

GMCA Overview & Scrutiny Committee

Date: 27 September 2023

Subject: Briefing on Trailblazer Devolution Deal for Overview and Scrutiny Committee

Report of: Eamonn Boylan, Chief Executive Officer GMCA & TfGM

Purpose of Report

To provide the GMCA Scrutiny Committee with an update on the GM Trailblazer Devolution Deal following its agreement on 15 March 2023.

Recommendations:

That the GMCA Overview & Scrutiny Committee –

1. Note the progress update regarding the GM trailblazer devolution deal.
2. Consider where the Overview & Scrutiny Committee would like to be engaged as the preparations for the deal develop over the forthcoming months.

Contact Officers

Andy Hollingsworth, Head of Devolution GMCA.

1. Background

- In February 2022, the UK Government (UKG) announced an intention to do new 'Trailblazer' or 'Deeper' Devolution Deals with Greater Manchester and the West Midlands in the Levelling Up White Paper. These Deals were agreed and announced in the March 2023 UKG Budget. The [GM Trailblazer Deal](#)¹ was subsequently endorsed by GMCA on 24 March 23.
- The Deal is wide-ranging, making over 130 specific commitments which range from establishing joint partnership boards to more substantive devolution of responsibilities and covering a wide range of policy areas. A summary of the Deal is attached at Annex A.

2. Progress and next steps

- Following Deal signing, GMCA Officers have been working with UKG officials to start implementing the commitments. This is a wide-ranging programme of activity cutting across much of the Combined Authority's business. Broadly, commitments can/will be implemented over three timescales:
 - **(Almost) Immediate:** e.g Year 1 Brownfield Land Fund, Selective Licensing freedoms, immediate Affordable Homes Programme flex.
 - **3-12 months following Deal signing:** e.g future Brownfield Land Fund, new flexibilities on skills funding, agreement of rail ticketing pilots, Strategic Partnerships and Joint Boards.
 - **Medium term (April 25 onwards):** e.g Single Settlement goes live, full new model of Affordable Homes Programme oversight.
- Given the wide-ranging nature of the Deal, and the need to integrate powers and responsibilities into a 'new normal' way of working, existing business-as-usual governance arrangements will be used to track the detailed implementation of the Deal in relevant policy areas. In parallel, periodic high-level overviews (inc. any emerging issues or delays) will be provided.

¹ Greater Manchester Combined Authority Trailblazer deeper devolution deal:
<https://www.gov.uk/government/publications/greater-manchester-combined-authority-trailblazer-deeper-devolution-deal>

- The following sub-sections provide a high-level update on progress implementing the Deal since March, except for the Single Settlement which is covered in Section 3. This includes an update on several Trailblazer-related announcements made by GMCA since the Deal was signed; on technical education, the Bee Network, and private rented sector housing quality.

Governance and accountability

- GMCA officials have provided an informal briefing session for new members of the Overview and Scrutiny Committee (OSC) on the Trailblazer Deal to support their future work programming and to ensure OSC Members are able to effectively scrutinise Deal implementation.
- Work is progressing between GMCA officers and UKG officials on the proposed MP Scrutiny Sessions set out in the Trailblazer Deal. We expect a draft Terms of Reference to be presented to Leaders shortly, before or alongside UKG Ministers engaging with GM MPs to seek their views.

Data and digital

- GMCA will attend its second meeting of the National Chief Data Officers' Council in September. A first joint workshop with West Midlands Combined Authority (WMCA) and the Levelling Up Department's (DLUHC's) Spatial Data Unit has also been held to discuss the scope of the Data Partnership and GMCA officers are working to identify priority datasets to seek access to.
- The Digital Infrastructure Leadership Group will meet in September.

Fiscal Devolution

- Work is progressing on the extension of Business Rates Retention (BRR) across Greater Manchester for ten years, with official-level discussions about the Memorandum of Understanding which will govern the new arrangements.
- Similarly, work is progressing on the Growth Zones (GZs) agreed in the Deal (smaller sites with 25-year rates retention) and how they interact with the similar business rates retention sites on offer to GM through the UKG Investment Zone (IZ) programme. The working assumption remains that there could be a wider reset of the business rates system within the next 10 years from which the GZs and IZ rates retention sites would be exempt. The differential benefit between the GZs and IZs and the wider extension of BRR will be realised at the point of this wider reset.

Housing and regeneration

- Positive discussions are ongoing to remove the need to return unspent and uncommitted monies from the Housing Investment Fund (HIF) to UKG.
- There are also positive ongoing discussions with UKG officials about the Deal commitments on the Affordable Homes Programme (AHP). For now these are focussed on the more immediate flexibilities agreed in the Deal. Once resolved they will move onto operationalising the more wide-ranging commitments which come into force from the start of the next AHP in 2026.
- Progress is on-track for full devolution of the £150m Brownfield Funding agreed in the Deal over the next three years. Methodology and allocations for the first year's funding were approved by GMCA on 30 June 23.
- On 27 June 2023, GM published '[A New Deal for Renters](#)'² which set out policy proposals for how to tackle poor quality in the private rented sector, including through use of the new powers and roles agreed in the Deal.
- The new freedom to designate larger selective licensing schemes without UKG approval has been enacted by the DLUHC Secretary of State issuing a General Approval for such schemes to all GM Local Authorities on 14 September 2023.
- Cross-Whitehall meetings of the Housing Quality Policy Sandbox between GMCA and UKG officials have also begun. This is the joint taskforce agreed in the Deal to *"explore changes to the current operation of the welfare, housing and health and social care systems within GM"* to *"drive improvements to the renting experience for tenants and landlords and the quality of homes in the private rented sector"*. Emerging policy ideas from the group will feed into the proposed Joint Ministerial Housing Strategy Group.

Skills and employment

- On 16 May 2023, GMCA published '[Toward a Technical Education City Region](#)'³, a paper setting out a vision for how the new Trailblazer powers could be used to deliver an integrated technical education system in GM.

² A New Deal for Renters, GMCA: <https://www.greatermanchester-ca.gov.uk/what-we-do/planning-and-housing/a-new-deal-for-renters/>

³ Toward a Technical Education City Region, GMCA: <https://greatermanchester-ca.gov.uk/what-we-do/work-and-skills/technical-education-city-region/>

- Following a consultation on the proposals over the Summer, GMCA will be discussing proposals for a new integrated governance model for skills and employment on 29 September 23. This model incorporates GM's new joint oversight role for post-16 technical education and careers, co-commissioning responsibilities of employment support, and wider labour market oversight, via a Joint Oversight Board with a set of sub-committees and Employer Boards. If endorsed, the intention is that this model will be operating in shadow form by October 2023, and be fully operational in early 2024.
- The wider devolution of non-Apprenticeship, post-19 adult skills functions and funding from the next Spending Review (SR) will be enacted via the Single Settlement. Within this SR, work is ongoing to deliver the target thresholds and spend levels set out in the Deal to unlock additional freedoms over Free Courses for Jobs (FCFJ) and Bootcamps funding.
- Discussions are ongoing with Department for Work and Pensions (DWP) officials about operationalising the commitment to co-design of all future contracted employment support programmes, with a focus on upcoming or recently announced initiatives (Universal Support and Pioneer programme).

Transport

- The Trailblazer Deal confirmed a commitment to delivering *“full multi modal fares and ticketing integration across bus, Metrolink, rail and cycle hire (including fares simplification and capping) by 2030”* with *“PAYG ticketing pilots, to be developed and agreed by the end of 2023”*. The locations of these first pay-as-you-go pilots were [announced on 26 June 2023](#)⁴ (in a wider set of Bee Network announcements). The first pilots will be the Hadfield/Glossop-Piccadilly and Stalybridge-Victoria lines and will launch in 2025.
- On 1 August 2023, TfGM and Network Rail agreed a Partnership to seek opportunities to deliver an integrated transport system, look at land development and placemaking around stations, and improve both accessibility and environmental footprints. It will initially focus on the six central stations (Piccadilly, Victoria, Deansgate, Oxford Rd, Salford Central and Salford Crescent).

⁴ Better off with the Bee Network, TfGM: <https://news.tfgm.com/press-releases/9dd7282f-3098-4e35-b4d2-05f9540fc3f0/better-off-with-the-bee-network-new-tickets-to-make-travel-20-cheaper-as-greater-manchester-moves-closer-to-london-style-transport-network>

- The Greater Manchester Rail Board met for the first time in August 2023, with representatives from Government and the rail industry. The Board noted the good progress made on working towards the delivery of the Rail Trailblazer Devolution Deal Commitments. Industry representatives also signalled a willingness to ramp up the pace of the delivery of the Fares and Ticketing PAYG programme **and** look at delivering opportunities around modal integration and wider fares simplification, allowing GM to align rail fares and ticketing with proposed Bee Network products.
- Intensive work is ongoing between GM, the Department for Transport (DfT) and Levelling Up Department (DLUHC) to identify the exact legal mechanism which would enable GM to effectively tackle and enforce against anti-social behaviour and fare evasion on the bus network.

Economy and culture

- Discussions are ongoing at an official level about the establishment of Strategic Partnerships for Innovation, Business Productivity and Culture. We currently expect all three to begin meeting in the Autumn. In all cases, there has been some debate between GMCA Officers and UKG officials about the scope, terms of reference, and intended purpose of the Partnerships.
- There are also ongoing discussions with UKG officials about operationalising the commitments on trade, investment and exporting, with a workshop of Senior Civil Servants and Senior GMCA Officers planned for early Autumn to take this forward.
- Discussions with the relevant officials in the Department of Science, Innovation and Technology (DSIT) have begun, **including through** three specific workstreams to progress the R&D Trailblazer commitments.

Net Zero and the Environment

- Positive progress is being made on the Deal commitments relating to the energy market, Local Area Energy Planning, and Local Nature Recovery, with productive discussions between GMCA officers and relevant UKG officials and regulators. Commitments to explore the case of local Minimum Energy Efficiency Standards seem in doubt following a wider UKG policy shift on these standards nationally.
- Progress on the pilot devolution of net zero funding (inc. but not necessarily limited to buildings retrofit) will be progressed via the Single Settlement.

Public services

- The Integrated Care Partnership is working on the components of the Deal that relate to integrated workforce approaches across health and care, principally through the GM Integrated Social Care Workforce Strategy and Development of the GM Care Academy.
- It is hoped that the Deal commitment to considering the inclusion of future funding streams relating to Multiple Disadvantage (MD) in the Single Settlement will be operationalised via the Settlement Memorandum of Understanding (MoU). In parallel, work is underway through the Reform Delivery Exec to develop a system wide business case and understand the breadth of previous MD funding streams potentially in scope in future.

3. Single Settlement Update

- Alongside the policy-specific commitments, the Trailblazer also committed to a fundamental shift in the way UKG funding flows to GMCA. A central component of the Deal was the commitment to a new 'Single Settlement' from the next Spending Review. As the introduction to the Deal sets out:
 - *“The deal sets out a landmark new approach to devolution in England, devolving responsibility for a clear set of policies and functions to GMCA to support economic growth, alongside enhanced accountability with clear outcomes for delivery... This will be underpinned – from the next SR – by a single funding settlement, to invest in local priorities.”*
- At core, the Single Settlement is about enabling GM (both GMCA and GM Local Authorities) to act in different ways, use funding more flexibly and effectively, and deliver better outcomes for our residents. By significantly trimming back the reporting arrangements, ringfences and other bureaucracy associated with UKG funding we should free GM authorities collectively to take the decisions that will make the most sense for our places and residents.
- The Settlement also addresses a longstanding issue with the Combined Authority (CA) model in England by establishing a core funding settlement for a core set of responsibilities at the CA level (akin to the Local Government Finance Settlement). This means there are real opportunities to learn from the funding, delivery and decisionmaking processes we already have in our Local Authorities (both what works and what doesn't).

- The Single Funding Settlement is expected to cover five policy ‘pillars’:
 - Local Growth and Place
 - Local Transport
 - Housing and Regeneration
 - Adult skills
 - Buildings Retrofit and Decarbonisation
- The Trailblazer Deal did not set out details of how the Settlement will operate but did agree a set of principles which would shape this detailed model. These were that the Settlement would:
 - *“Cover an entire spending review period”*
 - *“Replace individual grant funding streams”*
 - *“Be the default mechanism through which GMCA receives their relevant share of additional funding for new national budgets or programmes announced during a spending review period associated with the functions that are devolved to GMCA”*
 - *“Give GMCA greater flexibility to plan and fund local priorities over the longer term... [giving] GMCA a greater ability to flex funding across the pillars of the single settlement... for activity outside of that pillar”*
 - *“Be contingent on GMCA agreeing with the government a single, streamlined accountability framework for the settlement...[including] the assurance framework administered by DLUHC, the specific outcomes GMCA will achieve over the spending review period or funding period, and appropriate spending control processes.”*
 - *“Represent a change to the wiring, nature and flexibility of funding from central government rather than the quantum.”*
- To begin working through the details of how the Settlement will work in practice, the Deal confirms that *“Government will work with GMCA to agree a memorandum of understanding (MoU) outlining how single settlements will work by the end of January 2024”*. GMCA officials are currently in discussions with Treasury (HMT) and Levelling Up Department (DLUHC) officials, and officers from the West Midlands Combined Authority (WMCA) regarding the scope and content of the MoU, and the specific publication timeline.

- Following the MoU, the exact allocation of GMCA's first Single Settlement will be decided via the UKG Spending Review. We do not know when this will happen, but it must happen in enough time to set budgets for April 2025 onwards. From April 2025, the Settlement will go live. Government may not hold a Spending Review before the General Election and so this may mean concluding discussions on the Settlement with a new administration.