

GREATER MANCHESTER INTEGRATED TRANSPORT AUTHORITY

REPORT FOR RESOLUTION

DATE: 12 FEBRUARY, 2010

SUBJECT: CITY REGION PILOT AND GOVERNANCE

REPORT OF: CLERK TO THE AUTHORITY

SUMMARY

At its meeting in December, the Authority reviewed progress on matters concerning the City Region Pilot and associated governance arrangements including the passage of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA). It also considered the decisions taken by the AGMA Executive Board in November on the next steps regarding the framework for future AGMA governance including transport. The Authority noted the AGMA decisions in November and indicated that it would participate in a review of governance arrangements although it expressed concern about specific aspects of the review. This report describes the draft scheme of governance which was approved by the Executive Board in December for consultation purposes as part of the review and seeks the Authority's views as a formal consultee.

RECOMMENDATIONS

The Authority is recommended:

- 1 to consider the document "City Region Governance – A consultation on future arrangements in Greater Manchester", including a draft scheme for the establishment of a Combined Authority (CA);
- 2 to note that work has been commissioned by AGMA from KPMG to produce a business case examining the relative benefits of a CA compared to alternative options;
- 3 to note the issues raised in paragraph 33 which will be taken into account by the AGMA Executive Board when it considers a report on the review of governance later this month and to indicate whether there are any further matters which the Authority wishes to comment on or raise at this point for consideration.
- 4 to agree that a further meeting of the Authority be arranged to consider the outcome of the review and final draft proposals to be submitted to the AGMA Executive Board when the report to the Board is finalised.

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BACKGROUND DOCUMENTS (AVAILABLE FOR PUBLIC INSPECTION):

Previous reports to the Authority in August and December, 2009
AGMA Executive Board reports and associated papers
Local Transport Act, 2008
Local Democracy, Economic Development and Construction Act, 2009

BACKGROUND

- 1 At its meeting in December, the Authority reviewed progress on matters concerning the City Region Pilot (CRP) and associated governance arrangements including the passage of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and decisions taken by the AGMA Executive Board in November on outline proposals for future AGMA governance including transport. The outline proposals for future AGMA governance took account of the Government's requirement that a robust framework of governance is provided for the new City Region powers and functions, particularly in relation to transport. The Authority was given an update on the very positive meeting of Leaders and Ministers on 24 November and informed that the Ministerial Agreement had been signed at the AGMA meeting earlier in the day and contained significant devolution in relation to skills, post-16 provision and transport. The Authority was also informed that the Executive Board had considered and approved earlier that day a further report which set out, as requested in November, the detail of a draft scheme for consideration and approval for consultation purposes as part of a review of governance under the LDEDCA.
- 2 The Authority noted the AGMA decisions in November and earlier that day and agreed that it should be party to a review of governance arrangements although it expressed concern about specific aspects of the review including in particular that the Government had still to decide how the City Region can assume greater transport influence and responsibilities comparable to the powers now held by Transport for London. It also agreed to hold a members' seminar in early January to enable members to discuss the proposals and formulate a response. This was held on 18 January and the issues raised at that session and others raised since are considered later in this report.
- 3 The Authority was advised that at least 2 of the 10 districts/GMITA must agree to undertake the review and to prepare and publish a detailed scheme under the terms of the LDEDCA. In practice, 9 of the 10 districts together with the Authority agreed to be party to the review. Stockport simply noted the AGMA resolutions and Trafford, though it agreed to be party to the review, indicated that this did not constitute its agreement to participate in the preparation of a detailed scheme and identified a number of concerns which it would wish to see addressed during the consultation process.
- 4 Work on the preparation of the draft scheme of governance was led by Manchester, Rochdale and Trafford. The report submitted to the AGMA Executive Board in December reviewed the overall context provided by the CRP process to date as contained in the finalised Ministerial Agreement which was announced in the Pre Budget Report. It then put forward both the case for change and the detail of the draft scheme which was developed in accordance with the principles and

outline proposals agreed by the AGMA Executive Board and reported to this Authority in December as a basis for progressing the review. The draft scheme of governance was approved by the AGMA Executive Board for consultation purposes as part of the review and a formal consultation document was published in the first week of January. The document provides the basis for detailed consultation with local authorities (the 10 districts, the associate member authorities including this Authority and other appropriate neighbouring authorities) and other stakeholders including the Business Leadership Council over a 6 week period which ends on 15 February. Copies of the consultation document have been circulated with the papers for the Authority's meeting. This report seeks the Authority's views as a formal consultee on behalf of the City Council.

CITY REGION PILOT UPDATE

- 5 At the last meeting, the Authority was updated on the extremely positive outcomes anticipated from the CRP discussions between Leaders and Ministers. Approval of the detailed terms of a formal Agreement between AGMA and Government setting out these outcomes was announced in the Pre Budget Report and signed by Phil Woolas MP, Minister for the North West and Lord Peter Smith on behalf of AGMA on 18 December. The outcomes of the CRP process so far as reflected in the Agreement are set out in the consultation document and also below:
- Government endorsement of the Greater Manchester Strategy as the essential framework to support resource allocation and prioritisation.
 - Agreement to a new framework for public reform, initially through a series of pilot projects relating to deprived neighbourhoods, worklessness, skills, 0-5s etc., to create not only an evidence base to support different interventions but also an effective approach to devolved funding.
 - Greater Manchester to become the first place outside London to assume responsibility for determining its skill needs with a statutory Employment and Skills Board which will be able to set skills policy both through its own statutory powers to instruct the Skills Funding Agency and National Apprenticeship Service and through its strategy being embedded within the regional strategy which is likely to be binding on the SFA and its commissioning.
 - The creation of a single revenue pot for post-16 provision in Greater Manchester which will come into operation from April, 2010 together with the responsibility for planning, commissioning and performance managing the 16-18 apprenticeship budget in partnership with the NAS (including the flexibility to vire) and to prioritise capital spend when available.

- Ministerial support to ensure Greater Manchester can make the transition to a low carbon economy with a particular emphasis on the retro-fitting of both domestic and commercial stock and linking this to skills together with an increased ability to influence energy policy which impacts on the City Region.
 - Significant progress in creating a new framework for connecting local businesses to international markets, rapid progress on the development of a Broadband programme, and a new focus to build on Greater Manchester's science and research capacity. The principle of a new protocol regulating the relationships between Midas and the RDA was also agreed.
 - Government commitment to examining how new powers and responsibilities on transport can be devolved to Greater Manchester, consistent with Transport for London, subject to agreement on new governance arrangements. These will include a greatly enhanced relationship with Government resulting in a greater ability to influence the prioritisation of transport investment and policies and specifications in relation to operational management issues particularly in relation to heavy rail and highways. Further to the concern expressed at the Authority's last meeting that the Government had still to decide how the City Region can assume greater transport influence and responsibilities comparable to the powers now held by Transport for London, clarification was sought by the Chair from the Secretary of State. A copy of the Secretary of State's reply is attached as Appendix 1 to this report.
- 6 At its meeting in December, AGMA Executive Board confirmed its earlier view that these outcomes represented a sound basis for genuine reform and devolution to be delivered to Greater Manchester through the City Region Pilot arrangements. As the November AGMA report indicated, the adoption of more robust governance arrangements with greater accountability is required by Government as a pre-requisite for greater devolution particularly in relation to transport (as the Secretary of State's letter makes very clear). The Executive Board also considered the outcome of work on a detailed draft scheme for future AGMA governance based on the principles and outline proposals agreed earlier as part of the review of and consultation on City Region governance. The consultation document sets out in detail how and on what basis AGMA are considering existing governance arrangements should be strengthened in order to demonstrate to Government our capacity to exercise new roles including the management of large budgets and the allocation of resources.

FUTURE GOVERNANCE – FRAMEWORK AND CASE FOR CHANGE

- 7 A series of key principles and a set of detailed proposals for change in AGMA's governance framework together with key proposals on voting arrangements were set out in the report to the Authority's last meeting within the appended report to the November AGMA Executive Board. Consistent with the AGMA Executive Board being the primary accountable focus for co-ordinating economic development, housing, planning and, together with other relevant bodies, transport policies for the Manchester City Region, the report proposed that greater devolution, if embraced, would point to the creation of a Combined Authority (CA) under the terms of the LDEDCA. Work on the preparation of the detailed draft scheme for governance based on the outline proposals contained in the November report has proceeded, as indicated above, led by Manchester, Rochdale and Trafford.
- 8 In preparing a draft scheme for a CA, regard must be had to the provisions of the LDEDCA and the Local Transport Act 2008 (LTA) as well as the guidance published by the Government relating to both pieces of legislation. Although the guidance on governance reviews under the LTA has been available for some time, the guidance relating to reviews under the LDEDCA and the creation of Economic Prosperity Boards and Combined Authorities has not yet been published though it is understood that draft guidance will be issued imminently to key stakeholders prior to publication in the near future. From discussions with CLG senior officials, it seems likely that, in terms of the process for the creation of CAs, the LDEDCA draft guidance will acknowledge the need for flexibility by all parties in the application of the LDEDCA guidance given that some reviews of transport governance are underway based on the LTA provisions and guidance. As indicated above, any 2 or more authorities may prepare and publish a scheme for a CA if, having undertaken a review, they conclude that the establishment of a CA would be likely to improve the exercise of statutory functions relating to transport, economic development and regeneration in the area, economic conditions in the area and the efficiency and effectiveness of transport in the area. From discussions with CLG senior officials, it needs to be shown that:
- the existing governance arrangements are not optimal for economic development and regeneration and transport (including effective decision making processes, the clarity of roles of different bodies and structures, opportunities for strategic decisions to be taken for the benefit of the whole area, performance management and delivery of objectives monitoring);
 - as a result, the sub-regional economy is not performing to its full potential;
 - authorities have considered the pros and cons of various options including leaving arrangements unchanged and strengthening or

modifying existing arrangements, as well as establishing a CA (including their relative costs); and

- establishing a CA is the route that would prove most effective and efficient in delivering the authorities' strategic ambitions (including the likelihood that a CA will address weaknesses in the current arrangements, the extent to which it is likely to help achieve improved economic development, regeneration and transport and the likely cost and overall value for money).

In addition, reference should be made to:

- particular weaknesses and issues in the current arrangements that can only be addressed by stronger leadership and more effective decision-making at the sub-regional level;
- the economic conditions of the area (authorities are expected to demonstrate a thorough understanding of these) and that it is a Functioning Economic Market Area (FEMA); and
- stakeholder views.

9 Using the above as the framework, the consultation document sets out (see paragraphs 17 to 34) the essentials of the case for governance reform along the lines set out in the November AGMA Executive Board report. The analysis shows that there is a strong case for governance reform under the terms of the LDEDCA and this, coupled with the outcome of the process of review of transport governance started earlier this year under the LTA, creates a robust basis for AGMA Executive Board to pursue the principle of a scheme for the creation of a CA. Prior to making any decision to prepare and publish a Final Scheme, AGMA and the relevant authorities must consider in the light of the consultation (see below) and further work on the Draft Scheme (including a detailed business plan which AGMA has commissioned from KPMG which examines the relative benefits of a CA compared to alternative options) whether the establishment of a CA would be likely to improve the exercise of statutory functions relating to transport, economic development and regeneration in the area, economic conditions in the area and the effectiveness of transport in the area. Detailed proposals in relation to the Draft Scheme are set out in paragraphs 36 to 40 and Appendix 3 of the consultation document and these are summarised below in the context of the issues which consultees are requested to address.

FUTURE GOVERNANCE - THE DRAFT SCHEME

- 10 Full details of the draft scheme are set out in the consultation document (see paragraph 38 and Appendix 3). In developing the scheme, a key objective was to satisfy the Government's requirement that a robust framework of governance is provided for the new City Region powers and functions, particularly in relation to transport. As the document makes clear, whilst a specific proposition for reform has been developed in the light of the outcomes from the CRP process for the purposes of consultation as part of the governance review, it is of course open for consultees to bring forward their own views, including alternative structures. The Authority should also be aware that the consultation document also states that no final decisions will be taken by AGMA or the relevant district councils on the definition of a final scheme for presentation to the Government until they have considered the outcome of the consultation and have concluded the review.
- 11 Consultees are asked to address the following issues:
- a) whether or not it is important in order to drive the economic competitiveness of the City Region to have a new Statutory Authority with a single focus on economic development, regeneration and transport functions in particular.
 - b) whether or not a new Joint Committee should be established to assume responsibility for the operational delivery of transport functions.
 - c) whether or not the current PTE should become an integrated delivery body reducing the proliferation of transport units.
 - d) Incidental to these questions, comments are also requested in relation to:
 - o The proposed area of the CA
 - o The proposed naming of the CA as Manchester City Region Authority (MCRA) and the proposed naming of the Joint Transport Committee as Transport for Greater Manchester Committee (TfGMC)
 - o The membership of the proposed MCRA and TfGMC
 - o The proposed voting arrangements
 - o The proposed functions of both the proposed MCRA and TfGMC
 - o The proposed scrutiny arrangements
 - o Any other issues raised in the document
- 12 Each of these issues is considered in turn below with the detail of draft scheme described as appropriate:
- a) ***The principle of a new Statutory Authority with a single focus on economic development, regeneration and transport***

- 13 AGMA has considered the pros and cons of various options including leaving arrangements unchanged and has concluded that the optimal solution would be to establish a CA with its own statutory and functional base. There are 2 reasons for this. First, AGMA already has in place arrangements which are in most respects pushing the boundaries of what can be achieved without a statutory basis which moving to a CA would provide. A CA would be well placed to lead collaboration between relevant authorities on a sub-regional basis and form legal relationships; it would be a stable mechanism for long-term decision-making including in particular the new devolved functions being delivered through the CRP; and the exercise of these roles should translate into better economic performance as there is a strong positive correlation between strong governance structures and economic performance (see paragraph 28 of consultation document). Secondly, as far as the choice of functional base and governance structure is concerned, AGMA has consistently argued that it should have overall responsibility at a sub-regional level for economic development, regeneration, planning, housing and transport and this has been reinforced by the Government which has emphasised the importance of there being effective alignment between decision-making on transport and other areas of policy which can only be achieved through institutional mechanisms. Both of these point to the selection of a CA as the appropriate governance model for Greater Manchester. It should be noted that, if a CA is to be established, AGMA Executive Board would continue to operate in its present form (with the same voting arrangements) insofar as those functions not within the CA's remit (ie functions other than economic development, regeneration and transport).
- 14 As far as transport is concerned, the draft scheme provides that all of the functions of the GMITA should be transferred to the CA. In particular, the CA would replace the ITA as the local Transport authority for the Combined Authority's area and would assume any functions of the ITA relating to the functions of GMPTE (see below) together with any functions delegated by the Secretary of State in the Order to be laid before Parliament and the following transport-related functions of the districts:
- The duty to prepare reports containing assessments of levels of road traffic in the area and forecasts of growth in those levels.
 - The functions of the districts in relation to traffic signals (ie the direction and management of GMUTC which is currently done under a joint agreement of the districts).

The above highway-related powers are the minimum necessary to underpin the operation of the CA: they are also wholly consistent with existing joint working arrangements within Greater Manchester and the principle of consolidation of the various transport units including the ITA Unit, the GM Joint Transport Team, the GMUTC and GMTU within the delivery body (see below) agreed in November.

- 15 An alternative option would be the establishment of an Economic Prosperity Board (EPB) covering the area of the 10 AGMA districts. This would provide a statutory authority with legal personality at City Region level and could strengthen existing arrangements in relation to economic development, regeneration and strategic housing and planning. Under this option, the GMITA would remain in place and could be separately reviewed under the LTA. However, this option fails to address the clear benefits of aligning under one strategic body responsibility for transport and transport policy with the responsibility for economic development, regeneration and strategic housing and planning. In AGMA's view, the EPB option is considerably less satisfactory than a CA in addressing the deficiencies in the existing governance arrangements.

b) The principle of a new Joint Committee being established to assume responsibility for the operational delivery of transport functions

- 16 The draft scheme provides that the CA and the districts would enter into an operating agreement which would provide for a Joint Committee to be called Transport for Greater Manchester Committee (TfGMC). The CA would refer to TfGMC the functions which it inherits from GMITA and in most cases, the TfGMC would have delegated authority to act on behalf of the CA although, in the case of more strategic functions or where legally the CA is unable to delegate, TfGMC would make recommendations to the CA. The same principles would apply to those transport functions delegated to the CA by the Secretary of State and by the districts.
- 17 The rationale for the proposed CA/TfGMC relationship and split in functions is two-fold: the need to separate the strategic role from the operational delivery of transport and because these arrangements for the most part are consistent with the practices which have been operated for some time between AGMA and GMITA. Moreover, this is reinforced by the response to the consultation on transport governance which took place last summer where there was considerable support for the continuation of a body in the form of the current ITA given its democratically representative nature and its particular awareness of local issues and the detailed operation of the transport network. There was also support for the simplification of current governance arrangements for transport and it is considered that the allocation of responsibilities for strategy, commissioning and delivery to the CA, TfGMC and TfGME respectively with clear accountabilities between TfGMC and the CA and TfGME and both the CA and TfGMC satisfies this view.

c) The principle of GMPTE becoming an integrated delivery body

- 18 The draft scheme provides for GMPTE to remain an independent legal entity and to be renamed Transport for Greater Manchester Executive as the executive body of the CA in relation to its transport functions including any delegated to the CA by the Secretary of State. It is also proposed that the ITA Unit, the GM Joint Transport Unit, the GMUTC and GMTU would be relocated into TfGME. The TfGME will be formally accountable through TfGMC to the CA. The Joint Committee will be responsible for monitoring and overseeing the activities and performance of TfGME.
- 19 The need for effective delivery arrangements for transport across the City Region is clear. Current arrangements including the proliferation of transport units with overlapping roles contribute to the operational fragmentation identified by DfT. It is vital for Greater Manchester to have an effective delivery capability across all transport functions including in particular in relation to research and modelling and network management. The integration of transport units into TfGME will also ensure the best use of available resources. See also paragraph 33 below.

d) The proposed area of the CA

- 20 The draft scheme provides for this to be the whole of the area of the 10 districts. AGMA can produce robust evidence of its thorough understanding of Greater Manchester's economic conditions and that Greater Manchester is a Functioning Economic Market Area. Further evidence can be found in Greater Manchester's submission to the Government to become a pilot Statutory City Region of 6 February 2009. Moreover, given the Government's positive response to this submission in designating Greater Manchester as one of 2 Pilot City Regions, it is equally true to say that this analysis is shared by Government.

e) The proposed names of the CA and the proposed new Joint Committee

- 21 The draft scheme provides that the name of the CA should be the Manchester City Region Combined Authority and the name of the new Joint Committee should be Transport for Greater Manchester Committee. The rationale for the Joint Committee's proposed name is to bring it into closer alignment with arrangements in London given the commitment in the Ministerial Agreement that Greater Manchester should be moving towards London-style arrangements as part of the CRP process.

f) The membership of the CA and the proposed new Joint Committee

- 22 The draft scheme provides that the CA would have 10 members who are elected members of the 10 districts with one member being

appointed by each district. The rationale for this is to put each of the 10 districts on a similar footing rather than one related to population within each of their areas. There will need to be appropriate arrangements in the scheme for dealing with the absence of members, for example, a system of substitute members.

- 23 The draft scheme provides that the Joint Committee would have the same membership and composition as the current GMITA as well as the ability to appoint its Chair and Vice Chair, establish sub-committees and vote on the same basis as the current GMITA.

g) The proposed voting arrangements

- 24 The draft scheme proposes that all members would have one vote with no casting vote for the Chair. This means that all decisions would be decided by a simple majority of those members present and voting. This ensures that all districts' votes have comparable weighting. In the case of a tied vote on any motion or amendment, the motion or amendment would be lost. See paragraph 12 above for voting arrangements in relation to functions which are not within the CA's remit (ie functions other than economic development, regeneration and transport).

h) The proposed functions of the CA and Joint Committee

- 25 The proposed functions of the CA and Joint Committee are set out in paragraph 38 e), f) and g) and Appendix 4 of the consultation document. The proposed CA powers and duties in relation to economic development and regeneration would enable it to act as the co-ordinating body for economic development and regeneration in Greater Manchester and, with the exception of the new economic assessment duty, it is proposed that all of these powers and duties would be exercised concurrently with the districts. It is also proposed that the CA should become the "responsible authority" for the MAA.
- 26 In terms of transport, as indicated above, the CA would have all of the functions of the GMITA transferred to it including any functions of the ITA relating to the functions of GMPTE (see above) together with any functions delegated by the Secretary of State in the Order to be laid before Parliament and a number of transport-related functions of the districts. The CA would then refer to the Joint Committee the functions which it inherits from GMITA and the Joint Committee will for the most part have delegated authority to act on behalf of the CA or, on some more strategic issues or where the CA cannot legally delegate, to make recommendations to the CA. The same principles would apply to those transport functions delegated to the CA by the Secretary of State and by the districts. The functions which would be referred for recommendation (but not delegated) to the Joint Committee would include:

- The budget and transport levy
- Borrowing limits
- Major and strategic transport policies
- The Local Transport Plan
- The operation of the Greater Manchester Transport Fund
- Appointment of the Chief Executive (Director General) of the delivery body (see below)

These arrangements for the most part are consistent with the practices which have been operated for some time between AGMA and GMITA.

26 The draft scheme provides that the following district functions should be delegated directly to the Joint Committee rather than through the CA:

- The (local traffic authority) duty to manage the road network to ensure effective movement of traffic within, across and into Greater Manchester
- The duty to prepare and carry out a programme of measures to promote road safety including road safety studies, accident prevention schemes and provision of information and advice.

28 The proposed split in functions between the CA and the Joint Committee was developed both to ensure a scheme which was consistent with the detail and spirit of the LDEDCA and LTA and to satisfy local objectives to ensure a clear split in the strategic, commissioning and delivery roles for the CA, Joint Committee and delivery body respectively.

i) The proposed scrutiny arrangements

29 It is proposed that the remit of the existing AGMA Scrutiny Pool should be extended to enable it to exercise an overview and scrutiny role in relation to the CA and TfGMC. In relation to transport, AGMA has agreed that these scrutiny arrangements should operate at a high level in relation to Greater Manchester wide and major strategic issues including in particular, the LTP, major and strategic policies, the budget and levy, and the operation of the Greater Manchester Transport fund. Consideration is also being given to whether the new statutory duty relating to petitions should be extended to the CA.

30 These proposed arrangements are consistent with the aspirations of the Government Consultation Paper “Strengthening Local Democracy” which refers to the need to look at how the accountability and transparency of city regional level working could be strengthened with a view to ensuring that greater powers for the sub-regional tier of governance go hand in hand with strengthened accountability. It specifically states that there is a strong case for strengthening existing and planned structures through extending the role of joint overview and scrutiny committees to cover sub-regional bodies in specific ways and

extending the new duty of district councils to respond to petitions to apply to ITAs, EPBs and CAs

- 31 The practical impact and benefits of the proposals are set out in paragraph 39 and 40 of the consultation document. In essence, what is on offer in return for the adoption of more robust governance arrangements are significant gains for the City Region in terms of greater powers and duties, greater influence and a closer relationship with Government. Moreover, these gains are only the starting point and it is anticipated that further devolution and increased influence will be on offer once the City Region has demonstrated its capacity to exercise new roles including the management of large budgets and the allocation of resources.

CONSIDERATION BY THE AUTHORITY

32. The Authority will recognise that work commissioned by AGMA on the production of a Business Case by KPMG is still underway. It is suggested that the outcome of this work and other evidence from the review is presented to a special meeting of the Authority prior to the next meeting of the AGMA Executive Board. This will also enable the Authority to consider the final proposals which are to be presented to the AGMA Executive Board, and to determine what views the Authority decides it should submit for consideration by the Executive Board at that meeting.
33. To date a number of issues have already been raised by the review which need to be taken into account in the determination of final proposals - some of these were raised at the recent seminar for Authority members. These include:
- The extent to which any new arrangements, if implemented, could be changed; the extent to which the position of the TfGMC can be protected; and what process needs to be undertaken to change the Order in relation to the setting up of the CA. There is a statutory review process for considering amendments to the CA arrangements. Where the Joint Committee is concerned, there are detailed legal issues which need to be considered although it is possible to look at voting arrangements.
 - Whether it would be possible to merge the delivery body with the Joint Committee - it has been suggested that this is the model used in other ITA areas. PTEs are separate legal entities as a result of the Transport Act 1968. Although there is provision within the LTA for PTEs to be abolished, this has never been seriously considered within Greater Manchester given the importance of separating delivery from other roles. This same principle underpins arrangements in other ITA areas: despite the appearance in other areas, ITAs and PTEs are separate bodies and any semblance of a "merger" is simply a question of public information "branding."

- Clarification of the specific arrangements enabling members of the Joint Committee to receive allowances. The intention will be to build into the final proposals a procedure similar to that applying now to the members of the GM Waste Disposal Authority.
- Clarification on the participation of the Joint Committee on behalf of the CA within the LGA and associated interest groups. The Chair of AGMA has already indicated that the Chair of the Joint Committee would be the CA's representative within the appropriate LGA structure.
- Whether there should be certain elected members from constituent councils allowed to have attendance and speaking rights at meetings of the CA. This could include members with a brief for transport, economic development/regeneration, housing etc. It could also apply to other members eg the Chair of the ITA.

These matters will be fully covered in the final proposals for presentation to the AGMA Executive Board later this month. The development of these proposals will be informed by discussions between the Chair and Vice Chair of AGMA and the Chair and Vice Chair of the ITA.

34. The Authority is invited to identify any other matter which it wishes considered in the final development of proposals and which it will consider at its special meeting before the AGMA Executive Board later this month.

NEXT STEPS

- 35 The consultation exercise closes on **15 February** and, taking account of the views expressed and further work being undertaken (including the KPMG work on the business plan), it is intended to submit a Final Draft Scheme for approval to the AGMA Executive Board at the **end of February** and a special meeting of the Authority in **early March**. Thereafter, the Final Draft Scheme will be submitted in **early March** to each of the 10 districts for each to determine whether to proceed to prepare and publish a Final Scheme for a Combined Authority. Any decision to prepare and publish a Final Scheme for submission to the Secretary of State will require them to conclude that the establishment of a Combined Authority would be likely to improve the exercise of statutory functions relating to transport and economic development and regeneration in the area as well as improve economic conditions and the efficiency and effectiveness of transport in the area. Subject to all 10 districts agreeing to proceed to prepare and publish a Final Scheme, the scheme will be published and submitted to the Secretary of State in **mid-March** requesting him to make a Parliamentary Order, as appropriate.

CONCLUSIONS

- 36 As the consultation document states, AGMA is at a crucial stage of its development. It has achieved much in the last 20 years with its current way of working but there is now a firm belief that, given the current challenges facing Greater Manchester, a more effective form of City Region governance is needed if the 10 districts are to work together and make the difficult decisions necessary to improve the economic and social well-being of the Manchester City Region, its people and businesses. A more effective form of governance will also enable Greater Manchester to improve its economic performance and to play its part in the national economy in terms of its contribution to national growth rates. Government recognition of the role which Greater Manchester can play at a national level was reflected in the City Region Pilot designation in last year's budget and the negotiations which led to the completion on 18 December last year of the Ministerial Agreement have been hugely productive in terms of the additional powers and responsibilities which will be delivered to Greater Manchester subject to the adoption of more robust governance arrangements. In essence, what is on offer in return for this are significant gains for the City Region in terms of greater powers and duties, greater influence and a closer relationship with Government.
- 37 The Authority will wish to consider very carefully the case for governance change and the details of the draft scheme set out in this report. It is important to note that the key driver for the scheme has been the requirement above all to provide the appropriate governance framework for the powers and functions to be devolved through the CRP both now and for others which will devolved in due course once Greater Manchester demonstrates its capacity to exercise new roles including the management of large budgets and the allocation of resources.
- 38 The Authority is asked to consider the detailed recommendations set out at the beginning of this report.

**SIR HOWARD BERNSTEIN
CLERK, GMITA**