

15th February 2010

Report to AGMA Chair and Vice Chairs

Atlantic Gateway : Framework for a Global Growth Opportunity

Recommendation

Chair and Vice Chairs are requested to :

- Agree the response set out in this paper with a recommendation that the Agency take on board these comments in revisions to the Executive Summary and associated framework.

1. Background

- 1.1 A report outlining issues raised by the 'Atlantic Gateway' concept was considered by AGMA Executive Board in March 2009. It was resolved that further work was required to demonstrate the evidential base and the benefits of the concept in relation to the Manchester City Region and that AGMA would work constructively with NWDA and other partners to carry out this work (see copy of AGMA response at Annex 1)
- 1.2 EKOSGEN were appointed to develop the Strategy for Atlantic Gateway and a draft document "Atlantic Gateway – Framework for a Global Growth Opportunity" has been produced for consultation. (see Annex 2) This was considered by the Atlantic Gateway Senior Officers Group on 3rd February, with endorsement by the Leader's Steering Group anticipated on the 18th February 2010
- 1.3 AGMA has been requested to make comments by Friday 5th although officers have advised the NWDA that this is difficult given the consultation with key partners which is required. A copy of the Executive Summary is attached as Appendix 1.

2. Introduction

- 2.1 The earlier iterations of Atlantic Gateway documents were not clear about the role and purpose of the concept; the advantages to the Manchester City region or the added value that it brought to either the city region or the region as a whole.
- 2.2 Given the history of this project the name of the concept is misleading and the concept much misunderstood. The drafting of material and what it says needs care. The confusion arises because it started as a corridor, and has transmuted into something entirely different - but some of the material used to support the corridor concept remains in the document. this needs to be rectified if the ambiguity is to be resolved.

- 2.3 The draft was discussed at the AGMA Joint Investment Group on 19 January, although as the document had only been circulated the day before there had been little time for members to read it. The Joint Investment Group comprises members of the Commission for the New Economy and the Planning & Housing Commission as well as representatives from MIDAS, the Business Leadership Council and the NWDA. Members made the following comments:
- The meeting felt that earlier calls for a more robust evidence base to support the proposal still hadn't been fully answered.
 - The concept of Atlantic Gateway still appears too amorphous.
 - Concern that the proposals might undermine agglomeration benefits.
 - John Early said he wanted to consider this with the BLC.
 - Roger Ellis advised that in view of the timings, with a submission needed by 15th Feb, the AGMA Exec on 29th January were to be asked to delegate a decision to the Chair and Vice Chairs of AGMA to agree
 - The RS2010 consultation process should be the means whereby the Atlantic Gateway concept is fully tested.
- 2.5 AGMA Executive Board of 29 January agreed to delegate to the Chair and Vice-Chairs sign-off of AGMA's formal response to the NWDA consultation on the draft strategy for "Atlantic Gateway", following consultation with all ten districts.
- 2.6 At the Senior Officers Group on 3 February the Chief Executive of the NWDA agreed that the AGMA response could be received by 15 February. Some of the other issues raised in this report were discussed at this meeting.
- 2.7 This paper has been agreed by the AGMA Chair and Vice Chairs on 16th February.

3. **City regions**

- 3.1 There has been a change in emphasis in the document away from a 'growth corridor' to the focus on the importance of the **city regions**. However, the document needs to be clear and unequivocal about the centrality of the city regions to the future prosperity of the region and indeed the north of England. The document therefore needs to be amended to remove the references to the 'corridor' which remain. The Framework would also be strengthened if the city region focus was included as a **Key Theme** in its own right.
- 3.3 AGMA considers that the framework must be clearer about what it means about a hierarchy of settlements as the thinking is currently confused in the Executive summary. It refers to both city regions on the one hand and town and city centres on the other without making it clear where the focus lies. If the fundamental purpose of the Atlantic

Gateway is to reinforce the existing city region growth plans the focus needs to be upon the city regions which, of course, contain many significant settlements in themselves. In Greater Manchester we have a clear set of priorities that relate to the functionality of the city region as a whole and it is these priorities that needed to be supported by Atlantic Gateway. This needs to be made unequivocally clear in the text

- 3.4 The framework makes much of the reference to the proximity of the city regions and the cross functioning of labour markets, yet fails to address the relationship between Manchester and Leeds and parts of Lancashire. With the absence of any analysis of labour market functionality for either city region, it is not clear what is trying to be achieved and where available public spending can best be deployed to deliver the maximum leverage and benefit for the North of England as a whole. There should be a clear strategic direction of how all these linkages should be developed to maximise the growth of the city regions, not to artificially constrain the approach if the major strategic benefits are to be realised.
- 3.5 The document is also weak for making no references to labour market productivity and associated public sector reform where there are a range of issues around skills, worklessness, access to employment etc that are a drag on economic growth and productivity. It was for this reason the SCR has agreed a series of pilots of public sector reform interventions with government and key partners in Manchester. It is important that these issues are referenced as this is fundamental to the success of the city regional plans (including Liverpool's MAA) which the framework says it is committed to reinforcing (although strangely it makes no reference to either the Manchester SCR or the Liverpool MAA)
- 3.6 The SCR was entered into on the basis of the Manchester City Region's status as a key driver for economic growth in the north **which is recognised fully by government**. This designation and the devolution that the SCR may bring is important not only in regional terms, but also in national terms and should become a key component for the Framework
- 3.7 The Framework also needs to acknowledge the wider role which Manchester plays in the north of England and in particular the links with the Leeds City Region. The transport improvements highlighted, for example the Manchester Hub, are not only important for 'Atlantic Gateway' and westward connectivity, but also for linkages with Leeds, as identified in the recent Northern Way research

4. **Advocacy**

- 4.1 AGMA supports the principle of collaboration provided it is linked directly to maximising the opportunities provided by the critical mass generated by the two City Regions. It is, however, not credible to disregard the complementary contribution of the Leeds City region in particular to the creation of a platform for economic change which can act as a counterbalance to London and the wider South East.

5. The Projects

- 5.1 The list of projects are not new and in the main are uncontroversial, many already having the benefit of planning permission. Nevertheless, now that the concept has been broadened from the initial corridor with a clearer focus on the city regions the schemes do not necessarily represent all of the opportunities now that the whole of the Manchester city region is included.
- 5.2 There is, however, no differentiation between the scale of development proposed in different parts of Atlantic Gateway. Whilst Manchester city region accounts for the large majority of the predicted growth, the majority of the projects lie outside of Manchester
- 5.3 Whilst many of these projects will directly support the city region growth plans, given public expenditure resource constraints, the Agency should take steps to evaluate the cost and benefits of the proposals and the scale of any public intervention which is likely to be required is assessed so that where choices have to be made in public investment decisions, there is a clear rationale as to how that is approached to maximise the benefits.

6. Key Themes

- 6.1 In addition to the city region point (above) we strongly support the themes of global gateway (subject to the comments below) and sustainable infrastructure because they have the capability of directly supporting city regional growth and the complementarity between the two city regions. It should also be noted that the next generation broadband proposal probably best sits in sustainable infrastructure.
- 6.2 In relation to the key themes we have the following points to make:
- **Theme 1 – Global Gateway** – The transport aspects of the framework need significant strengthening to reinforce the point that transport infrastructure is a key means of facilitating economic growth and build on the MAA and SCR agreements to improve intra- and inter- city region connectivity. This would then reinforce that which has been agreed in the Manchester SCR regarding the devolution of decisions to the city regional level. There needs to be a more robust and strategic approach to transport infrastructure and decision making for the Gateway so that we move away from a shopping list of schemes and have a

clear sense of strategic priorities which will be even more essential in times of public sector resource constraint.

- **Theme 3: Driving International Trade through Innovation in Key Sectors** – the starting point should be the city regions not the creation of entirely new structures; most of the assets listed are located in the city regions and the city regions are already leading on significant work in this area.
- **Theme 4 : Creating Places to Attract and Retain Talent** – this section still references the ‘residential offer’ which is of course no longer being considered as part of the Atlantic Gateway Framework. Whilst we are clear on the importance of housing as a vital component of the city region’s growth plans it is inappropriate for it to be part of this framework. AGMA considers that it is critical that decisions around the scale and distribution of housing should be considered alongside the proposals for economic growth, sustainable transport, accessibility to facilities etc, and the correct place to tackle this issue is through RS2010 and not pre-determined in a non statutory framework. We need the document to be clear that housing is no longer part of the Atlantic Gateway proposals in an unambiguous way.
- AGMA is aware that it is currently proposed that a set of ‘High Level Principles’ around housing is being developed for inclusion within the Atlantic Gateway Framework. We have not had sight of these and therefore reserve the right to comment further when these are made available and their role and purpose made clear to ensure that they do not confuse the proposed principal focus of the Atlantic Gateway on the city regions.

6. 3 With regard to the proposed transport forum it is AGMA’s view that this should not be confined to just a relationship between Manchester and Liverpool but also Manchester’s connections with the wider city region in Lancashire, Cheshire and so on. Any Transport Forum would need to clearly add value to and link to the transport governance proposals for GM.

7. Adapting the Landscape (AtL)

7.1 AGMA supports the AtL project, which did of course precede the Atlantic Gateway. It appears however that the main contribution is cosmetic – i.e. image and recreational value linked to housing growth, gateways etc. Although the text refers in places to Green Infrastructure functions for example, flood risk management, the linkage with Green Infrastructure and greenspace is weak. This is a lost opportunity.

8. Purpose

AGMA has concerns about any proposal which is designed to become part of future Regional Strategy and consideration of Atlantic Gateway should be developed through that mechanism rather than apart from it. It is also vital that any subsequent investment decisions need to be rooted in the growth strategies and delivery mechanisms of the city regions and have robust and accountable governance systems

Sir Howard Bernstein, Manchester CC (Chair, Wider Leadership Group)
Roger Ellis, Rochdale MBC (Planning and Housing Commission)
Barbara Spicer, Salford CC (Commission for the New Economy)
Mike Emmerich, Commission for the New Economy