

Briefing: Greater Manchester Trailblazer Devolution Deal

INTRODUCTION AND BACKGROUND

- In the UK Government Budget on 15th March 2023, the Chancellor announced Government had concluded a Devolution Deal with Greater Manchester. Alongside Greater Manchester's Deal, a similar Deal for the West Midlands was also confirmed.
- The Government first announced its intent to do deeper (or Trailblazer) Devolution Deals with GM and the West Midlands in February 2022, in the Levelling Up White Paper.
- The Deal is a statement of intent from Government and GM Leaders. It will now need to go through a formal process of consultation, ratification and implementation.

KEY ANNOUNCEMENTS

Single settlement

- The Deal confirms Government's intention to negotiate and implement a Single Settlement (capital and revenue) with GMCA at the next Spending Review. A Memorandum of Understanding (MoU) covering how the Settlement will operate will be agreed by Jan 2024. But the Deal sets out some key principles, agreeing the Settlement will:
 - Cover an entire Spending Review period;
 - Replace individual grant funding streams;
 - Be the default mechanism for receiving funding in areas covered by the settlement;
 - Give GMCA greater flexibility to plan and fund priorities over the longer term;
 - Be subject to a single, streamlined accountability framework; and
 - Represent a change to the wiring of funding decisions rather than quantum.
- The Single Settlement will be structured around the following areas: Local growth and place; Local transport; Housing and regeneration; Adult skills; and Retrofit/Net Zero.

Transport

- **Rail.** A new Rail Partnership with Great British Railways (GBR) will support the integration of Rail into the Bee Network by 2030, through a range of commitments including new governance and partnership working models (such as a GM Rail Board), data sharing arrangements, and pilots. The Deal makes firm commitments to deliver full fares and ticketing integration across bus, Metrolink, and Rail by 2030 (with the first pilots designed by the end of the year) and Bee Network co-branding across the network by 2027.
- **Roads and Buses.** The Government commits to working with GMCA and TfGM to identify the specific legal powers needed for TfGM to effectively tackle anti-social behaviour and fare evasion on the bus network. Government is also working on the reform of a key bus subsidy, Bus Service Operator Grant, and commits to giving GMCA an active role in shaping these reforms as they are developed.
- Government is open to working with GMCA to explore the potential options which could address the challenges that out-of-area working by pre-booked taxi and private hire vehicles can present. Government will also explore the options of introducing side road zebra crossings and tackling pavement parking.

Housing and Regeneration

- **Brownfield funding.** Government will devolve £150m brownfield funding to GMCA over the next three financial years. In return, GMCA will be expected to deliver 7,000 homes.
- **GM Housing Investment Fund.** Government will waive the requirement for funding from the GM Housing Investment Fund (HIF) which has not been lent at the end of the financial year to be returned to the consolidated fund.
- **Strategic Place Partnership (SPP).** GM's existing SPP with Homes England will be strengthened. This will include closer joint working on the delivery of truly affordable net zero homes, working with partners to drive innovation in construction, materials, skills and finance needed to bring forward the development of a pipeline of net zero homes across GM.
- **Affordable Homes Programme.** The Deal sets out a new approach to the delivery of the Affordable Homes Programme (AHP) – giving GMCA an increasing ability to set the direction for the AHP in GM (a first in England outside London). This will happen in two stages, with immediate new flexibilities followed by a new model of oversight and direction when the next AHP programme begins in 2026.
- **Housing Quality.** The Deal confirms a new Housing Quality Pathfinder to support action to tackle poor quality in the private rented sector. This will deliver new powers and partnership arrangements to support GM authorities in this agenda – including:
 - A new general approval for larger selective licensing schemes in GM (ending the need for Secretary of State sign off),
 - A joint Ministerial Housing Strategy Group,
 - Early engagement on the Government's Private Rented Sector Portal and
 - A 'Policy Sandbox' exploring innovative changes to the operation of welfare, housing and health and social care systems within GM to help tackle poor quality housing.
- The Deal also confirms previously agreed funding over three years to support local enforcement, and £3.9m to lease 200 good-quality homes for use by homeless families.
- **Public Land.** The GM Housing Commission will be strengthened, with Cabinet Office attendance and a clear remit to understand where under-utilisation of public land in GM may be standing in the way of regeneration and progress requests for disposal.

Skills and employment

- **Post-16 education and skills.** The Deal commits to a new Partnership for post-16 Technical Education and Skills, underpinned by a Joint Governance Board to provide strategic oversight of post 16 technical education and skills and ensure alignment with local labour market needs (including via implementation of GM's Local Skills Improvement Plan and development of an all-age careers strategy for GM).
- **Post-19 skills.** The Deal builds on the successful devolution of the Adult Education Budget (AEB) through committing to devolution of non-apprenticeship adult skills functions and grant funding to in the next Spending Review period. Within this SR period:
 - **Free Courses for Jobs (FCFJ).** From next financial year GMCA flexibility will increase over funding (with 50% able to be used for any Level 3 course). Once GMCA has delivered 80% of available FCFJ funding met deliverability targets, all ringfences will be removed and the programme will be fully devolved.

- **Skills Bootcamps.** From next financial year, Government will increase GMCA flexibility to spend up to 30% of the available budget on Bootcamps that meet a need in any local sector, followed by 100% of the available budget in financial year 24/25, together with the ability to flex the core model to best meet local needs. As early as possible in the next Spending Review period (and subject to various conditions) – Bootcamps will be fully devolved and sit within the Single Settlement.
- **Contracted Employment Support.** The Deal commits to a co-design approach to all future contracted employment support programmes in the city-region, for young people and adults, with an assumption of a GM footprint and a delegated delivery model. This is subject to various provisos and conditions and final DWP Secretary of State sign off.
- **Careers.** Government will work with GMCA to offer a more place-based approach to careers education and develop joint governance arrangements for the delivery of careers services in GM. This will establish GMCA as the central convenor of careers provision in the region and ensure greater regional tailoring of careers provision.
- **Labour market governance.** A new DWP-GMCA Joint Strategy and Oversight Board will be formed with the authority to consider evidence, make advisory recommendations and engage in discussions proactively, to ensure that DWP, Jobcentre Plus (JCP) activity and GM activity works together to improve client outcomes.

Governance and accountability

- GMCA commits to ensuring reasonable resources are available for the GMCA Overview and Scrutiny Committee to commission research and receive communications support.
- The GMCA Chair and other Members (if needed) have also committed to attend:
 - Full council meetings – up to one a year for each constituent council (if requested)
 - Public ‘Question Time’ events, chaired by an independent person.
 - Parliamentary Select Committees (if requested)
 - A new, quarterly public scrutiny session with GM Members of Parliament

Economy, private sector growth and culture

- **Innovation.** A new Strategic Innovation Partnership will give GMCA a new role informing the national research and innovation ecosystem and identify further mechanisms for accelerating innovation in GM and transferring more autonomy to GM's developing regional innovation ecosystem. The Deal also confirms a range of other partnerships and pilots to support GMCA to grow the city-region's innovation ecosystem.
- **Business productivity.** A new Strategic Productivity Partnership will enable GMCA to raise local priorities for future business support and advisory services and ensure complementarity between national and local commissioning activities. The Deal also commits to a “new, empowered role in integrating, promoting and enabling access to business support and advisory services” and to a new role for GMCA in in the governance of the Northern Powerhouse Investment Fund.
- **Trade and Investment.** The Deal commits to three strands of activity on international trade, investment and export activities. These include:
 - Strengthened partnership with Government (e.g. through a new joint Trade and Investment Board, and shared outcomes for inward investment and exports),

- Activity to promote inward investment (e.g. regional support from the Office for Investment, continued joint agreement on High Potential Opportunities, and a co-developed GM-specific investment plan), and
- Activity to promote exports (e.g., supporting the development and implementation of GM-specific export plans and objectives and supporting further visits like the joint Mayoral and Ministerial visit to Dublin in March 22).
- **Culture and Tourism.** A new Strategic Cultural Partnership will identify shared priorities and align resources, with an MoU agreed by the end of the year. As part of this, Government will work with GMCA and arm's length bodies and local stakeholders to support greater funding alignment, joint investment and strategic collaboration in the region. The Deal also confirms that VisitEngland and Marketing Manchester (on behalf of GMCA) will work to recognise Marketing Manchester as a recognised Local Visitor Economy Partnership (LVEP).

Net zero and the environment

- **Strategic energy planning.** The Deal recognises and welcomes GMCA's work on Local Area Energy Plans and actively supports GMCA's offer to work with the existing City Decarbonisation Delivery Programme.
- **Retrofit and net zero funding.** The government will pilot the devolution of net zero funding to GMCA through allocation rather than competition from 2025 onwards, subject to confirmation of funding and policy design. This pilot will include, but is not necessarily limited to, funding for buildings' retrofit and the allocation will form part of GMCA's single settlement. Various legal conditions will need to be met, including the type and level of greenhouse gas emission reductions to be achieved, fuel poverty targets, value for money and match funding/leverage requirements, quality standards, and monitoring, evaluation, and audit requirements. The Deal also recognises GMCA's strategic roles and activity in planning our future energy system for net zero and sets out further work on standards, green finance, and advice to increase household energy efficiency.
- **Minimum energy efficiency standards (MEES).** Government will engage with GMCA via a bi-annual, official-level forum to understand the extent to which any national MEES standard meets the energy efficiency requirements of social housing properties in GM. The Deal also confirms that government is open to considering the case for GM to set minimum energy efficiency standards, which exceed the national standards in the private rented sector.
- **Nature recovery and adapting to climate change.** The Mayor of Greater Manchester will be appointed as the responsible authority to develop the Local Nature Recovery Strategy (LNRS) for GM. The government will support GMCA to accelerate delivery of its Natural Capital Investment Plan and overcome the barriers to implementation of local investment in natural capital. This may include offering funding support; specialist expertise; co-ordination of peer support and networking; and/or local partnership working with the Department for Environment, Food and Rural Affairs' (DEFRA) arm's length bodies. The Deal also confirms that Government will consider GM a testbed for exploring and developing options for how flood risk management, including other relevant adaptation activities, can best be addressed and accelerated at the local level.

Public services

- **Reform Investment Fund.** The Deal confirms that Government will explore opportunities to better join-up funding related to multiple disadvantage, prevention and early intervention, as part of a commitment to funding simplification and building on GMCA's Reform Investment Fund. Where relevant new future funding streams relating to prevention and/or multiple disadvantage are under consideration, Government will engage GM authorities to discuss whether GM's allocation could be included as part of the single settlement.
- **Families and multiple disadvantage.** To further support GM public bodies to more effectively address the causes and consequences of multiple disadvantage, the Deal confirms that Government will review the secondary legislation that underpins pooled and aligned budgets (section 75 of the National Health Service Act 2006). This Review will aim to amend the scope and simplify the regulations where needed. Government will work with GMCA to develop opportunities for further pooling and aligning budgets as part of this review.
- **Health.** GMCA will work with the government to support local delivery of a more integrated and robust training and education infrastructure across health and social care.
- **Early Help.** The Deal confirms that Government is keen to learn from the GM response to the Independent Review of Children's Social Care regarding Early Help and use this to help shape future policy.

Data and Digital

- **Data Partnership.** A new Data Partnership will ensure the legal, safe and secure sharing of data between the Government and relevant local and national bodies. Initial priority areas are: skills and training, employability and labour markets, careers, business support, transport, trade and investment, crime, energy use and climate resilience, and devolved functions. GMCA will also be invited to joint a new Local Chief Data Officers Council.
- **Data sharing powers.** Government will work with GMCA to continue to explore options, legislative and otherwise, to safely streamline the sharing of data between the government, the wider public sector and GMCA and its constituent local authorities – potentially including amending the Digital Economy Act 2017, subject to sufficient Parliamentary availability.
- **Digital Infrastructure.** A new Digital Infrastructure Leadership Group will explore ways to accelerate the roll-out and take-up of high-speed connectivity, align and refine place-based opportunities and interventions, and better engage local bodies in the design and procurement of digital infrastructure.

Resilience

- **UK Resilience Framework.** Government will work with GMCA to pilot and test key aspects of the UK Government Resilience Framework. The aim will be to empower local leaders, the Greater Manchester Resilience Forum and local partners to consider, drive and improve resilience across the places for which they are responsible. They will be given a clear mandate to support the building of more resilient communities and places that are best able to adapt and respond to, and recover from risks, emergencies and disruptive events.