Manchester City Council  
Report for Information

Report to: Economy, Employment and Skills Overview and Scrutiny Committee – 5 March 2012

Subject: An update on the operation and work of the Greater Manchester Combined Authority

Report of: Assistant Chief Executive, Regeneration

Summary

This report provides members with an update on the Greater Manchester Combined Authority (GMCA). The report sets out details of the work of the GMCA and partners in delivering key priorities to support sustainable economic growth across Manchester and the Greater Manchester conurbation.

Recommendations

Members are asked to comment and note the report

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report to the Economy, Employment and Skills Overview and Scrutiny Committee, January 2011,  
‘City Region – Greater Manchester Local Enterprise Partnership/Greater Manchester Combined Authority’

Agendas, Reports and Minutes of GMCA meetings, available from www.agma.gov.uk  
The GMCA constitution, protocols and operating agreement can be found at http://www.agma.gov.uk/gmca/index.html
1. **Background**

1.1 The Economy, Employment and Skills Overview Committee received a report at its meeting in January 2011 on Greater Manchester governance arrangements. This report is intended to provide members with an update on the first year’s operation of these new Greater Manchester structures.

2. **Introduction**

2.1 New city-region governance arrangements were established in Greater Manchester in April 2011 and represent a locally determined response to the agreed priorities of the 10 Greater Manchester authorities and partners from across the private and public sectors. These priorities are underpinned by a number of key principles.

2.2 **Strong Leadership:** Greater Manchester has the only Combined Authority in the country, providing strong and accountable leadership that can help drive forward Greater Manchester’s twin priorities of securing economic growth and increasing productivity through increasing the skills of our workforce and reducing dependency on the state. The Greater Manchester Combined Authority (GMCA) provides a statutory basis for co-ordinating policies to deliver the economic priorities of GM and acts as the accountable body for public funding as appropriate. Together with the GM Local Enterprise Partnership, which is the subject of another report on this agenda, the GMCA provides a robust platform for devolution and builds on 25 years of voluntary collaboration across the conurbation.

2.3 **Engine of Growth:** Greater Manchester is a coherent economic area and has significant economic potential which if properly supported can generate jobs and growth that will impact not only on the economy of the North but the UK as a whole. In 2008 it produced £48bn in GVA and represented 5% of the national economy and is a larger economic unit than Wales, Northern Ireland or the North East. Greater Manchester’s priorities, as set out in the Greater Manchester Strategy (GMS), are evidence based and spatially focused on accelerating growth and public service reform across the 10 Greater Manchester Authorities.

2.4 **Clear Strategic Priorities:** GM has a clear understanding of the drivers of our economy, its strengths and challenges and the levers we need in order to achieve our growth potential. The GMS sets the priorities to do this through both supply and demand side action, demonstrating the critical link between economic growth and competitiveness and public sector reform. The Strategy, fully supported by the GMCA and the LEP, recognises the need to create new jobs in the economy and increase productivity through increasing the skills of our workforce and reducing dependency on the state.

2.5 **Radical Public Service Reform:** the GMS demonstrates the critical link between economic growth and competitiveness and public service reform - without addressing the latter and reducing dependency on the state we will not achieve our full economic potential.
2.6 Greater Manchester has an impressive track record of collaboration and joint delivery and the governance arrangements established here have been developed to provide a bespoke response to the particular opportunities and challenges faced by our economy. The GMCA provides a clear accountable focus for our economic interventions within a single labour market underpinned by a mature business leadership structure, as exemplified by the Local Enterprise Partnership, taking responsibility for delivering key economic programmes. The remainder of this report provides an update on how the GMCA and partners are progressing the delivery of Greater Manchester’s strategic priorities and provides an update on the governance arrangements which have been established to deliver these priorities.

3. Priorities to Drive Growth

3.1 The strategic priorities which form the focus of activity across Greater Manchester are rooted in the Greater Manchester Strategy and are:

3.2 Strengthening our infrastructure to support long term growth
Greater Manchester has a robust analysis of the role of agglomeration in supporting economic success which demonstrates clearly that we must continue to invest in infrastructure to strengthen our labour markets and business connectivity – particularly in terms of transport, broadband and an effective housing market. We are building on a track record of delivering infrastructure projects that are prioritised for their economic impact to time and budget.

The GMCA has approved the Third Greater Manchester Local Transport Plan (LTP), which had been developed by TfGM and districts in the previous year. The LTP sets out a transport strategy for the whole of the conurbation, aimed at delivering a viable, sustainable and accessible transport network capable of supporting the region’s economic growth long into the future. The LTP is also focused on reducing the impacts that transport has on the environment and is designed to improve health by reducing accidents and encouraging ‘active travel’. A separate report on this agenda provides a more detailed update on the LTP.

3.3 Creating an investment framework that prioritises economic impact
Greater Manchester has developed a framework that allows alignment of funding streams and investment to be prioritised across traditional silos with a sharp focus on economic impacts and a move towards a self-sustaining financial position rather than reliance on Government grant. It is a mechanism for ensuring that there is clear accountability and structured decision making at GM level. This builds on the work to develop the GM Transport Fund and we want to increase its scope and drawing in more funding streams and assets over time.

Current funding streams subject to the investment framework include Government’s Regional Growth Fund (RGF): a three year Government fund now totalling £2.4 billion (an increase of £1bn from the Government’s original allocation) designed to encourage private sector enterprise and help support the transition of those communities over-dependant on the public sector toward greater private sector led growth. The GMCA, along with the GM LEP, has provided the direction and oversight on submissions to RGF. RGF bids in GM have secured an in principle agreement for £65m of funding but are subject to due diligence. Round 3 of RGF
was launched on 23rd February and the GMCA will be working closely with the LEP to prepare a bid for this third round of funding.

3.4 Raising productivity by increasing skills and reducing dependency
To meet its economic potential more people need to contribute to and benefit from economic success. High levels of sustained worklessness, low skills and a mismatch between the skills people have and the needs of employers has dragged down productivity and is one of the principal reasons why Greater Manchester's economy 'punches below its weight'.

The GMCA was successful in bidding for Greater Manchester to become a national pilot for Community Budgets – a place based approach to aligning central and local priorities, funding and public service delivery. This ground breaking pilot will test new interventions and service re-design, with the objective of delivering more for less with a priority to reduce dependency, worklessness and support growth. The pilot provides a unique opportunity to work intensively with partners across Greater Manchester and within Government to overcome operational and cultural barriers to joint working.

3.5 Accelerating business growth and increasing our international outlook
Supporting Greater Manchester businesses and accelerating sustainable growth in those with the potential to create new jobs and GVA is critical. There is a clear evidence base developed through our engagement with businesses about what support is needed. The Greater Manchester business-led Growth Hub is a tailored response funded locally that has a core function to add value to, and in some cases deliver, national programmes. It is easy to access and simple to understand. We also need to connect local firms more effectively to international markets – through both increasing the number of businesses that export, increasing overseas trade, and increasing inward investment.

As Members will be aware from the report in September, 2011, the Airport City Enterprise Zone will allow businesses to be offered tax incentives to locate in order to create new jobs and stimulate economic growth; locally, regionally and nationally. From the outset, the GMCA, with the GM LEP, has helped broker the Greater Manchester wide agreements that enable business rate growth from the Enterprise Zone to be captured at a wider, city-region level and used to support Greater Manchester priorities. It provides a good, early example of how the statutory framework and sound governance relationships at a Greater Manchester level ensure the maximum benefit is secured from such initiatives.

3.6 Exploiting our science base and growing the wider knowledge economy
Greater Manchester has a science base of global scale with world leading science in a range of academic and commercial fields which we want to grow establishing a greater recognition for our leading role as a centre for science research and commercialisation of our discoveries. We have a strong history as a city at the forefront of discovery and innovation but as importantly we have 100,000 people employed today in the science and industry sectors. We have already made significant strides in developing a strong knowledge economy with a clear focus on creative, digital and new media where we have the largest cluster outside London
with 55,000 people employed, life sciences, biotech and health care and advanced manufacturing.

3.7 As set out in the associated report on this agenda, the GMCA has been working with the GM LEP on a dialogue with Greg Clarke, the Minister for Cities, to negotiate a bespoke deal for Greater Manchester based on securing jobs and growth which is based upon the priorities set out above. A Ministerial meeting with the Chair and Vice-Chairs of AGMA and the Chair of the Greater Manchester LEP was held on 21st February and negotiations are continuing.

4. Delivering Greater Manchester’s Strategic Priorities

4.1 The new governance arrangements in place across Greater Manchester have been designed to respond to these priorities and opportunities and are described below.

Greater Manchester Combined Authority

4.2 The Greater Manchester Combined Authority (GMCA) was established by Order on 1 April 2011, with the legal status of a local authority and comprising each of the 10 Leaders from the districts. It provides a statutory basis and accountability for co-ordinating policies to deliver Greater Manchester’s economic priorities and acts as the accountable body for public funding where this is appropriate. The GMCA’s primary responsibility is to co-ordinate policies relating to economic development, regeneration and transport for the Greater Manchester sub-region, and to fulfil the ‘wellbeing power’ – the power to promote or improve the economic, social and environmental well-being of its area. The Chief Executive of Manchester City Council is the Head of Paid Service of the GMCA and Chairs Greater Manchester’s Wider Leadership Team, which acts as the strategic management team for the Combined Authority.

4.3 Under the Order the GMCA was given a range of statutory functions relating to economic development and regeneration which are to be exercised concurrently with the ten Councils. A series of protocols agreed by the GMCA determines the specific roles of the Combined Authority and the districts with respect to each of these functions, and are intended to be flexible documents, which can be amended as the respective roles of the GMCA, AGMA, TfGMC, TfGM and the constituent councils in relation to each of these functions develop.

AGMA Executive Board

4.4 The AGMA Executive is a Joint Committee which brings together Leaders of the ten districts to provide collaborative direction on those areas which are not the responsibility or sole responsibility of the GMCA. These include:

- Health
- Public Protection
- Strategic Planning and Housing (dealt with jointly with the GMCA)
- Environment (dealt with jointly with the GMCA)
- Improvement & Efficiency
Greater Manchester Local Enterprise Partnership

4.5 Greater Manchester’s Local Enterprise Partnership (LEP) was established on 1st April 2011 and provides strategic private sector leadership, complementing the role of the Greater Manchester Combined Authority (GMCA) in driving forward the growth of the Greater Manchester economy. The LEP provide strategic direction – contributing to the development and delivery of our strategy – and fulfills a performance management role driving progress on Greater Manchester’s key ambitions. The GM LEP is the subject of a more detailed report on this agenda.

Transport for Greater Manchester Committee

4.6 The Transport for Greater Manchester Committee (TfGMC) came into existence on the same date as the GMCA, and is a Joint Committee of GMCA and the ten districts. Comprising of 33 members drawn from across Greater Manchester, it has oversight of Transport for Greater Manchester (formerly known as GMPTE) which is the key delivery body on public transport across the City Region. As an executive body of the GMCA, TfGM is accountable to it although TfGMC undertakes much of this performance monitoring and scrutiny role. TfGMC meetings are scheduled two weeks before the GMCA meetings to ensure efficient decision making.

4.7 TfGMC is also responsible for:

- Recommendations to GMCA in respect of:
  - financial matters concerning TfGM
  - the development of policy around transport facilities and services
  - the approval of new transport schemes for funding by GM Transport Fund
- Monitoring the performance of Transport for Greater Manchester
- Public consultation on GMCA’s transport policies
- Engagement in respect of GMCA’s transport policies
- Determining issues relating to Metrolink contracts, rail franchising, Smartcard implementation, tendered bus contracts and bus infrastructure
- Monitoring performance of Bus, Metrolink and local rail services

AGMA Commissions

4.8 There are now five Greater Manchester Commissions: Environment, Health, Improvement and Efficiency, Planning and Housing, and Public Protection. The Commission for the New Economy’s board was stood down in April 2011 (but see 4.91 below) with the GM Local Enterprise Partnership (LEP) taking on the role of providing strategic direction on economic matters in partnership with the GMCA. The New Economy continues to support the LEP as the lead agency for the centre of excellence for research, strategy and evaluation, and employment and skills. The Commissions are accountable to the Executive Board and, in relation to the Planning and Housing and the Environments Commissions also to the Combined Authority, and are responsible for delivering the priorities outlined in the GM Strategy. Each commission has its own work programme relative to its remit, though there is room
for collaboration between commissions. Membership is composed of members, officers and other public and private sector partners. The Commission for the New Economy is a company wholly owned by the GMCA and also has small company board comprised of company and local authority officers to fulfill legal requirements.

**GMCA / AGMA Scrutiny Committee**

4.9 With the advent of the GMCA, the Greater Manchester scrutiny remit has been developed to cover the functions of the GMCA, AGMA and TfGMC. It is designed to achieve greater public accountability over decisions made and services delivered for the whole of Greater Manchester. It receives key decision notices and minutes from both GMCA and TfGMC meetings. Its four key functions are:

1. To hold the GMCA and other decision making bodies to account.
2. To provide a ‘critical friend’ to policy and strategy development
3. To undertake scrutiny reviews into areas of strategic importance for the people of Greater Manchester
4. To monitor the delivery of the Greater Manchester Strategy

Decisions of the GMCA/AGMA Executive are reported to the City Council’s Executive on a monthly basis and the actions of Manchester Members on the GMCA/AGMA Executive, or their Committees, can be scrutinised through the City Council’s own Overview and Scrutiny arrangements.

**Strategic Boards for the ‘Manchester Family’ Centres of Excellence**

4.91 Following a review of the Manchester Family of organisations (MIDAS, Manchester Solutions, Marketing Manchester and the Commission for the New Economy), these have now been re-aligned to form the following Centres of Excellence:

- Research, Strategy and Evaluation including Employment & Skills - New Economy.
- Marketing, Communications & Tourism - Marketing Manchester and Visit Manchester.

The primary role of the Centres of Excellence is to respond, innovate and mitigate for the economic and structural challenges faced by Greater Manchester’s economy. The strategic boards governing these Centres of Excellence include AGMA Leaders not sitting on the GM Local Enterprise Partnership (LEP) and senior members of the business community, and report into both the GMCA/Executive Board and the LEP as accountable bodies, with the LEP taking the lead role in terms of strategic direction.
Business Leadership Council

4.92 The Business Leadership Council (BLC) is composed of senior experienced members of the business community in Greater Manchester, drawn from a range of industries. BLC members attend as individuals and do not represent the views of their company or of their industry. Members were appointed following an independent search and selection process.

As set out in the GMCA Constitution, the role of the BLC is to:

- advise the GMCA and Executive Board on its ongoing polices and priorities;
- conduct its own reviews on areas it believes will determine the future well-being of the Manchester city region; and
- where issues are particularly important, make recommendations to the GMCA and Executive Board

The BLC is a voluntary arrangement which continues to exist in complement to the LEP, with the capacity and ability to focus in depth on a number of issues as well as to maintain a strategic overview.

Senior Officer Groups

4.93 To support these structures, there are a series of senior officer groups including the Wider Leadership Team (WLT) of which the Chief Executive of the Council is Chair, the Business Management Group (BMG) and the Strategic Management Group (SMG). These groups are directly accountable to the GMCA and AGMA Executive Board.

5.0 Conclusions

5.1 The Governance arrangements now in place across Greater Manchester provide a unique platform for working in partnership to drive forward economic growth and reform, providing strong and accountable leadership that can take the difficult decisions needed to drive growth and reform. The arrangements are still relatively new but provide a clear, proven platform for further devolution.