

# **CITY REGION GOVERNANCE IN GREATER MANCHESTER: THE WAY FORWARD**

## **A DISCUSSION PAPER PRODUCED BY THE EXECUTIVE OF AGMA**

### **1. INTRODUCTION**

- 1.1 Over the past 18 months there has been much debate about the role of City Regions within the economy and governance of the country. AGMA (the Association of Greater Manchester Authorities) and in particular the leaders from AGMA's 10 member authorities, who operate under the title of the AGMA Executive have been at the forefront of that debate. We have advocated, when invited to make submissions to central Government, that there is a clear case for city regions to have more autonomous in decision making in order to reach their potential<sup>1</sup>.
- 1.2 At our most recent meeting, leaders of the AGMA Authorities recognised that we needed to be more open about explaining our aspirations for the City Region. We accepted that we needed more dialogue across a whole range of partners, agencies and individuals about these issues.
- 1.3 This discussion paper has therefore been prepared as a basis for promoting dialogue within AGMA Authorities, with other partners inside Greater Manchester, other local authorities outside Greater Manchester, MPs, regional bodies and others. Whilst we will be seeking to engage more directly with all those and other audiences, this initial discussion paper aims to set the scene in terms of the policy journey we have travelled on up to now; and where we see our priorities for the future.
- 1.4 Consequently, before developing more focused dialogue to each of the audiences set out in the previous paragraph, responses, opinions and comments on this discussion paper would be welcome. It would be helpful if these could be sent to the AGMA Policy & Research Unit, whose address is at the end of this discussion document, by 20 April 2007.

### **2 OUR VISION FOR GREATER MANCHESTER AND ITS GOVERNANCE: A SUMMARY**

- 2.1 Within AGMA we have set out a fairly consistent vision for the conurbation in both the statements we have made to Government on City Regions, in other arenas such as Northern Way City Region Development Plans and evidence to the Regional Spatial Strategy public hearings. It is worth repeating that vision: -
- Manchester will become a world-class city region at the heart of a thriving and competitive North;
  - Manchester will be one of Europe's premier city regions: at the forefront of the knowledge economy and with outstanding commercial cultural and creative activities;

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<sup>1</sup> Our submissions are publicly available on the AGMA web site, at [http://www.agma.gov.uk/ccm/agma/AGMA\\_Initiatives/governance.en](http://www.agma.gov.uk/ccm/agma/AGMA_Initiatives/governance.en)

- Manchester will successfully compete internationally for investment, jobs and visitors;
- Manchester will be a city-region which celebrates diversity and works to achieve cohesion; where all people have the opportunity to participate in, contribute to and benefit from investment and development in their city;
- Manchester will be known for, and distinguished by, the quality of life enjoyed by its residents; and
- Manchester will have levels of productivity at least as high as the Greater South East (including London) and our major European counterparts.

2.2 The evidence of our success will be that by 2025 we will have:

- a growing population, equipped with modern and appropriate skills
- economic growth at well above the UK average
- increased levels of inclusion and significant reductions in all indicators of deprivation
- an environmental quality that is second to none
- standards of public service at the leading edge and delivering relevant outcomes, of the highest quality, to our citizens
- improvements in health that will have reversed negative trends in terms of life expectancy which some of our citizens currently experience
- an acknowledged sustainable city region, distinguished by the quality of life enjoyed by its residents.

2.3 It would not be appropriate or valuable to repeat here all our views about why believe more devolved Government to city regions in this paper. The full case is made in the documents referred to in section 1. Suffice it to say the argument in a nutshell is that whilst partners within the City Region have achieved much there remain obstacles to progress in a number of key areas. These include the limited capacity of individual agencies to develop specific, spatially focused, approaches to delivery of key services. Many agencies can be driven by nationally determined targets and priorities at the expense of local consideration. We believe this is due to the lack of an effective accountable, local strategic framework within which priorities can be developed and performance management arrangements put in place. We are therefore proposing a radical change to the commissioning, delivery and scrutiny arrangements for such services.

2.4 Our proposed solution to this is (again in summary):-

- a) A high level Executive Board linked to an advisory Business Leadership Council

- b) Commissions<sup>2</sup> with responsibility for delivering specific functions; linked in some cases to particular agencies, either existing or new, within the following priority areas:-
- Economic Development
  - Transport
  - Housing and Planning
  - Health Inequalities
  - Public Protection
  - Environment
  - Capacity Building and Collaborative Working
- c) Scrutiny and Accountability of these arrangements, liable to be developed via a combination of both new and existing bodies, where necessary adapted for their new purpose.

Developing the processes of how these various arrangements will work is one of our key tasks for the next few months (see section 4 below) and we will want to engage with others to share our ideas as they develop.

- 2.5 Ideally these arrangements would be based on powers devolved from Government by statute, but we would intend to move to these new arrangements – as far as we can – on a voluntary basis in advance of any such legislation.

### **3 GREATER MANCHESTER IN A REGIONAL CONTEXT**

- 3.1 One of the areas that has caused tensions in the debate over city regions has been an unhelpful portrayal of the issue as being “*city regions v regions*”. It is our firm belief that the establishment of more devolved governance within Greater Manchester can be of benefit to the North West region; and that having a system of city region governance needs not be incompatible with whatever regional arrangements exist.
- 3.2 It is probably unnecessary to labour the point about the importance of Greater Manchester to the North West or list its assets. It has:-
- 37%% of N West’s population
  - 37% of N West’s economically active population
  - 38% of N West’s businesses
  - 39% of N West’s GVA

and in the wider city region area referenced in Northern Way, all these figures go up to around 50%.

- 3.3 Consequently our position is that a strong and successful Greater Manchester is critical to the success of the North West. We recognise that what we do in the city region will affect others outside our boundaries. We therefore need to find a successful way of engaging with areas outside Greater Manchester in order that these areas have an opportunity to contribute, when appropriate, to the

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<sup>2</sup> Referred to in previous submissions as Strategic Boards

development of initiatives and projects we will want to progress within the administrative area of Greater Manchester.

3.4 In our submissions to Ministers on the subject of city regions we have made it clear that what we want to do is to introduce a system enabling strategic decisions in key policy areas to be taken collectively at the City Region level, but within the framework of regional agencies and strategies which recognise appropriately the importance, value and contributions which City Regions make to regional economies. Consequently, we want to make it clear that:-

- Our intention is not that Greater Manchester should declare 'UDI' from the rest of the North West region. AGMA worked with –and was supported by - the NWDA in developing its city region business case. We have also been active in supporting the successful efforts to make the NWRA fit for purpose
- We support the principle of devolution. Our case is that there is much in terms of decision-making – and certainly delivery and accountability - that can be devolved to the city region level. But we recognise the existence of a regional tier is likely to continue as an appropriate arena on which to base allocation decisions, and would continue to argue the case for more regional devolution along the lines of that arranged of financial allocations.
- We do not see why the successful development of city region governance in Greater Manchester precludes other parts of the North West who wish to in making similar collaborative arrangements, reflecting their own political and organisational dynamics, again , within a regional context. It is not our role to say what those arrangements should be, but we would welcome the opportunity to engage with other parts of the North West – and areas the other side of the Pennines - as we move on in developing our own ideas.
- We are not looking to subsume other parts of the North West within “AGMA”. We recognise that we need to do more in terms of engaging with other areas at operational and political level. But that should be done on the basis of mutually agreed partnership arrangements.

## **4 OUR PRIORITIES FOR THE NEXT 6 MONTHS**

4.1 The Local Government White paper, “Strong and Prosperous Communities” was welcomed within AGMA for its constructive approach towards the idea of city regions. Whilst we recognise that more detail will emerge during the Comprehensive Spending Review process in 2007 our aim is to use the support from Government within the White Paper to develop some of the issues of city region governance. Consequently we have identified 5 issues as being priorities for us over the next 6 months.

4.2 Before going in to more detail over these 5 it is worth emphasising that :-

- highlighting these points as priorities now does not indicate a lesser importance for other issues not listed her (e.g. the environment, public protection or housing/planning)

- Our views on what is a priority now have been based on the recognition that we have a limited capacity that precludes us from working on a broader front.
- In some areas there is a need to respond to an active desire amongst partners for early change.
- In others there is a need to respond to Government deadlines and where we are (such as on congestion charging) already within a process.
- we have also agreed as Leaders that we will also develop a forward plan for our continuing work encompassing all our priority issues, which will also be shared more widely.
- We will also be developing ways in which a subset of Leaders can focus their attention on priority areas in order support their development, reporting back to the wider group of all 10 when necessary

### Transport

- 4.3 There will need to be the necessary continuing discussions about the developing Transport Infrastructure Fund proposals for Greater Manchester and potential road price charging schemes. Given the key importance of needing to illustrate our competence in taking forward city region governance we also need to develop more detail on how we would intend to manage transport governance within the conurbation if/when more powers are devolved to us.

### Health Inequalities

- 4.4 Here we have a growing desire from partners in the sub region to move forward now to set up something akin to the 'commissions' we propose under our vision for devolved city region governance. Given the active support from the health sector – particularly on public health matters - this is one topic area where proposals for the establishment of a commission can be developed now in more detail.

### Economic Development/Manchester Enterprises

- 4.5 This is a priority for a number of reasons: -
- it is key in terms of the city region governance agenda
  - there is a recognition that we need to move on from the reconfiguring of Manchester Enterprises into separate strategy and delivery companies by starting to shape governance arrangements fit for purpose to deliver our desired shared outcomes
  - There has been extremely positive and welcome support from the private sector within Greater Manchester for the governance proposals – formally supported by the Chamber of Commerce. We need to build on this in order to work together in developing our ideas and also to support the arrangements necessary to ensure the sector is properly engaged via our vision for Business Leadership Council.
  - Consequently our next steps, together with partners, need to be setting up an Economic Development commission for the conurbation and supporting the establishment of a functioning Business Leadership Council

### Selling the Vision/Influencing Government

4.6 This is best analysed on 3 levels, national, regional and local. At a **national** level we need to more effectively 'sell' to some parts of national Government that Local Government can be a part of the solution to its concerns about delivering sustainable economic prosperity and sustainable communities and that it is the sub regional level which is the most rational route for delivery of some of the key issues they are grappling with. This will need

- dialogue with key Ministers, particularly those locally with Local Government responsibilities
- more engagement with G Manchester MPs and regional MEPs about our agenda

4.7 At a **regional** level we need to develop the ideas set out in section 3 of this discussion paper in order to address

- the way in which regional strategies treat city regions and their lack, on occasions, of consistency
- a perception that Manchester is 'sorted' and needs no more public sector intervention at national level. Despite our successes we do not lose sight of the fact that 25% of the country's 100 most deprived neighbourhoods are in G Manchester and that 7 of our 10 local authorities are in most deprived 15% across the UK
- a lack of understanding/fear of the city region governance proposals, more often viewed currently as how it might adversely affect other parts of the N West as opposed to the benefits it will bring

This will need

- more overt dialogue with neighbouring authorities (on which we hope this paper is a start)
- a more engaged way of working with (and possibly expanding the number of) AGMA's associate members<sup>3</sup>
- A better relationship with regional bodies which can often focus solely on disputes over financial allocations and delivery arrangements

4.8 **Locally**, we recognise that the 'big idea' of city region governance does not yet command broad support within AGMA Authorities outside leaders and Chief Executives. We will need to more effectively explain and promote the added value of city region working, using examples. Linked to this, we need further discussions on :-

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<sup>3</sup> Currently the Borough Councils of Blackburn with Darwen, Blackpool and Warrington.

- How to raise the debate more publicly within G Manchester, with partners, and local partnerships
- greater transparency of AGMA's decision-making and openness/linkages to local agendas.

### Governance

4.9 The key issues we have identified here for immediate action are:-

- defining the role of Leaders within the Executive
- How the Executive should operate in terms of procedure, resolving conflicts etc
- How we link in Executive member's to the work of the Commissions; and what the role is for other elected members (on the commissions and, potentially, in task and finish groups)
- How we develop a scrutiny function that will reflect the new 'Manchester Executive' as opposed to the 'AGMA Executive'

## **5 INTERIM ARRANGEMENTS, OPENNESS AND ACCOUNTABILITY**

5.1 One issues where AGMA Leaders identified some early action was on the way we work together. Whilst this is more about our internal organisation we also think it important to briefly explain this in a public paper. Linked to this is a debate we need to have about accountability and scrutiny within the new arrangements.

5.2 As an AGMA Executive we now intend to devote our monthly meetings to priority issues that we will define. Initially these will be those listed in the previous section. But they will change over time and we will have a forward plan to help us manage our collective time together.

5.3 Linked to this, we know that as Leaders our time together is limited. We will therefore need to:-

- develop systems where we can delegate decisions either to Chief Executives (or other appropriate officers)
- identify areas where a group of leaders smaller than 'the 10' can take forward discussion and policy ideas and
- allow other arrangements we have set up to take decisions which should not then need 'rubber stamping' by us

Our 'last Friday in the month' meetings therefore need solid developmental discussion on our key priority issues with short timely reports to support thinking and decision-making.

5.4 There are also some other issues that we need to address and change over the coming months. As an example AGMA and its local authorities are based on the system of political organisation and representational government that we have now had nationally in this country for a very long time. That is unlikely to change in the foreseeable future. AGMA Leaders will continue to have political as well as geographical accountability. However when operating as the 'Manchester Executive' we will need to build on our shared vision for the conurbation where –

often – the political differences between us are often much less than what binds us together in terms of shared priorities. Group political dialogues will no doubt continue to be necessary at times, but we will no longer have these formally arranged as a precursor to our formal Executive meetings.

- 5.5 Developing on from building on what binds us together and recognising the political context in which we work, we aspire to further deepening our mutual trust and approach to collaboration through some of the other ideas floated in this paper such as enabling groups of Leaders to work together in smaller groups outside our monthly meetings.
- 5.6 Linked to the way in which we see the AGMA Executive changing over the coming months, we also recognise that we need discussion on how a new system of city region governance will be accountable, both to other partners and also to individual local authorities within Greater Manchester. We currently have a form of scrutiny within AGMA known as the AGMA Council, and also a wider representative body known as the Greater Manchester Forum. What we want to explore is:-
- What is the best structure of ensuring adequate scrutiny of the Executive under new governance arrangements?
  - What changes need to be made to existing arrangements?
  - How do we ensure that the right issues get aired under scrutiny/ accountability arrangements and that there is an appropriate way of referring issues between a G Manchester Executive and the accountability function
- 5.7 Linked to this one idea has been for the Manchester Executive to commission groups of elected members (not necessarily from the scrutiny function) to carry out specific functions on its behalf

## **6 CONCLUDING REMARKS, AND AN INVITATION TO COMMENT**

- 6.1 As the introduction to this paper explained, it has been produced as a starting point both to the AGMA Executive being more open about its aspirations for how city region governance in the conurbation should develop, and to promoting more dialogue inside Greater Manchester and beyond. Given that one of our 5 priorities is Governance and selling the vision we will want to develop these discussions further.
- 6.2 However we would welcome dialogue now on this paper, particularly on the following aspects: -
- how do we work better with areas outside Greater Manchester, including (but not exclusively) with our current associate members
  - how do we design a scrutiny and accountability system that will reflect what we are trying to achieve within the City region
  - what are the messages we need to sue to ensure that our vision is understood; and (hopefully) supported more widely
  - how do we work with you in taking forward this agenda?
- 6.3 Comments and views on this would be welcome. It would be helpful if they were submitted to the AGMA Policy & Research Unit at the address below, and received by Friday 20 April 2007.