

Corporate Issues and Reform Overview & Scrutiny Committee

Date: 6 October 2020

Subject: Greater Manchester's Autumn Submission: Comprehensive Spending Review and Local Recovery & English Devolution White Paper

Report of: Councillor Elise Wilson, Portfolio Lead for Economy

PURPOSE OF REPORT:

This report provides scrutiny members with an overview of Greater Manchester's submission to Government for the upcoming Comprehensive Spending Review (CSR) and Local Recovery & English Devolution White Paper (Devolution White Paper).

RECOMMENDATIONS:

- Note and provide comments on Greater Manchester's autumn submission to Government.

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1. INTRODUCTION

- 1.1 Over the next few months, the Government is expected to deliver a uniquely complex set of announcements, with significant ramifications for Greater Manchester and its residents. As the city region continues to manage the impact of COVID-19, the shape of these announcements will be crucial in supporting efforts to build back better.
- 1.2 These announcements include a Comprehensive Spending Review (CSR), Local Recovery & English Devolution White Paper and National Infrastructure Strategy.
- 1.3 The CSR is expected to set Government spending for the next 3 years (and 4 years for investment) and is an opportunity for GM to make its case for additional or new funding for local priorities. Government departments also bid into the CSR for their funding over the coming years.
- 1.4 At the time of writing, Government has postponed the Budget that had been scheduled for this autumn, although it is still anticipated that a Spending Review will take place. The nature and extent of this Spending Review is yet to be determined.
- 1.5 The Devolution White Paper is expected to set out the next steps for devolution of power and responsibilities to local government. It is seen as a key part of the Government's levelling up strategy, although its content is not yet clear; much of the speculation around the document to date has focussed on the proposed 'unitarisation' of county areas, which is not expected to impact Greater Manchester. It is now anticipated that the Devolution White Paper will not be launched until the end of the year, or even the New Year.
- 1.6 To ensure Greater Manchester's priorities are represented and considered as part of these announcements, the Combined Authority is engaging closely with the Treasury and other departments, setting out the city region's key spending and devolutionary priorities.
- 1.7 The remainder of this paper provides an overview of the priorities submitted to Government.

2. THE SUBMISSION

- 2.1 Our submission to Government builds on our long-term plans, including the Greater Manchester Strategy, Spatial Framework and 2040 Transport Strategy, as well as lessons from the last five years of devolution and the city region's experience of the COVID-19 pandemic. The coronavirus has left an immense legacy of health and economic harm to which we need to respond, but it has also elucidated issues that have gone unaddressed for too long. Greater Manchester's proposals would give the city region some of the powers and funding needed to secure a successful recovery.
- 2.2 In 2019, the Greater Manchester Independent Prosperity Review (IPR) was established to undertake a detailed and rigorous assessment of the current state, and future potential, of Greater Manchester's economy, informing the development of the city region's local industrial strategy. In recognition of the scale of the economic challenge posed by COVID-19, the GMCA asked the IPR's panel of experts to reconvene this summer in order to revisit their earlier work and provide an independent input into the development of a GM COVID-19 Recovery Plan.
- 2.3 The panel concluded that Government's aspirations for 'levelling up' will not happen until major city regions, like Greater Manchester, realise their full potential and the resulting economic growth is shared more equitably across their diverse communities. There was also agreement that Government's Spending Review and Devolution White Paper need to provide the resources and powers for city regions to deliver levelling up locally.
- 2.4 Greater Manchester's submission to Government therefore sets out the imperative for providing the city region with additional resources and responsibilities, and underscores our excellent record of successfully utilising devolved powers and funding to achieve better outcomes:
- **Levelling up the UK requires a prosperous Greater Manchester.** The conurbation is second only to London for attracting inward investment and is a global gateway at the centre of the North, with 7 million people living within an hour's commute. As a result, the city region has an integral part to play in driving future Northern economic prosperity.

- **Greater Manchester has the institutions to deliver quickly and effectively.** Our city region has strong leadership and integrated governance, which delivers maximum return for investment. The city region has a record of successful delivery, such as delivering expansions to Metrolink to budget and ahead of schedule.
- **Greater Manchester has the scale to deliver systemic change.** The city region is the appropriate level to take a multi-infrastructure view of investment, linked through to skills and supply chain development. This will deliver a strengthened and rebalanced UK economy, improved outcomes in public services and our shared environmental and research ambitions.

2.5 Building on this history of successful delivery and strong governance, our submission sets out a series of ambitious proposals to transform our city region. These are grouped together under four key themes and include:

2.5.1 **The Foundation.** Levelling up requires a focus on our people and the services they rely on. COVID-19 has had a drastic financial impact on Greater Manchester Authorities, estimated at c. £754m in 2020/21 alone. Government funding for the various areas of financial pressures has totaled £320m so far, leaving a net impact of £434m. A sustainable financial settlement to support our public services - and by extension, our communities - is therefore essential, and a prerequisite for the other ambitions in our submission.

2.5.2 **A Levelled-up Economy.** A set of proposals to support our economic recovery and renewal following the shock of the pandemic, including:

- **Innovation GM;** our plan for achieving a significant uplift in investment in innovation and R&D (especially translational R&D) which would bring Greater Manchester up to the level of the 'golden triangle'.
- **A GM Learning and Work Budget:** a distinctive new approach to work and skills, which improves value-for-money, aligns disjointed Government initiatives and helps people get into, and on in, work.
- Action to deliver a **Young Person's Guarantee**, with greater GM oversight of support for young people, so we can give every young person in GM a clear line of sight into local education, training and employment.

- **Investment in a digitally enabled and empowered GM**, and wider investment in GM's economic development and competitiveness, funded through a devolved UK Shared Prosperity Fund.

2.5.3 **Improved public service outcomes.** A set of proposals to go further and faster on our Unified Model of Public Services and improve outcomes and efficiency, including:

- Our **'Living Well at Home'** model for social care reform; which could be the basis of a new national settlement and which delivers true integration with the NHS and a 'new deal' for users and staff.
- **An enhanced 'Reform and Innovation Partnership'** that brings together local and national investment in public service reform to support innovation in services for children and families, ensures we continue to bear down on rough sleeping, and supports healthy ageing.

2.5.4 **Improved connectivity and low carbon infrastructure.** A set of proposals that align investment with further devolution and place-based appraisal, to deliver substantial improvements in infrastructure and connectivity, including:

- **Delivering a London-style transport system** in Greater Manchester within this Parliament, including radically improved bus services, investment to support our Clean Air plans, and devolution over key areas of the transport system (inc. local control of rail stations).
- A **GM Infrastructure Programme (GMIP)** which uses a devolved multi-year infrastructure settlement for GM to deliver an extensive pipeline of transport, housing, digital and low-carbon infrastructure which will create liveable, sustainable and well-connected places.
- A **GM Smart Energy Transition Region** that takes a systemic approach to achieving net zero by 2038, investing in transport, retrofitting, innovation and skills and retraining.

2.6 Of these proposals, the following five have been the focus of discussions with Government:

- I. Delivering a London-style transport system in Greater Manchester within this Parliament
- II. A GM Learning and Work Budget
- III. Our 'Living Well at Home' model for social care reform
- IV. Innovation GM
- V. A GM Infrastructure Programme

2.7 Viewed together, this package of proposals is an ambitious offer to work in partnership with Government to help our communities level up and support Greater Manchester to play its part in an economically resurgent North and recovering United Kingdom.