

Appendix 1 from the Engagement letter dated 4 January 2010

Business case for the creation of a Combined Authority (CA) under the LDEDC Act

Overview

As part of future governance proposals for AGMA, a business case is required which examines the relative benefits of a Combined Authority against other options.

Per the City Region Governance report presented to the AGMA Executive Board on 18 December 2009, the business case for a CA needs to address the following hypotheses:

1. Existing governance arrangements are not optimal for economic development, regeneration and transport
2. The sub-regional economy is not performing to its full potential
3. Weaknesses in the current arrangements can only be addressed by stronger leadership and more effective decision-making at a sub-regional level
4. The pros and cons of establishing a CA outweigh the pros and cons of keeping existing arrangements or modifying/strengthening existing arrangements
5. There are no other viable options to establishing a CA
6. A CA will prove the most effective and efficient in delivering the strategic ambitions of all ten authorities within AGMA
7. AGMA is a Functioning Economic Market Area (FEMA)

Scope of work

The business case will be prepared primarily using information and evidence that has already been prepared/made available to AGMA. This includes:

- Previous reports on the governance arrangements for AGMA
- Conclusions from the MIER report
- Statutory City Region Submission, March 2009
- Manchester City Region agreement, December 2009

Furthermore, the views of a number of key stakeholders will be incorporated.

In the case where financial support for specific savings/efficiencies are already available, the scope of this engagement will be limited to presenting the basis for reported efficiencies. The scope will not cover any work to support or confirm the robustness of any calculations.

Stakeholder interviews will take place with the individuals listed below, following which any written content for the business plan will be agreed. The availability of key stakeholders will be key to meeting the timescales for this engagement. Meetings will be arranged (either face to face sessions or conference calls) with:

- Sir Howard Bernstein, Chief Executive of Manchester City Council
- Barbara Spicer, Chief Executive of Salford City Council
- Sean Harriss, Chief Executive of Bolton MBC
- Roger Ellis, Chief Executive of Rochdale MBC
- Mark Sanders, Chief Executive of Bury MBC
- Janet Callender, Chief Executive of Trafford MBC

- David Leather, Chief Executive of the GMPTE
- Mike Emmerich, Chief Executive of the Commission for the New Economy
- Paul Beardmore, Director of Housing, Manchester City Council
- Paul McKeivitt, AGMA Treasurer
- Baron Frankal, Commission for the New Economy