

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

1. The Government is fully committed to building a Northern Powerhouse, including through creating strong city regions, led by powerful democratically elected Mayors. The Government is committed to working with city regions throughout this Parliament to achieve this objective.
2. The landmark agreement between the Government and Greater Manchester in November 2014 announced the creation of the first directly elected metro-wide Mayor outside of London, with powers over transport, housing, planning and policing. The deal also announced the conferral of powers on the Greater Manchester Combined Authority in relation to business support and skills and employment support, and invited the Greater Manchester Combined Authority and Greater Manchester Clinical Commissioning Groups to develop a business plan for the integration of health and social care provision across Greater Manchester. This was the first deal of its kind, breaking new ground in devolution to city regions in England.
3. In February 2015, the Government and NHS England agreed to devolve over £6bn in health spending to Greater Manchester so that joint planning of these services can deliver better care for patients.
4. As part of the 2015 March Budget Greater Manchester was awarded the right to retain 100% of growth in business rates from April 2015.
5. In July 2015, the Government and the Greater Manchester Combined Authority agreed further devolution of powers. This included, following Royal Assent of the Cities and Local Government Devolution Bill, working with Greater Manchester to determine how further prudential borrowing powers could apply within a framework of fiscal responsibility and accountability to the Greater Manchester Combined Authority and Local Authorities. It also included a commitment from Government to align the Spending Review process that applies to NHS, Public Health and Local Authority social care funding to the production of the Greater Manchester Strategic Sustainability Plan, and a commitment by Government and the Greater Manchester Combined Authority to undertake a fundamental review of the way that all services for children are delivered. The July agreement also announced that the Mayor would be given powers over fire services in Greater Manchester, and the power to establish a Greater Manchester Land Commission to help Manchester meet its goal of delivering more than 10,000 new homes per annum. Within the agreement, Government also committed to introduce a Buses Bill within this Parliament to enable the introduction of franchised bus services.
6. Subject to the necessary legislation receiving Royal Assent, the Government confirms that it will deliver in full on its commitments to Greater Manchester, or

provide equivalent support. In particular, the Spending Review confirms that the Government will, subject to the gateway review in 2019, offer a continued commitment to the reformed Earnback deal included in the November 2014 Agreement, with the envelope of £30 million a year for 30 years to enable delivery of the Trafford Park Metrolink extension and the SEMMS road link.

7. The Combined Authority will continue to work with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North and Health North, to drive northern productivity and build the Northern Powerhouse.
8. The Government reaffirms its commitment to support the implementation of the agreement to devolve responsibility for health and social care integration across Greater Manchester
9. The agreements between Greater Manchester and the Government have paved the way for devolution of powers to other city regions and counties across England. This document demonstrates the Government and Greater Manchester's continuing commitment to maximising devolution to Greater Manchester over time. It will be formally endorsed by the Greater Manchester Combined Authority at its next meeting on 27 November 2015.

Housing

10. The Greater Manchester Combined Authority is interested in options for regulatory change to enable better utilisation of the social housing asset base in order to increase the diversity of social housing provision, and to increase investment in home ownership.
11. The Government will work with the Greater Manchester Combined Authority to consider how regulatory reform can maximise the housing and public service reform outcomes sought by the Greater Manchester Combined Authority.

Planning

12. Subject to the necessary legislation receiving Royal Assent, the Government will give the Greater Manchester Mayor the power to implement a Community Infrastructure Levy to support development and regeneration in Greater Manchester, subject to the unanimous approval of the Mayor's Cabinet.
13. The Greater Manchester Combined Authority will commission and publish independent biennial reviews of the impact of the use of this levy on development activity in Greater Manchester.
14. In order to provide a short term stimulus to the development and marketing of strategic sites, the Government invites Greater Manchester to develop a business

case for a Land Programme, to be overseen by the Greater Manchester Land Commission, to ensure that strategic sites for housing and employment use can be brought forward by the private sector more quickly, and as result deliver more homes and jobs for Greater Manchester. The business case will demonstrate that, but for the Greater Manchester Land Programme, the sites could not have been brought forward within a reasonable timescale, if at all.

Transport

15. Delivery of the Northern Transport Strategy is crucial to driving northern productivity and building the Northern Powerhouse. Government is committed to working with Greater Manchester and the rest of the North to identify the transport schemes that could support the ambitions set out in that strategy and the Northern Powerhouse vision. An announcement regarding the delivery plans to get the delayed investment in the electrification of the TransPennine Express railway line back on track will be made as soon as possible, including the forthcoming outcome of the Hendy Review.
16. As part of its remit to consider infrastructure requirements across the UK, the Government has asked the Infrastructure Commission chaired by Lord Adonis to consider the evidence base and provide independent advice to government on the future investment priorities for the North that could improve connectivity between cities, form a single northern economy and drive economic growth.
17. Government commits to transparency in the full transfer of resources to support the franchising of bus services with effect from 1 April 2017, including Bus Service Operators Grant and concessionary travel payments, and will work closely with the Greater Manchester Combined Authority between now and then to achieve that outcome. The carve out of all bus related payments will become part of the Mayor's devolved and consolidated multi-year transport settlement.
18. Greater Manchester is developing proposals for establishing a joint investment platform to support the resilience of the highways network and efficiencies in the management of that network. Greater Manchester will bring forward a business case which government has confirmed it will fully consider once Greater Manchester has finalised their proposals for that investment platform.
19. As part of on-going reviews of Network Rail and associated assets, the Government will continue to work with Greater Manchester to explore options for devolving rail stations across the Greater Manchester area at appropriate points in the letting of rail franchises. If this leads to the transfer of any stations to the Greater Manchester Combined Authority, the Combined Authority with Rail North will be obliged to bring forward a Business Plan for approval by government

Business Rates

20. Following the implementation of the necessary primary legislation, the Greater Manchester Mayor will have the power to introduce a Business Rates supplement, subject to the support of the Mayor's cabinet and with the agreement of the local business community through the Local Enterprise Partnership. Greater Manchester will be included in discussions that Government will be having with local government about the design of the supplement provisions.
21. Ahead of the formal consultation on delivering the Government's reforms to Business Rates, the Government will work with the Greater Manchester Combined Authority to consider how risk and volatility are managed within the system, including in particular in relation to appeals, to support the effectiveness of the operation of the Local Growth pilot, announced in the March 2015 Budget.

Access to Finance

22. Greater Manchester Combined Authority and the British Business Bank will agree a Memorandum of Understanding setting out how they will work together to support small and medium-sized enterprises in Greater Manchester. This will support SMEs in Greater Manchester to access the support and finance they need to grow their businesses.

Public Service Reform and Services for Children

23. HM Treasury, the Department for Communities and Local Government, the Home Office and the Cabinet Office will now urgently lead work with other Government Departments and Greater Manchester to consider how the Combined Authority can be given greater flexibility to invest in and develop innovative approaches to delivering public services. This will include considering whether and how the Government could support the establishment of a Public Service Reform Investment Fund, with appropriate levels of matched funding from central and local Government. Depending on the outcomes of this work, the Greater Manchester Combined Authority will prepare a detailed business case for HM Treasury consideration.
24. In July, the Government and Local Authorities agreed to undertake a fundamental review of the way that all children's services are delivered, and to explore how integrated and more efficient ways of delivery of all services could be achieved.
25. As a trailblazer for reform of the way that all services for children are delivered, the Government will support Greater Manchester Combined Authority to develop and implement an integrated approach to preventative services for children and young people by April 2017.

Skills

26. The Department for Business, Innovation and Skills, the Department for Education and the Greater Manchester Combined Authority will work together to ensure that the Area Review process results in local outcomes agreements that meet the economic and educational priorities and outcomes of the Combined Authority and the Local Enterprise Partnership.
27. The Greater Manchester Combined Authority will undertake further analysis, working with the Department for Business, Innovation and Skills, in relation to post-19 provision more generally to ensure that the totality of provision meets the needs of the Greater Manchester economy. This analysis will be completed by the end of the financial year to enable a discussion of further devolution of responsibility for 19+ funding to Greater Manchester.
28. Within the context of the existing national 16-19 policy, funding and accountability framework and the progress and outcomes of the area review, the Department for Education, the Department for Business, Innovation and Skills and the Greater Manchester Combined Authority will explore how the delivery of their respective responsibilities can contribute to aligning outcomes from 16-18 vocational education and commissioning of 19+ adult skills provision. This will be with the objective of better meeting the needs of the Greater Manchester economy, as part of the overall skills and employment system being developed in Greater Manchester.
29. The Department for Business, Innovation and Skills and the Greater Manchester Combined Authority will discuss how the Advanced Learner Loans system can best support more residents to progress to Level 3+, and better meet the needs of the Greater Manchester labour market.

Apprenticeships

30. The Greater Manchester Combined Authority and the Government commit to working together to maximise the opportunities presented by the introduction of the apprenticeship reforms (including the levy). This will include: working with employers to recognise the value of apprenticeships in driving productivity; putting in place appropriate high quality careers education, information, advice and guidance so that apprenticeships are seen as an equally valuable progression route for all individuals leaving school/college; and specific work around Greater Manchester public services including health to generate high quality apprenticeships to drive demand and support public service reform.
31. The Government and Greater Manchester will discuss how, within the national framework where individual employers have control of their levy contributions, public sector partners in Greater Manchester could collaborate to take full advantage of the Government's apprenticeship programme to support new ways of working in the public sector and stimulate progression pathways at all levels within Greater Manchester.

Energy

32. Government is committed to reducing UK emissions in line with carbon budgets and tackling the impacts of unavoidable climate change. Government recognises that integrating national and local measures can help to support the low carbon transition. Greater Manchester's integrated Climate Change and Low Emissions Implementation Plan describes how national and local objectives and targets can be delivered together.
33. In recognition of this, Government commits to working with Greater Manchester to consider how the design and delivery of national policies and programmes can be better aligned and integrated to support delivery of Greater Manchester's priorities.
34. In addition Department of Energy and Climate Change official[s] will sit on the Greater Manchester Low Carbon Hub Board, attend quarterly Board meetings to review progress, unblock barriers, identify future opportunities and enhance cooperation between national and local government.
35. The Department of Energy and Climate Change and Greater Manchester will discuss opportunities for cooperation in more detail following the Spending Review, with a view to concluding a more detailed agreement in the new year. Subject to the outcomes of the Spending Review, this will include discussion of areas such as energy efficiency, community energy and business energy tax reform.

Employment Support

36. Government re-confirms its commitment to joint commissioning with Greater Manchester of employment programme support outside of the Jobcentre Plus regime, to assist the long term unemployed and those with health conditions and disabilities to (re)-enter work, as outlined in the November 2014 Agreement and the subsequent agreement announced as part of the 2015 Summer Budget. The Department for Work and Pensions and Greater Manchester will continue to consider other areas, including in relation to Jobcentre Plus, in which to collaborate to improve labour market outcomes.
37. In particular Government and Greater Manchester agree that following the publication of the Spending Review they will commence detailed discussions on how Greater Manchester can shape every element of the commissioning process - from strategy to service design, managing provider relationships and reviewing service provision. The intention is to finalise all of these discussions by the end of this financial year.

Science and Innovation

38. Government commits to ensuring the opportunity for the distinctive strengths and assets of Greater Manchester to be recognised through the forthcoming Science and Innovation Audit process and, if confirmed, that consideration is given to how best these can be harnessed to support the growth of Greater Manchester and delivery of the Northern Powerhouse strategy, in recognition of the productivity gains to be captured at national level through such an approach.
39. Subject to final decisions on which areas will undergo a Science and Innovation Audit, the Government will offer the Greater Manchester Combined Authority expert advice and support and will prioritise Greater Manchester for Smart Specialisation Advisory Hub workshops. If selected, the audits will enable an evidence based approach to deepen the understanding of the city region's science and innovation strengths and provide a new and powerful way to understand how to maximise the economic impact from the UK's research and innovation investment nationally.

European Funding

40. European Funds have played a significant role in the economic development and growth of Greater Manchester over the last twenty years. Through devolution, the Combined Authority will gain greater influence and decision making in respect of the €413.8million 2014-2020 European Regional Development Funds (ERDF) and European Social Funds (ESF) in Greater Manchester. This will allow Greater Manchester to integrate and align investments with other aspects of the devolution deal and local economic priorities, to improve performance and maximise economic impact.
41. In order to deliver these objectives, Greater Manchester Combined Authority will gain Intermediate Body status for ERDF and ESF funding by April 2016 or as soon as possible thereafter. This would give the Combined Authority powers to select ERDF and ESF projects, on the basis of strategic fit with Operational Programmes and local conditions.
42. The Department for Communities and Local Government and the Department for Work and Pensions, the Managing Authorities for ERDF and ESF respectively, will retain the responsibility to make sure that proposals comply with European Union Regulations. Both Managing Authorities will therefore retain responsibility for eligibility checks as part of project selection as well as all other Managing Authority functions.
43. Subject to approval, the Greater Manchester Combined Authority will act as the Intermediate Body. The agreement between each Managing Authority and the Intermediate Body will be set out in writing. These written agreements will contain details of delegated responsibilities and accountabilities, performance arrangements, resources, their funding and payment arrangements and other relevant details.