projects for Track-2 will be selected in due course.

Offshore Wind

117. Government recognises the potential of the Hull and East Yorkshire Combined Authority to play a critical role in the manufacture of strategically important offshore wind components. Businesses investing in the Humber Freeport can take advantage of a range of tax reliefs designed to attract investment and create jobs, currently available in the Hull East and Able Marine Energy Park Tax Sites and with Goole Tax Site expected to be designated in the near future. Through these incentives, Government is already supporting Siemens Gamesa's Offshore Wind Facility Phase 2 Expansion in the Hull East Tax Site.

118. As part of the devolution deal, Government will provide up to £5 million of capital funding in the current Spending Review period to further support Hull and East Yorkshire's economic growth priorities, including any potential future expansion of the Siemens Gamesa Offshore Wind Facility, subject to a full business case and clear value for money. Government also commits to working with the constituent authorities and the Hull and East Yorkshire Combined Authority to explore ways in which further support for the expansion might be provided. Any additional support for the expansion would not be precluded by the capital funding provided through the deal and would also be subject to a full business case and clear value for money.

Humber

119. The Department of Energy Security and Net Zero will provide observer representation on the Humber Energy Board, through which they will support the development of a Net Zero Strategy to accelerate the green energy transition across the Humber industrial cluster. This Net Zero Strategy will inform a detailed investment plan for the region, underpinned by strong collaboration between public and private sector partners across the Humber.

Environment and Climate Change Adaptation

Flooding and Water Management

120. Hull and East Yorkshire have a unique challenge in terms of the extent of flood and coastal erosion the area faces. The city of Hull and surrounding areas of East Riding were subject to combined surface water and sewer flooding in 2007 where 16,000 properties were flooded and much of the learning documented in the Pitt Review was based on the experience on this. As a result, both Hull and East Riding of Yorkshire councils worked in partnership to understand the catchment hydrology for

surface water, to deliver the 3 largest surface water schemes in the country, and by forming the Living with Water partnership with Yorkshire Water and the Environment Agency. The Living with Water partnership has taken an innovative approach producing a 25-year Blue-Green Plan, which sets out the strategic way for managing flood risk delivery whilst seeking adaptive ways to align with other climate change, regeneration, active travel, health and wellbeing, and ecology objectives.

121. Hull and East Yorkshire is home to two stretches of beautiful and undeveloped Heritage Coastline at Flamborough Head and Spurn Point. Recognising that parts of the 85km East Riding coastline are the fastest eroding in Western Europe, retreating at an average rate of up to 4.5 metres per year, the area is committed to delivering sustainable coastal management, which enables communities, the local economy and the natural environment to thrive.
122. As part of the Government's £200 million innovation fund, £36 million will be invested in the coastal transition accelerator programme (CTAP), to adapt to the effects of climate change on the coast. East Riding of Yorkshire is one of the initial areas of focus to receive funding to help communities on the coast that cannot sustainably be defended from coastal erosion. Residents and businesses will be supported to prepare and plan for the long term. Such interventions might include:
- Improving and replacing damaged community infrastructure, such as beach access or coastal transport links and replacing public or community owned buildings in areas at risk with removable, modular, or other innovative buildings.
 - Repurposing land in coastal erosion zones for different uses such as temporary car parks and restoring and creating habitats.
 - Working with the finance and property sectors to explore innovative finance or funding mechanisms to help move communities away from rapidly eroding areas.
123. In addition, Government welcomes Hull and East Yorkshire's ambitions to be a leader in climate adaptation (including in responding to flooding and coastal erosion). Defra looks forward to further understanding HEY's climate adaptation programme as it develops. Hull and East Yorkshire will develop an integrated approach which builds on the innovative Living with Water and Changing Coasts initiatives and the use of community co-ordinators to create an Adaptation Hub, which is focussed on supporting climate vulnerable communities, supporting adaptation and resilience plans, engagement and delivery of measures.

Biodiversity Net Gain (BNG)

124. Hull and East Yorkshire wish to build upon the work they have undertaken with Atkins which highlights how flood/BNG elements can be delivered together, including carbon sequestration as a consideration and benefit. At present they are missing the evidence on how they can include

carbon sequestration and sequestration carbon values of BNG/flood interventions, to develop innovative approaches and incentivising greater private sector investment.

Natural Capital

125. The Government is committed to increasing private investment in nature's recovery across England and encourages Hull and East Yorkshire to play a local leadership role in attracting private investment into nature's recovery. The Hull and East Yorkshire Combined Authority will be invited to join the natural capital investment community of practice, providing access to information, best practice and networking opportunities to support local capability. The Government will keep an open dialogue with combined authorities on their roles in attracting investment into priorities for nature, learning and sharing the lessons from the Local Investment in Natural Capital programme and keeping future funding and policy opportunities under review. Government will also welcome Hull and East Yorkshire's insight as it works with the British Standards Institution to develop an overarching framework for nature investment standards.
126. To deliver national, regional and local ambitions that support nature's recovery and the implementation of nature-based solutions for climate mitigation and adaptation, there is a need to establish an appropriate investment mechanism for nature. Natural environment solutions come with financing challenges, particularly around return on investment and the offer of accreditation required to secure finance.
127. The Government's support through partnership working will aim to build lasting capacity and capability within Hull and East Yorkshire to continue to support natural environment financing in the longer term, moving away from working on a project- by-project basis. It will also support Hull and East Yorkshire to take an integrated approach to delivering its place-based natural environment and climate adaptation ambitions.

Local Nature Recovery

128. East Riding of Yorkshire Council has been appointed by Defra Secretary of State as the authority responsible for preparing the Local Nature Recovery Strategy (LNRS) for Hull and East Yorkshire. LNRSs will agree priorities for nature's recovery, map the most valuable existing habitat for nature; and map proposals for creating or improving habitat for nature and wider environmental goals. Defra has confirmed total planned funding of £240,747 for financial years 2023-2024 and 2024-2025 to cover the costs of strategy preparation, including the required stakeholder engagement. The Government will work closely with responsible authorities to ensure they are supported in preparing their LNRS, including by making available Defra group expertise and data, and agrees to consider the role of Hull and East Yorkshire MCA in the LNRS process following establishment of the new body.

129. The Government will ensure that over time locally identified environmental priorities are incorporated into environmental land management schemes where appropriate.
130. Government will work with Hull and East Yorkshire to ensure that local environment policies, including Hull and East Yorkshire's LNRS and existing and potential protected landscapes, support the delivery of England's new Environmental Improvement Plan.

Culture and Tourism

131. Hull and East Yorkshire has a long culture, heritage and sport tradition. Hull UK City of Culture 2017 acted as the catalyst for long term change, leading to large scale capital investment and revitalisation of the historic city's architectural heritage, raising educational attainment, engaging with young people and communities with a focus on participation and inclusion; and galvanising Hull as Yorkshire's Maritime City. The area is home to world class galleries and museums and Arts Council investment in national portfolio organisations is wide ranging, covering both urban and rural communities. Historic England have invested in buildings and spaces, including their Heritage Action Zones bringing new life to historic streets. In sport, the area is home to several top-flight teams, attracting a wide range of demographics and promoting active health.
132. Regional working is embedded within Hull and East Yorkshire, from securing one of the first tranche of Local Visitor Economy Partnerships with VHEY – Visit Hull and East Yorkshire; to HEY Volunteers, a 2500 strong volunteer programme; to HEY Creative, a Cultural Compact that aims to build on the last decade of growth of the sector, now in place.
133. The Vale of York, Yorkshire Wolds, Holderness and the East Riding's North Sea and Humber coasts are cultural landscapes with distinct identities and character, including market, port and resort towns and myriad historic villages with their own sense of place and community.
134. The MCA commits to facilitating a deepening of the relationship between the cultural institutions of Hull and East Riding and the residents of the area, using a joined-up approach to ensure the area's celebrated festivals, heritage sites and cultural anchor institutions receive national prominence and recognition as must- visit landmarks.

Culture

135. Hull and East Yorkshire Combined Authority and a subset of DCMS Arms Length Bodies (ALBs) will establish a collaborative partnership, supported by DCMS, to share expertise and insight across (some or all of) culture, heritage, sport, communities and the visitor economy (as applicable), in order to maximise the impact of funding and policy decisions taken within Hull and East Yorkshire by members of the partnership.

136. A key area of focus for the partnership will be for the MCA and ALBs to share information on their priorities and plans across the relevant policy areas. This will facilitate a shared understanding among the partnership of potential opportunities for alignment, recognising that culture, heritage, sport and the visitor economy all play a strong role in supporting places and communities to thrive - and that this effect is maximised when individual decisions take into account the wider context of other plans and decisions being made for an area.
137. All partnership members will retain their autonomy for individual decision- making. The partnership does not prejudice ALB decisions around national grant funding processes or their national priorities. ALBs will also seek to use the partnership to deliver their national priorities, which will remain paramount. The scale of each ALB's involvement in the partnership will be dependent on the specific context and degree of alignment identified between individual priorities. DCMS will be involved in discussions as appropriate.
138. The partnership will be reviewed annually, and subject to future capacity and appetite may be renewed up to a five-year period.

Tourism

139. VisitEngland and Hull & East Yorkshire MCA will work with the accredited Local Visitor Economy Partnership for the region to help further develop the region's visitor economy. This collaborative work, across those areas set out in the Government's Tourism Recovery Plan, could include harnessing the region's potential to grow domestic and international visitor spend, and encouraging visits throughout the year rather than just during the traditional tourist season.

Digital

140. The Government is committed to supporting Hull and East Yorkshire's digital connectivity ambitions, including through the Wireless Infrastructure Strategy which was published in April 2023 and sets out a strategic framework for the development, deployment and adoption of 5G and future networks. This includes working closely with places to encourage investment in advanced wireless connectivity and increase its adoption across the local economy and public services.
141. As set out in the National Cyber Strategy 2022, the Government is committed to strengthening the capability of local authorities such as Hull and East Yorkshire to buy and use connected places technology securely. In May 2021, the National Cyber Security Centre published the Connected Places Cyber Security Principles, a foundational step in supporting the cyber security of the UK's connected places. Since then, the Government has continued to develop its support of local authorities deploying and managing connected places technologies and in 2022 the Department for Science, Innovation and Technology published the alpha Secure Connected Places Playbook. The Playbook was designed in collaboration with local

authorities and helps them to get their cyber security foundations right whilst setting a strong cyber security culture. Government hopes to continue to work with local authorities such as the Hull and East Yorkshire Combined Authority to support the secure and sustainable adoption of connected places technologies. Bolstering the UK's Cyber Ecosystems remains a high priority for the Government.

142. Government recognises that high quality digital connectivity is crucial for future economic growth and productivity in the region. The private sector will continue to lead on the rollout of broadband and mobile infrastructure, with DSIT supporting delivery in less commercially viable areas. The Government will engage with Hull and East Yorkshire on a regular basis, on delivery plans in the region, particularly where they involve hard to reach rural areas. The Government is committed to achieving nationwide coverage of gigabit capable broadband by 2030 and to ensuring that rural areas are not left behind including in Hull and East Yorkshire. Procurements covering Hull and East Yorkshire are scheduled to launch in 2024, and regular Project Gigabit programme updates will be provided demonstrating progress in delivering for communities across the area.
143. Fibre coverage is comprehensive within Hull but until recently was delivered by a single provider. Across the city and into the East Riding this Fibre provision has improved significantly with other providers entering the market. This has led to significant improvements in terms of high speed choice for households and businesses within the city and provides a test bed for smart city working. However, this roll out faces major challenges in the more rural parts of the East Riding.
144. The complex geography of Hull and East Yorkshire presents significant barriers hindering universal and identical rollout of mobile and broadband infrastructure. Yet improved connectivity through 5G and advanced wireless technologies could have a transformative effect on local areas, providing faster, more reliable, and more secure connectivity for residents and businesses, boosting local economies and improving the delivery of public services.
145. The digital sector is a vital and emergent component of the Hull and East Yorkshire economy, offering transformational potential to change lives for the better locally and strengthen the country's ability to compete globally. But further work is needed to saturate the full MCA area and raise productivity levels in this core sector. Hull's Smart City aspirations evidenced a clear case that some of the most impactful investment and innovation can happen in the UK's urban centres, which has allowed Hull to become the UK's first full-fibre city. Now, Hull and East Yorkshire seek to extend these benefits and become the UK's first Smart MCA, creating HEY OS (Hull and East Yorkshire Operating System). Becoming the UK's first Smart MCA will help to attract more private capital flow to the region, representing thousands of high-skilled, high-paid new jobs right across

Hull and East Yorkshire and cementing the region's role in making the UK a world leader in emerging digital fields.

146. Facilitating improved mobile networks coverage and performance and accelerating the rollout of advanced wireless networks like 5G are key to fulfilling Hull and East Yorkshire's wider Smart MCA ambitions. Via a Wireless Infrastructure Deployment Framework – which aligns to the principles of the DCMS Digital Connectivity Infrastructure Accelerator (DCIA) to improve telco rollout of mobile networks by allowing telcos access to Hull and East Yorkshire's infrastructure and establishing guidelines and templates for wayleave agreements, planning, and connectivity – the area hopes to explore in depth how advanced networks such as 5G can benefit the region. DSIT recognises Hull and East Yorkshire's Smart MCA ambitions and will support these through its wider programme of driving investment in and the adoption of advanced wireless connectivity. DSIT will ensure that best practice and learnings from across its programmes will be disseminated to regions across the UK, including Hull and East Yorkshire.

Digital Inclusion

147. Recognising the pace of technological development and the potential economic and accessibility benefits this can unlock, Hull and East Yorkshire aspires to be an epicentre of digital maturation, transforming the way the area's residents live and work to create a thriving digital economy. To tackle the digital skills divide and address impediments to recruitment and retention in employment, as well as improving participation to ensure people can access services on line, Hull and East Yorkshire will continue to work with stakeholders on the digital inclusion agenda.
148. The Government is committed to ensuring that no one is left behind in the digital age, recognising the significant impact digital inclusion could make on the economy and individual wellbeing; and recognising that people and businesses need to be kept safe online as services become increasingly digitalised. DSIT notes Hull and East Yorkshire's commitment to ensuring the benefits of digital technologies and skills are inclusively available to all residents.
149. DSIT is encouraged by Hull and East Yorkshire's efforts to engage with organisations such as the Good Things Foundation to offer free SIMs and coordinated referrals for those most digitally excluded in the region, as well as their pilot of a Digital Inclusion Triage Tool in partnership with the LGA and funded by the Humber and North Yorkshire Health and Care Partnership. Hull and East Yorkshire are leading in the roll- out of free public WiFi across the city and town centres, supported by a partnership with KCOM. DSIT support the area's efforts to engage with operators and the private sector to provide affordable broadband access and will continue to work with local partners to maximise the reach, awareness and promotion of social tariffs.

Innovation, Trade and Investment

150. The Government is committed to supporting places to realise their entrepreneurial and innovation potential, underpinned by ambitious measures set out in the Levelling Up White Paper and deeper devolution deals with the Greater Manchester (GMCA) and West Midlands (WMCA) Combined Authorities at Budget 2023.
151. The Department for Business and Trade (DBT) will work closely with devolution deal areas, including Hull and East Yorkshire, to make it easier for businesses to access the information, advice and support they need, drawing on DBT's global and sector offer.
152. In addition, the Department for Science, Innovation and Technology and UK Research and Innovation (UKRI) will work with Hull and East Yorkshire to explore opportunities for closer long-term collaboration in strengthening their local innovation capacity.

Medi-tech

153. Government recognises the strength of the medi-tech sector in Hull and East Yorkshire, including the specialisms of the University of Hull (with the Hull-York Medical School), Hull Royal Infirmary and private sector businesses. Government will work with the Hull and East Yorkshire Combined Authority to consider the development of a specialist med-tech business park in Hull, including exploring support for Phase 1 of the project, subject to further discussions with Government.

Public Service Reform

154. The Government supports Hull and East Yorkshire in its ambition for public service reform, including a focus on creating safe, healthy, resilient communities. The Government commits to working with the region and partners to explore initiatives to improve delivery of public services, such as how best to support residents with multiple complex needs. Where appropriate, and as part of its levelling up agenda, the Government will also consider devolving further powers to the Hull and East Yorkshire Combined Authority to support public service reform, in relation to the statutory duties held by its constituent councils.
155. Hull and East Yorkshire offers a complex labour market picture, with an ageing population in the East Riding and a very young population in Hull. Nonetheless, common themes around labour market participation exist, including multi- generational worklessness, high rates of inactivity due to health and early exits from the workforce. In addition, data regarding the coastal/estuary populations reveals worse health outcomes from preventable causes than the national average. It is clear that health inequalities, poor health and economic inactivity cannot be tackled in isolation and require greater joining up between local partners to improve outcomes for people in the Hull and East Yorkshire region. The MCA has a key role to play through exercising its transport, housing, skills and

economic growth functions, which constitute the wider determinants of health and have a key impact on health outcomes.

Population health improvement

156. The region's constituent local authorities and NHS partners have a crucial role in public health and addressing health inequalities. The Levelling Up White Paper acknowledges the supportive role mayoral combined authorities can play in improving public health through devolution. This is why the Government will support Hull and East Yorkshire to work in partnership with local health and social care and integrated care systems on population health improvement.
157. To complement and support action by the constituent councils, Hull and East Yorkshire MCA will take on a local authority health improvement duty to take action to improve the health of the people in its area, concurrent with the constituent councils. This will allow health to be considered throughout the MCA's activities, as well as enable work on local issues where health plays a key role.

Data

158. Good quality data is essential for understanding local need and the place-specific issues affecting people in an area. As set out in the Levelling Up White Paper and the Government Statistical Service's Subnational Data Strategy, the Government is working to improve the dissemination of subnational statistics to empower local decision makers, including in Hull and East Yorkshire, to use data-led evidence to respond to local priorities.
159. The Hull and East Yorkshire Combined Authority will work with the Government to understand the existing barriers to data sharing and better use of data in their area, and explore where improvements to the quality of, or access to, data could support them in achieving Hull and East Yorkshire's local ambitions. As part of this, the Spatial Data Unit (SDU) will work with Hull and East Yorkshire Combined Authority to help support data capability, including in data science, and will engage with Hull and East Yorkshire to further understand its needs and priorities.

Relocation of public bodies

160. The Government is committed to relocating roles out of Greater London and closer to the policy issues they are addressing. Relocation will benefit communities across the UK, bringing more diversity of thought into policy making leading to better-informed policy, built on an understanding of the impacts across the UK and drawing on a more diverse range of experiences, skills and backgrounds. The Government will continue to work with departments to consider the potential for any future relocations of Civil Service roles to the Hull and East Yorkshire region as part of the Levelling Up agenda.

Resilience and Public Safety

161. Government, the local area and the PCC have agreed for the PCC to be a non-constituent member of the MCA to ensure close collaboration and productive joint working on public safety between the CA and PCC.
162. Hull and East Yorkshire Combined Authority, in partnership with the Government, will work with the Humberside Fire and Rescue Authority (FRA) to agree an appropriate arrangement to ensure close collaboration and productive joint working on public safety between the elected mayor of the Hull and East Yorkshire Combined Authority and FRA.
163. The UK Government will work to significantly strengthen Local Resilience Forums (LRF) by 2030, as described in the UK Government Resilience Framework. This will include a clear role for Hull and East Yorkshire Combined Authority and the mayor in local resilience and civil contingency planning, preparation and delivery.
164. This is subject to the conclusion and full consideration of the Stronger Local Resilience Forums pilot programme in 2025/26, and Hull and East Yorkshire having a strong working relationship with the Humber LRF.

Hull and East Yorkshire's Commitments Underpinning the Deal

165. The constituent councils will work with the Government to develop a full implementation plan, covering each policy and commitment agreed in this deal, to be completed ahead of implementation. This plan must be approved by the Government prior to delivery. Any issues of concern with the subsequent delivery of this deal will be escalated to ministers and leaders to resolve, in keeping with the letter and spirit of devolution.
166. Together with Greater Lincolnshire to the south, Government and Hull & East Yorkshire recognise that optimising the Humber's economic potential will require strong local leadership, and the public and private sector on both banks of the Estuary working together, with Government acting as a supportive partner. In the period from the signing of this deal and before the Hull & East Yorkshire MCA is formally established, Kingston upon Hull City Council and East Riding of Yorkshire Council commits to (i) reaching agreement with North Lincolnshire Council, North East Lincolnshire Council and the Government and appropriate local stakeholders on a strong and enduring approach for pan-Humber working, and (ii) ensuring that the levers in this deal and more widely support this. They also commit to working cross-Humber to produce a Humber Economic Plan and accompanying Investment Strategy, prior to the first inaugural election of the Hull & East Yorkshire Mayor. These strategies will establish a collective vision for the Humber economy and increased focus on specific priorities that will establish a new trajectory for growth. These priorities would include supporting the Green Energy Estuary transition, the establishment of a successful freeport, attracting greater private

sector investment to the area, and ensuring communities across the Humber benefit from the proceeds of growth.

167. The Hull and East Yorkshire Combined Authority will be required to evaluate the impact of the Hull and East Yorkshire Investment Fund. The Hull and East Yorkshire Combined Authority and the Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Hull and East Yorkshire Combined Authority, but will be agreed at the outset with DLUHC and HM Treasury, and will take place every five years. The next five-year tranche of funding will be unlocked if the Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to economic growth. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes. The assessment should also take into account the latest developments in economic evaluation methodology. The Government would expect the assessment to show that the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a benefit-to-cost ratio and considered in the strategic context of local ambitions for inclusive growth across the whole geography.
168. As part of the implementation of the deal, the Hull and East Yorkshire Combined Authority and Government will agree a process to manage local financial risk relating to the deal provisions.
169. Prior to the implementation of the deal, Government will work with the Hull and East Yorkshire Combined Authority to give the public and stakeholders – including Parliament – a clear understanding of: the powers and funding that are being devolved to the combined authority, where accountability sits as a result of this deal; and how decisions are made.
170. The Hull and East Yorkshire Combined Authority and its members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

1. [ONS, April 2023](#)
2. [ONS, September 2023](#)
3. [ONS, April 2023](#)
4. [ONS, April 2023](#)
5. [Cardiff University & Nottingham Trent University UK
Competitiveness Index, 2021](#)
6. [MHCLG, 2019](#)
7. [ONS Annual Population Survey, 2023](#)
8. [PHOF, 2018-20](#)