

2014/55

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## Pocket Watch – Devo-max gathers pace

### Introduction

The devolution bandwagon gathered pace this week with the **announcement** by the Chancellor of a formal Agreement between the government and the Greater Manchester Combined Authority (GMCA) that would see the position of a directly elected Mayor created for the city with specific responsibilities and a further range of responsibilities including those for adult skills, handed over to the Authority. The Agreement follows the Chancellor's 'Northern Powerhouse' speech in August promising "*a major transfer of powers and budgets to cities in the North*" and is unlikely to be the last as all Parties seek to build on a momentum that has been growing significantly in recent months as was evident in the Scottish referendum.

### What's in the Agreement?

The Agreement provides for "*a reformed governance system*" with the Mayor taking on responsibility for transport, housing, planning and policing" and the Combined Authority taking on business support, skills, health and social care and complex dependency (of resources.) Some of this will be dependent on legislation but essentially it builds on many current arrangements, '*there's no intention,*' for instance '*to take existing powers from Local Authorities*' and aims to bring some of the key decisions on the funding and delivery of services closer to the customer.

On skills, the Combined Authority will pick up responsibility for the AGE (Apprenticeship Grant for Employers) where for example it could vary the amount of funding that goes with it and both Government and the Authority will work together on re-pointing and re-positioning FE provision so that it matches locally derived and commissioned need.

### How important is this Agreement?

For FE providers, it's obviously significant in that potentially it creates a more locally determined planning and funding system for FE with all the changes in processes and relationship management that goes with it. On the wider front, this Agreement marks a significant step in the long-term de-commissioning of services to revamped city regions, building on the head of steam identified by Lords Heseltine and Adonis and many others and intended to re-balance and help fire up the economy for the future.

### What happens next?

Obviously a lot of hard work and some legislation is needed to turn all this into a reality but the key date is 2017 when the Mayoral election is due to take place and a revised FE plan published. It may be possible to transfer some responsibilities such as the Apprenticeship Grant for Employers earlier but either way there will be a transitional period starting shortly. As to the future, the Chancellor is due to make further announcements in his forthcoming Autumn Statement and as the City Growth Commission indicated in a report last month a further 13 other metro areas from Leeds to Leicester stand ready to get what Greater Manchester has got.



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