
Public Service Reform and Devolution in Greater Manchester

Donna Hall, CE Wigan Council



2.7 million
RESIDENTS



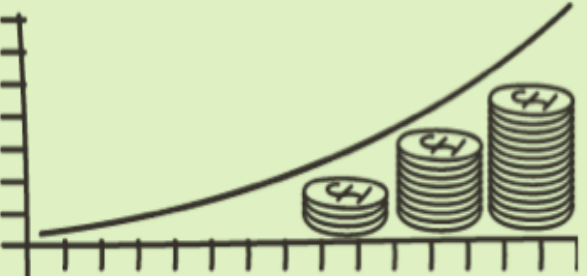
10

authorities
working
together

UK's first
combined
authority



GREATER MANCHESTER



Economic potential
exceeds all other
UK city regions



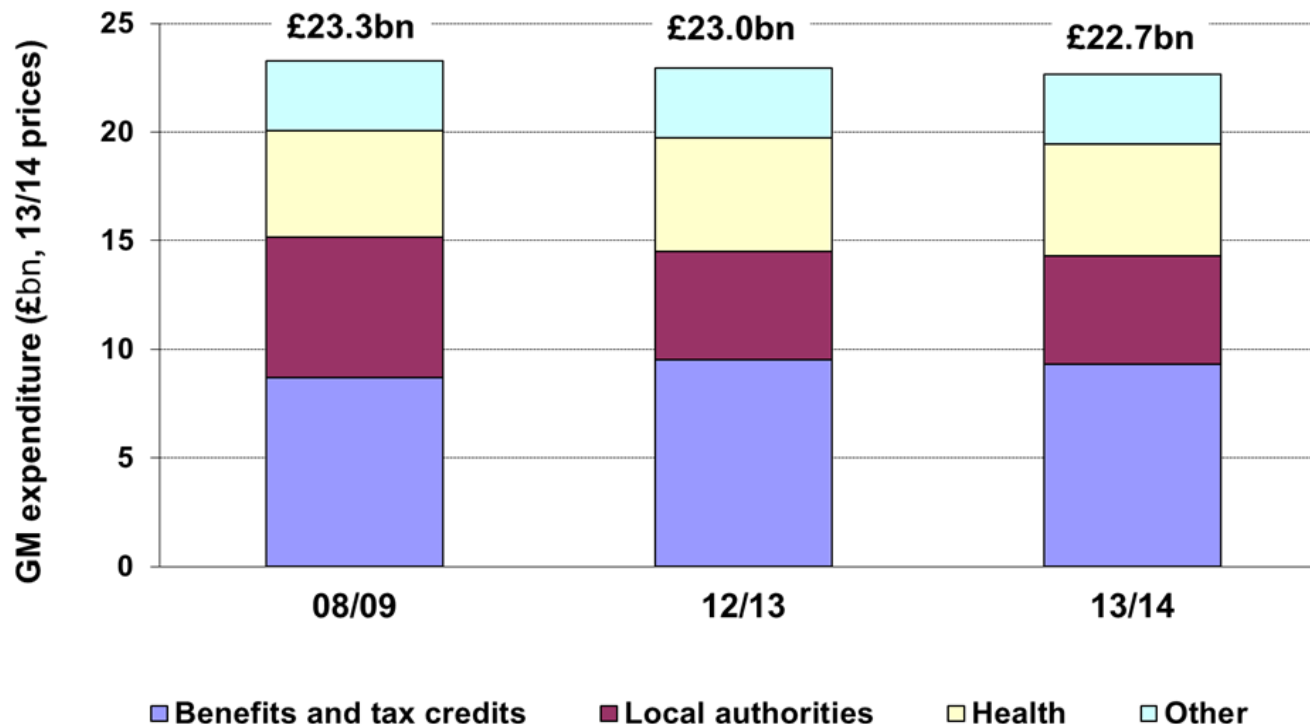
Heart
of the
north



Centre of innovation,
education, industry
and culture

Context and Issues: continuing austerity

- **Disconnect between strategy to drive growth and local government settlements:** While LA funding has been cut, when we look at the totality of public sector spend the deficit has only reduced marginally in places like GM. Reactive spend has filled the gap left by local service spending reductions.
- **Continuation of austerity will see further reductions in local government funding:** We know we need to find new ways of making our funds go further, deploying funding in new ways and working in collaboration across local services.



The graph shows total capital and revenue expenditure spent within Greater Manchester or directly on GM residents (2013/14 prices). These figures do not include some national spending such as defence, international development, student loans. This national spend apportioned to Greater Manchester based on population is estimated to be approximately £4.7bn.

The Ambition for GM: The Northern Powerhouse

- Through the Spending Review, we have an opportunity to further drive our ambitions to contribute to the creation of the Northern Powerhouse.
- Growth in line with the delivery of the Northern Powerhouse will imply:
 - GVA growth in line with Greater London
 - Significant additional jobs above baseline forecasts
 - Adding additional residents (yet achieving reductions in inactivity /unemployment 250,000 out of work) School Readiness, Looked After Children.....
- GM has a big opportunity but that we need to significantly raise productivity and deliver on our Public Service Reform aspirations.
- What is PSR?
- Prevention
- Timeliness
- Sequenced
- Risk-stratified
- Co-ordinated
- Whole-person/family
- Takes costs out
- Self-reliance

The Ambition for GM: implications of accelerated growth

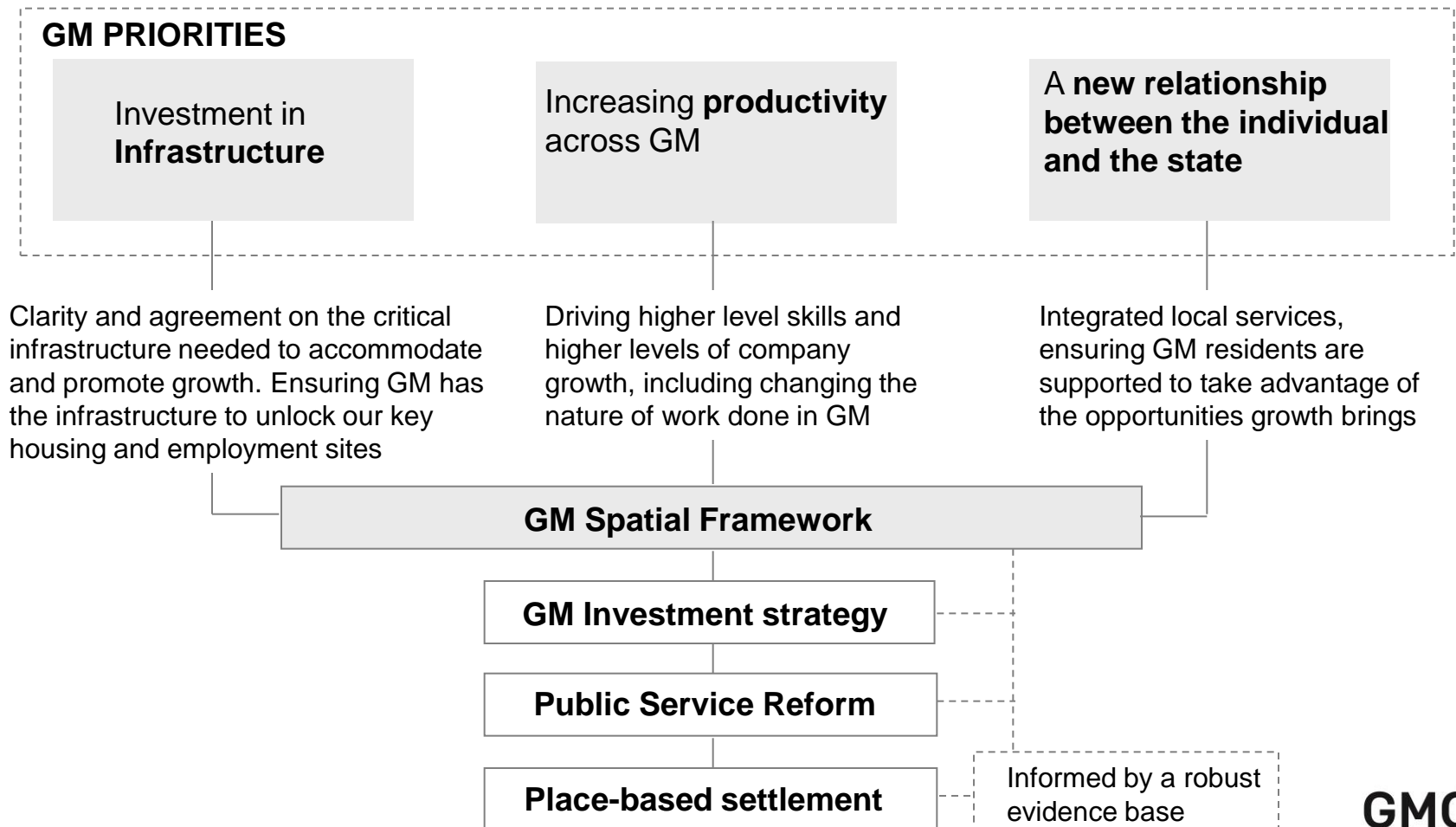
- **We can't take growth for granted:** we need to invest in people and infrastructure to ensure that potential is achieved.
- **We need to focus on the impact that can be achieved through major infrastructure developments:** transport, employment , land, housing & energy.
- **We must address the significant local service pressures we face in the context of significant financial reductions:** education, health & social care, and leisure.

We must focus on:

- Health & social care reform key to ensure we have healthy population able to contribute to, and benefit from, economic growth.
- Effective support for local residents, bringing together services enabling the creation of integrated packages of support and ensuring residents are able to benefit from the opportunities growth brings, eg **Working Well**
- **Early Years, Complex Dependency, Skills**
- Investing in public service reform
- A new relationship between citizen and state

Interdependencies between GM priorities

- The GM Spatial Framework gives us a clear mechanism to deliver our vision for GM. It will set the context through which our investment and reform decisions will be shaped. A place-based settlement for GM will enable us to go further, faster in achieving our objectives.

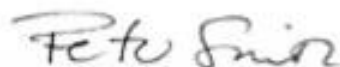


The Deal

Our part

- Freeze Council Tax
- Help communities to support each other
- Cut red tape and provide value for money
- Build services around you and your family
- Create opportunities for young people
- Support the local economy to grow
- Listen, be open, honest and friendly
- Believe in our borough

Signed



Lord Peter Smith of Leigh, Leader of Wigan Council

Your part

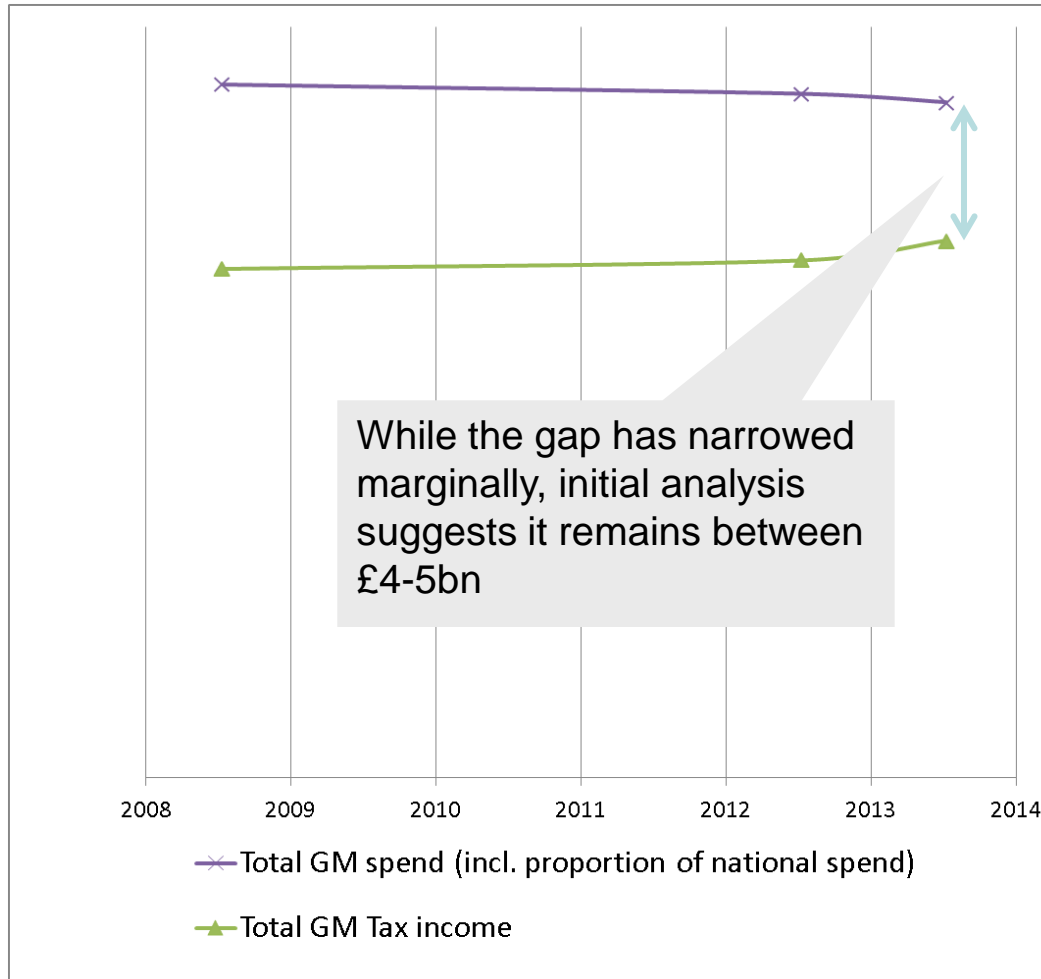
- Recycle more, recycle right
- Get involved in your community
- Get online
- Be healthy and be active
- Help protect children and the vulnerable
- Support your local businesses
- Have your say and tell us if we get it wrong
- Believe in our borough

Signed

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Context and issues: the gap between tax and spend

N.B. Analysis is underway to finalise figures on the scale of the gap



The original analysis of GM spend and tax is being refined to incorporate elements of national spend not originally considered, and to undertake a more detailed review of the tax income from Greater Manchester residents and businesses.

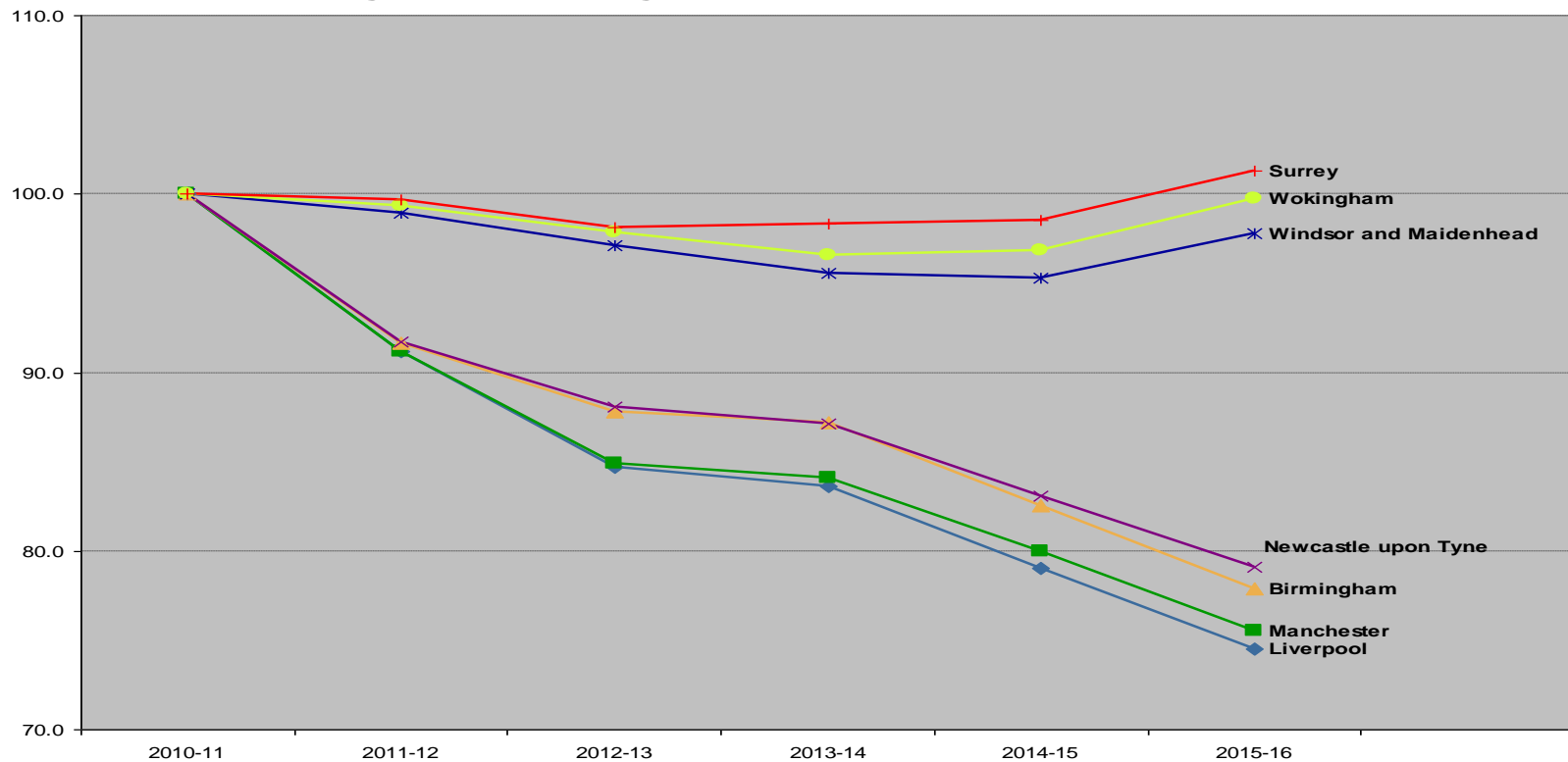
Provision figures suggest that since 2008/09, the fiscal gap has closed slightly, but there is still a significant deficit.

These figures will be finalised for the SR submission.

Spending power changes

- Reductions in spending power are having a significant distributional impact.

Index **Indexed Change in Spending Power 2010-11 to 2015-16**



Case made to justify the above is that funding per dwelling should be similar regardless of levels of need. Position starting to change - last IMD rankings from 2010, Leeds City Council was ranked 68th most deprived and Woking 289th. The 2015/16 settlement gave Leeds a lower Spending Power per dwelling than Woking (£1,844.39 compared to £1,932.06).

What a place-based funding settlement would mean for GM

- Traditionally, the Spending Review process is conducted down Departmental lines. Much public funding arrives in places tied to specific programmes, allocated on national funding formulas. In GM, with greater flexibility we could align funding around **people rather than programmes** – better focusing resources where they are needed in GM.
- Enabling a place-based approach to investment requires change from Government and from local services:
 - **From Government:** Greater certainty over medium-term funding allocations, greater flexibility in funding to enable a move away from sector specific allocations, revision to some national funding arrangements, recognition that national inspection and regulatory regimes will need to reflect local decisions.
 - **From local services:** Taking longer-term funding decisions, providing assurance to partners that services required to deliver local priorities will be supported, stronger accountability arrangements.
 - **Across Government, and GM partners:** Sharing risk and reward, ensuring investment is marshalled around those issues that will best support people and places across the city-region, developing collaborative governance and accountability arrangements.

GM proposition: reforms to deliver accelerated growth

The Spending Review provides us with a further opportunity to make the case for revisions to the local finance landscape. Initial proposed areas for reform are set out on the following slides. We are seeking reform across a range of themes:

Investment to support reform

Reforms to mitigate the impact of the current Local Government Finance funding arrangements

Additional flexibilities to deliver growth

Longer-term roadmap to full fiscal devolution