

## **MANCHESTER: STATUTORY CITY REGION PILOT** **DELIVERING ECONOMIC GROWTH WITH PUBLIC SERVICE REFORM**

At Budget in April 2009, the Government announced Manchester as a pilot city region. Since then, a joint Whitehall-Manchester<sup>1</sup> team, which includes the Northwest Development Agency and Homes and Communities Agency, has been intensively working at official level to realise the shared objective of increased and sustained economic growth. This can be facilitated by public service reforms, such as the pilots discussed in this document.

To finalise this first phase of the statutory city region discussions, a meeting took place on 20 July between Ministers and the leadership of the Association of Greater Manchester Authorities (AGMA) to agree to the progress made. The meeting agreed a number of pilot projects centred on public service reform to support long term economic growth and citizen's life chances, including on children's services, skills, young people, housing, science and research. It was also agreed to explore how Manchester could assume increased responsibility and influence on transport. The pilot projects will now be developed, with a further Ministerial meeting held before the end of October.

The city region discussions have been at a level and an intensity not been seen before, but the process builds on what we already have, and in particular the MAA. A large part of the evidence is the Manchester Independent Economic Review (MIER). The MIER was a comprehensive analysis of the Manchester economy that was conducted by independent reviewers including Jim O'Neill, chief economist at Goldman Sachs and Professor Ed Glaeser, world-leading Harvard urban economist. The MIER's seven separate reports concluded with a series of high level recommendations focussed on increasing the city region's productivity. The city region is taking forward MIER's conclusion, together with a range of other evidence, through the Greater Manchester Strategy (GMS).

This document is a summary that represents the full breadth of each of the ten work streams that continuing discussions are taking place in. The major pilot programmes proposed in this summary document are set out in bold.

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<sup>1</sup> 'Manchester' and 'city region' are used to refer to Greater Manchester, which is the ten local authority Districts of Bolton, Bury, Oldham, Manchester, Rochdale, Stockport, Salford, Tameside, Trafford and Wigan. "Manchester City Region", is also sometimes used to describe the wider area of the single economic geography, centred on Manchester city centre, which produces over 5% of UK GVA.

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### **Why City Region status should deliver greater economic growth**

Manchester is the largest concentration of economic activity in the UK outside SE England, with the biggest travel to work area and, according to the Manchester Independent Economic Review, it has the greatest potential to take advantage of the benefits of agglomeration and increase its economic growth rate. This pilot status recognises that realising this opportunity is a national priority. The case for city regions is strong: they facilitate collaboration in a functional economic area (the “geography of everyday life”) that the evidence shows creates more prosperity.

National aspirations, including the Government’s regional economic performance PSA target, can only be realised if they are achieved in and driven by higher-performing city regions. This statutory city regions pilot is about improving Manchester’s productivity by working through difficult decisions to build practical models of deeper co-ordination at all levels, and enabling a more responsive approach to economic opportunities, so that everybody benefits as growth increases. Total Place is one aspect of this. It is about modelling, testing and evaluating public service innovation against increased economic growth. For the UK, this offers the real prospect of big cities becoming the global-scale motors of economic growth the evidence strongly suggests they have the potential to be.

The MIER highlighted how the city region has the scale and density to grow much more rapidly if it can address the main reason the city punches below its economic weight: low productivity. The implementation of a well-directed, coherent strategy that builds a bigger agglomeration of skilled people and jobs, amenities and influence can be a critical element in tackling this issue. Our joint aim is to get Manchester to that critical mass, creating a virtuous circle of long-term sustainable economic growth. This joint work analyses how the various parts of Government – national, regional, sub-regional and local - can co-ordinate their actions to realise this potential. If it does, everybody wins. That is why Manchester is a pilot city region.

### **Key priorities**

#### **1. Radically improve the early years experience for hard to reach to groups particularly in the most deprived areas**

The Government has made considerable progress in meeting its target to halve child poverty by 2010 on the way to eradicating it by 2020. However, as MIER and the London Child Poverty Commission established, there is further and more difficult work still needed to ensure that the ability of all young people to fulfil their potential is not hampered unduly by the circumstances in to which they are born. The evidence points strongly to this being the case particularly in their first years of life – hence the considerable and much needed investment in services for the 0-5 years and their families. However, outcomes are still highly varied, particularly in the UK’s 5% most deprived areas, which are largely urban, and represent almost 20% of Manchester’s neighbourhoods. Due to the largely non-statutory and complex nature of these

services, the neediest families do not always benefit to the extent that we would expect to see.

Too many children in Manchester still reach school physically and mentally ill-prepared to take full advantage of the education system – a first base in the city region’s need to raise its skills profile. This is a complex policy area requiring a holistic and assertive response that must consider the family as a whole. There is a clear and critical relationship between this workstream and the ‘Better Life Chances’ workstream because in order to tackle child poverty effectively also we have to improve the economic circumstances of the parents. Public agencies should approach service delivery as a fundamental “right of the child” issue, and should be held accountable for the extent to which they are successful. Nothing short of a radical improvement in the use of resources is needed to improve the life chances and future skills of our children by the time they reach the age of compulsory education. For these reasons, Manchester and Government have worked to develop a pilot programme to radically improve the early years experience in the city region.

**The pilot programme would have three main elements, each of which is the subject of ongoing work with officials (particularly DCSF, DWP and DH):**

- **to enable a whole family assessment to take place six weeks after birth; to enable this, a critical pre-condition is that Manchester’s local authorities are officially informed of all live births;**
- **parents receive a range of services and benefits when they have children. It is proposed to pilot a voluntary review of services six months after birth for a target group, to take place in a Children’s Sure Start centre. This will give child care professionals the opportunity to offer other services to the children and their parents, and to check whether services offered previously have been taken up; and**
- **on the ground, Manchester is progressing and trialling a number of multi-agency pilots based on what cutting edge theory and practice suggests works best for families in most need. This includes how best to integrate the work of various agencies and give better effect to the rights and responsibilities of children and parents as well as how to take an interventionist approach to the hardest to help. Government and Manchester have agreed to develop and evaluate these pilots together.**

This area is the principal focus of Greater Manchester’s work under the Total Place Initiative. It also interacts with Priority 4 on the most deprived areas.

**2. Increase the proportion of highly skilled people in the city region**

**3. Attract, retain and nurture the best talent**

If Manchester is to improve its labour profile and better match that to employment prospects, then a step change is needed to enable people to climb higher up the skills ladder. It also depends on success in the other priorities, particularly on the economic base, which concentrates on the demand side of this equation. The right level of skills is one crucial element in creating and attracting new jobs, with a focus as much on the resident workforce as on those who commute in.

In the light of MIER and the GMS, Manchester and the Government have a shared set of Strategic Priorities, to which public funding now needs to be aligned. It is vital

that, as agreed in the MAA last year, Section 4 status is granted to the body Manchester formed - the Commission for the New Economy – and it is therefore recognised as the Employment and Skills Board, with formal powers to direct adult skills funding. This is the way that the business leadership that Manchester has developed over recent years, and which helped develop GMS and its skills component, can be empowered and brought to the fore in the leadership of the local skills agenda. Government is working closely with Manchester to agree transfer of these powers.

Many of the other measures needed to attain this strategic objective can be achieved through existing channels, including our agreement to enter in to a sector progression productivity pilot, an arrangement whereby Manchester would work with national government skills agencies. The current intention is that a pilot in the city region should focus on the low carbon economy.

**DCSF, BIS and Greater Manchester agree to a pilot that drives forward freedoms and flexibilities for the city region on 16-19 provision as quickly as possible. On capital funding, the pilot will explore how funding to be allocated to the city region can be allocated as a single pot. As regards the 16-19 revenue budget, the pilot will explore how a single city regional structure and budget could evidence, analyse, assess and decide on commissioning provision for young people, taking into account GMS, national guidelines and the views of the YPLA and NAS. Prior to April 2010 this will involve the LSC. Post April 2010 that involvement should pass to YPLA. Proposals are to be developed in time for the second Ministers-Leaders meeting before the end of October 2009.**

The final key priority in this area is for the further integration of skills and employment with other support services, particularly those of the NHS and possibly the Criminal Justice Board, to provide wraparound services to enable people to access sustainable employment.

**4. Improve life chances in the most deprived areas by investing in lifelong skills development and other forms of support so that people can compete in the modern labour market, and by incentivising integration across agencies**

Government investment in welfare to work and skills over recent years has helped the UK economy sustain growth for longer than in any other period. However, it is still highly evident, especially in these more challenging economic times, that more needs to be done to ensure the residents of our most deprived areas are not left behind. The integration of services is vital to ensure that those in the most deprived areas have the skills and other support needed to compete in the modern labour market. Of course, these families are often those whose children require particular support through the early years initiatives above.

Desired outcomes revolve around providing the right skills and access to realistic employment within a polycentric city region. A spatial mapping of employment, which will take into account employment centres and transport realities, will be part of the GMS implementation plan to be published in the autumn.

Data sharing is one required outcome. Currently, Jobcentre Plus cannot share data about individuals for the purpose of such a pilot. Similar barriers exist with Health and local authority's benefits services. Sharing of information is needed to assist people to achieve positive outcomes in employment, education and training through

identifying the extent to which services are currently engaging in the target areas, understanding the issues faced by the target households, identifying the needs of individuals living in those target households and developing bespoke actions in terms of support and services to address individuals'/family/household needs. Robust data-sharing confidentiality protocols can be put in place.

The *status quo* of non-sharing of information means that agencies do not know when a resident hits the trigger for conditions being added to their benefits and therefore misses what could be an ideal opportunity to engage with the family on the opportunities for training and employment, staff who engage with target families rely entirely on what the family tells them, and progress cannot be properly tracked for individuals.

**To complement the pilot proposed in relation to early years, and to ensure that our approach to redesigning mainstream services fits around the needs of our communities, Manchester is proposing a radical neighbourhood services delivery model, building on our experience of community regeneration and neighbourhood renewal in the last ten years. We have five key proposals in this work stream;**

- **to develop integrated joint agency neighbourhood level delivery teams with clear leadership, role, function and a shared identity operating in the City Region's most deprived neighbourhoods, on a pilot;**
- **to develop sharper tools for partnership delivery, which bring innovation and challenging ideas that seek to further integrate our delivery for the most disadvantaged and positively shift culture and behaviours in the most deprived areas. This includes pilots such as Common Assessment Frameworks, Incapacity Benefit pilot, Progression to Work pilot and Resident Incentive Scheme;**
- **to develop stronger employer engagement and better opportunities for people from deprived areas to access flexible employment within work support and development;**
- **to support this by strengthened joint planning and local complementary commissioning arrangements at LSP level, bringing together a more diverse range of local partners who will need to be bought in fully, e.g. social housing providers, colleges;**
- **to underpin all of this with a robust and accountable commissioning structure at city region level. We will develop further proposals for the roles that local authorities, DWP, NWDA, the LSC (and its successors) GM Police and the NHS/SHA could play within this framework. This work will also seek to strengthen and align public service incentives to deliver in deprived areas; and**
- **to recognise that data sharing is fundamental to enable the pilot, Manchester will work with Government on how data may be effectively shared to enable positive outcomes in employment, education and training, including low level geographic data and in certain appropriate cases personal data; and to test and build clear robust business cases for these data shares. Where appropriate this work will be guided by the data-sharing pilots already underway and the legal constraints on data protection. These shares will be primarily focused on informing the development of Employment and Skills strategies and commissioning plans, and improving the targeting of activities to improve job outcome and skills levels.**

The view is that we need to significantly strengthen our partnership structures for aligning mainstream resources to deal with deprivation and life chances. The working assumption is that we will create some form of bespoke delivery model to give the neighbourhood structure and commissioning arrangements the ability to drive delivery. The shape of this is to be determined through further discussions with Government and the NWDA.

This work stream will be developed, along with the early years, within the context of Total Place, reflecting the significant potential for efficiency through such a cross agency initiative. This will include a focus on identifying mechanisms to realise efficiencies in delivery, as well as the potential to translate new approaches more widely both within the city-region and elsewhere.

## **5. Significantly improve transport connectivity into and within the city region**

Manchester has undertaken ground-breaking work in its transport infrastructure. This has involved an agreed approach to the prioritisation of investment based on the economic priorities of the city region. Capitalising on the opportunities of this step change in the quality of the transport system in the next 10-15 years will only be possible with a strong collective effort between different parts of Government – local, regional and national - to ensure mutually supporting investments are made that reflect the economic significance of the city region and which therefore maximise the broadest economic impact as a result.

**Within the context of the Pilot status, we will examine how Manchester can, as a city region, assume responsibilities and influence comparable to Transport for London and the robust governance arrangements that will be necessary to support this. Without this scale of ambition and approach, Manchester cannot develop the transformational transport systems and services necessary to bring about the self-sustaining economic growth this joint strategy is intended to spur. The strategy must cut across all modes together with smarter choices, information, marketing, fares and ticketing.**

The short-term priority will be to develop a strengthened relationship between Manchester and DfT on heavy rail to be captured in a Protocol. In developing this we will consider how the distribution of available resources for Manchester can better reflect economic outcomes, how priorities can be better aligned, and how greater input over service specifications can be assumed.

The partnership will also examine how greater levels of integration with the Highways Agency can be achieved in terms of investment priorities, traffic management measures, research and enforcement. Regarding buses, it will consider the case for greater levels of influence over available funding, including concessionary fares, Bus Service Operators Grant and fares and ticketing options.

Work is also being undertaken in parallel with the low carbon work stream to enter into partnership with DfT and other key stakeholders to better deliver the integration of all aspects of the road network management. Across all transport initiatives, the city region will seek to deliver partnerships with DfT, operators and other key stakeholders in a variety of pilot projects aimed at securing travel behavioural change, including innovative means of travel information, safety and security and marketing initiatives.

Finally, Manchester will explore, with HMT, DfT, CLG and NWDA, how real progress can be made on the development of new and innovative funding mechanisms to support cities which are emerging as economic powerhouses for the UK. One such option would be the imaginative use of Accelerated Development Zones, which, for example, might provide an opportunity to increase rail capacity, and deliver priority enhancements to the rail system generally. The Government will report on its work with local authorities to analyse the feasibility of ADZs at PBR.

## **6. Improve the housing market, creating quality places to meet the needs of a competitive city region**

Recent years have seen significant progress and investment, both in new housing and renewal, which has substantially changed the city region's housing offer. However, to meet Government and Manchester's objectives for the housing market, we need to improve quality and choice to encourage larger numbers of highly-skilled and mobile people to choose Manchester, to deliver housing growth and to improve the functioning of the market across all tenures and, in particular, in the most deprived areas.

To achieve this, the city region pilot needs to define its investment project around collective place shaping through trilateral investment with HCA and NWDA. This needs to integrate housing funding streams, along with regeneration, transport, economic development and other resources. We are exploring potential new development models in collaboration with HCA and NWDA, bringing public sector resources alongside private investment to develop distinctive, affordable and high quality places, building on our successful experience in securing large scale commercial development. Manchester's local authorities are continuing to pilot programmes to incentivise positive behaviour through innovative letting policies.

We are also addressing MIER's recommendation on the demand and supply of properties. Joint action is taking place to provide a residential offer which is both responsive to climate change and the move to a low carbon economy, and is underpinned by resilient infrastructure for housing growth. The city region intends to pilot a new integrated approach to spatial and infrastructure planning, which will address demand and supply issues for both business and residential property, and inform the delivery of new infrastructure and investment in the reinforcement of existing infrastructure.

**Discussions are continuing on how to build a long term future for city region ALMOs, to enable them to maintain high quality, low carbon, affordable homes, and to actively contribute to regeneration strategies. The desired outcome is first to ensure that those involved in the current round of stock transfers can quickly see through the process, and second build to a secure funding model. The city region's local authorities involved in the current round of stock transfers, CLG, HMT and the HCA will work together to consider these proposals and the implications of the HRA review.**

**Having the local flexibility to determine the proportion of lettings that are made to reasonable preference groups and others in housing need (such as economically active households and people moving into and within Greater Manchester to take up new employment opportunities) would enable local authorities to use their considerable local knowledge of need and the economic drivers in each neighbourhood, to encourage more mixed, balanced and vibrant communities. A pilot project on this is proposed, which will explore**

**how letting systems can support the housing of new key workers and will bring the HCA's intermediate rent scheme to Manchester.**

**We are also, in close collaboration with the HCA, NWDA and Government, exploring a pilot for potential new development models, bringing public sector land and resources together as equity investment alongside private funds to develop distinctive, affordable and high quality places. This will build on our successful experience in securing large scale commercial development.**

**A flexible pilot programme is proposed to allow better engagement with private landlords to radically improve the quality of the private housing rental sector, taking pressure off the social housing rental stock. Aligned with HCA's work to stimulate institutional investment in the sector, this should boost investment in the city region's physical infrastructure at a time when much commercial development has come to a halt. CLG will work towards a Protocol with the city region on the power to license landlords, framed within existing legislation, to ensure that the process is simpler and more streamlined.**

## **7. Rapid transition to a low carbon economy**

All Manchester's local authorities have specific and binding responsibilities for emissions reduction. Manchester currently excels in its low level of commercial emissions per £GVA, but underperforms on both transport and domestic emissions. The existing built environment is the most significant contributor to MCR's emissions performance and will continue to form the main part of MCR's domestic and commercial offer for decades to come. Developing new ways to improve the existing stock is critical to the delivery of carbon reduction targets. It can also help raise skills, provide better homes and reduce heating and fuel bills for businesses and institutions. We need to prioritise the retrofit of existing domestic and commercial stock to underpin the transition to a low carbon economy, which is resilient to a changing climate.

Failure to cut emissions and adapt to climate change risks undermining the economic viability and success of the city region. Delivering on the climate change challenge is about acting to change behaviour and improving productivity in transport, building stock, infrastructure, skills and business activities. Manchester is seeking to move quickly and decisively to provide leadership on a range of major issues to realise its ambitions.

The establishment of the city region's Environment Commission demonstrates Manchester's commitment to this agenda and has - for the first time - put in place high-level leadership to address the environmental challenges and opportunities facing the city region. Its strong public/private make up means that opportunities to link actions across sectors can be identified and exploited. The Commission's distinct vision and work plan both reflect the priorities of GMS and is at the same time influencing its ongoing development.

**In respect of the need for resilience, the city region is seeking to establish a network of the key stakeholders (DEFRA, Environment Agency, Cabinet Office, DNOs, NWDA, SHA, drainage and waterways authorities) to determine the roles, responsibilities and actions needed at city region level to manage, respond and adapt to a changing climate.**

It is also important that city region and surrounding infrastructure and broader projects are compatible with, and help realise, the city region's optimum economic growth and thereby the growth of the region. The NWDA, HCA, other agencies and local authorities will ensure that projects are objectively evaluated to maximise positive economic impact, and ensure that investment in the Manchester city region best supports our shared objective of growth for both the city region and the wider region, an intrinsic part of which is the region's low carbon future.

**A pilot is being developed on the retrofit of existing domestic and commercial stock to underpin the transition to a low carbon economy. This will improve productivity, reduce emissions and stimulate the economy.**

**It is also crucial that the city region has the infrastructure to sustain its housing and low carbon growth objectives. Of particular importance is the supply of energy, both large scale and decentralised. We are jointly developing a pilot proposal to establish a multi-sectoral city region Energy Group, which will inform decision-making and investment in energy supply, infrastructure and demand management activities. NWDA will help facilitate and make available resources for the organisation of this group. These discussions will also address what support could be given to the production of a city region energy plan.**

It is proposed to discuss several large-scale low carbon economic area pilots across the city region, to deliver an area intervention and regeneration model that is fit for purpose for a low carbon economy. These areas would act as a test bed to develop a new approach to area regeneration that is low carbon led. The economic areas would act as pilot areas to test the impact of the actions suggested above.

## **8. Increase the international connectivity of Manchester's firms, especially to the newly-emerging economies**

Government has strongly highlighted the value that a firm which internationalises generates: on average, according to UKTI, firms new to international trade experience a 34% increase in productivity during the year they start exporting. As importantly today, firms with international links are 12% more likely to survive.

This is a key way to increase the city region's productivity, and, as a consequence, the investment and GVA Manchester can bring to the UK's economy. The city region's evidence is also strongly behind the Government's push to connect UK trade to the parts of the world with most growth potential, the emerging economies (such as the BRIC countries of Brazil, Russia, India and China).

Manchester airport plays a crucial role in this activity, and GMS seeks to increase the catalytic role the evidence suggests it has the potential to play, e.g. in strategic route development.

To support this, two main strands have emerged from the work with officials that would help bring about the step change the Government wants to see in Manchester;

- **to drive trade, exports and internationalisation of existing businesses in Manchester, NWDA, UKTI, New Economy and GMCC are to undertake a review to assess whether the need for internationalisation is understood, whether it is being met by existing private and public sector provision, and if not how it can be addressed by better co-ordination and/or the provision**

**of additional services. Business support activity will align with the Solutions for Business framework; and**

- maximising the opportunities generated by foreign visits, investment, contacts and leads by GM/MIDAS and NWDA agreeing a Protocol, within the UKTI framework, that reflects the role and interests of Manchester, based on certain markets and sectors.

**9. Expand and diversify the City Region’s economic base by creating the best conditions for innovation accelerated by next generation digital infrastructure**

The Government and its agencies have worked hard over the last decade to improve the growth rate of all regions. During the current economic climate, this objective remains crucial. The Treasury has pointed to the MIER, and its evidenced thesis on how agglomeration at the city region level can drive growth, as a way to increase the GVA of the Northwest.

Part of realising that potential necessitates the expansion and diversification of the city region’s economic base, creating the demand for the highest-skilled labour that creates value and increases broader employment. Part of that equation, as set out in *Digital Britain*, is the provision of a 21<sup>st</sup> century digital infrastructure, and the case is plain that its provision in such city regions will provide rapid and significant economic returns. Other parts of the equation are to create more value for the UK from Manchester’s creative, artistic, sporting and scientific output built around a core of highly networked and talented individuals who are influential and experienced in accessing capital and turning great ideas into international commercial successes.

The city demonstrates robust leadership in key areas such as pharmaceuticals, biotechnology, creative, digital and media and digital research, and is home to the activities of several of the UK’s top R&D investing firms, including AstraZeneca, BAE Systems, Unilever and Rolls-Royce – and soon the BBC’s R&D. The value to the UK of getting this growth pole “over the top” of the agglomeration curve, i.e. into self-sustaining economic value generation, would be significant, long-term and self-sustaining. The opportunity to “pump prime” this growth through non-university public sector research and development funding without compromising excellence may exist.

The Daresbury Science and Innovation campus is one of two complementary national science facilities in the UK, and could play a larger role in building the agglomeration the city region needs. A robust partnership that produced a greater level of buy-in to the Campus from key city region players would help Daresbury in generating the critical mass of science investment it needs to fulfil its potential. This can only be realised through engagement with more of the UK’s and world’s leading research intensive universities. A public-private partnership is being taken forward to develop the Campus.

Three main things have emerged from the work with officials that would help bring about a self-sustaining economic agglomeration effect in Northern England:

- **building on the existing Oxford Road Project, an ongoing evaluation with the NWDA and government that develops the business case to examine the value for money of supporting a rapid, cost-effective, and scaleable means of connecting up of as much of the business and household population as possible, to open access transformational next generation broadband. The**

**aim would be to enhance competition, stimulate demand, increase innovation and productivity and leverage local skills and employment opportunities;**

- The Manchester city region, together with the NWDA, is to commission a study, which, in the light of the MIER's conclusions (including on Daresbury), examines the city region's scientific research strengths and their relationship to existing non-university public sector research. The study will include benchmarking with international comparator locations. A detailed terms of reference for the study is to be agreed between the city region and NWDA, and submitted to appropriate government departments for information; and
- to maximise the mutually beneficial economic impact of Daresbury and to lock the city region and its strategic assets into the Campus, the city region and the NWDA have agreed, to the degree that it is possible, to facilitate a city region representative sitting on Daresbury's emerging new governing body.

## **10. Total Place**

Total Place - a national framework announced in the 2009 Budget - is designed to deliver better services at lower cost. It maps flows of public spending and makes links between services, identifying where public money can be spent more effectively through collaboration and local leadership. As a city region<sup>2</sup>, Manchester is keenly engaged in Total Place, and sees it as a positive vehicle to continue to underpin the financial and economic evidence base, to demonstrate our ability to innovate and to transform services across the public sector. It involves piecing together interlinked work strands to help understand the drivers of performance and expenditure patterns. It includes mapping the demand side and considering the extent to which customer and business demands are incorporated into service provision. On the supply side there is mapping of investment, performance management and leadership and collaboration.

Total Place needs to draw on the evidence of good practice of the past ten years, but also to challenge and assess how we better meet customer needs and deliver enhanced services at lower cost. The Total Place pilots have a requirement to submit a first indication by September 2009, and more detailed findings by February 2010. This provides a mutually agreed mechanism between national and local government to move forward public service reform.

The detailed theme Manchester has chosen is early years. This will extend that pilot work, and the skills and knowledge will also be used to pursue other themes, most obviously the work stream on the most deprived areas, which we are actively considering extending the Total place pilot to encompass. The detailed work will aid understanding of spend on children and their families, including issues such as benefit dependency and parent skills.

The city region pilot is looking for Total Place to help in the broader economic analysis about the effectiveness and impact of spend to support the economic powerhouse potential of Manchester, as developed by our joint working in terms of the economic growth city regions can achieve, as facilitated by statutory city region status. Total Place should be an instrument for assessing the economic growth that

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<sup>2</sup> Acting in this case with Warrington.

derives from spend, and for driving value from resource allocations. As the evidence clearly shows, growth in the city region massively benefits the Northwest and directly impacts positively on a huge swathe of Northern England, as well as having an appreciable effect on UK GVA and growth figures. Total Place is one tool to help understand how the basic required outcomes of the city region's strategy, such as improving the workforce and better connecting it to employment, can best be realised through public services reform.

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**Next steps**

As the analysis in this paper shows, we are all committed to requirements that extend beyond the alignment of investment priorities. Fundamentally, this is about a public service reform agenda which is formulated on raising productivity and producing more economic growth. The question of the structures that surround the city region are those of the need to encapsulate the mutual economic objectives that have been agreed, and needs to be informed by the progress of the pilots outlined here and the general progress of the statutory city region. A robust framework needs to be put in place to track developments and hold all parties to account in keeping to commitments made. A strong framework for co-ordinated investment needs to be designed. However, fully recognising that form should follow function, this should be designed around the resulting outcomes of the pilot status discussions. It is therefore agreed to cover this in much greater detail at a subsequent meeting. The MIER's conclusions on AGMA's own governance are also recognised, and further work needs to be done to ensure Manchester is able to take tough decisions and manage an effective oversight of funding decisions and pilot projects.

Evaluation is important. We are jointly committed to developing robust measures and indicators for all GMS's objectives, and key performance indicators building on those created in Manchester's MAA. Also, Government, relevant agencies and Manchester agree to implement integrated processes and procedures for programme and project production, appraisal and evaluation, based on the Treasury Green Book regime, and building on the appraisal processes already in place.

In light of that, a second milestone is proposed, centred around a second Ministers-city region Leaders meeting in the autumn. The Whitehall-Manchester team will continue its intensive work in that time, with a view to jointly developing, evaluating and actioning the proposals, all within the broader scheme of the GMS implementation plan being developed.

To create a robust and joined-up oversight of the various pilots agreed in this document, we have agreed to establish a Commissioning Board, to be personally chaired jointly by the Chief Executive of the AGMA Chief Executives Group and Chief Executive of the NWDA. The Board will be advisory to the participating bodies and responsible for overseeing the detailed definition of the pilot projects and for overseeing their delivery through smaller project groups, which will remain operational. The Commissioning Board will report on progress to Government and will be advisory to the participating bodies. Commensurate with their actual involvement in the specific pilots, the Board will include representatives of AGMA, NWDA, HCA and relevant government departments as necessary, i.e. DH, DWP, BIS, DCSF, DfT, DEFRA, CLG and HMT.

Signature Box

Appendix: brief summary of pilot programmes in this summary paper

- Early years pilot on multi-agency family assessment and review (p3)
- 16-19 funding pilot (p4)
- Most deprived areas pilot to redesign mainstream services through intensified joint working (p5)
- Transport pilot examining how Manchester can assume more responsibilities (p6)
- Pilot on having local flexibility to determine the proportion of lettings made to reasonable preference groups (p7)
- Pilot for potential new housing development models, bringing public sector land and resources together as equity investment alongside private funds (p8)
- A flexible pilot programme allowing better engagement with private landlords to improve the quality of the private housing rental sector (p8)
- A pilot establishing a city region network of key stakeholders regarding resilience to changing climate (p8)
- A pilot on the retrofit of existing domestic and commercial stock (p9)
- A pilot proposal to establish a multi-sectoral city region Energy Group (p9)
- A pilot on low carbon innovation zones (p9)
- A pilot that reviews whether the need for internationalisation is understood and being met (p9)
- A pilot to develop the business case for a rapid, cost-effective, and scaleable connection to transformational next generation broadband (p10)
- Total Place pilot, taking the early years as its central theme (p11)