

TRAFFORD COUNCIL

Report to: Scrutiny
Date: 21 September 2016
Report for: Information
Report of: Leader of the Council and Chief Executive of the Council

Report Title

Greater Manchester Devolution Update

Summary

The purpose of this report is to provide an overview and update to Members on Greater Manchester Devolution activity.

Recommendation(s)

It is recommended that:

1. Scrutiny note the report

Contact person for access to background papers and further information:

Name: Dianne Geary
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Background Papers: None

1. BACKGROUND

- 1.1 Devolution is the transfer of certain powers and responsibilities from national government to a particular region. Decisions made locally can better meet the needs and aspirations of the people who live and work in the area.
- 1.2 Greater Manchester's local councils have a history of working together. This record of co-operation and the creation of the Greater Manchester Combined Authority (GMCA) helped lead the way on city-region devolution through the 2014 Devolution Agreement.
- 1.3 The agreement gives the region additional powers and greater accountability through a new elected Mayor. The Mayor will lead the GMCA and will be elected in a ballot of all Greater Manchester voters in 2017.
- 1.4 The region built upon this innovative agreement with further devolution in the Summer Budget 2015 along with additional powers in the November 2015 Spending Review and Autumn Statement. A fourth devolution agreement was then agreed in the March 2016 Budget.
- 1.5 As a first step to a fully elected position, an 'interim' Mayor has joined the GMCA's ten decision-making council leaders.

2. GREATER MANCHESTER WORKING TOGETHER

- 2.1 The ten Greater Manchester (GM) local authorities have a long history of collaboration, first informally as the Association of Greater Manchester Authorities (AGMA) and from 2011 as the GMCA. This provides strong and effective governance particularly in relation to transport, economic development and regeneration.
- 2.2 The GMCA has also developed and maintained effective relationships with key partners through the Local Enterprise Partnership, the Business Leadership Council and private sector representatives.
- 2.3 The Growth and Reform Plan brings together two policy themes of growth and reform and was produced as part of the Government's Growth Deal process. The approach enables GM authorities to undertake their place shaping role and sees economic growth alongside public service reform to improve outcomes for our residents.
- 2.4 Each Leader and Chief Executive of the ten GM local authorities are allocated a portfolio of work to manage as part of devolution. Cllr Sean Anstee is the GMCA Vice-Chairman and Leader for Skills, Employment and Worklessness. Theresa Grant is the lead Chief Executive for Skills, Employment and Worklessness.
- 2.5 The strategy was developed before the recent referendum on our membership of the EU. The referendum result poses new challenges to GM both in the short and medium term. GM's leaders have started to work on how we respond, focusing on GM remaining an attractive place for international investment and where local businesses can feel confident to invest.

3 WHAT DOES DEVOLUTION MEAN IN PRACTICE?

- 3.1 Devolution is not about taking away local government services but devolving down to the city region the functions of Government. Neither is it about adding a new layer of governance. GM's model of devolution is bespoke - building our existing model of integrated governance.
- 3.2 Devolution gives decisions about national programmes and funding streams to local leaders. No one is better placed to understand local assets, opportunities and challenges than our leaders, working in partnership with Government. It is for them to develop the solutions that will best address the unique issues and conditions of their areas.
- 3.3 In return for the devolution of significant new responsibilities and budgets GM have strengthened the governance arrangements to pass the test of direct accountability, with an Interim Mayor appointed in June 2015, and the first elections for a GM Mayor will be in 2017.
- 3.4 Devolution is the beginning of a new way of working between local and national government. GM will continue to press for the devolution of further powers and resources: our long term ambition is for GM to take full control of public spending.

4 WHAT IS DEVOLUTION DELIVERING?

- 4.1 Although it is only 18 months since the first ground-breaking devolution deal with Government was signed, there are already some notable achievements that demonstrate that devolved, local decision making is producing better outcomes for the population and businesses of Greater Manchester.
- 4.2 The **Greater Manchester Investment Fund** has been developed to take an integrated approach to investment. It brings together a variety of different funding streams to target GM's key growth sectors including health and life sciences; creative and digital; financial and professional services; along with existing and new businesses. To date almost **£150m of funding loaned to Greater Manchester businesses, has supported and created over 6,000 jobs.**
- 4.3 Devolution has given further powers to improve the social and physical infrastructure that underpins all economic growth. New planning powers help us encourage regeneration and development including a **statutory spatial framework** and a new **£300m fund for housing.**
- 4.4 GM secured the **largest transport investment programme** outside London and now has the potential to control transport franchises with the ambition to introduce a GM wide smart ticketing system and shape local railway station policy.
- 4.5 The **Earnback deal** allow us to reinvest the proceeds of growth resulting from infrastructure investment, providing a budget of around **£30m** a year to invest in further schemes and will enable the Metrolink extension to Trafford Park.
- 4.6 The **Working Well scheme** is investing in the reform of public services to help people back into employment and has already helped hundreds of long-term

unemployed people to overcome barriers to gain a permanent job through intensive one-to-one support. Scaling up this approach will help **50,000 Greater Manchester residents back towards employment.**

- 4.6 **GM's Further Education and Skills provision** is being re-designed to become more responsive to business needs and the re-structuring of the Further Education provision, via the **Area Based Review (ABR)**, is designed to make it economically sustainable, whilst meeting the community and business needs. The outcome of the ABR was completed in June 2016.
- 4.7 The aim is to increase the number of apprenticeships both in terms of quality and level in core and growth areas. Local eligibility criteria has been developed for the **Apprenticeship Grant for Employers** to support businesses who have never taken on an apprentice to do so. In addition, support is being given to individuals to develop the higher level and Science, Technology, Engineering and Mathematics (STEM) skills needed by employers via Further Education Loans and access to Higher Education.
- 4.8 Greater Manchester now controls long-term health and social care spending, and the budget of around £6 billion was devolved in April 2016. This will help to address the fundamental challenge of ensuring that the **GM health and social care system becomes financially sustainable**, and also improve GM residents' health and well-being.
- 4.9 From 2017/18 GM will be entering a pilot a scheme for the **100% retention of business rates**, which subsequently will be rolled out across the country in 2021.
- 4.10 A **fundamental review** of the way that all **services for children**, exploring how existing budgets can be used more effectively to deliver integrated and more efficient services will be undertaken.
- 4.11 Further freedom and flexibility to GM and the Mayor/Police and Crime Commissioner around **criminal justice and offender management** has also been given.
- 4.12 The **Manchester Growth Hub** brings together a range of business support services providing a comprehensive package of support to help develop local businesses reach their potential.

5 SUMMARY

- 5.1 GM's devolution deals helps GM deliver its strategic ambitions by taking a truly integrated approach to driving economic growth and the reform of public services. Powers and responsibilities transferred from Government to GM are geared towards accelerating growth, boosting skills and encouraging local decision-making and increased self-sufficiency.
- 5.2 Devolution gives GM a much stronger national and global voice giving the message that Greater Manchester is a great place for business, whilst acknowledging that there will still be decisions made at a local level i.e. planning.

- 5.3 Cllr Sean Anstee is the GMCA Vice-Chairman and is also the Leader for Skills Employment and Worklessness. Theresa Grant is the lead Chief Executive for Skills Employment and Worklessness.
- 5.4 Opportunities to agree further devolution in the months and years ahead will truly empower local leaders so that GM can transform and drive the local growth agenda.

Relationship to Policy Framework/Corporate Priorities	Value for Money Reshaping Trafford Council
Financial	None arising out of this report
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer Clearance NB.....

Legal Officer Clearance N/A.....

DEPUTY CHIEF EXECUTIVE'S SIGNATURE:

Helen Jones