

ASSOCIATION OF GREATER MANCHESTER AUTHORITIES

SUBMISSION TO THE LYONS INQUIRY JULY 2006

1. INTRODUCTION – WHAT IS AGMA?

- 1.1 The Association of Greater Manchester Authorities (AGMA) was formed after the abolition of Greater Manchester County Council in 1986. The 1985 Local Government Act devolved power to local areas but also recognised that there were some functions that needed to be co-ordinated at a metropolitan level. AGMA was formed to undertake these functions. The Association is a voluntary partnership between the ten local authorities within the Greater Manchester area. These ten authorities co-operate on a number of issues, both statutory and non-statutory, where it has been identified that working together adds value.
- 1.2 AGMA has persisted because of a shared mutual understanding between the 10 authorities that there are a number of issues where cooperation add value. Primarily this relates to the recognition that the socio-economic geography within which the AGMA authorities operate – Greater Manchester – is no respecter of local authority boundaries. Much of the “business” of AGMA is therefore concerned with matters relating to the Manchester city region as a whole.
- 1.3 However AGMA also gives the opportunity for 10 authorities with identical functions, bound together geographically, to cooperate and share experiences and information on issues relating to their function and operation which are common to all metropolitan/unitary authorities; not just those in Greater Manchester. Linked to this wider non-geographical aspect of AGMA’s collaboration three unitary authorities within North West England, Blackburn with Darwen, Blackpool and Warrington are now associate members of AGMA. However this linkage does also acknowledge that the economic influence of the Manchester ‘city region’ extends beyond that of the administrative entity known as ‘Greater’ Manchester.
- 1.5 The main decision making body within AGMA is its Executive, formed of the Leaders of the 10 member authorities and associates; supported by their Chief Executives. This meets monthly. There is also a wider scrutiny function, performed by AGMA Council, consisting of three elected members from “the 10” which meets quarterly. There are also a large number of officer networks –both formal and informal – that operate across AGMA member authorities. In particular it is worth noting the fact that Chief Executives across AGMA authorities met separately on one afternoon every month, signifying the strategic importance placed by local authorities on cooperation and collaboration across Greater Manchester.

2. AN AGMA SUBMISSION TO THE LYONS INQUIRY

- 2.1 Given the functions and interests of the member authorities which make up AGMA the potential exists for a very comprehensive submission in to the Lyons Inquiry. However this submission focuses on those issues highlighted in the report published by Sir Michael Lyons in May 2006 entitled “*National prosperity: local choice and civic engagement: a new partnership between central and local Government for the 21st century*”. Here he identifies three priorities for reform of

the functions of local government, with regard to the forthcoming Local Government White Paper:

- greater clarity about the roles of central and local government;
- greater formal recognition of local governments role in place-shaping and 'convening' across local public services; and
- the need for local government itself to recognise that it must do more to improve its capability to develop its place-shaping and convening role.

2.2 In particular this response focuses on those aspects of the above three priorities which relate to the current discussions which AGMA and partners are having on the future of city region governance within Greater Manchester. These are continuing and are the subject of dialogue with the Department of Communities and Local Government. We wish to highlight some of the issues that are emerging as a consequence of that debate as we think it would be helpful if the way in which city regions should be governed was considered as part of the output from the Lyons review.

3 CITY REGIONS & GOVERNANCE

3.1 In discussing the role of local authorities in developing the economic well being of their communities in his May 2006 report Sir Michael comments that

The principle of subsidiarity suggests that responsibilities, powers and arrangements to tackle economic issues should reflect the fact that they impact across a much wider area than the individual authority.

and

economic development should not just be the responsibility of individual authorities acting alone. There also needs to be some concerted action through larger coalitions above the level of the individual authority, which enables their responsibility for the local economy to be taken forward with others operating across authority boundaries.

3.2 This reflects the shared view within AGMA. Whilst there are differing views on the details there is a developing view within Greater Manchester authorities that for several policy areas (see section 5 below) there needs to be a city region wide approach. The current, voluntary arrangements do not give us the necessary powers to realise our vision for the conurbation to fulfil its potential of being a globally competitive, world-class city region with a vibrant and dynamic economy delivering opportunity for all our communities. Our vision is of Greater Manchester meeting its capability to provide the only viable counterbalance to London and the South East and deliver the Government's key objectives, set out in the Northern Way and in its Regional Economic Performance Public Service Agreement targets. Whilst our joint work has had its successes there are limits to which effective setting of priorities and taking hard decisions can be delivered without anything stronger than a willingness to collaborate by government agencies working within the city region.

- 3.3 In arguing the case for more devolution of decision making for certain policy areas at the city region level we do not advocate that this should be done in a way which changes powers currently held by the local authorities. Local authorities would continue to be the building blocks of service delivery and the focal point for the engagement of local people within the conurbation in terms of building better communities. There will be some functions where we believe a city region perspective in terms of setting priorities and developing collective action is appropriate. But for many services, and in terms of making a direct impact on people and supporting them in their daily lives, “local” will continue to be key, whether that be at authority or neighbourhood level.
- 3.4 The inherent weakness in the current arrangements is that existing structures do not ensure that all agencies operating within Greater Manchester work towards shared strategic goals. At the very least we would seek to tie these bodies into the joint development of integrated strategies jointly owned and to which all are jointly accountable.
- 3.5 One of the difficulties in achieving this objective under current arrangements is the lack, in many cases, of any local or sub-regional dimension to the targets and priorities set for agencies by National Government. In negotiations with these agencies and when developing sub regional strategies and plans of action their room for manoeuvre in terms of responding to local priorities and needs can, at times, be rather limited. This is often not due to the unwillingness of local practitioners, but because of the national performance parameters within which they have to operate.
- 3.6 Making the case for a need for a local perspective and priority to be taken into account in terms of setting targets does not imply the wholesale tearing up of national performance standards. What it means is the addition of a local perspective and intelligence to inform those strategies and to amend them to reflect local priority and to be able to drive effective local delivery of agreed national and sub-national targets and outcomes.
- 3.7 Consequently what we would advocate – given the second of the comments by Sir Michael that we quote at the beginning of this section - is that as well as the need for local authorities to cooperate, there should be a similar responsibility on Government to require its agency functions to work with other partners in a framework of accountability which gives as much importance to the specific needs of city region economies as to national targets.
- 3.8 One of the ways in which this could be realised is by the more creative use of the Local Area Agreement (LAA) concept and developing it at a city region level (a ‘Metropolitan Area Agreement’) for those policy areas where a consensus emerges on a role for governance at a city region wide level. The issue for many local authorities is that whilst the LAA model is potentially very effective, the opportunities it creates become enmeshed in central government reporting and accountability requirements and a consequent loss of much potential power or influence for local partners.

4 PLACE SHAPING

- 4.1 Sir Michael defines place sharing as being the ultimate purpose of local government in that the role of local authorities: -

should not be solely to manage a collection of public services that take place within an area, but rather to take responsibility for the well-being of an area and the people who live there, and to promote their interests and their future.

Critically from AGMA's perspective in terms of the continuing debate on city region governance he also says that: -

Place-shaping should both reflect the distinctive identity and aspirations of the people and area, and function as a means of safeguarding and promoting their well-being and prosperity.

- 4.2 We see the establishment of a more formally structured arrangement for city region governance within Greater Manchester as part of taking responsibility for the place shaping role perceived by Sir Michael. In our plans for governance we have adopted the principle that our proposals should not change powers currently held by individual authorities within Greater Manchester. Local authorities would continue to be the building blocks of service delivery and the focal point for the engagement of local people within the conurbation in terms of building better communities. However there are some functions where we believe a city region perspective in terms of setting priorities and developing collective action is appropriate (see section 5 below). But for many services, and in terms of making a direct impact on people and supporting them in their daily lives, "local" will continue to be key, whether that be at authority or neighbourhood level.
- 4.3 One of our concerns is that the debate on city regions appears to becoming more narrowly focused on one potential form of governance only, that of a city region mayor. From the perspective of AGMA this does not, as far as Greater Manchester is concerned, reflect the distinctive identity of our people. What we would prefer to see is a mature debate to identify those powers and freedoms necessary to enable our city regions to operate effectively. Then we can design a structure of governance that is both appropriate and effective in delivering those outcomes and reflects the circumstances within individual city regions.
- 4.4 On this last point; and without trying to polarise the debate further, in London there is a strong cultural identification with 'London'. In Greater Manchester the identification is more with individual towns and neighbourhoods. However we have a long history of joint working and partnership building upon our key economic assets and the many areas that make up 'Greater' Manchester. Therefore our proposed form of governance is based on an Executive formed from the leaders of the 10 Greater Manchester councils, reflecting this history and the different cultural and neighbourhood perspectives between London and Greater Manchester.
- 4.5 Finally, Sir Michael makes the point that the development of economic well being is also an important role for local government outside cities. We acknowledge this and, given our comments earlier about the fact that economically Manchester's influence goes beyond that of Greater Manchester, it is our intention to engage wider city-regional partners in various aspects of the development of our agendas for economic development and infrastructure investment. This could develop into

more extensive and formal structural engagement in the longer term. However we need to move at a pace that is manageable and appropriate whilst ensuring that this wider constituency is in a position to influence and contribute to the longer-term agenda.

5 CROWDING OUT

5.1 Sir Michael expresses an opinion that

“too much of the activity of local authorities is driven by the decisions, guidance and priorities of central government departments”.

Within AGMA we would also apply those comments to the way in which city regions and their economic and social development are controlled.

5.2 We have already referred to this issue in section 3 above in that there is little account taken of differing priorities and needs within individual city regions, where these may not directly conform to the national priorities and targets set for Government agencies. We would also support the contention Sir Michael makes that: -

“greater devolution will improve public trust in the system of local and national government as a whole”.

5.3 Sir Michael also goes on to say that: -

“a number of other functions, or elements of larger services, should be examined to consider whether greater local flexibility would be in the public interest – perhaps because there are significant local synergies or economies of scope at the local level, or because their relative importance and the ‘right’ outcome vary significantly between different areas”

In our view this is the correct perspective. Our proposals for city region governance have identified 6 areas where we believe more local flexibility is necessary at a sub regional level. We set out briefly below why we believe these areas need a more local, city region, focus: -

5.4 Economic Development, Skills and Employment

We have already set out an agreed economic direction in our City Region Development Plan and the practical actions needed in the Greater Manchester Economic Development and Implementation Plans. We are also agreeing 3 year investment plans with the North West Development Agency. However current arrangements hamper taking these plans forward effectively as resources, accountability and strategy are split between a range of local, sub-regional, regional and national bodies. This leads to a lack of focus on both the opportunities and challenges specific to the city region and consequent economic underperformance.

In particular (echoing the points we make in section 3 above) at the moment we need to strengthen the level of connectivity between the actions of the LSC in promoting education and training for post 16's within Greater Manchester and that

of Job Centre+ in working to support people into employment. We need to see a more formal role at city region level for partners to jointly work together in developing a shared agenda for this critical aspect of our aims for growth within the city region.

5.5 Transport

The city region has worked together closely on transport for many years. However, one of the main issues is the complete absence of any accountability – or even significant engagement – between the “heavy¹” rail network and services, the Highways Agency and local transport planning, i.e. proper integration across *all* modes. This hampers the ability to make tough decisions (on issues such as charging) and to lobby effectively both locally and nationally for investment in major infrastructure projects. What we want to see developed is a formal mechanism, which gives the Manchester City region the powers to plan and procure a public transport network for the conurbation across all modes, including heavy rail.

5.6 Housing and Strategic Planning

Greater Manchester’s projected economic and demographic growth trajectories mean we need a strategic plan owned across the conurbation to ensure we can manage and direct this growth effectively and sustainably. For the city region to reach its economic potential, Regional Spatial and Housing strategies must align, be consistent with the Regional Economic Strategy and properly recognise the role and needs of the city region. This is not currently the case. The city region needs a powerful voice on these issues and the ability to call national and regional funding bodies to account for their investment decisions. In particular there needs to be a more direct linkage between the delivery of the regional economic strategy spatially within City Region and the creation of a housing offer that meets the demands, aspirations and needs of the growing city region population.

5.7 Health

Greater Manchester is one of the least healthy places in England and health inequalities within the conurbation core appear to be getting wider. Cancer and respiratory disease are particular areas for concern locally. There is an opportunity to develop and drive forward a shared agenda based around health services prioritised according to the needs of our population and with an overt system of accountability linked to locally agreed targets. As in other policy areas these should be given equal weight to national targets set by government. A city region wide perspective would also give us the opportunity to better integrate the needed service and public health improvements with the large and expanding University capacity for research of international quality and with the enormous private sector scale of pharmaceutical activity.

5.8 Safer Communities

We need to continue strengthening and making more effective the way in which we co-ordinate the activities of the agencies operating in the field of safer

¹ i. e. not the light rail/tram network

communities in the city region. There needs to be recognition of the need for collective action and shared local targets on a number of key interventions and for the performance of these to be democratically accountable. Whilst on some aspects structures are already in place, again the issue is that local targets need to be given equal weight with national targets so that national priorities that are not relevant locally do not pointlessly dominate.

5.9 The Environment

Economic growth brings with it questions of environmental impact and sustainability. Research also shows that half the world's population lives in cities. The implication of this is that there can be no solution to climate change without cities playing a leadership role. However there is no mechanism for accountability, powers or remit to co-ordinate a city region wide response to any of these fundamental issues.

6 POWERS

6.1 The final part of our submission relates to Sir Michael's comments on the effective use of powers. In particular we would wish to highlight and support his comments that: -

we should consider further the powers of local authorities in a limited number of areas to ensure they are adequately equipped to convene and place-shape effectively

and that

there is a strong case in favour of enhancing local government's ability to influence other local public service providers.

6.2 Part of our perspective on the future of city region governance has been that current arrangements have delivered much; but much remains to be done particularly in aligning activities in order to reinforce effectiveness and eliminate duplication. We do recognise that some of what we wish to do (very briefly summarised in section 5 above) can be embarked upon without extra powers. However the potential of establishing a duty to collaborate on the part of all agencies (including Local Authorities) is something we would support. This would create a real possibility, without restructuring, of establishing the statutory framework we believe necessary if we are to secure maximum economic benefits from these proposals.

6.3 As we have explained before, even where the voluntary route is effective there is no system to be able to formally set priorities and targets for delivery and scrutinise performance within key policy areas. Collaborative arrangements lack the power to be effective in a number of key areas.

6.4 Primary legislation is a time consuming business but we believe that even without this, the Government could do more in terms of devolving powers, particularly by adopting a more overt recognition of city regions in terms of the development of strategy and the co-ordination of delivery. For example:

- Introducing initiatives that encourage local authorities within city regions to collaborate in developing programmes under a strategic framework, with the support of regional agencies; rather than expecting them to compete with each other. Current initiatives, of which LEGI² and city strategies are only the most

² Local Enterprise Growth Initiative

recent examples, tend to start from an individual local authority perspective and often ignore the reality of economic geographies within city regions

- Introducing more explicit guidance, particularly in the areas of strategic planning and housing, which will more overtly encourage local authorities to collaborate in these areas at a city region level
- Requiring more formal engagement of Government agencies working with partners at a city region level through the creation of a new Metropolitan Area Agreement, linking key local, regional and national agencies into a clear framework for the development of strategy and the delivery of agreed priority outcomes. This can provide a mechanism to enable Government agencies to work with other partners in a framework of accountability which gives as much importance to the specific needs of city region economies as well as to national targets.

6.5 However primary legislation would help us in the medium term to achieve our objectives by: -

- Introducing a duty amongst partners in city regions to work together in those areas identified as necessary to enable our city regions to operate effectively
- Recognising the need for strategic spatial planning at the city region level
- Providing a mechanism to deliver integrated transport planning and delivery within cities; and
- Introducing fiscal changes to enable more creative ways of funding development.