

## Greater Manchester Combined Authority

Date: 24 March 2023

Subject: Trailblazer Devolution Deal

Report of: Andy Burnham, Mayor of Greater Manchester and Eamonn Boylan,  
Chief Executive Officer, GMCA & TfGM

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### Purpose of Report

This report provides an overview of the additional powers, functions and flexibilities awarded to Greater Manchester as part of the Trailblazer Devolution Deal announced in the Spring 2023 Budget, requests that GMCA endorse the Deal, and seeks authorisation to begin preparation for a Governance Review and Scheme.

### Recommendations:

The GMCA is requested to:

1. Endorse the Trailblazer Devolution Deal as set out at Annex A to the report.
2. Delegate authority to the Chief Executive Officer, GMCA & TfGM and GMCA Solicitor & Monitoring Officer to commence the statutory process by carrying out the governance review referred to in the report and to report back to the GMCA with the outcomes, including any recommendations for a proposed Scheme.
3. Delegate authority to the Chief Executive Officer, GMCA & TfGM and GMCA Solicitor & Monitoring Officer to do anything required to enable consideration, as part of the governance review referred to in recommendation 2, of any parts of the Trailblazer Devolution Deal that are not bound by the statutory process.

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# 1. Background and Introduction

- 1.1. Greater Manchester pioneered the model of Mayoral Combined Authority (MCA) devolution in England, following many years of voluntary collaboration between the ten local authorities of GM via the Association of Greater Manchester Authorities (AGMA). The settlement in its current form began to emerge with the agreement of a Statutory City Region Pilot with Government in 2009, covering transport, place, employment, planning, low carbon and post-16 skills, and the subsequent formal establishment of the Greater Manchester Combined Authority (GMCA) in 2011.
- 1.2. In November 2014, GM agreed a landmark Devolution Deal with Government. This Deal set out an agreement to devolve a set of responsibilities, powers and services previously delivered by Government to the GMCA. These included transport powers, business support, elements of employment and skills support, a Housing Investment Loan Fund and the creation of an 'earn back' mechanism. It also reformed GMCA's governance, establishing the role of a directly elected Greater Manchester Mayor (subsequently first elected in 2017) who would also take on the role of Police & Crime Commissioner.
- 1.3. Five subsequent Deals were agreed over the period 2015-2017, notably including the health and social care Devolution Deal in February 2015, transfer of Fire & Rescue responsibilities to the GM Mayor, further transport devolution, Intermediate Body status for EU funding, creation of the Reform Investment Fund, and a pilot for 100% retention of Business Rates growth in the city-region.
- 1.4. In February 2022 Government published the Levelling Up White Paper. This made a commitment to 'extend, deepen, and simplify' devolution in England. Within this, Government confirmed an intention to negotiate new "Trailblazer Devolution Deals" with Greater Manchester and the West Midlands. These were envisaged as the start of a process of 'deepening' devolution in England, exploring what more is possible beyond the powers and funding already devolved to Mayoral Combined Authorities.
- 1.5. On March 2023, as part of the 2023 Budget Settlement, the Chancellor announced both Trailblazer Devolution Deals for Greater Manchester and the West Midlands. The following sections of this report set out the additional powers, functions and responsibilities granted to Greater Manchester (subject to the completion of the statutory process). The full devolution deal is attached at Annex A.

## 2. Further Devolution to Greater Manchester

2.1 The latest devolution agreement is attached in full at Annex A but in summary it makes provision to transfer the following additional responsibilities and flexibilities:

- A consolidated, long-term budget for GMCA. The **single settlement** will be designed in the mould of government departments' budgets set at spending reviews and based on thematic functions.
- A longer-term commitment on the **retention of the growth in Business Rates** (for 10 years), and new 'growth zones' which are subject to further design but where business rates growth above an agreed baseline can be retained for 25 years.
- A **new rail partnership with Great British Railways** to deliver the Bee Network by 2030, which will see full multi-modal fares and ticketing integration, co-branding, 'pay as you go' ticketing pilots, better integration of local stations, identification of opportunities for regeneration and development, greater access to local rail data and giving GMCA the opportunity to sponsor infrastructure and service enhancement schemes.
- Local leadership of the Affordable Homes Programme for the first time outside of London, worth £400 million to Greater Manchester, with greater powers and flexibilities over time, devolution of £150 million brownfield land funding, local retention of additional funding for **housing investment**, commitments to joint working between the government and GMCA through the Greater Manchester Land Commission, a Greater Manchester Housing Quality Pathfinder, with new local powers, additional funding and targeted policy support, and £3.9 million to eliminate the use of bed and
- Devolution of non-apprenticeship **adult skills** functions and grant funding in the next Spending Review, local flexibilities, which will increase over time, over Free Courses for Jobs and Skills Bootcamps during this spending review and establishment of a strong joint governance board to provide oversight of post-16 technical education and of GMCA as the central convenor of careers provision in the city region.
- A co-design approach to all future contracted **employment support** programmes, consideration of potential employment support pilots and commitments to data to address labour market inactivity, supported by a new joint board.

- Building on the Innovation Accelerator programme, a Strategic Innovation Partnership to give GMCA a new and influential role informing the national **research and innovation** ecosystem, a knowledge transfer programme focused on local strengths and a pilot to boost innovation adoption and diffusion by local businesses, transferring more autonomy to Greater Manchester's developing regional innovation ecosystem.
- Boosting **business productivity** through a new Strategic Productivity Partnership, enabling GMCA to raise local priorities for future business support and advisory services and ensuring complementarity between national and local commissioning activities, alongside a new role for GMCA in the governance of the next generation of British Business Bank UK funds in the North of England and stronger strategic and operational relationships with the UK Infrastructure Bank.
- Stronger partnership working with the government across a range of **international trade**, investment and export activities.
- Direct involvement in exploring the possibility of piloting new, devolved business models for delivering place-based **net zero**, including retrofit, recognition of GMCA's roles and activity across the energy system and further work on standards, green finance and advice to increase household energy efficiency.
- Further support for GMCA's already trailblazing approach to the **environment** through natural capital investment. The government will support GMCA to accelerate its plans and will designate Greater Manchester as a testbed to explore and develop options for how climate change adaption can best be addressed and accelerated at the local level.
- The deal sets out new arrangements for **data** sharing, including a new Data Partnership and commitments to boost GMCA's data capacity and capability, to underpin those decisions, as well as to develop and evaluate policies and programmes with greater impact.
- A Greater Manchester Strategic Cultural Partnership to support greater funding alignment, joint investment and strategic collaboration between **cultural** arm's length bodies and GMCA, and accreditation for Marketing Manchester as a recognised Local Visitor Economy Partnership.

- A new Digital Infrastructure Leadership Group to accelerate the roll-out and take-up of high-speed **digital** connectivity, alongside engagement in Project Gigabit and on digital inclusion.
- New levers to support GMCA's commitment to **public service reform** and work with people facing multiple and complex disadvantage, including future engagement to discuss whether relevant new funding streams could be devolved as part of the single settlement.

2.2 In order to make the above policy changes, the Deal makes provision for government to devolve any necessary additional functions through legislation made under the Local Democracy, Economic Development and Construction Act 2009 (2009 Act). The GMCA already has wide-ranging functionality so is able to take on many of the new areas contained within this Deal without the additional conferral of new functions. The Deal confirms that the government will devolve to GMCA the following:

- Adult education and skills functions, including non-apprenticeship adult skills and funding, and delegated delivery of contracted employment programmes; decisions to be taken by a simple majority.
- Any other functions which are subsequently identified as necessary to implement this deal.

### **3. Accountability and Governance**

3.1 In recognition of the enhanced powers and responsibilities provided for by this deal, new accountability arrangements will be adopted by the GMCA as part of the implementation process. The below accountability arrangements set out how the GMCA will exercise its responsibilities and make decisions effectively.

3.2 Government confirms that GMCA will abide by the recently published Devolution Accountability Framework and the forthcoming Scrutiny Protocol once published.

These are new guidance, due to be issued by DLUHC shortly, and will apply to all MCAs and other devolved institutions in England.

### 3.3 New commitments for Overview and Scrutiny

3.3.1 Alongside committing to the existing recommendation from the Independent Review, the Deal seeks further commitments from GMCA in relation to overview and scrutiny arrangements These are:

- To review the impact of implementing the Independent Review recommendations and publishing findings by no later than the end of March 2024.
- To consider how the lessons of the Independent Review could apply to other local committees including the Police, Fire and Crime Panel and Audit Committee.
- To provide reasonable resources sufficient for committees to be able to ask for ambitious research and analysis, either through officers or external sources, such as local universities.
- As a measure to increase quoracy, members of the Scrutiny Committee are clear through their role description as to their responsibilities, including attendance at all meetings.
- To provide reasonable communications support to help ensure that the chairs of the scrutiny committee and the reports they develop are able to get suitable profile. As part of this support, consideration will be made to what branding (including, if necessary, name changes) and communication techniques can help the media and public understand the role of the committee.
- Government also confirms it will look to raise the profile of the chairs of the committees and will explore different options (i.e., ensuring they are able to have regular meetings with DLUHC ministers and are empowered to report any concerns they have to appropriate teams in the department).

3.4 The Deal also includes further commitments for the Mayor and GMCA Members to arrange and attend various meetings, including:

- Full council meetings for each constituent LA (up to one a year if requested).
- 'Mayors Question Time' sessions - to be chaired by an independent person (i.e., a local journalist or business person).

- Parliamentary Select Committees (if requested).
- The GMCA Overview and Scrutiny Committee.
- A new, publicly broadcasted session with Greater Manchester MPs to scrutinise the Mayor and other portfolio holders four times a year. Terms of reference will be agreed between the Government and the GMCA following engagement with Greater Manchester MPs by June 2023, and will consider questions of appropriate chairs, schedules, papers and chairs of the Overview and Scrutiny Committee and Audit Committee. GMCA will then agree a CA resolution to introduce these with a commitment to review them and identify improvements at the end of the first spending review for the single settlement.

### 3.5 Accountability arrangements for the single settlement:

- 3.5.1 GMCA will agree with Government a streamlined, overarching single accountability process for the settlement. This will build on, and will be incorporated into future editions of, the Devolution Accountability Framework. This process will include the assurance framework coordinated by DLUHC, the specific outcomes GMCA will achieve over the Spending Review period or funding period (e.g., for CRSTS), and appropriate spending control processes. GMCA will be held to account for delivering outcomes, using the settlement funding and relevant local resource, across areas associated with devolved functions set out in this and previous devolution deals. A single reporting framework across the single settlement against those outcomes will be agreed with Government.

## **4 Legal Framework**

- 4.1 As set out in section 2 above, the Government and the GMCA have reached agreement in relation to the devolution to the GMCA of a further range of powers.
- 4.2 To give effect to certain elements of the Deal, it is necessary for the GMCA to comply with the requirements of sections 111, 112 and 113 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) which set out the procedure to be followed in order to make changes to existing combined authority arrangements.
- 4.3 However, it should be noted that many aspects of the Deal do not require legislative change to implement. The powers outlined in section 2.2 of the report are those that



are expected to require legislative or regulatory change before they can be exercised by the GMCA or Mayor and therefore follow the process outlined below.

#### **4.4 Section 111 of the 2009 Act**

4.41 Section 111 of the 2009 Act allows combined authorities to undertake, in relation to an existing combined authority (such as the GMCA), a review of one or more “combined matters”. For the purposes of section 111 of the 2009 Act a “combined matter” is defined at subsection 111(3) as being:

- a. a matter in relation to which an order may be made under any of sections 104 to 107;
- b. in relation to the combined authority or any executive body of the combined authority, where that body exists at the time of the review, a matter concerning the combined authority or the executive body that the combined authority has power to determine.

4.42 Insofar as sub-section 111(3)(a) of the 2009 Act is concerned, sections 104 to 107 of the 2009 Act set out the range of matters that the Secretary of State may include within an order concerning a combined authority. These include power for the Secretary of State to:

- make in relation to a combined authority any provision that may be made in relation to an Integrated Transport Authority under certain provisions of the Local Transport Act 2008;
- make in relation to a combined authority any provision that may be made in relation to an Economic Prosperity Board (EPB) in relation to the exercise of local authority functions;
- make provision for a function of a public authority that is exercisable in relation to a combined authority’s area to be a function of a combined authority;
- make provision for conferring on a combined authority in relation to its area a function corresponding to a function that a public authority has in relation to another area;
- make provision for any function of a combined authority which has an elected mayor (a “mayoral combined authority”) to be a function only exercisable by the elected mayor;

- make provision for the costs of an elected mayor for the area of a combined authority that are incurred in, or in connection with, the exercise of “mayoral functions” to be met from precepts issued by the authority under section 40 of the Local Government Act 1992.

#### 4.5 **Section 112 of the 2009 Act**

4.51 Where a combined authority that has undertaken a review under section 111 of the 2009 Act concludes that the exercise of the power by the Secretary of State to make an order under any one or more of sections 104, 105, 105A, 106 and 107 would be likely to improve the exercise of statutory functions in relation to an area of a combined authority, it may prepare and publish a ‘scheme’ relating to the exercise of the power or powers in question.

#### 4.6 **Section 113 of the 2009 Act**

4.61 The Secretary of State may make an order under section 104, 105, 105A, 106 or 107 of the 2009 Act only if:

- a. the Secretary of State considers that to do so is likely to improve the exercise of statutory functions in the area or areas to which the order relates, and
- b. any consultation required by section 113 (2) of the 2009 Act has been carried out.

4.62 If a scheme has been prepared and published under section 112 of the 2009 Act the secretary of State must have regard to that scheme in making the order.

4.63 The Secretary of State must carry out a public consultation unless—

- (a) a scheme has been prepared and published under section 112,
- (b) the authorities that prepared and published the scheme carried out a public consultation in connection with the proposals contained in the scheme and provided the Secretary of State with a summary of the consultation responses, and
- (c) the Secretary of State considers that no further consultation is necessary.

4.64 In making the order, the Secretary of State must have regard to the need—

- a) to reflect the identities and interests of local communities, and
- b) to secure effective and convenient local government.

4.65 In addition to the above requirements, the Secretary of State cannot make an order under sections 104, 105 or 105A of the 2009 Act without the consent of the constituent councils or the GMCA.

## **5 Next Steps**

5.1 As detailed above, the statutory process to implement the Devolution Deal begins with a governance review to ascertain whether making an order under any one or more of sections 104, 105 and 105A of the 2009 Act would be likely to improve the exercise of statutory functions in relation to the area of Greater Manchester. Members are therefore requested to instruct officers to undertake the governance review and report back with the outcome in due course, including any recommendations regarding a proposed scheme. As noted above, not all the elements of the Deal fall within the statutory process but nonetheless it is recommended that they be considered in parallel with the statutory governance review.

5.2 It is proposed that the process set out below is followed. This process addresses all statutory procedural requirements, facilitates an understanding of the overall impact of the changes, and maximises engagement with stakeholders including the public:

- i. Carry out a statutory governance review (incorporating a review of the elements of the Deal which are not bound by the statutory process);
- ii. Subject to the outcome of the statutory governance review, prepare and publish a Scheme;
- iii. Carry out a public consultation exercise on the Scheme and the broader outcomes of the governance review;
- iv. Summary of public consultation, governance review and Scheme to go through each Greater Manchester Local Authority, GMCA Overview and Scrutiny Committee and GMCA Board for approval;
- v. Submit the governance review, Scheme and a summary of consultation responses to the Department for Levelling Up, Housing and Communities (DLUHC) Secretary of State;
- vi. Resolve to consent to the draft Order/Regulations;
- vii. DLUHC Secretary of State lays the draft Order/Regulations in Parliament.

## **6 Recommendations**

6.1 The recommendations are set out at the beginning of the report.