

# MUNK SCHOOL OF GLOBAL AFFAIRS & PUBLIC POLICY DISTINGUISHED LECTURE SERIES

## METROPOLITAN GOVERNANCE: FUTURE NECESSITY OR MISPLACED DREAM?

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Municipal Finance and Governance, Munk School

**September 19, 2019**

**5:00 - 6:30 PM**



# Plan for this session; 4 key questions

- What's good about metropolitan governance, in theory?
- If it's that good, how come there aren't more successful examples of it?
- How has Greater Manchester (GM) overcome (some of) the obstacles to metropolitan institutional development?
- What are the implications of GM's experiences, within the UK and beyond?

# What's good about metro governance?

- It enables strategic decision-making for a functional/natural urban/economic area..
- .. at the lowest feasible level (subsidiarity)..
- ... and hence (potentially) with maximum feasible democratic input by citizens
- It overcomes parochial politics and guards against wasteful intra-metropolitan competition..
- .. thereby enabling the 'internalisation of externalities'..
- .. and the effective management of the 'new' agglomeration forces that privilege dense, diverse, highly-connected urban centres for wider benefit
- It 'fits' better with a more globalised economy in which nation states are simultaneously too small and too big to steer change effectively

# So why aren't there more successful examples?

- All of the potential benefits listed above are disputed, in theory, and hard to realise in practice. Barriers include:
- Difficulties in defining the 'right' metro scale and achieving consensus about it
- Disinterest in 'grand designs'/technocratic arguments by citizens more concerned with day to day realities
- Parochial politics is powerful, particularly when it is protected by constitutions
- Change will always generate losers, with loud voices, as well as winners
- Higher levels of government typically want to retain their powers, not give them away

**So what has GM achieved by way of overcoming these barriers?**

# GM: A quick overview

**GMCA**

BOLTON  
BURY

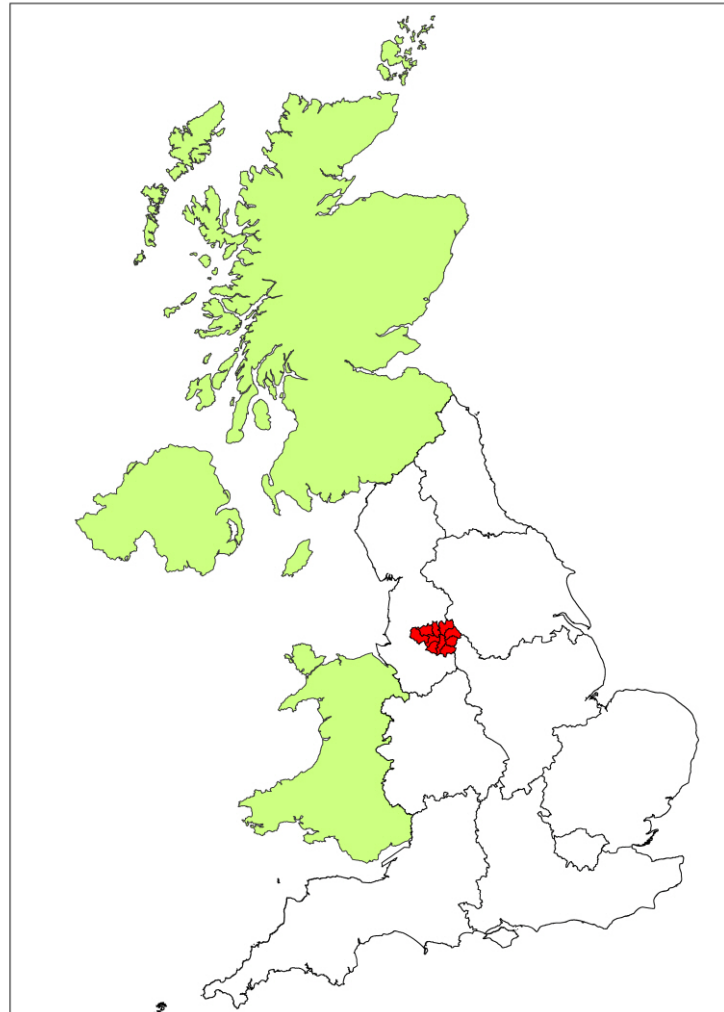
MANCHESTER  
OLDHAM

ROCHDALE  
SALFORD

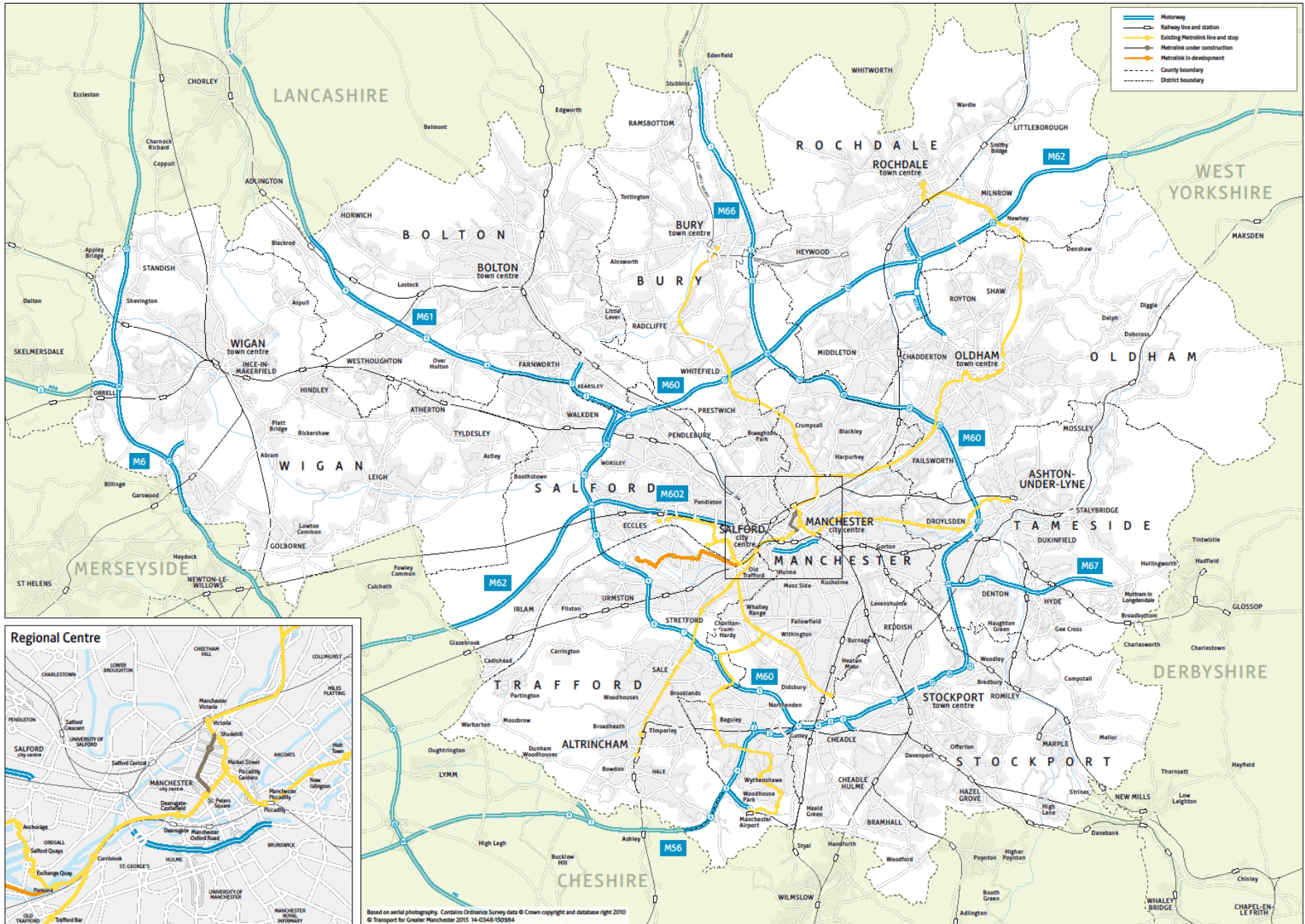
STOCKPORT  
TAMESIDE

TRAFFORD  
WIGAN

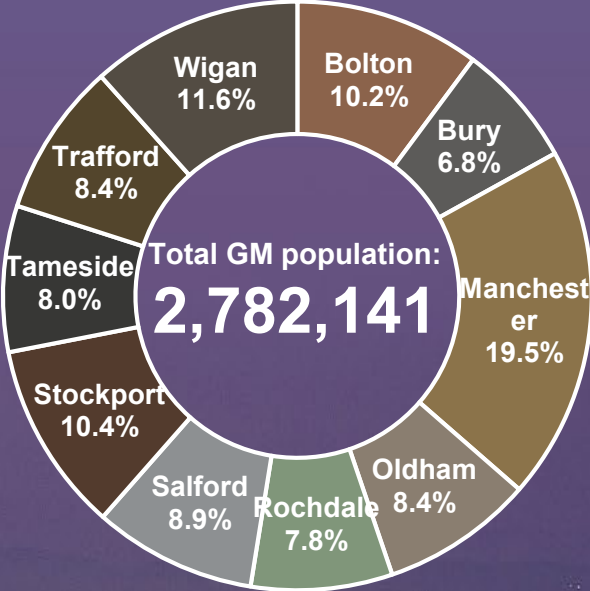
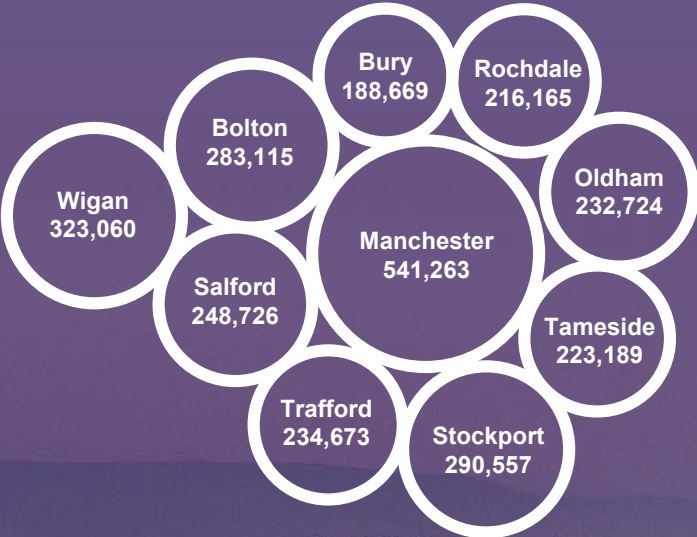
# GM & the nations & regions of the UK



# Greater Manchester



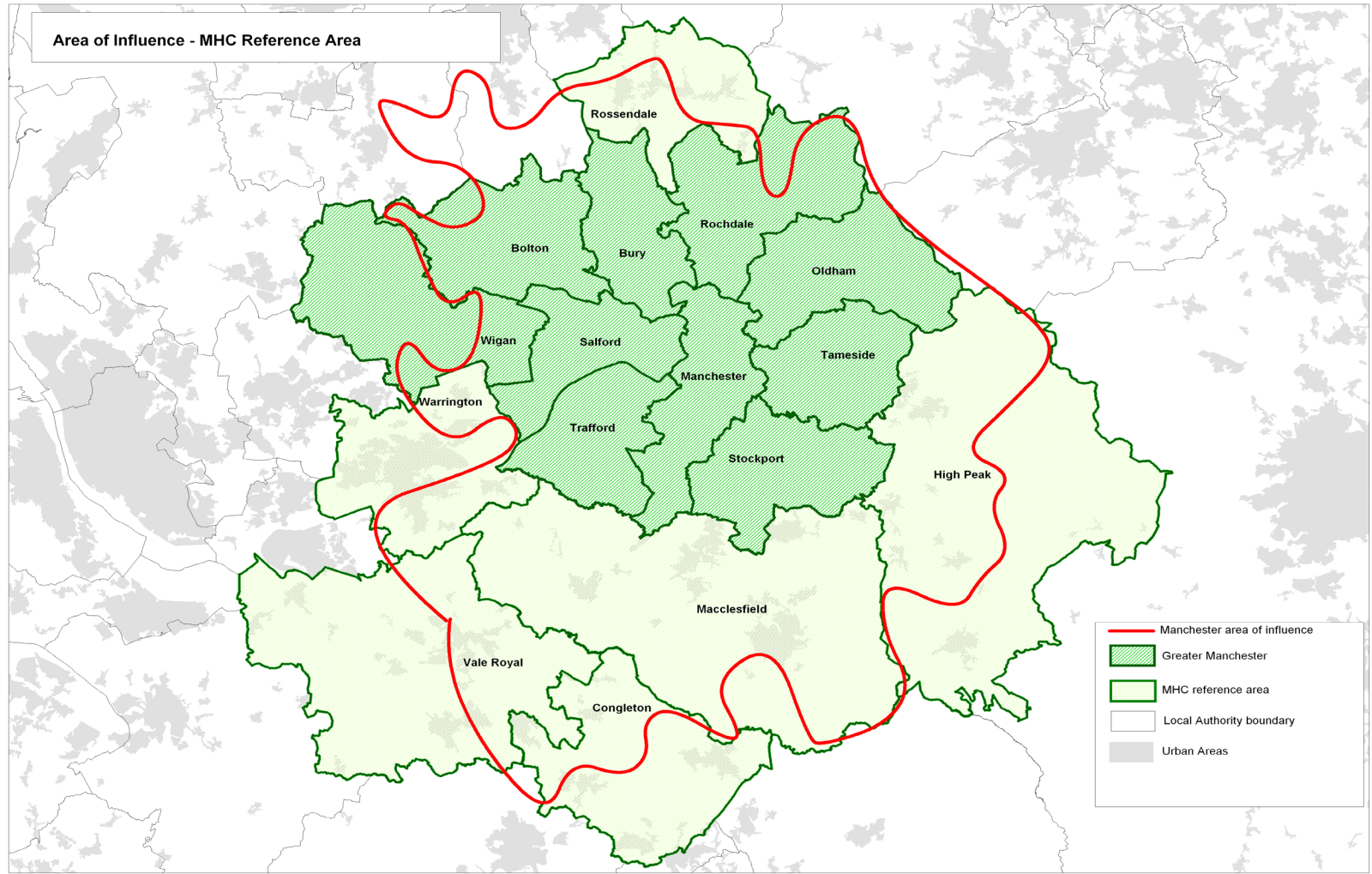
# DISTRICTS



Source: ONS and GMFM



# Greater Manchester: a functional economic area



# THE GREATER MANCHESTER ECONOMY



2.8m people  
+240,000 since  
2000



1.3m working in GM  
+100,000 over next 10  
years



110,000 businesses



Over 100,000 Higher  
Education Students  
at 5 HE Institutions

## Gross Value Added



BIGGER THAN



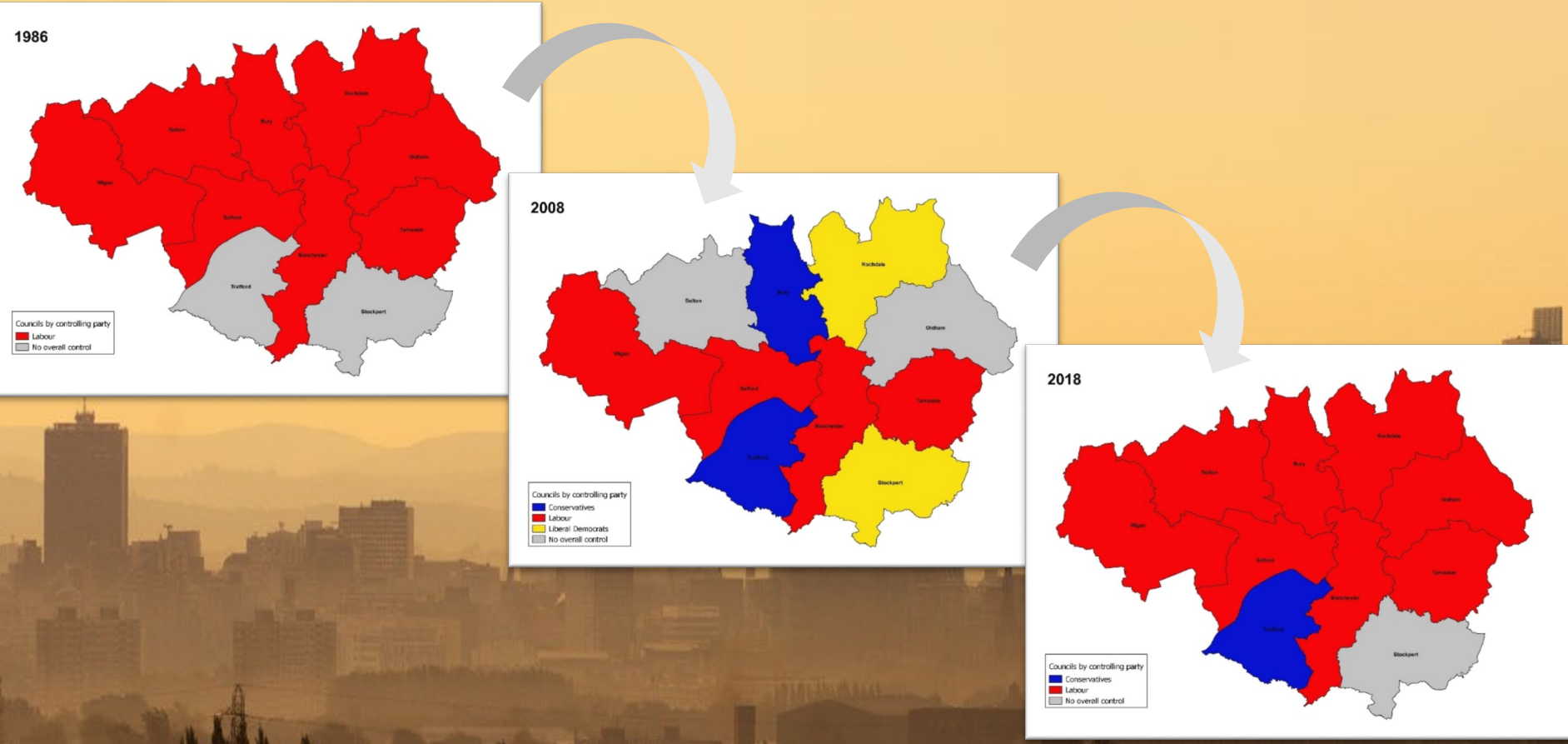
Source: ONS and GMFM

# GREATER MANCHESTER – KEY ASSETS



GMCA

# POLITICAL COMPOSITION



# GM institutional development

**GMCA**

BOLTON  
BURY

MANCHESTER  
OLDHAM

ROCHDALE  
SALFORD

STOCKPORT  
TAMESIDE

TRAFFORD  
WIGAN

# GM 'city-regionalism' is long-standing

Context (1980s onward): centralisation of control over fiscal & functional powers of local government. In GM:

1. 2-tier metropolitan government **ment** 1974-1986. 'Strategic' metropolitan county + 10 districts
2. Weak metropolitan govern**ance**, late 80s, early 90s. Joint metro bodies for transport, policy, fire, residual functions. Retention of network governance at metro scale (AGMA) but district competition for development ('won' by inner metro area)
3. Metro institutional development. Mid 90s-early 00s. Creation of metro institutions for visitor promotion, inward investment, economic and related strategy development in context of weak English regionalism
4. Greater Mcr as leading exponent of new English 'city-regionalism' outside London. New 'Combined Authority' (2011) that can capture devolved/delegated functions. 1<sup>st</sup> directly elected Mayor, 2017.

# TIMELINE

**GMC**  
Greater Manchester Council  
Greater Manchester Council abolished

  
Marketing Manchester established

  
Northwest  
REGIONAL DEVELOPMENT AGENCY  
RDAs established

Transport referendum held (congestion charging)



Association of Greater Manchester Authorities and GMPTA/E established



City Pride Partnership created

MIDAS established



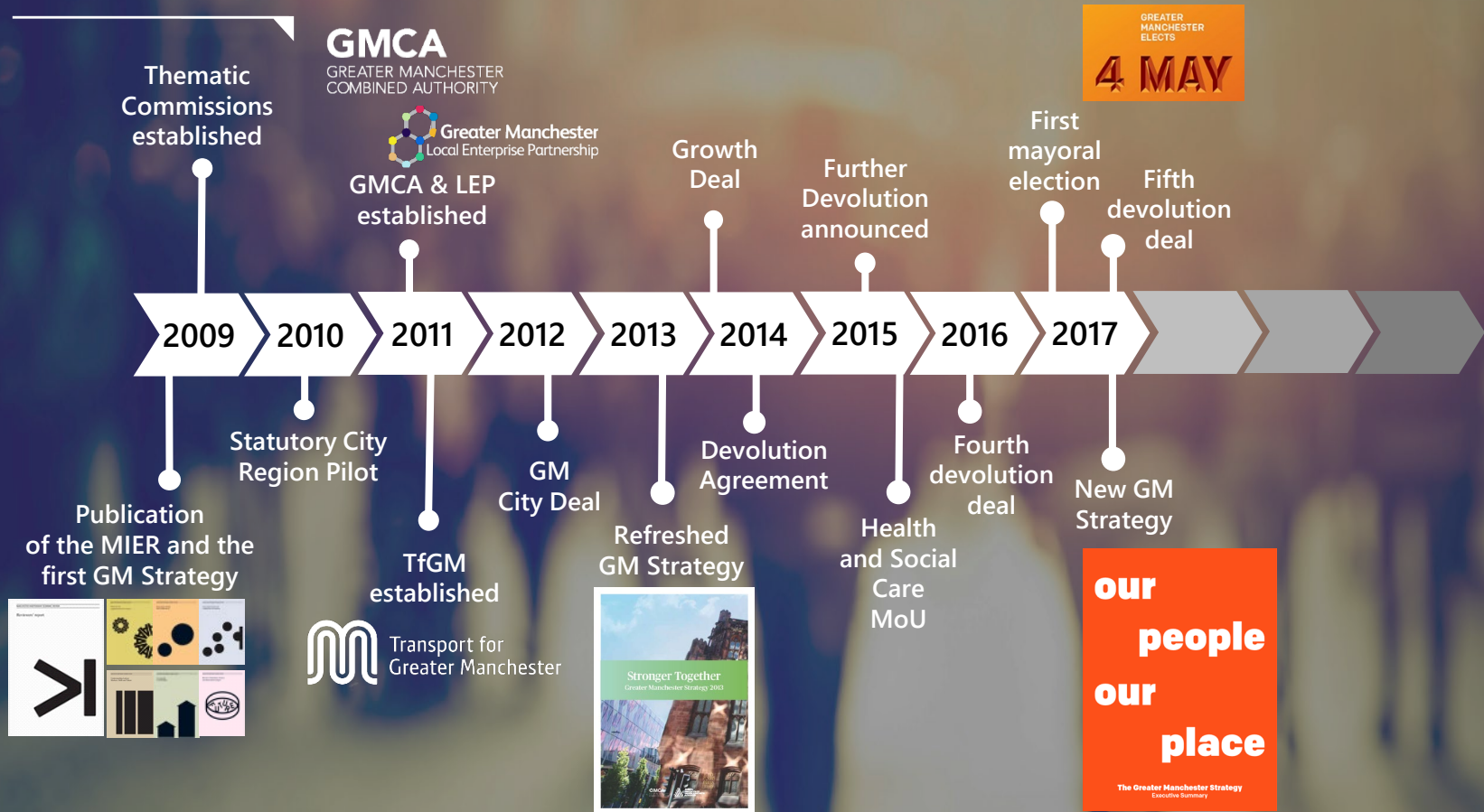
Manchester Enterprises established



New Economy established

**new economy**

# TIMELINE





## GMCA

- £1.4b revenue budget. Brings together previously separate GM bodies, largely related to economic development, with Fire and Waste authorities. Close links to Transport, Policing and Health functions, all organised at GM level, and the ten district councils.
- Covers the area of the 10 metropolitan district councils in Greater Manchester (GM)
- The functions of combined authorities were originally limited to transport, economic development and regeneration but legislation allows further functions to be added, with agreement of districts, national government
- GMCA has eleven members: the 10 council leaders plus the directly-elected Mayor
- The Mayor has appointed two Deputy Mayors, one for Policing and Crime, one for Economy and Business.
- Each of the leaders has a portfolio related to the activities of GMCA and is supported on their GM work by one or more council chief executives

# DEVOLUTION DEALS

Greater Manchester Agreement:  
devolution to the GMCA & transition  
to a directly elected mayor



GREAT MANCHESTER  
HEALTH AND SOCIAL  
CARE DEVOLUTION  
Memorandum of Understanding

Further devolution to the Greater  
Manchester Combined Authority  
and directly-elected Mayor



**Deal 1: Signed 3 Nov 2014**

New powers for the GMCA on condition of agreeing to an elected mayor who will also fulfil the role of the Police and Crime Commissioner. Powers cover transport, business support, employment and skills support, spatial planning, housing investment, earnback and governance reforms

**Deal 2: Signed 27 Feb 2015**

Bringing together health & social care budgets – £6bn – to deliver better outcomes for GM

Followed up by agreement in late 2015 for a £450m Health and Social Care Transformation Fund

**Deal 3: Agreed alongside the July 2015 Budget**

Included fundamental review of service for children, creation of a Greater Manchester Land Commission, transfer of Fire & Rescue responsibilities to the GM Mayor

# DEVOLUTION DEALS

Further devolution to the Greater Manchester Combined Authority and directly-elected Mayor



Further devolution to the Greater Manchester Combined Authority and directly-elected Mayor



Greater Manchester Autumn Budget 2017  
Update: Further commitments between Government and the Greater Manchester Combined Authority (GMCA) and the directly elected mayor



## Deal 4: Agreed Nov 2015

Agreed further transport devolution (including looking at options for control of rail stations), social housing reform, and control over EU funding

## Deal 5: Agreed March 2016

Agreement included establishment of GM Life Chances Fund, Criminal Justice Devolution, and piloting of 100% business rates retention

## Deal 6: Agreed Nov 2017

Agreement included local industrial strategy pilot, homelessness funding, additional transport funding, post-16 education and training, and Mayoral capacity funding.

## WHAT IS 'DEVOLVED' TO GM? Key e.g.s

- 30-year, £30m pa **transport infrastructure** fund, responsibility for **franchised bus services**, power to introduce integrated **smart ticketing** across all local modes of transport
- **Health & social care**; NHS and district budgets + 'transformation fund'
- Powers over **strategic planning** (new statutory spatial framework, Land Commission for publicly owned land, designation of Mayoral Development Corporation areas)
- 19+ skills budget (adult education), employment support (with Govt agents)
- European structural funds, business support services
- 100% retention of local business rates (fixed term pilot), power to levy additional business rate levy, standard LA borrowing power
- Mayor has also used soft power to convene/enable joint-responses to challenges (e.g. homelessness) that are beyond his formal powers

GM strategy-development since the  
election of the Mayor (2017)

## GM's strategic approach: vision

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- “Our vision is to make Greater Manchester one of the best places in the world to grow up, get on and grow old.
- A place where all children are given the best start in life and young people grow up inspired to exceed expectations.
- A place where people are proud to live, with a decent home, a fulfilling job, and stress-free journeys the norm. But if you need a helping hand you'll get it.
- A place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.
- A place where people live healthy lives and older people are valued.
- A place at the forefront of action on climate change with clean air and a flourishing natural environment.
- A place where all voices are heard and where, working together, we can shape our future.”

# Our new strategic approach: 10 priorities

## Let's make



1

Children starting school ready to learn



2

Young people equipped for life



3

Good jobs for people to progress and develop



4

A thriving economy in Greater Manchester



5

World-class connectivity

# Greater Manchester

## one of the best



6

Safe, decent and affordable housing



7

A green city for all



8

Safe and strong communities



9

Healthy lives and quality care



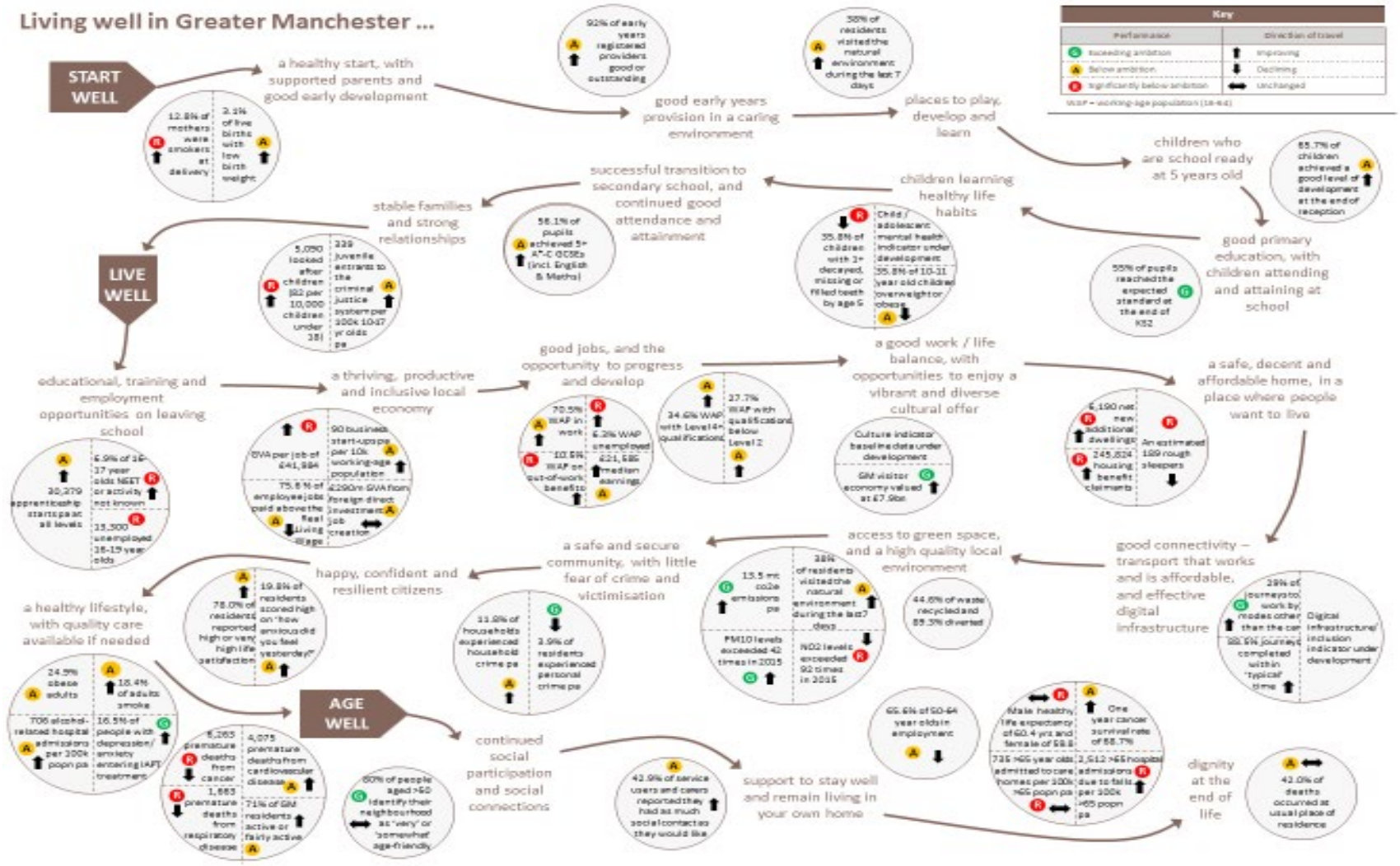
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An age-friendly Greater Manchester

# places in the world

# Our new strategic approach: a good life journey

## Living well in Greater Manchester ...



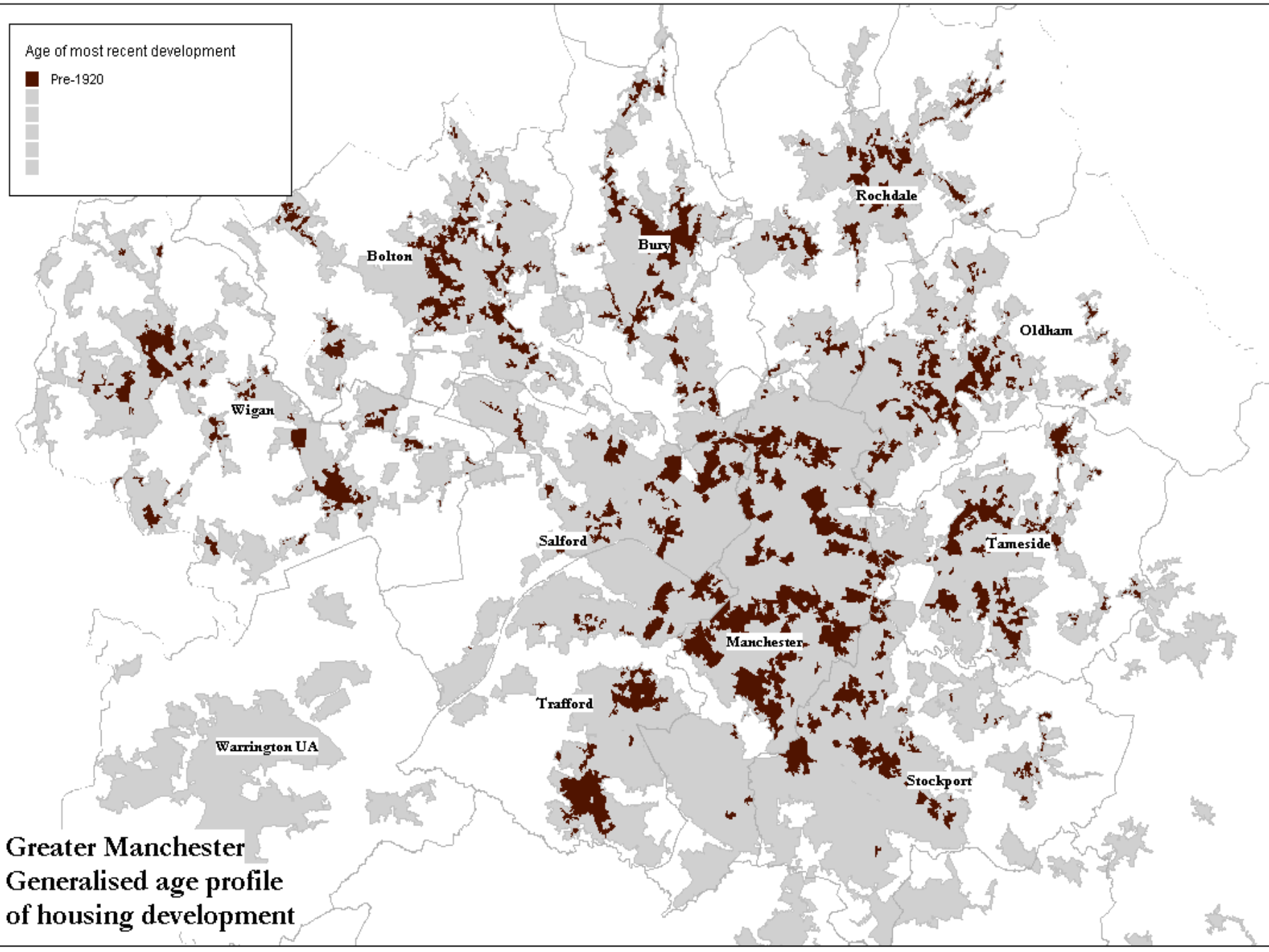


What has enabled change in GM?

GM has grown together

Age of most recent development

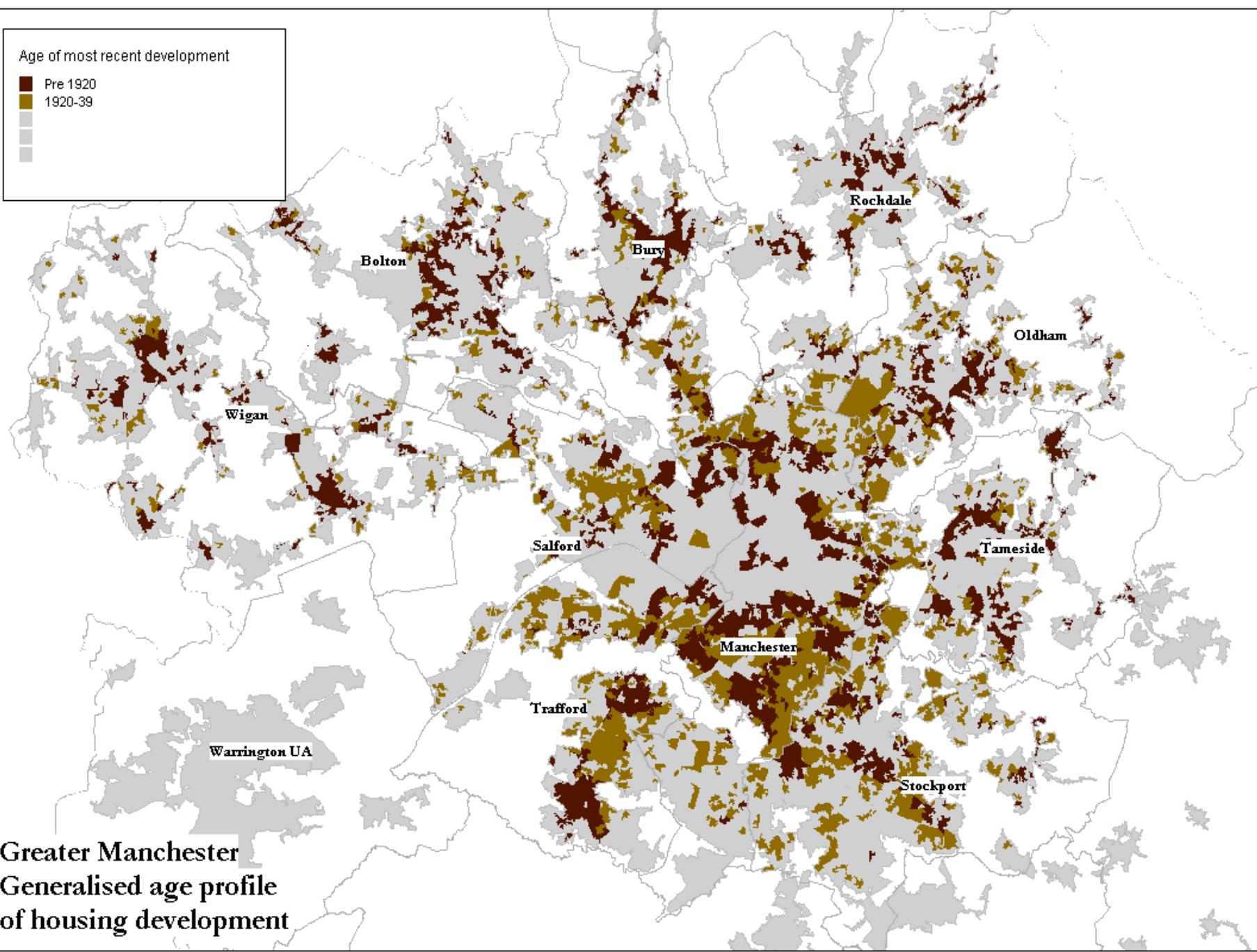
■ Pre-1920



Greater Manchester  
Generalised age profile  
of housing development

Age of most recent development

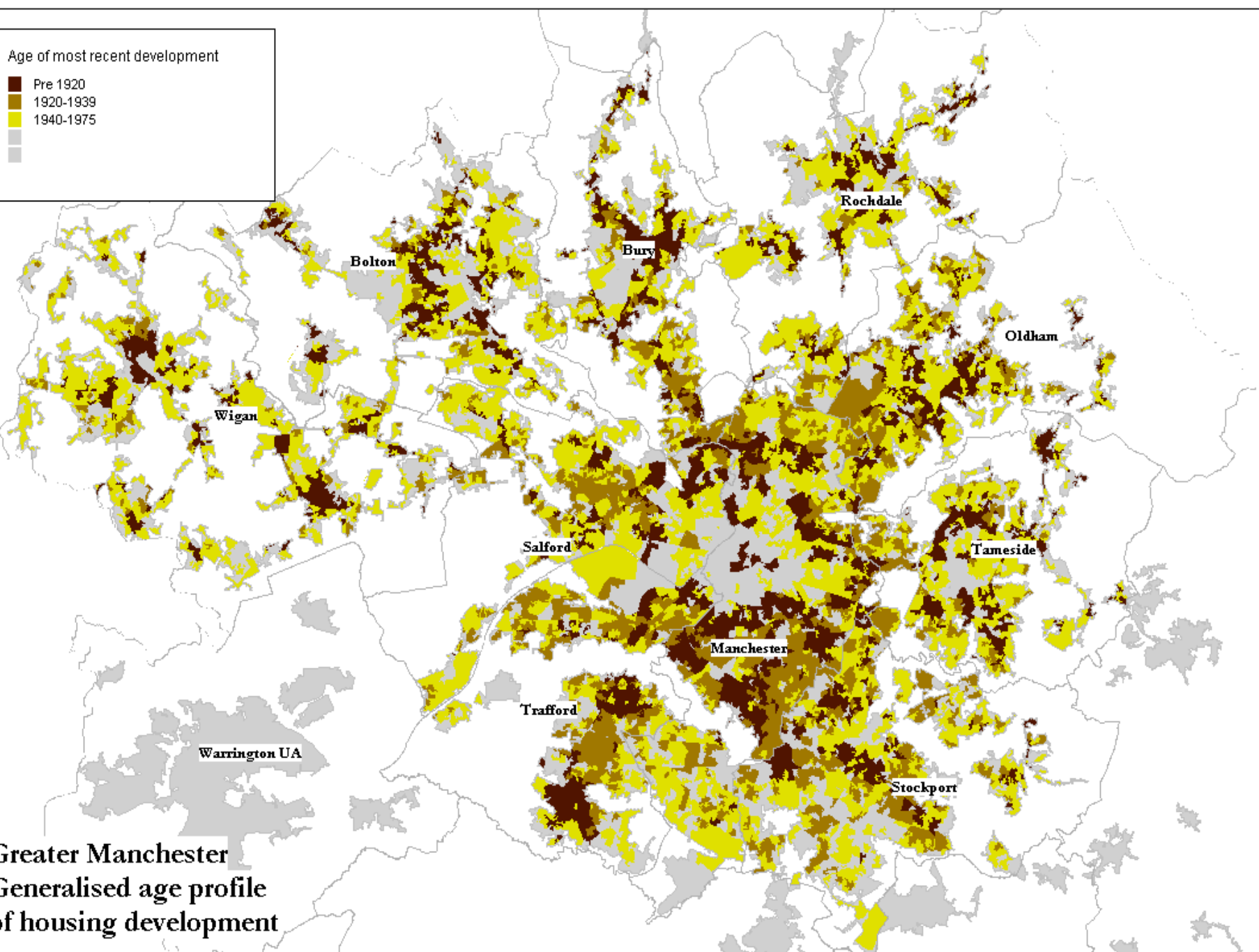
- Pre 1920
- 1920-39
- 
- 



Greater Manchester  
Generalised age profile  
of housing development

Age of most recent development

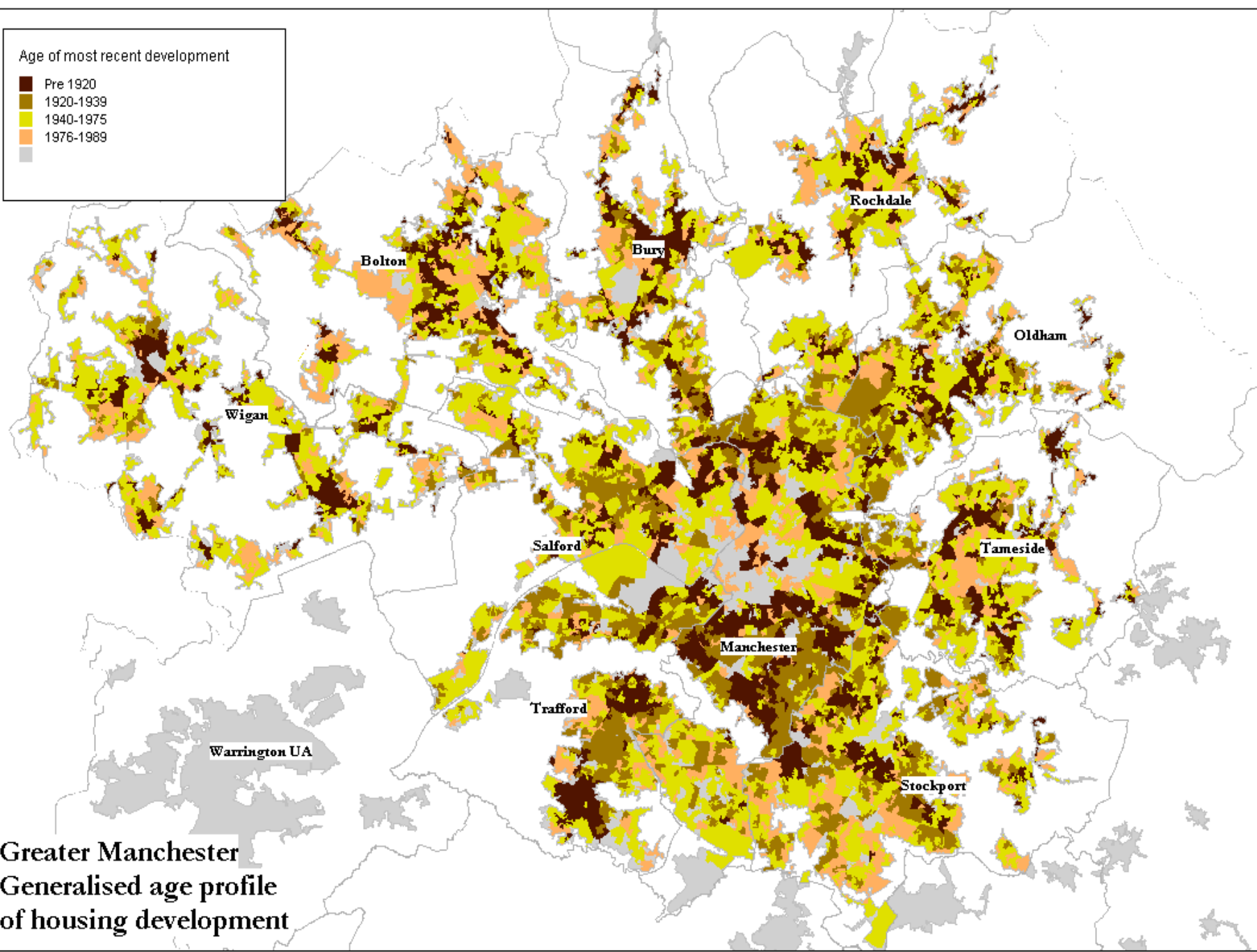
- Pre 1920
- 1920-1939
- 1940-1975



Greater Manchester  
Generalised age profile  
of housing development

Age of most recent development

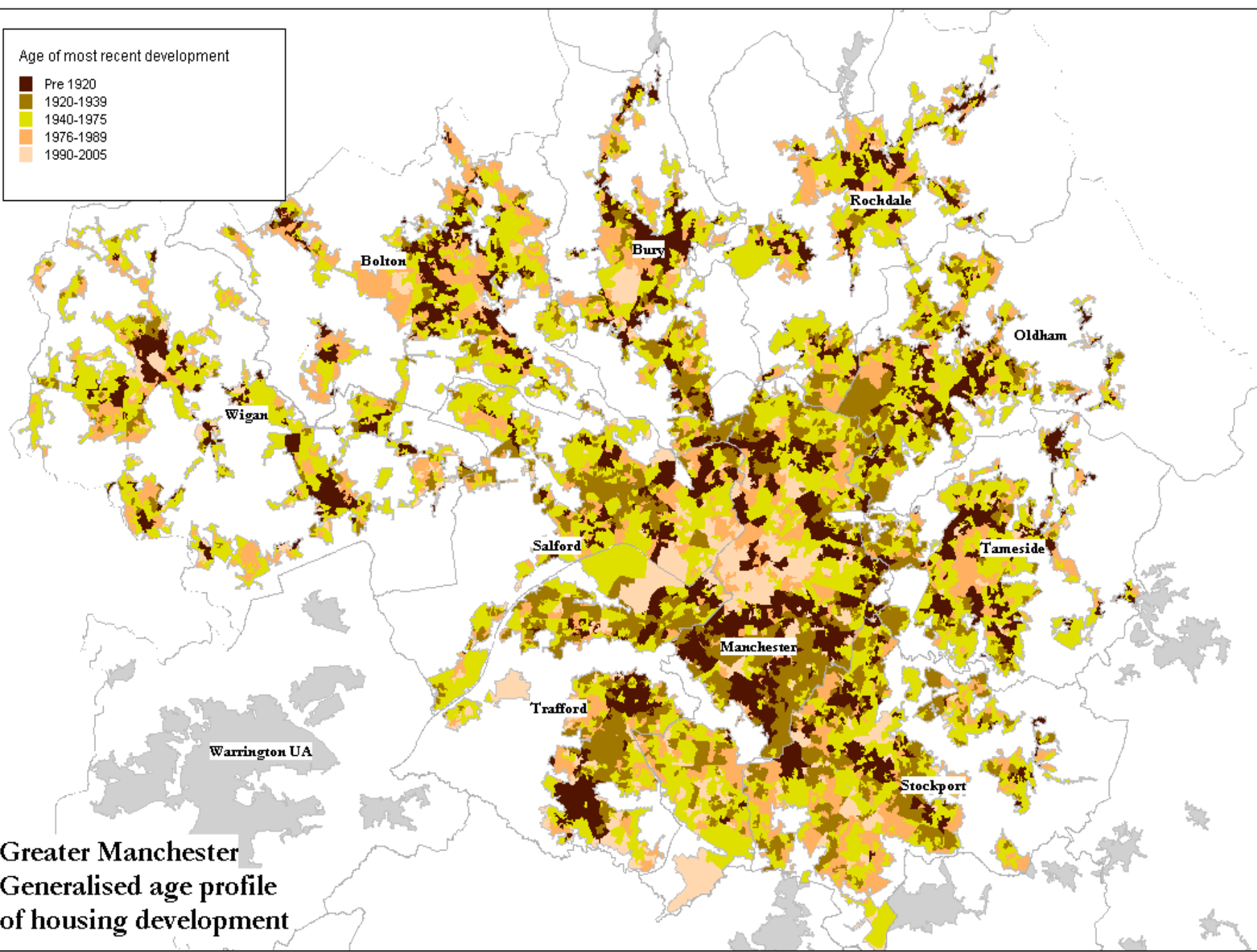
- Pre 1920
- 1920-1939
- 1940-1975
- 1976-1989
- 



Greater Manchester  
Generalised age profile  
of housing development

Age of most recent development

- Pre 1920
- 1920-1939
- 1940-1975
- 1976-1989
- 1990-2005



Greater Manchester  
Generalised age profile  
of housing development

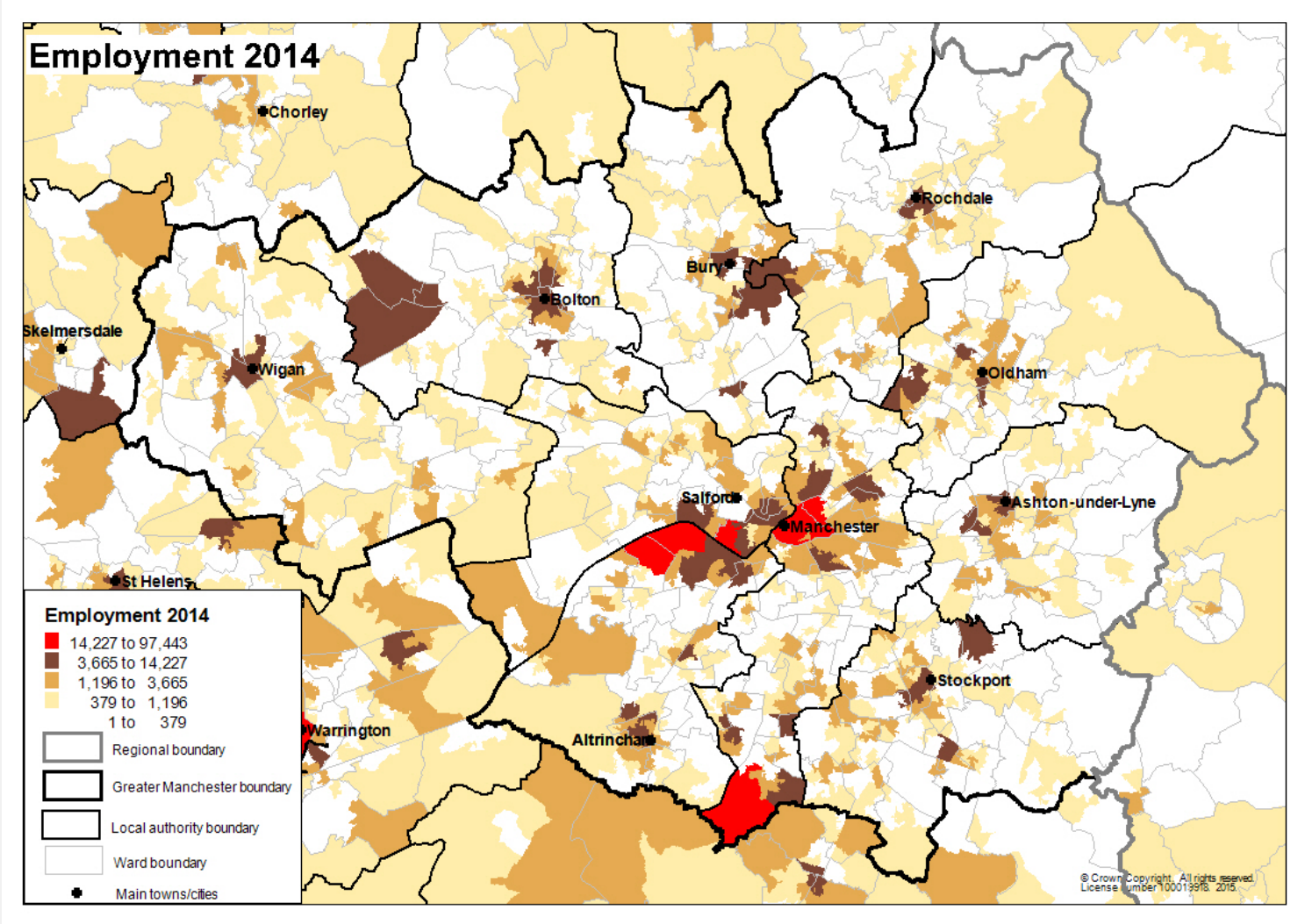
GM has an integrated, diverse  
economy, focused on the  
conurbation core



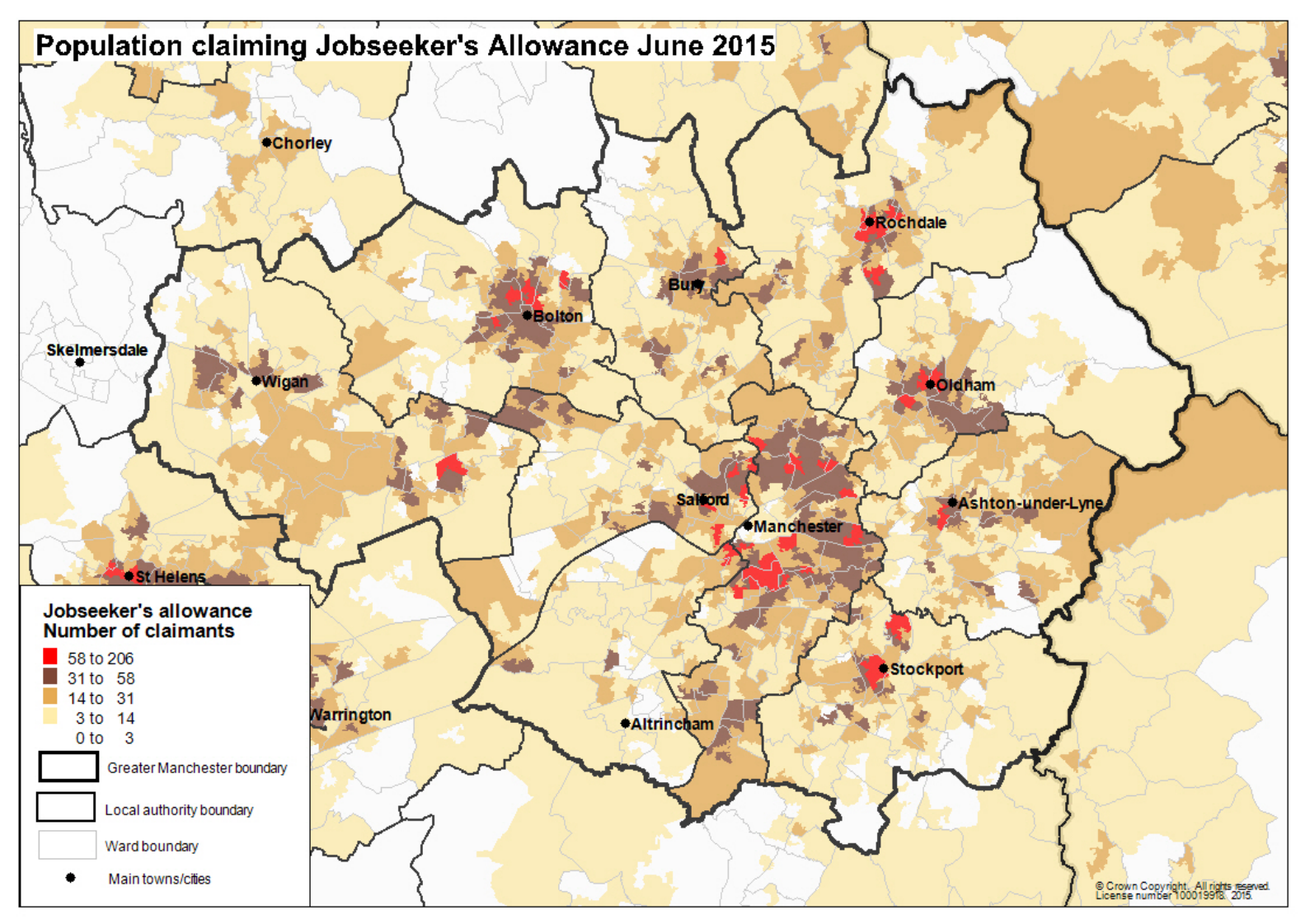
# Greater Manchester's Economy

- An economically diverse city-region.
- High growth, cf all UK bar London region, but productivity gap with UK average.
- Globally significant communications infrastructure and science, research, innovation and visitor assets.
- Financial and professional services, advanced manufacturing, health innovation and digital industries account for 1/3 GM jobs.

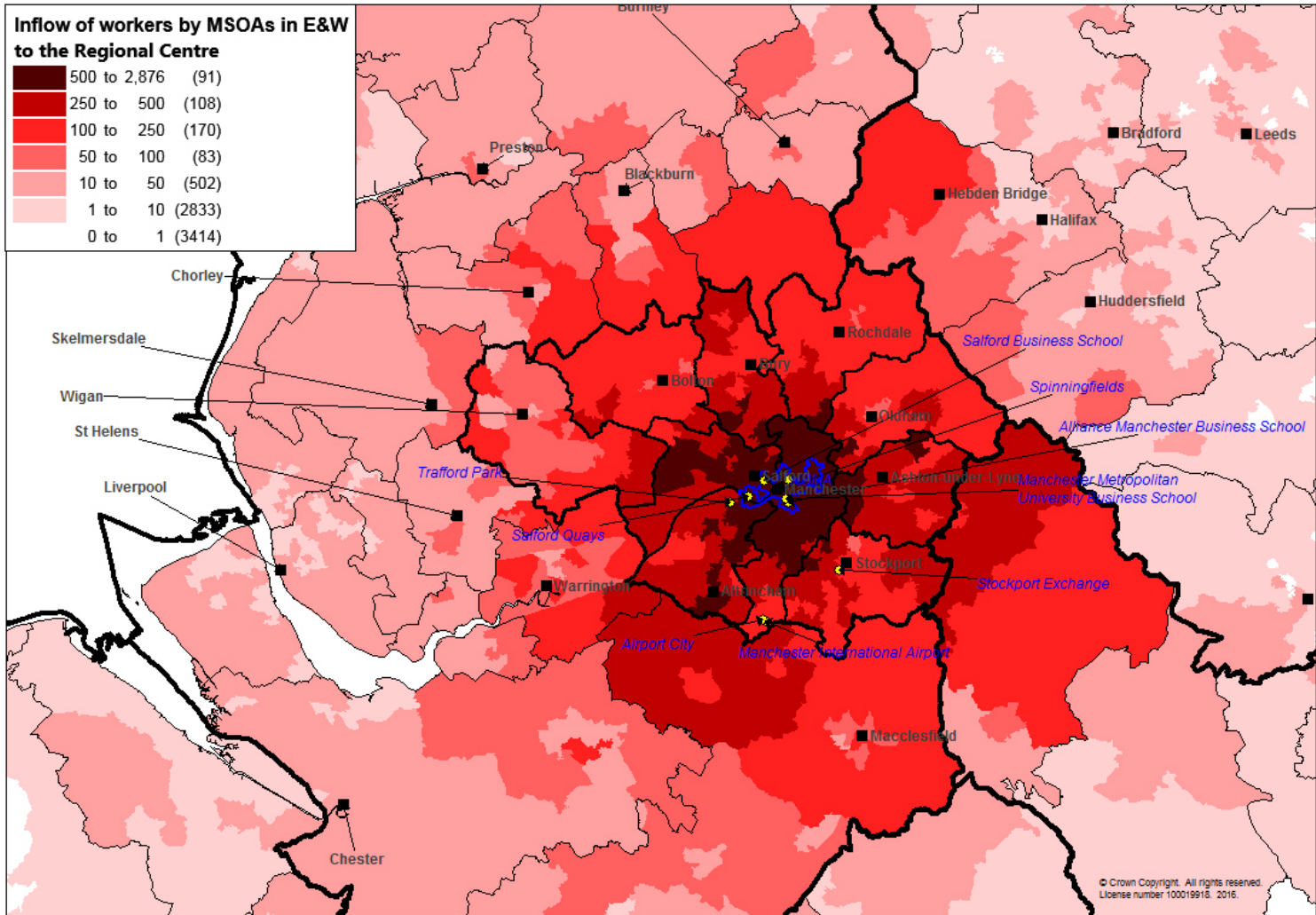
# Greater Manchester's economic geography (1)



# Greater Manchester's economic geography (2)



GM has an interdependent  
labour market

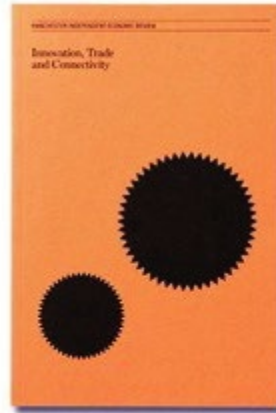


GM invests in its evidence base (for reasons of understanding and inter-governmental influence)

# Manchester Independent Economic Review (MIER)



*The Case for Agglomeration*



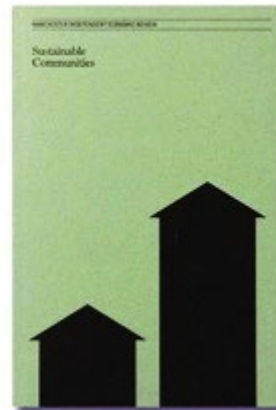
*Innovation, Trade & Connectivity*



*Labour Markets, Skills & Talent*



*Daresbury Campus Review*



*Sustainable Communities*



*Inward & Indigenous Investment*



# **GREATER MANCHESTER INDEPENDENT PROSPERITY REVIEW**

#GMProsperityReview

[gmprosperityreview.co.uk](http://gmprosperityreview.co.uk)



# Greater Manchester Independent Prosperity Review Panel

Intensive nine-month process to update Greater Manchester's economic evidence-base, led by a panel of leading economic experts

The Review Panel was responsible for:

- Assessing progress against the MIER and identifying lessons learnt
- Reviewing GM's evidence base and current policy response, identifying key gaps
- Commissioning new, ground-breaking research into priority areas
- Making recommendations for the GM Local Industrial Strategy



**Diane Coyle (Chair)**  
Bennett Professor of Public Policy, University of Cambridge



**Professor Ed Glaeser**  
Professor of Economics at Harvard University



**Stephanie Flanders**  
Head of Bloomberg Economics



**Professor Henry Overman**  
Professor of Economic Geography at the London School of Economics



**Professor Mariana Mazzucato**  
Professor in the Economics of Innovation at University College London



**Darra Singh**  
Government & Public Sector Lead at Ernst & Young

Stable, capable leadership



So what?