

Social Policy and Distributional Outcomes

in a Changing Britain

City-region level devolution: Greater Manchester

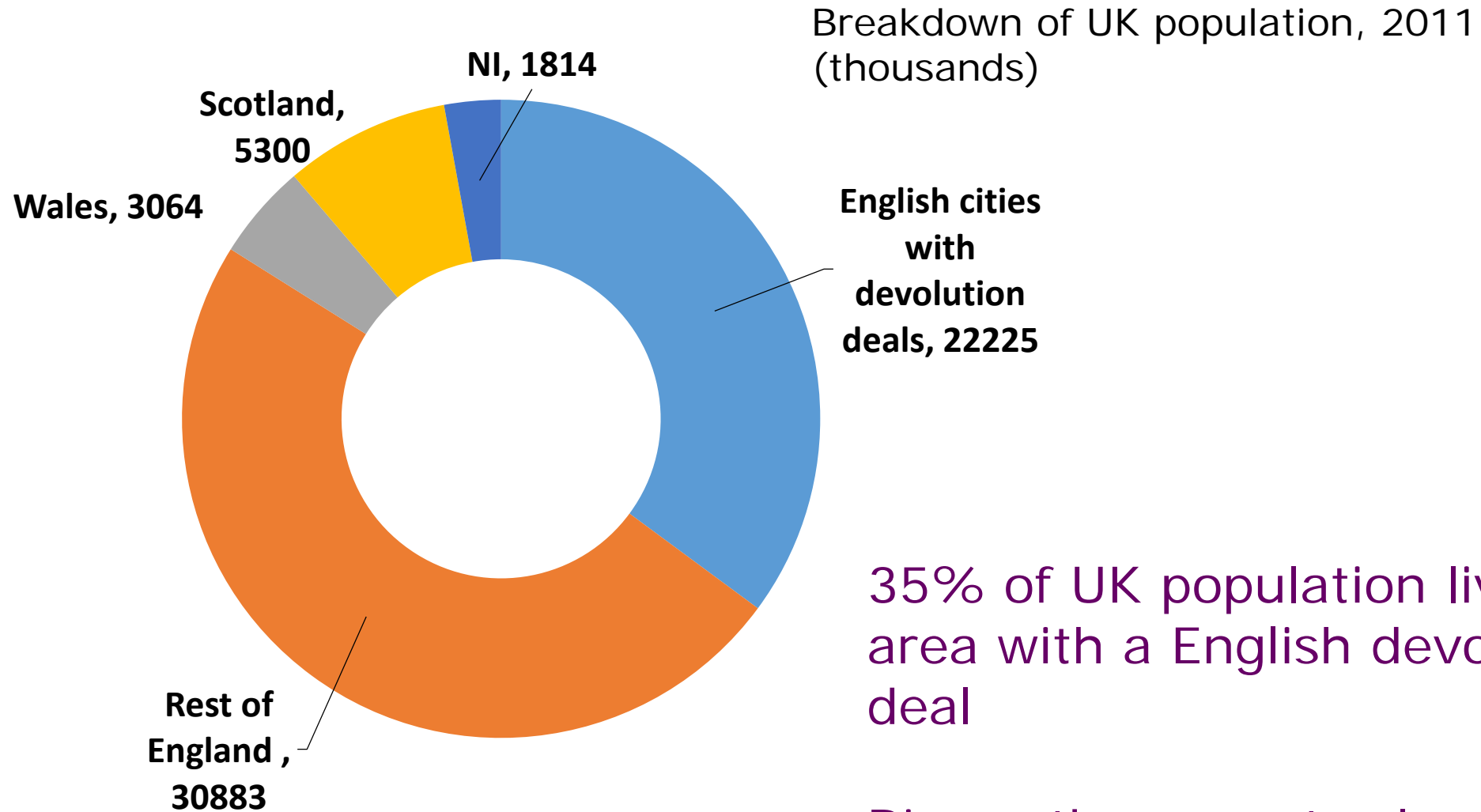
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CASE Seminar 4th July 2018

City Region Devolution in England: a Long Road



Reasons to be interested: No 1 – its big



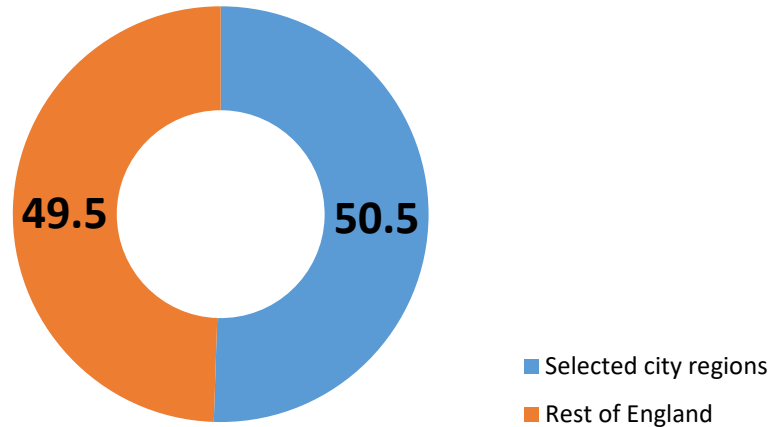
35% of UK population lives in an area with a English devolution deal

Bigger than country-level devo

Reasons to be interested:

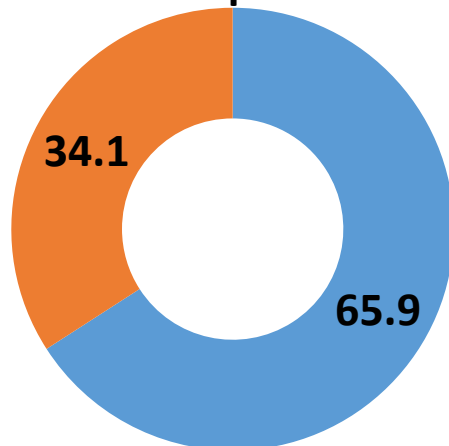
No 2 – Affects higher need populations

Out-of-work benefit claimants, working-age



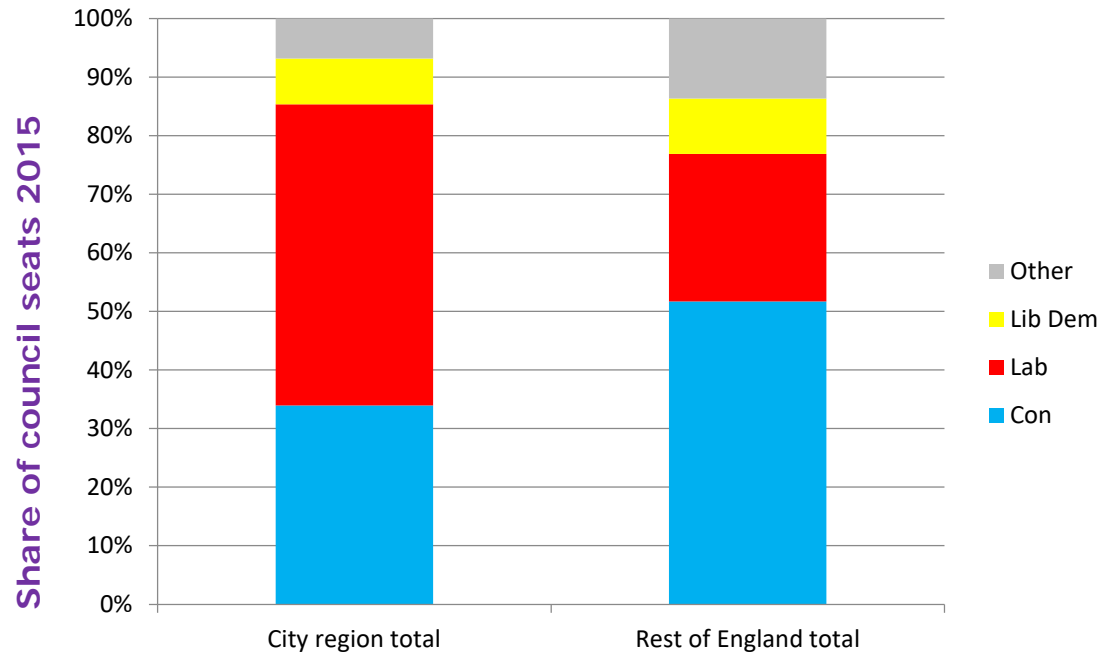
- Half of England's working-age out of work benefit claimants 2011

Neighbourhoods (LSOAs) in 10% most deprived



- Two thirds of those neighbourhoods among the most deprived nationally (IMD 2015)

Reasons to be interested: No 3 – A greater political will towards reducing poverty and inequalities?



- Strong labour representation across city region councils – 51% against 25% in Rest of England in 2015
- Although varies across city-regions

Reasons to be interested:

No 4 – Cities planning a policy revolution



Competitive Cities, Prosperous People: A Core Cities Prospectus for Growth



The problem according to the Core Cities

- “the amount of money cities control directly is very small compared to other countries”
- “national policies don’t cater for the strengths and needs of different places”
- “national agencies struggle to join up with local agencies”
- “cities and the people who live there can’t decide what’s best for them, which ignores distinct local needs, wastes public money and gets poor results”

What cities need to be able to do

- Link plans for growing business and jobs with those for “reducing reliance on public services”
- Have all public money in a ‘Single Pot’ spent according to a Single Local Plan
- Reform public services and invest in prevention.

“public spending overall in our cities hasn’t gone down, It has reduced in agencies with a preventative and coordinating role... but increased in areas such as welfare, care and health, which means the way it is being managed centrally isn’t work”

No more social policy silos

Public services are “trapped in a dysfunctional and conflictual system managing rather than changing outcomes”

“what is needed is a system that pools resource and that can make systemic bespoke interventions that have a chance of transforming rather than managing lives”

The evolution of devolution

- 1965- 1986: Greater London Council
- 2000: Greater London Authority and Mayor of London
- 2008-2010: Multi-Area Agreements established in most city-regions
- 2009: Legislation makes provision for Combined Authorities
- 2011: First Combined Authority (Greater Manchester)
- 2012: First Wave of City Deals
- 2013: Second Wave of City Deals
- 2014: First Devolution Deal (Greater Manchester)
- 2015-2018: Further Devolution Deals
- 2016: Cities and Local Government Devolution Act
- 2017-2018: First metro mayors outside London:
 - Greater Manchester, West Midlands, West of England, Tees Valley, Liverpool City Region, Cambs/Peterborough, Sheffield City Region.

Part 1 of the story: 'devolved' powers in particular policy areas

Bespoke 'deals', different in different places

Main areas:

- Transport
- Business support
- Adult skills funding
- Co design of employment support
- Planning, land and housing
- Some justice pilots
- Health (but limited areas)

Mainly not 'devolution' (political, administrative and fiscal autonomy) but 'delegation' (managerial freedoms with central accountability)

Not much social policy, and not the big spenders

Social policy domain	Included in deals
Social security	No
Health/social care	Only in some places
Schools	No
Young children	No
Schools	No
FE and skills	Some
Higher education	No
Employment	Some
Housing	Some
Policing/justice	Some

Part 2: A new tier

Devolution is about scaling up as much as handing down:

- Combined authorities
- Pooled funding and retained business rates

But no geographical coherence:

- Consensus geographies
- Supposedly linked to growth not to regional identity
- But not necessarily even functional economic areas

Part 3: Mayors

Directly elected leaders

Specific powers

Tax raising powers (small)

- Mayoral precept
- Taking over police precept

'Soft' powers

Greater Manchester: The most advanced case



“This is Manchester:
we do things
differently here”

Tony Wilson

The Long Journey towards Devolution

- 1986: Abolition of Metropolitan Counties. Establishment of AGMA
- 2009: Manchester Independent Economic Review
First Greater Manchester strategy – ‘Prosperity for All’
Legislation enables establishment of combined authorities for city-regions.
- 2011: Establishment of GM Combined Authority (GMCA), Local Enterprise Partnership on same boundaries
- 2012: GM City Deal, Community Budget Pilot
- 2013: Refreshed GM strategy “Stronger Together”
- 2014: LEP Growth Deal, Devolution Deal
- 2015: Interim Mayor appointed
Further devolution announced (including health and social care)
- 2016: Further devolution announced
- 2017: Election of Mayor, third Greater Manchester Strategy “Our People, our Place”
- 2018: Trailblazer for local industrial strategies, seen as forerunner to further devo ‘asks’



The GM approach

- Linking social and economic policies: 'reform' as central to 'growth', emphasis on prevention and 'people power'
- A single local plan, going well beyond devolved powers
- Planning, collaboration and governance at the city-region level
- Pooling resources
- Aiming to be a net contributor to HMT

Linking social and economic policies in place

“Reform of health and social care will improve productivity by helping more people to become fit for work, to get jobs, better jobs, and stay in jobs. It will also help to manage the demand on services created by an aging population, closing the £1.1 billion financial gap facing health and social care in GM over the next five years. Addressing issues of complex dependency by applying the principles of the Troubled Families approach will help those further away from the job market to move towards and thus into jobs and the low paid into better jobs. Reform of Early Years provision is a key component of both health and social care reform and increasing the productivity of parents and, in the future, their children.

Such reforms must be wholly integrated with our efforts to create the conditions for growth and job creation, investing in our businesses and maximising growth in those key sectors in which we have competitive advantage; in creating quality places through the development of new housing and the regeneration of neighbourhoods and through the provision of critical infrastructure.”

Our new strategic approach: 10 priorities

Let's make



1

Children starting school ready to learn



2

Young people equipped for life



3

Good jobs for people to progress and develop



4

A thriving economy in Greater Manchester



5

World-class connectivity

Greater Manchester

one of the best



6

Safe, decent and



7

A green



8

Safe and strong communities



9

Healthy lives and quality care

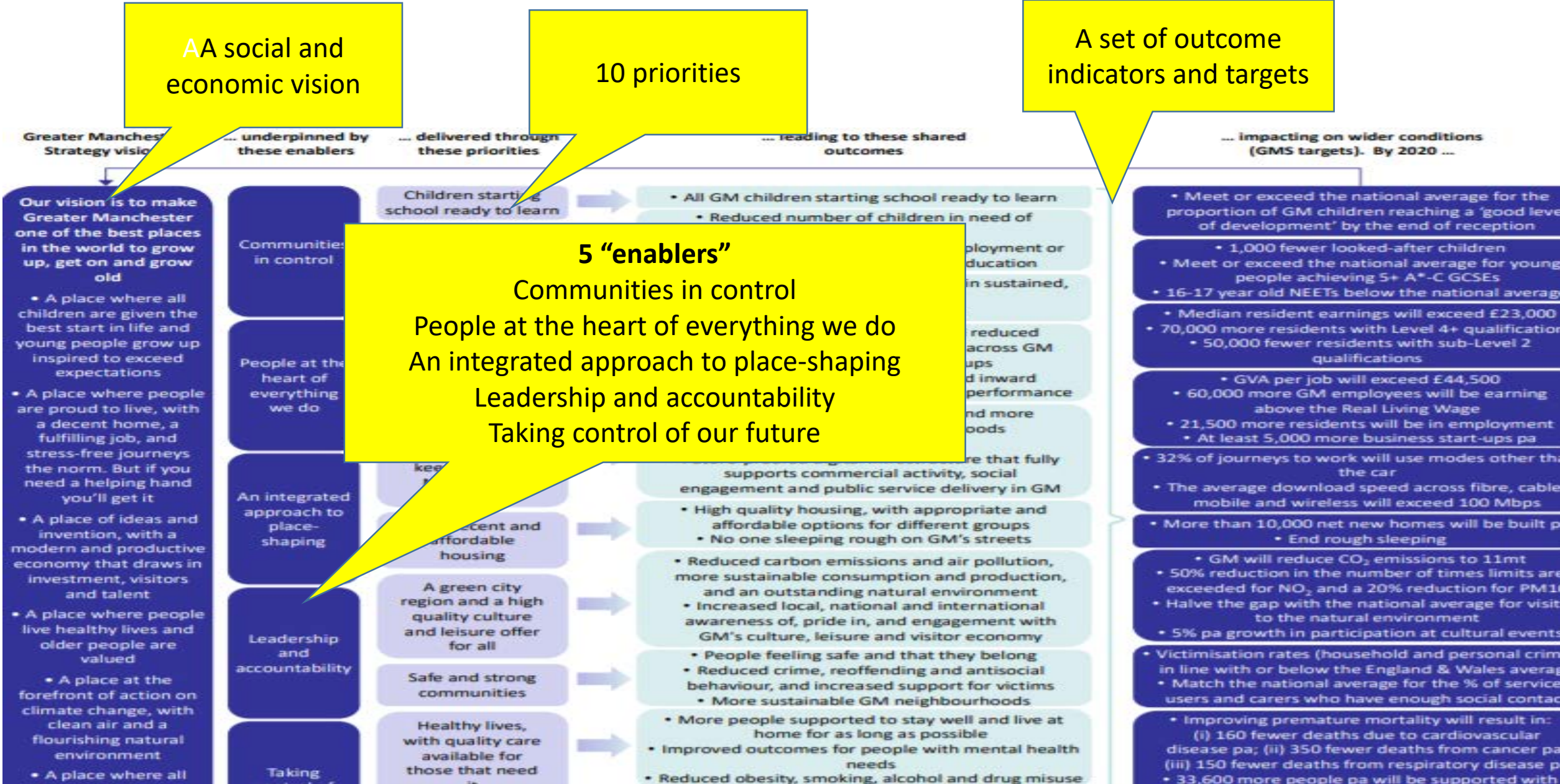


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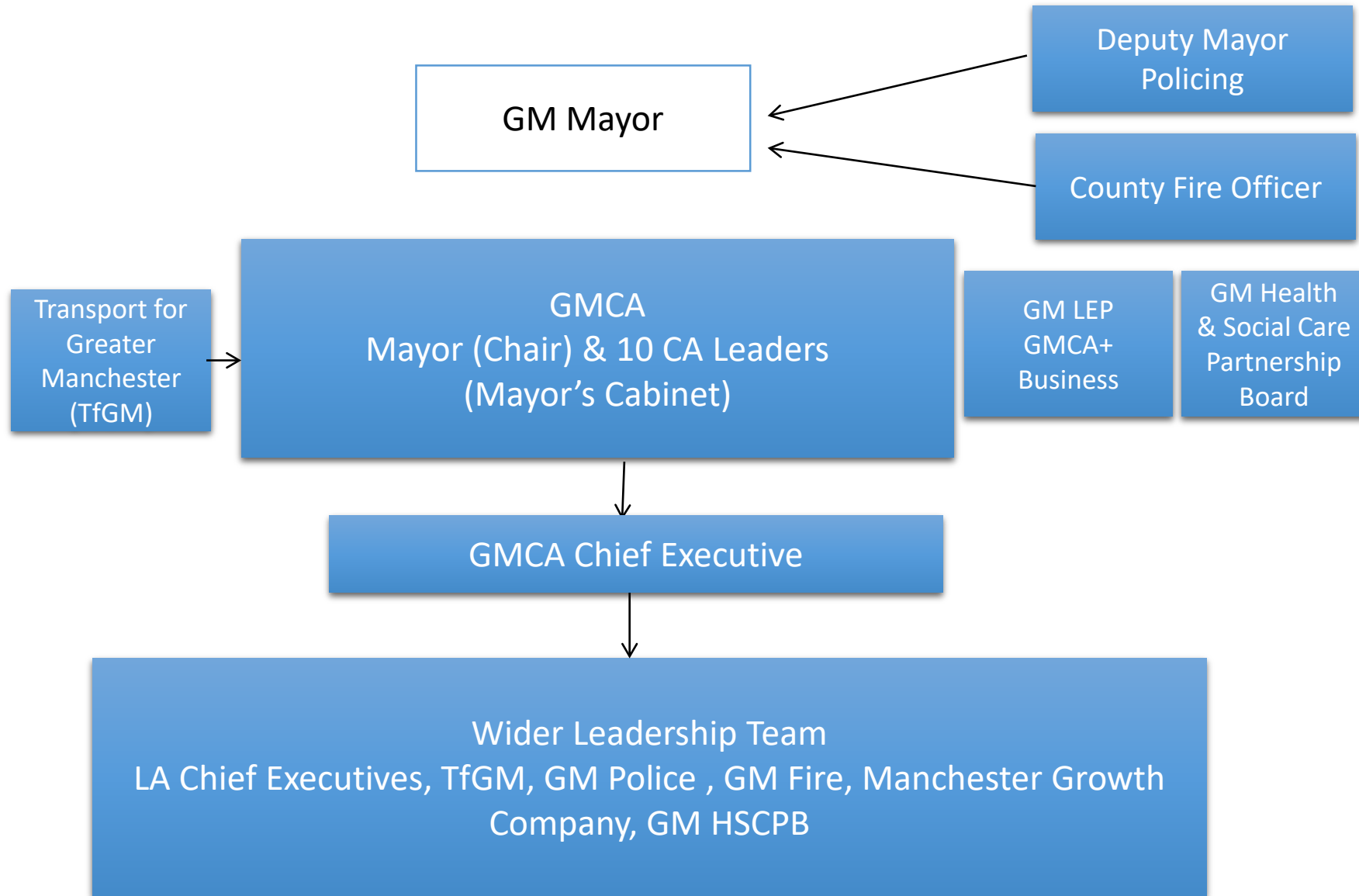
An age-friendly Greater Manchester

places in the world

The GM Outcomes Framework

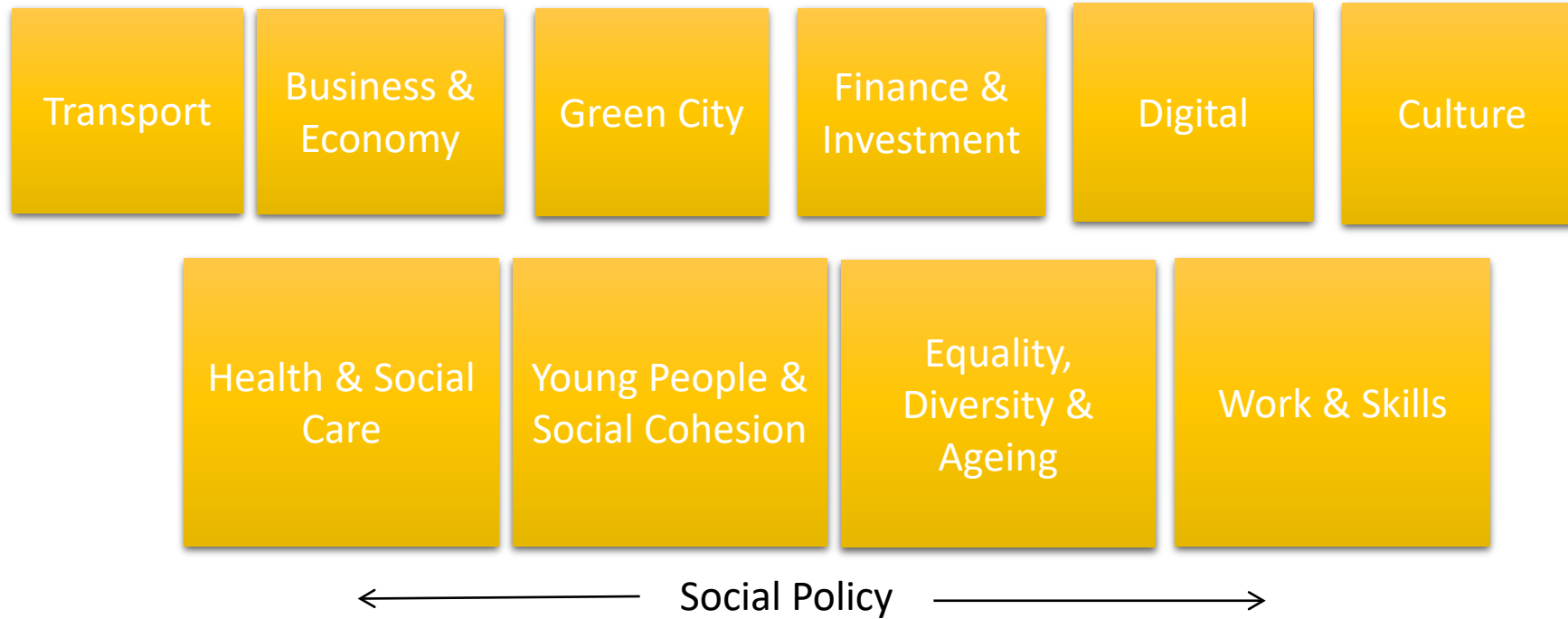


CITY REGION GOVERNANCE IN GM

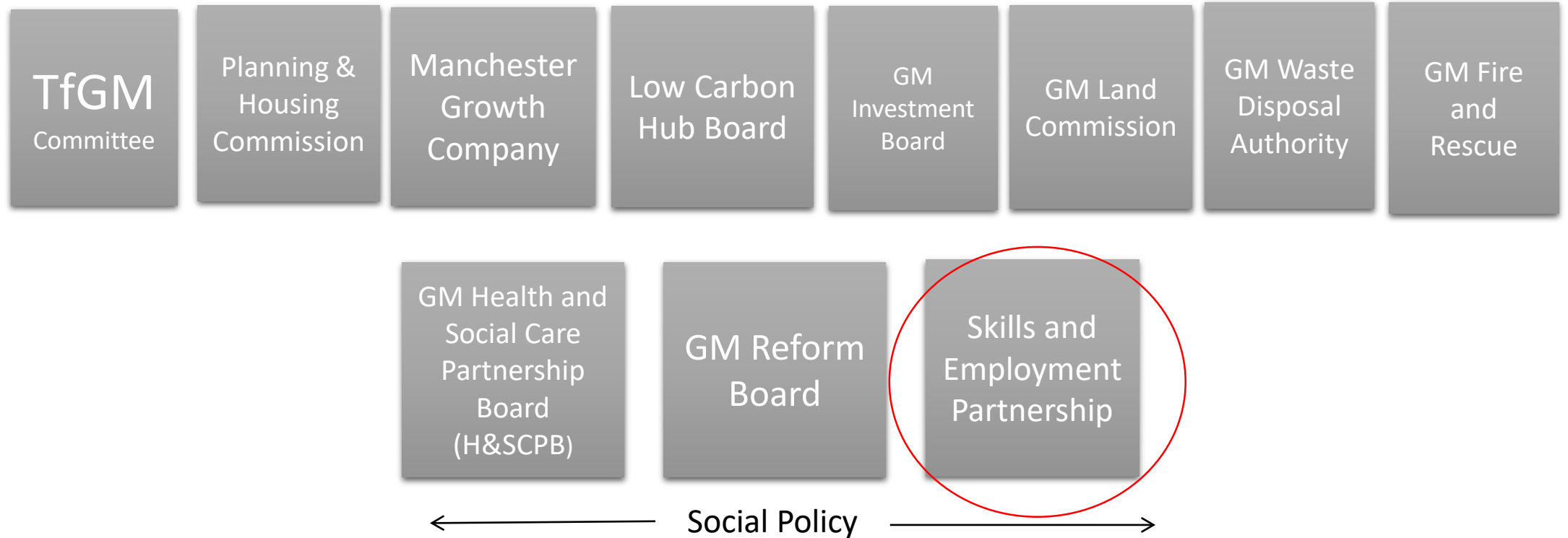


GM WIDE PORTFOLIOS

*Each led by a Cabinet Member



CROSS-GM STRATEGIC BOARDS



Skills and Employment

“to create an integrated employment and skills eco-system, which has the individual and employer at its heart, and that better responds to the needs of residents, business and contributes to the growth and productivity of the GM economy”

– *Simon Nokes, New Economy 2014*

A multi-pronged strategy, including:

- Redesigning employment support
- Developing specialist and technical provision at Level 3+ in areas linked to GM growth sectors
- Improving educational attainment
- Working with employers (including through devolved business support services) to encourage investment in skills, improve skill utilisation and enable firms to compete on the basis of higher skills and greater innovation
- Embedding work and skills objectives in other programmes and strategies (eg emerging emphasis on good work in health and social care strategy, early years workforce development)

Pooling resources to support city-region priorities

AGMA:

Financial and in-kind contributions from local authorities to support cross GM functions, units (eg New Economy), collaboration (eg procurement frameworks) and grants

GMCA with Mayor:

- Contributions from LAs (see above and below) to fund central teams and delivery of GM functions
- Mayoral precept (£9 per band D household) to fund Mayors office, spatial framework, transport policy and strategy and other mayoral priorities

Pooled business rates:

2015/16 : Business rates pool with Cheshire (GM authorities contribute 2/3 of levy to GMCA) c £2.5m

2017/18: Business Rates retention pilot (designed to inform national approach). 100% of business rate growth retained locally. 50% to GMCA, 50% to districts

But not yet a single pot for switching between policy areas and no new social policy resources

Net contributor

- Total public sector expenditure £22bn p.a.
- Estimated tax contribution (35% of GVA) £17.8bn

Figure 1: Total public sector expenditure

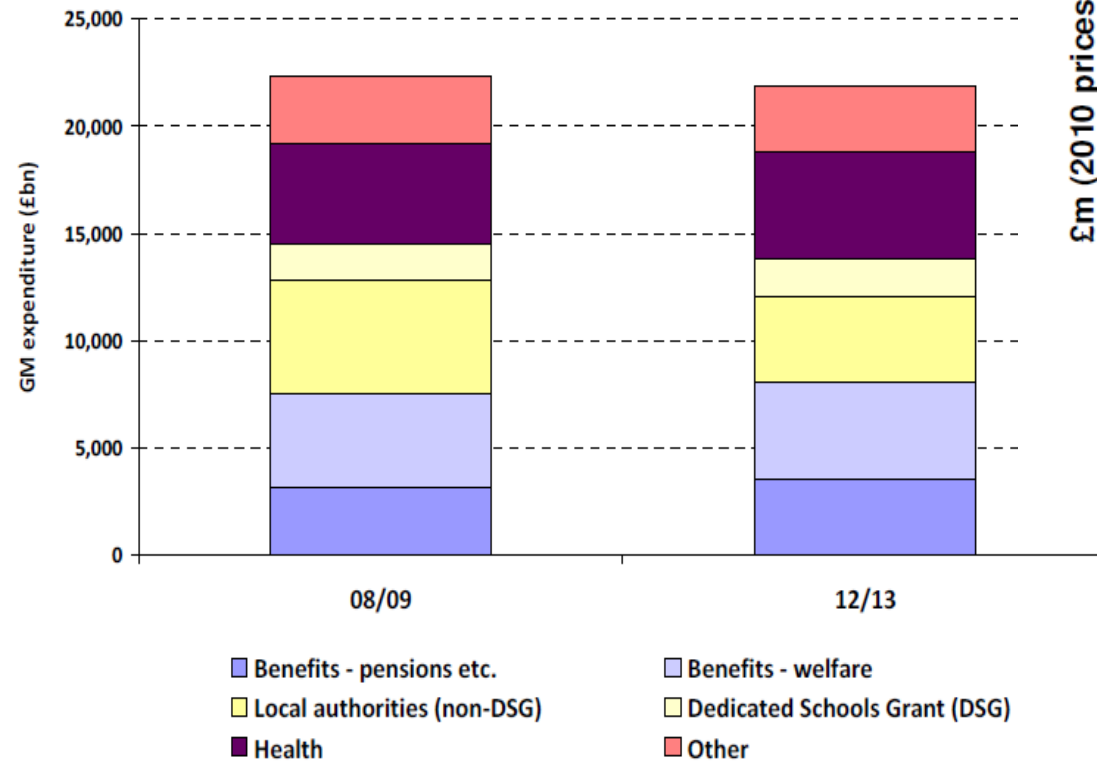
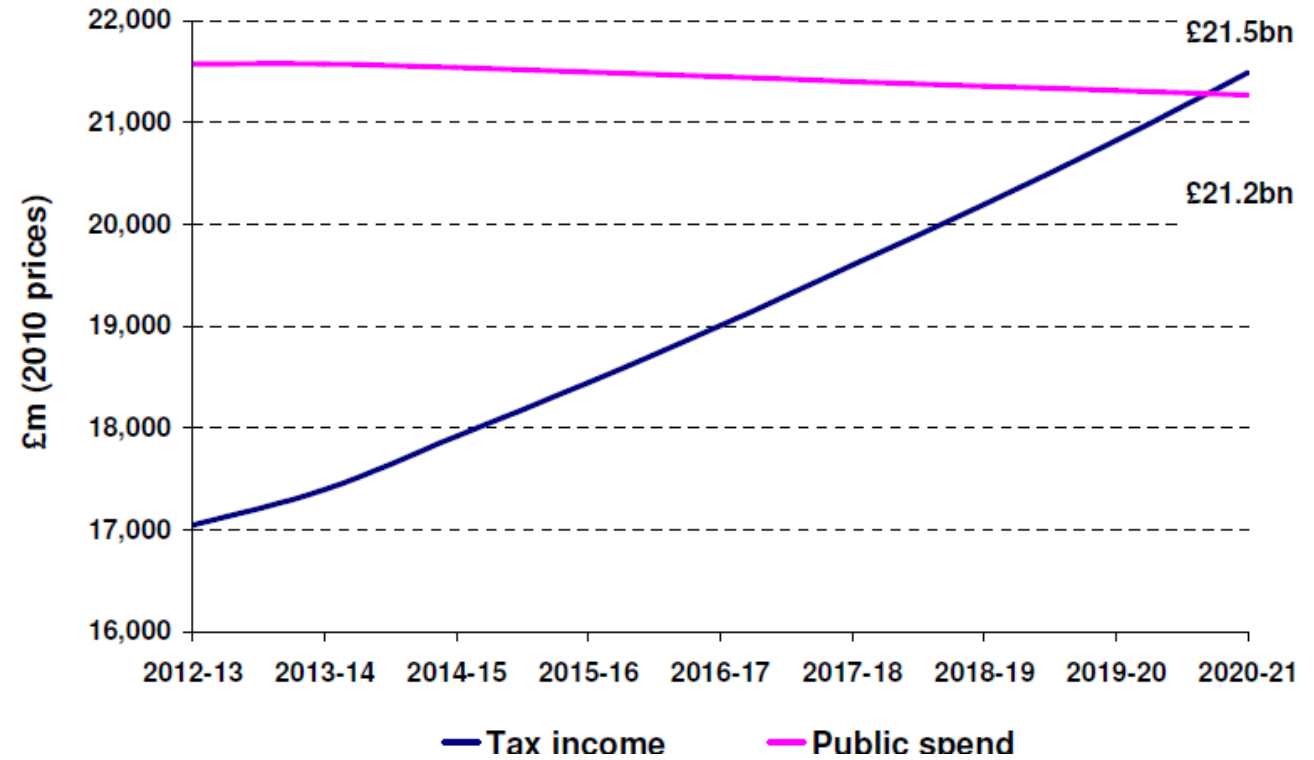


Figure 2: Closing the gap



GMCA, GMLEP and AGMA (2014) A Plan for Growth and Reform in Greater Manchester

And what about the Mayor?

- A 3-year term
- No devolved powers over major social policy areas
- Very limited tax-raising powers
- Supposedly “one of 11”

But he doesn't see it like that..

Transport budget

Buses, trains, smart
ticketing

Strategic planning

Housing Investment
Fund

Earnback

Police & Crime
Commissioner

Devolution as democratic renewal and self-determination

“Greater Manchester is the home of radical forward thinking.

We have always done things differently here. From the birthplace of the Co-operative and Trades Union Movements in the 19th Century, to the home of the Suffragettes in the last, Greater Manchester has a proud tradition of wrenching power from the Establishment and placing it in the hands of ordinary people.

Now we have the chance to do it again. And the health of our democracy demands we succeed.

The arrival of devolution in England presents the best opportunity we will ever get to rebalance this country from South to North and give real power to the people and places that Westminster has left behind.”



Progressive intentions and social policy interventions

Progressive intentions:

“A modern capital of industry where everybody has a part to play and every voice is valued.”

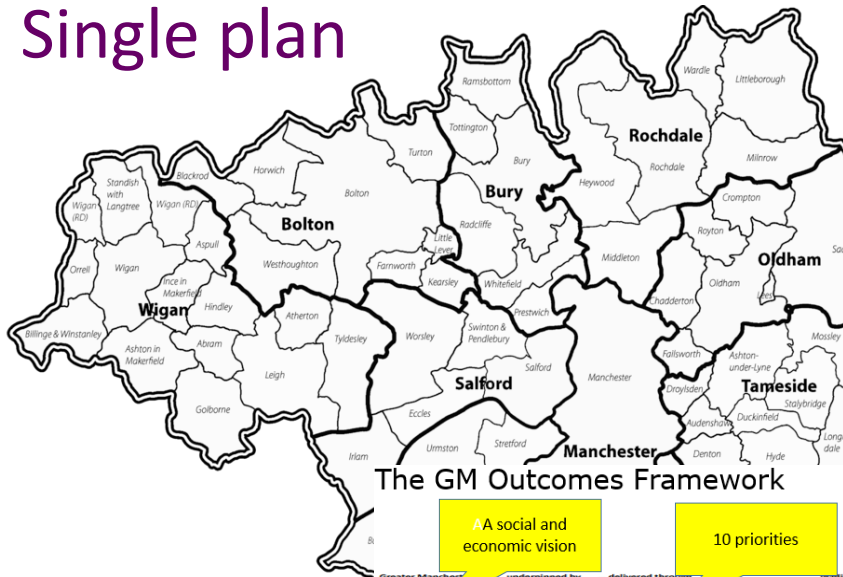
“A beacon of social justice to the country”.

Leading on social causes:

- Homelessness
- School readiness
- Young people
- Gender equality

The devolution difference?

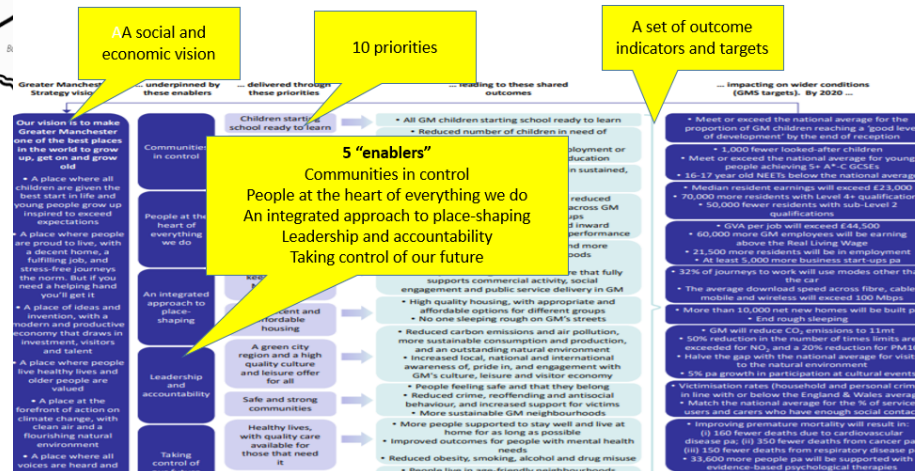
Single plan



Pooled resources



Soft powers



Health and social care: the fullest policy example

- MoU signed 2015, devo 'began' 2016
- Whole system – acute, specialised, primary care, community and mental health services, social care, public health
- £6bn health and social care budget, £450m transformation fund
- Delegation not devolution:
 - GMHSCP responsible to NHS England not GMCA or Mayor
 - All existing national standards and accountabilities continue

Discourses of devolution

Centralised social policy doesn't work

"the £6bn currently spent on health and social care 'has not improved the long term outcomes for people living in GM".

Devolution means :

Responding to local need

"the freedom and flexibility to do things that benefit everyone in Greater Manchester... after all local people know what Greater Manchester needs" and

"making these decisions together as a region, with our health and social care services working alongside our local authorities".

Integration and collaboration

GMH&SCP website: <http://www.gmhsc.org.uk/about-devolution/> (accessed 5th June 2018)

Key Goals

- **Expected improvements in health outcomes and reduced inequalities**
 - Start Well:**
 - More GM children will reach a good level of development cognitively, socially and emotionally.
 - Fewer GM babies will have a low birth weight resulting in better outcomes for the baby and less cost to the health system.
 - Live Well**
 - More GM families will be economically active and family incomes will increase.
 - Fewer will die early from Cardio-Vascular Disease (CVD).
 - Fewer people will die early from cancer.
 - Fewer people will die early from Respiratory disease.
 - Age Well**
 - More people will be supported to stay well and live at home for as long as possible.
- **Creating a financially balanced and sustainable system**
 - Closing the £2bn gap in health and social care spending by 2021

Health and social care transformation

Greater Manchester transformation portfolio

Locality programmes

Bolton, Salford, Wigan, Stockport, Tameside and Glossop, Trafford, Manchester, Bury, Oldham and Rochdale

Greater Manchester transformation themes



Enabling programmes

5 Enabling better care: IM&T; Workforce; Estates; Commissioning; incentivising reform; Medicines optimisation

Greater Manchester cross-cutting programmes

Mental health

Cancer

Transforming care

Children's services

Dementia

Diabetes

What's emerging

- Service integration at the local (authority) level
- GM-wide standards, practices, efficiencies
- Identification of GM priorities and target areas
- A shift to prevention, which also means more holistic approaches, integrating with other services
- 'People power' and VCS
- Integration with GM strategy and governance (e.g Early Years)
- 'managed consensus' (Lorne et al.) and "a shift from contractual to relational modes of interaction"

Is it working?

- Signs that it could work?:
 - Evaluation of community budget pilots showed clear potential for cheaper and more integrated public services
 - King's Fund – integration of health in wider devolution has created an 'unstoppable momentum' bringing NHS and LA leaders together to transform services – “the only way forward”?

Is it working?

- Evaluation report due any minute now
- Interim report warns:
 - “Evidence from elsewhere suggests that changes are difficult to enact and that savings or improvements are often challenging to realise in practice”
 - Risk that reorganisation of acute services will swallow the leadership capacity
 - Achieving huge transformation while operating a system under pressure is very challenging
- Existing (national) accountabilities may limit possibility of change

Conclusions (1)

- Devolution isn't just about powers downwards
- It is about shift to a new mode of urban governance, with strategic coordination and decision-making also moving upwards from individual local authorities, and with new networks, links and partnerships formed vertically and horizontally.
- Possibly an emerging political power around regional rebalancing, inequalities

Conclusions (2)

- Potentially an overhaul to the way we design, fund and manage social policies
- But:
 - Very young in policy terms
 - Still a very small proportion of policy spend
 - Virtually no fiscal devolution
 - Demanding reform and savings at the same time
 - Short mayoral terms don't sit easily with transformational reforms
 - Largely depends on goodwill, relationships and discretion rather than legislation

Conclusions (3)

- Difficult to see where it is heading:
 - Not based in a systematic transfer of powers or recognition of regional identity or self determination
 - At odds with direction of some social policy areas, and with accountability structures, and potentially with ideas re hypothecated taxes
 - Maybe designed to fail?: policy dumping in austerity context
 - Even the city-regions can't work out what a sensible geography is – what is the hope for everyone else?
- The wrong thing to do?:
 - Unacceptable variation?
 - Shifts responsibility for redistribution away from central government?

Keep your eye on the road!

