

SCRUTINY REPORT



MEETING: OVERVIEW & SCRUTINY

DATE: 5th SEPTEMBER 2023

SUBJECT: GM DEVOLUTION TRAILBLAZER

REPORT FROM: BGI

CONTACT OFFICER: PAUL LAKIN

1.0 BACKGROUND

The proposals for a further tranche of devolution to Greater Manchester was published by Government on March 15th 2023.

The following powers and proposals were put forward in this proposed tranche of devolution:

- A new Data Partnership and commitments to boost GMCA's data capacity and capability, to underpin and support local decision-making, as well as to develop and evaluate policies and programmes with greater impact.
- A consolidated, long-term budget for GMCA. This single settlement will be designed in the mold of government departments' budgets: set at Spending Reviews and based on thematic functions.
- Delivering fiscal devolution by extending GMCA's 100% business rates retention pilot for 10 years and working towards designation of specific growth zones with additional flexibility.
- A new rail partnership with Great British Railways to support the delivery of 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 breakfast accommodation for homeless families in Greater Manchester.

- 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 explore data sharing, 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.
- Piloting the devolution of net zero funding, including for buildings' retrofit, through allocation rather than competition in the period from 2025 onwards, which will form part of GMCA's single department-style settlement, 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. GMCA will act as a testbed to explore and develop options for how flood risk management and other adaptation activities can best be addressed and accelerated at the local level.
- 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, in

addition to the Housing Quality Pathfinder, future engagement to discuss whether relevant new funding streams could be devolved as part of the single settlement.

2. NEXT STEPS

It should be noted that the devolution process has been happening in spurts with further powers delegated in each package.

As a direction of travel this is positive. However to represent true devolution the packages need to be designed to allow greater flexibility in implementation, allowing funding settlements over a number of financial years and much greater flexibility in determining outputs and outcomes for programmes. Too many of the existing powers involve short term funding allocations tied to very specific outcomes.

The funding for large scale economic development has remained with DLUH, who have administered the 'Levelling Up' and 'Towns Funds' centrally with little to no interaction with mayoral combined authorities. It is arguable that the challenges faced in delivering these programmes, whereby significant sums of money remain unspent or returned to Treasury could have been alleviated if the funds had been devolved.

Much of the detail of how the funds and initiatives included in the trailblazer will actually operate remain to be negotiated between the GMCA and Treasury. Bury Council will press for a greater degree of local control, in particular around programmes related to skills and return to work programmes, where national delivery has not worked effectively in the Borough. Local innovation and responsiveness are required in the system, and we will press for that to be a fundamental part of how devolution agreements are negotiated.

3. KEY IMPLICATIONS

The extension of the local business rates retention pilot will have an impact on Bury. The current ten-year programme ends in 2026, with a reset, prior to a further ten years of retention before the pilot is made permanent, extended or abolished. Because of the use of 'resets' timing economic development activity to come on stream early in the 10-year extension would have the greatest direct financial impact on the Council.

The other key elements are the extent to which brownfield housing and other sources of regeneration funding are co-ordinated to facilitate the delivery of major transformational regeneration schemes. An example is the capability of devolved funding to help deliver our major priorities, such as the Prestwich regenerations scheme is a litmus test of the effectiveness of devolution. The challenge in Prestwich is the ability to secure public funding support for up-front infrastructure, leisure and health facilities, local retail and amenity as well as over 200 brownfield housing. The current funding regimes are limited to funding the brownfield housing elements only.

The trailblazer process will involve a period of negotiating with Government departments and the challenge will be to get officials in Whitehall to loosen their control over programmes in exchange for delivering local innovation and flexibility which can be proven to deliver better value for money for the taxpayer.

Contact Details:-

Paul Lakin, Executive Director p.lakin@bury.gov.uk

Executive Director sign off Date: _____

Executive Team Meeting Date: _____