

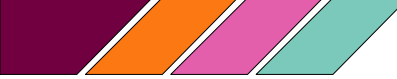
LGA Corporate Peer Challenge

Greater Manchester Combined Authority

29th November – 1st December 2022

Feedback report





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1. Executive summary

Greater Manchester Combined Authority (GMCA) and its constituent member councils are the undisputed pioneers of English devolution. This success is built on a long history of decades of collaboration across the city region where the Mayor, political leaders, senior managers, partners and stakeholders work hard in the best interests of residents. As the strength of this collaboration has developed the trust of government in the CA has evolved too.

The CA can evidence a strong and impressive track record of strategic delivery and impact across services and programmes which matter, including transport, economic growth, health and more. Seven agreements with government since 2014 include the devolution of economic development and skills, health and care, the introduction of a directly elected Mayor in 2017, and local control of housing and regeneration funding.

Strong, visible and effective leadership is exercised from the Mayor, the Chief Executive of the CA and council Leaders and Chief Executives. They are supported by well-motivated CA staff who enjoy their roles and are passionate about working with the Mayor and councils to deliver.

Mature and highly effective partnership working is evident at both political and managerial levels. Inevitably given the scale and range of an arrangement which covers a population of over 2.7m people, 10 metropolitan councils, over 640 councillors and 2 directly elected mayors there will be differing views of how and what should be delivered. Yet a striking feature of this peer challenge was how often council stakeholders talk about working for Greater Manchester rather than for or just on behalf of their own districts, and how willing everyone is to put aside differences in order to make devolution work and bring greater benefits for everyone.

Post Covid working and the anticipated economic recession will test the strength of the partnership. Increased financial risks are emerging for the CA and some of its large-scale programmes, as well as a medium-term budget gap. Very stretched council finances have a direct impact on their abilities and capacity to provide matched and in-kind funding, including planning for investment to support delivery. There are also concerns about growing inequalities across the population and how delivery can be achieved under further budgetary constraints.

The CA needs to get ready for a number of significant challenges ahead. These include possible further funding, powers and flexibilities granted following devolution trailblazer status, the control of bus franchising and the risks that presents to finances, a new and emerging strategic NHS relationship, and shaping and agreeing the renewal of a large waste disposal contract.

The transition to a new Greater Manchester Strategy which is more inclusive and has net zero at its core is agreed as the right thing to do by a wide variety of stakeholders, although its delivery across the whole region will need skilled handling. Greater Manchester's strong and visible national reputation with Government can be enhanced beyond the city region's boundaries to bring greater benefit for the whole CA sector and the North. This is not only about funding and opportunities for greater local powers, but also wider learning and collaboration, gained through decades of experience, which can support other areas in delivering, planning and making a compelling case for English devolution.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Combined Authority:

- 2.1. Continue with the positive shift to inclusive economic growth**
underpinned by strong place-based collaboration through the 6 growth locations - including through encouraging local delivery plans (such as the Oldham Economic Review) and local partnerships (e.g. MDC, MDZs)
- 2.2. Ensure that the innovation agenda (and forthcoming Innovation Accelerator programme) reflects this inclusive and place-based model**
emphasising the value of increasing innovation capacity in the SME community and foundational economy, as well as through established innovation assets and University partnerships
- 2.3. Scale up the delivery of the ambitious work on net zero 2038**, in areas such as green retrofit in collaboration with private investors and other CAs where beneficial

- 2.4. **Focus Public Service Reform on clear value-added activities including prevention that make the biggest difference to vulnerable people's lives and councils' budgetary pressures**, such as home to school transport, SEND provision, external residential placements, homelessness and temporary accommodation, asylum response, and social worker recruitment and retention
- 2.5. **Consolidate pioneer status on English devolution by being ready to operate a single settlement grant system with a robust outcomes framework**, augmented by first stage Total Place budgets at council level, and exploring innovative financial approaches such as land value capture
- 2.6. **Enable the delivery of the Bee Network by getting TfGM ready in advance to manage a fully integrated London style network**
- 2.7. **Manage the significant financial risks of the transport budget and bus franchising and the challenge of an inflationary environment in an open and systematic way.** Franchising is complex and challenging for everyone involved, taking time now to explore concerns and risks will be a good investment for the future
- 2.8. **Ensure the collaborative time spent by Leaders and CEOs is put to optimum use, allowing clear accountable leadership, quality strategic work and appropriate deep dives**
- 2.9. **Continue to work with LA partners on areas where shared capacity development is an issue** - for example on investment and business case development, decarbonisation and data analytics; and to support the housing growth ambitions in the Places for Everyone plan
- 2.10. **Roll out with councils a consistent approach to working and engaging with communities and the third sector**
- 2.11. **Agree a joint agenda with the GM Integrated Care Board.** NHS structures continue to evolve and agreeing a way ahead will be important to achieve maximum impact for residents

- 2.12. Keep up the pace of improvement with GM Police and GM Fire and Rescue Service**, including in response to the Arena Inquiry, and encourage strong place-based working
- 2.13. Enhance the positive culture of the CA** through exploration of reviving the GM Leadership Programme, succession planning activities and use of leadership/leadership development across GM agencies, restating the ambition around the GMS, plans on a page, developing behaviours to match the values, expanding apprenticeships, and strengthening staff networks
- 2.14. Improve the diversity of the CA workforce to reflect the city region's population and continue to focus on advancing the equality and diversity impact** across demographic, geographic and socio-economic activities maximising all partner contributions
- 2.15. Support the national Combined Authority network to operate effectively within Whitehall and benefit from the GM experience. GMCA has a huge amount of experience to continue to share with others.** The Convention of the North provides an opportunity to start more systematic collaboration on some elements of devolution planning, given that trailblazer provisions are likely to be adopted by other CAs in due course

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Member Peer – Peter John OBE, former Leader, LB Southwark (Labour)
- Member Peer – Cllr Nesil Caliskan, Leader, LB Enfield (Labour)
- Member Peer – Cllr Heather Scott OBE, former Leader, Darlington Borough Council (Conservative)
- Chief Executive Peer – Tom Riordan CBE, Leeds City Council
- Officer peer – Henry Kippin, Chief Executive, North of Tyne Combined Authority

- Officer peer – Darra Singh OBE, Strategy Partner, Newton Europe
- Officer peer – Arjen Overbeek, Senior Adviser, Metropolitan Region of Amsterdam
- LGA officer shadow – Alex Saul
- LGA Peer Challenge Manager – Judith Hurcombe

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to performance and improvement.

1. **Local priorities and outcomes** - Are the CA's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the CA provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the CA have a grip on its current financial position? Does the CA have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the CA have the capacity to improve?

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the Combined Authority, its broader context and the challenges it is facing. The team then spent three days onsite at GMCA, during which they:

- Gathered information and views from more than 50 meetings, in addition to further research and reading.
- Spoke to more than 155 people including a range of CA staff together with elected members and officers from across the 10 GM councils, and external partners and stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

The Mayor's and Leaders' priorities are clearly articulated as developing a stronger, fairer and more resilient society, tackling regional inequalities and ensuring that economic growth and prosperity benefit everyone across the city-region.

The Greater Manchester Strategy (GMS) was refreshed in 2021 and sets out those clear priorities through 15 high level commitments. These articulate the transition to a more inclusive and greener vision for the city region. The GMS is underpinned by a wide range of 50 high-level strategies and plans including the corporate plan and business plan which follow this through and strikes the balance between the role of the CA and councils and partners. In 2021 the corporate plan cycle moved from a one year to a 3-year cycle for the first time, and an annual business plan sets out key delivery targets and activities. Given the scale of the agenda and plans, priorities could be more clearly articulated and cascaded, such as through plans on a page.

The CA can show impressive delivery of outcomes through its wide-ranging devolved programmes. It is clear that impact and making a difference are at the forefront of thinking and action, and this culture of strategic delivery is an important ingredient of the partnership's success. As might be expected from such a large and diverse range of programmes, there are numerous examples of achievements, including:

- Bucking the trend on life expectancy across Greater Manchester with a 0.25% improvement when compared with the period before devolution
- Working with the charity Good Things Foundation to support people getting online, including the city region's 4,000 care leavers

- A Bed Every Night which has reached over 3,000 homeless people and reduced the numbers of people sleeping rough on the streets
- Sustained success on inward investment and job creation, such as the GCHQ's strategic hub in Manchester city centre; the locating of National Cyber Force in the North West; the development of the airport; and the work of the Growth Company and Marketing Manchester in driving their highly recognisable brand
- Delivery of the Digital Strategy including full fibre broadband infrastructure upgrades which have included a degree of disruption to the market, connecting over 1500 new sites and connecting less commercially attractive locations
- Personalised and holistic support to tackle barriers to employment through the Work and Health Programme which has to date supported around 22,000 people, and is targeted to reach a further 7,500 people by 2026
- The Good Employment Charter has been developed with Trade Unions to define 7 characteristics of good employment and is part of a broader ambition for the city region to pay all employees a real living wage. The Charter was launched in 2020 and has 66 member employers signed up across the public, private and 3rd sector, including around 250,000 employees in total. It includes pledges to pay the living wage and sick pay, support the health and wellbeing of staff, and manage people well. The wider challenge is how to get sectors such as retail, hospitality and logistics to join.

Six growth locations have been identified across the city region which target job creation, new homes and improved economic outcomes in some of the GM's most deprived communities in addition to its urban core. These provide a real opportunity to shape a balanced model of economic growth – which further builds on the strengths of the city centre, the airport and the region's innovation assets; but also recognises the need for proactive investment in GM's outlying towns and strong connectivity between the two.

A key challenge for the CA will be to ensure that this model is sustainable – continuing to drive an economic return, but ensuring that skills, employment support, transport and public service investment is aligned so that each of GM's communities can benefit. Local authority partners we spoke to welcome the way in which the GMCA is developing shared capacity to support this work. Continuing this will be important in a context of austerity, and the CA will need to work on strengthening

alignment between its existing funding schemes (such as its gainshare and housing investment funds) and its new inclusive economic vision.

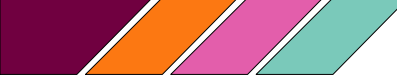
GM has a long track record of innovation-driven growth that leverages the strengths of its universities and business-led R&D assets. The forthcoming Innovation Accelerator programme has the potential to further accelerate this strength utilising a mix of government and private sector funding, underpinned by the strong intellectual framework provided by the MIER (Manchester Independent Economic Review) and Independent Prosperity Review. The CA will need to develop practical ways of connecting this innovation agenda to its aforementioned inclusive growth goals, using its growth locations, links to the manufacturing base and encouraging supply chain innovation that benefits local SMEs.

Police and fire and rescue services are on a journey of improvement, of which there is an inevitable focus on learning from the Manchester Arena terrorist attack. This focus is rightly on services that residents would recognise, as well as improving confidence in the services. Improvements have been driven by the Mayor and Deputy Mayor including new appointments to the Chief Fire Officer and Chief Constable roles, which have brought about organisational change and ensuring both services are fit for purpose. The Greater Manchester Fire Plan was published in 2021 after widespread consultation and has a strong outward focus, and is subjected to ongoing scrutiny through the Police, Fire and Crime Panel. The most recent MHICFRS inspection report published in 2021 recorded improvement in the service, particularly in preparedness for major and multi-agency incidents, and recognised progress in people management, fairness and diversity.

The size, scale and experience of the CA, as well as the Mayor's high profile, results in opportunities for further devolution and outcomes for GM's residents.

Opportunities also present risks, and at the time of the peer challenge, the clearest and most obvious risks and opportunities facing the CA were bus franchising and new NHS relationships. These will need to be carefully thought through, and more exploration of responsibilities, financial and reputational risks is needed.

When asked for suggestions for improvement, stakeholders feel there is a widespread appetite for more devolution and powers, whilst recognising that local government capacity and resources are restraining factors. There is clearly a focus on delivering benefits for vulnerable people across the city region. Energising and refocusing the public service reform agenda on issues which affect the most



disadvantaged people and areas would not only assist in delivering outcomes for these residents but would also help to address the most severe council budgetary pressures caused by demand pressures across the 10 GM districts. There are prime examples of where the CA and councils can work together including home to school transport, special educational need provision, external residential placements in social care, homelessness and temporary accommodation and social worker recruitment and retention.

The public service reform programme as a whole is perceived to be a real strength of the GM approach to devolution and is notable for its depth and scale in comparison to other CA areas. It is clear that the approach has evolved and the ‘scaffolding’ provided by the 2019 White Paper has encouraged new models of innovation within localities to be developed with support provided by an experienced CA team. The challenge will be to sustain this approach within a new period of fiscal constraint and ensure that PSR activities continue to add value. Increasingly this could be in areas where local authorities experience financial pressure – such as social care recruitment and retention, SEN transport and the wider costs of homelessness and complex needs.

An Internal Audit review undertaken during 2021 identified the need for a more consistent approach to measuring and reporting the performance of the Combined Authority, building on good metrics then in place including the dashboard for Work and Skills. As a result, corporate indicators are now reported to SLT on a quarterly basis and give an overarching view of delivery across the range of programmes, as well as forthcoming events. The commentary and analysis on them is thoughtful and gives context in a succinct way which links across programmes and activities.

Equality, diversity and inclusion (EDI) efforts are noticeable in terms of both political commitment and delivery on the ground. Partners reflect that the Tackling Inequalities Board and the LGBTQ+ Panel are two examples of where policy shaping and delivery has been shaped by real lived experiences and describe the leadership of EDI as exemplary.

A wide variety of networks have been established including for disabled people, LGBTQ+, older people. They can influence policy and processes within the CA and at locality levels, for example advising on barriers to women and girls in employment, and on the cost of living and housing. Generally, the networks feel that the data available to support decision making has improved, but more can be done and better

baseline data would enable more impact to be planned for and delivered. This is important in the context of the results of the 2021 national census of population, which shows that at headline level the city region is becoming more diverse. Some observers feel that whilst the CA has made clear commitments to equality, it can go further and go beyond engagement and do more to advance equality for protected groups, for example creating more opportunities for co-designing services, and would welcome more scrutiny of the impact of policies and delivery. The CA workforce also needs to become more diverse and better reflect the population it serves.

During the pandemic the CA played a significant joining up role, which has since developed into support for the cost-of-living crisis. Bimonthly surveys of residents across the city region were introduced in autumn 2020 to gain a better understanding of the impact of the pandemic on residents and the focus has expanded to include food insecurity and digital inclusion. This insight has led to more data being available and is reflected in a cost-of-living dashboard.

4.2. Organisational and place leadership

GMCA is known for its excellent leadership capability with a national reputation, based on many contributors as the devolution agenda has evolved across the city region. The Mayor's highly visible political leadership has been sustained and is complemented by active involvement of council leaders irrespective of party politics. Relationships are mature between GMCA and the 10 councils across the city region. The extent of the strength of partnership working and its degree of embeddedness is such that at times it can be hard to distinguish who they and partners are talking about when they describe "we" as it can be their own organisations, their councils or Greater Manchester.

Outsiders looking in may observe that GMCA makes strategic working appear to be easy, yet disagreements and differences of opinion do rightly occur and are worked through, as they should in any mature collaboration. A number of observers describe these as healthy tensions which are voiced and are managed well. Reaching this consensus depends on a heavy investment, both current and historic, in relationships. Capacity is however stretched and considering how and where to have early conversations about areas of concern needs to be brought more consistently to the fore, so that political leaders are consistently confident that their voice is heard, early on as ideas and their potential to become policies develop. This is particularly important in large scale programmes where risks need to be considered and

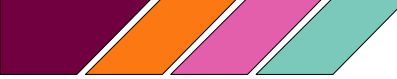
politicians are sufficiently engaged to feel they bring both influence and are able to engage the political machinery and processes in their own organisations.

There is significant engagement by council Leaders and Chief Executives in the business of the CA, reflected in part by the 10 Boards which lead and shape delivery. The shared leadership space for the Mayoral role and Core City role have been navigated with mutual respect and their ongoing evolution will inevitably need consistent attention and sensitivity as each flexes with their own pressures and organisations. The engagement is intensive and time consuming and to date has served the CA well, but pressures are growing and such a degree of engagement also carries a risk of using collaborative time most productively. This peer challenge could be used as a catalyst to explore what, where and how senior members and officers feel is the best use of their available time.

The CA Chief Executive works very well with the Mayor and is applauded by staff and partners for his interpersonal style and approachability. Staff told us they feel trusted and work in a supportive and engaging environment, as well as appropriately challenged on their performance. It is a pivotal role in making the whole partnership work.

External partners were keen to recognise the efforts of the CA at both strategic and practical levels. They recognise and appreciate the political leadership's profile and impact in influencing, challenging the status quo and in the leverage of large-scale funds or new powers for the city region, for example the Trailblazer negotiations. Strong public and private sector partnership working is evident, for example through the Growth Company, the Good Employment Charter, improved relationships with business representative groups such as the Chamber, and the waste disposal contract. Those looking to relocate into the city region describe a joined-up organisation, that is easy to deal with and works collaboratively alongside stakeholders. Some stakeholders describe the CA as "oiling the wheels" to enable things to happen.

Partners were keen to share their views on how CA staff at all levels engage with them and provide support in advancing delivery, and reflected how much they value their engagement and day-to-day relationships. They also feel that the CA employs some of the best people in the country who are collaborative, supportive and professional. These highly positive working relationships depend on working with partners with expertise and capabilities to together deliver the GM agenda, via

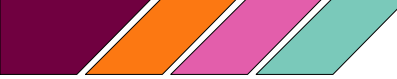


mature conversations and behaviours which lead to some very challenging targets. There is trust in the CA's technical and professional expertise, summed up by one stakeholder who described CA staff as the best public servants they had worked with in their whole career. This positive working relationship has been sustained through turnover of senior leaders, reflecting the importance of the culture of effective partnership working in Greater Manchester.

Good housing delivery partnerships have been forged with Homes England and registered housing providers, and the conurbation as a whole has a good record in working with the private sector to support new housebuilding and translate strategic plans into delivery. It is clear that the further development of these partnerships to support aforementioned 'Growth Locations' (particularly in those areas where viability challenges are greater or the development cycle is more complex) will require significant business case development and investment capacity at a local level. The development of shared resource to support is therefore a welcome development. The progress of the city region's spatial plan Places for Everyone has been slow and has stalled a few times. The approval of the Places for Everyone framework will be a significant landmark for the CA – signalling a willingness from local authorities to work together on long-term strategic planning, but recognising the need for this to be 'bottom up' in nature with the CA learning to play an enabling role and recognising local nuance and difference. Given the scale of the ambition encompassed by the plan it will be important for the CA and council teams to navigate the spatial plan through examination in public, particularly in where new housing and other major developments are being considered. This might be helped by giving greater prominence to the collaborative work on infrastructure investment which will bring improvement on connectivity and growth as well as enable housing delivery to happen across the region.

It has taken a number of years and some effort to progress the framework, but there is now potential for a number of different regeneration vehicles to emerge through these processes – for example the Atom Valley development location, Stockport's Mayoral Development Corporation, and new approaches to integrating green space and transport connectivity within town centres.

The transport agenda is substantial – spanning light rail, bus and the integration of active travel for example – and represents a big part of the CA's visible presence and value-add in the conurbation. This is one area where the CA has clear political direction, a visible brand and a strong leadership team; but is also well aware of the



financial and operational risks from such an ambitious integration agenda. These risks will only increase in a context of inflation, fiscal pressure and uncertain demand due to Covid and cost-of-living. The team will therefore need to continue engaging stakeholders carefully on the balance of risk and opportunity, especially around bus franchising and the behavioural implications of the modal shift that is required to embed active travel and increase network patronage across GM.

The expansion of the GM public transport network has clearly been fundamental to its economic and social model, and the desire to see what the Mayor has called a “London style” integrated system will continue to be a top political priority. The CA must oversee this during a period in which important assumptions about how we live and work will change – for example the shift to net zero emissions, cleaner air in cities and a hybrid model of working.

Getting this right will increasingly depend on the extent to which transport plans (and attendant investment) are integrated with other elements of the CA agenda – such as increasing economic activity in more deprived parts of the city region or blending public health approaches with measures to encourage active travel. This is likely to increase in importance given the need to reduce dependence on Government financial support and minimise the precept burden to GM council tax payers.

The improvement work within GM police and GM fire has been a significant achievement that needs to be sustained for the long term. The spotlight recently has been in relation to the major recommendations of the Manchester Arena Inquiry. The effort and attention paid by the Mayor and the CA Chief Executive have provided clarity of purpose and clear values for both services, and relationships and trust have been built. Staff describe distributed leadership within the CA and describe learning being shared across the wider organisation, which has helped drive cultural change, including within the fire and rescue service.

More work is needed to connect consistently with third sector. There is good practice in the way the CA works with umbrella organisations from the third sector at the regional level. The federated and atomised nature of the sector, with literally hundreds of organisations at an often highly localised level demands very close working with each council to make sure that the sector’s voice and engagement permeates all of the CA’s work. The effective working achieved during the pandemic should be sustained.

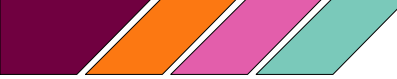
The CA is operating in a complex multi-factored environment which encompasses the widest range of Mayoral powers in any devolved area in England, the significant post-Covid context, and intricate and multiple funding streams. The overlay of policy churn from national government means that a constant focus and flexing of internal resources and capacity is required.

The Trailblazer devolution discussions with government provide an opportunity to strengthen the place element of CA budgeting and outcome management and have a wider responsibility, as well as potentially simplify some arrangements. A balance of greater funding consolidation and strengthened accountability for outcomes is likely to be an important part of these Trailblazer proposals. This, in turn, implies more integration between delivery areas (such as skills, transport, economy and public services). The CA team recognises the significance of this but will also need to proactively address the challenge of delivering it effectively – in terms of operational collaboration across policy areas, making sure that evidence and evaluation are similarly integrated, and understanding the political and governance implications.

4.3. Governance and culture

GMCA provides a positive and exciting environment to work in and there is clear loyalty to the organisation and its ambitions for the city region. Staff are clear that there are many opportunities for them to engage in nationally relevant issues and projects that have a real-world impact. There is a strong sense of mission and a desire to ‘make a difference’ for the region, and this was reflected consistently through the peer challenge. The CA is also unique in its scale and the need for self-contained approaches in transport, police and fire, as well as related agencies such as the Growth Company, demands a consistent approach that leads with the collaborative Greater Manchester partnership culture and is sensitive to the different roles that each constituent part plays.

The available data reflects this. There are very low levels of sickness related absence within the CA as well as positive feedback through the Great Places to Work survey and regular pulse surveys are undertaken. The CA is ranked 37 in the Top 100 Apprenticeship Employers in 2022 by the Education and Skills Funding Agency. Progress is being made on the gender and ethnic diversity of the workforce. There are diminishing pay gaps and a culture of learning and improvement that has been positively influenced by the Action Plan developed within the GM Fire and Rescue Service. The Firefighter Attraction Strategy launched in 2019 introduced positive



action on recruitment and has led to an increase in female firefighters from 5.5% in 2019 to 7.25% in 2022 and an increase of firefighters from minority ethnic groups from 4.55% in 2019 to 6.46% in 2022. Early releases from the national Census of Population undertaken in 2022 shows that the demographics of the city region continue to change, and this indicates that more progress will be needed if the workforce profile is to better reflect the broader population. The work to date is a good foundation for further progress.

The CA is a complex organisation delivering a wide variety of government funded programmes. Sometimes it is not always clear to stakeholders or staff about who is accountable for what, and who makes decisions, and which are the most important things to focus on. The overall funding model of Combined Authorities, including GM, can create organisational development challenges and contributes to this complexity, as there are many staff on fixed term contracts. This can bring uncertainty and anxiety for some staff at times.

It is important that the OD approach of the CA continues to address these issues with care – fostering a culture of collaboration, learning and shared purpose, but also recognising the need for nuance and difference between different parts of the ecosystem (for example between the fire service, Growth co, policy team et cetera). Potential funding consolidation could provide an opportunity to look at the contracting model, giving greater long-term certainty and therefore enabling a longer-term planning horizon for staffing and OD. This also includes giving thought to succession planning, which is an important consideration for an organisation with several long-serving senior leaders with experience of considerable change.

There is recognition of the importance of meaningful co-production and engagement in the organisational development of the CA, particularly in addressing post-Covid and hybrid working challenges. Detailed consideration has been given on how to support staff through change, including flexible working patterns which accommodate peak commuting times and those with childcare pressures, and this is valued by staff.

The positive approach to organisational development can go further, for example addressing some of the complexity of the multitude of activity could be helped by introducing plans on a page. Further developing behaviours to match the values, continuing to strengthen staff networks building on the success of the apprenticeships scheme will be good investments for the future. It is clear that the CA team have learned lessons from improvement journeys in policing, fire and health

(including around areas like recruiting for diversity) – giving real potential for shared learning across the GM family of organisations.

The governance model is well developed and is the result of many years of collaboration across the GM authorities. This has helped to effectively 'knit' together a diverse range of portfolios and projects; with a lot of informal collaboration supporting statutory and advisory boards. Whilst policy issues can be challenging and involve some tough decision making, politicians air differences of opinion which are worked through and behaviours are mature: there have not been any referrals to the CA's Standards Board since the CA was created in 2017.

The Centre for Governance and Scrutiny review of scrutiny undertaken in 2022 made a number of recommendations to support increasing effectiveness of scrutiny, including moving away from 3 committees to one overarching committee, sharpening the focus of activity onto strategic issues, outcomes and the performance of the Mayor and CA, and contributing to policy development. Another recommendation was to allow for more time for reports to be considered with fewer urgent items being put before scrutiny members. To maintain improvement in scrutiny a persistent and ongoing focus will be needed to ensure that the best is made of member and officer capacity.

An ongoing challenge for the CA will be to sustain an expanding agenda and manage the time that members, officers and stakeholders spend together well, as the time commitment is already substantial and will be further stretched if the CA's remit expands further. Developing a 'single pot' of funding could be an opportunity to look at this, as well as creating a more joined up approach across portfolios and thinking about the opportunities of digital engagement as a way of reducing the time burden on political and officer teams.

Some stakeholders felt that the number of formal boards can squeeze out time for deeper dives and opportunities for constructive challenge on major issues. This is an important factor in sustaining collaborative Mayor-and-member relationships. Now would be a good time to take a step back and explore the best use of everyone's time and capacity in supporting the board arrangements, so that the maximum value and impact can be gained from members and the CA.

The already positive culture can be further developed by building on some of the organisational development that has already been delivered. There is also potential

to reinvigorate the 'GM Leadership' approach which was trialled in the early stages of devolution but (we understand) has stalled. This gives an opportunity to further build a cadre of people across the GM system who can support greater policy and delivery collaboration and, in turn, maintain effective external recruitment and support the next generation of leaders from within the system. The CA should look at opportunities to collaborate with other MCA areas in designing and developing this.

4.4. Financial planning and management

The CA finances appear to be currently robust although the nature of how the CA is funded through separate funding sources gives added layers of complexity over and above already complex local government finances. The CA estimates there are at least 115 different funding agreements from 15 different government departments or arms-length bodies which contribute to its overall budget. Unsurprisingly there is enthusiasm for this approach to be streamlined and consolidated, not least on an efficiency and audit basis, as well as the transparency of funding for residents. There are 8 broad areas of the budget:

- The Mayoral General Budget (£37m), funded from the Mayoral precept and statutory charges from districts. Fire funding is part of the Mayoral precept, but the fire and rescue service also receives a revenue support grant directly from government, business rates income and a top up grant
- GM Fire and Rescue Budget (£119m)
- GM Police and Crime Budget (£749m)
- GMCA Revenue General Budget (£238m) which includes the core costs of the CA funded by district contributions, retention of business rate growth and government grants including the Adult Education fund
- GMCA Transport Revenue Budget (£269m), funded from the Mayoral budget for statutory functions including bus services, and a levy on districts, as well as other grants
- GM Waste and Resources Service Budget (£165m), funded through a levy of 9 GM districts who participate in the waste disposal arrangement, through an agreed funding mechanism
- GM Capital Programme (£421m) funded through a variety of sources and including external borrowing.

The capital budget for 2021/22 to 2023/24 is £1.2bn, and total capital expenditure in 2021/22 was £499.3m against a budget of £439m. More than half of the capital

expenditure was on economic development and regeneration, and a further 40% was spent on transport. Borrowing met just over 10% of the capital requirement. Total debt outstanding at 31st March 2022 was £1.426bn. Like other local authorities, GMCA will need to consider the cost implications of an increase in long-term borrowing rates.

There is a high level of dependency on central government for revenue and capital grants, in addition to council tax precepts, levies on the GM districts, contributions from other parts of the GMCA family and other sources of income. In many cases there is a lack of clarity from national government about what some of this funding will be when the CA has to set its budget, particularly in Transport, Economic Development and Regeneration programmes.

Reserves have increased over the last three years, with total usable reserves rising from £527.9m at 31st March 2020 to £629m at 31st March 2022. The General Fund balance was £525.2m at 31st March 2022.

There is a clear process of pre-budget challenge by members and officers. There is also evidence of mature relationships reflected in budget-setting, which includes agreement on the use of and refunding of some budgets. For example, some of the waste contract surplus, arising from forecast significant underspending is being redistributed to districts through the planned return of £10m during the current financial year. The overall approach to budget setting and challenge is positive. It may need to be adapted for a tighter and riskier financial environment ahead as inflationary pressures and funding uncertainty are evident across the CA's programmes, particularly in transport, for example shortfalls in Metrolink funding not covered by government grant.

The transport budget underspend of £7.7m in 2021/22 was transferred to reserves in order to mitigate anticipated higher cost risks during 2022/23. The Transport budget faces significant challenges in the short to medium term. Metrolink will need to manage a significant deficit (resulting from reduced patronage since the pandemic and increased costs, notably energy costs inflation) and there will be significant capital and revenue costs pressures from bus franchising, including the withdrawal of Metrolink post-Covid funding from government. Measures put in place by TfGM to support bus services are around £15m per year, and it is unclear what happens from 2023/24. TfGM has managed within the same budget envelope since 2014 by making year on year savings, but as with other aspects of local government budgets,

it is questionable if this strategy is sustainable over the medium to long term. Inflation, general budget uncertainty and the need to balance public expectation with the reality of maintaining and improving the existing service will all bring further pressure.

Bus franchising brings additional financial risks to the TfGM budget, and how to manage and mitigate these will need active and ongoing consideration with senior leaders. The ongoing national industrial relations issues affecting the rail system also present a local risk to revenue income and the sustainability of the transport network, on top of an overall transport system which has not yet recovered from Covid and which has been subsequently significantly adversely impacted by cost inflation.

Although there are high levels of revenue reserves these are all committed in the long term, mainly for the repayment of historic debts or future commitments against multi-year funding settlements, there is a more challenging financial environment ahead across all of GM's budgets. Relative to council budgets the CA's finances are more robust and in many instances of much greater scale, yet there are challenges ahead even at this level, which will need to be managed. Getting ready for more difficult financial decisions is being considered and actively needs to be planned for and should incorporate consistent democratic oversight of financial and operational risk.

Further exploration of the roles and relationships between the Audit Committee and the GMP joint Audit Committee would be helpful in making the best use of resources and minimising any overlap of activity, as well as supporting members further in their roles. Work has already started on this, including consideration of a change in terms of reference, and will be reported to the next Audit Committee in January 2023.

4.5. Capacity for improvement

There is a willingness to review approaches, open up to external challenge and incorporate learning and advice from others to constantly improve the impact and ways of working across the CA's areas of focus. For example, the Manchester Arena Inquiry, Prosperity Panel, Inequalities Commission, and the CA's response to external inspections.

GMCA staff and system wide leaders at both political and officer level demonstrate a

clear commitment to the overall ambition for the city region and there is widespread buy-in to working collaboratively and consistently. There is commitment too in setting stretching goals to improve GM across critical policy and service delivery areas.

The Mayor and GMCA effectively utilise their “convening powers” to galvanise GM wide partners to take action, for example on raising the profile of inequalities and on rough sleeping.

Improvements made in both GM Police and in the GM Fire and Rescue Service are evidence of the willingness to take decisive and difficult decisions to create the appropriate capacity to focus on increasing the effectiveness of critical GM services. Progress has been made and externally recognised in how fairness and diversity is considered within GMFRS, and this FRS staff also reflect the overall improved culture of the service and closer working and feeling part of the GMCA rather than as a separate entity.

The CA can show positive developments in the engagement of specific communities, stakeholders and individuals in the development of strategies and plans. For example, the lived experience input to the VAWG (violence against women and girls) Panel/Strategy, seven external Equality Panels, and broader engagement and communication. The GM Women & Girls Panel has, through its violence against women and girls working group, supported the development of a Safer Street Fund bid which focused on tackling violence against women and girls in public spaces.

There are also a range of internal EDI networks which support staff and promote inclusion and diversity in the workplace, and branding is being developed to support further engagement. Headline areas where some of our staff would like to see improvement include people feeling pressure to perform well, access to training and opportunities to develop, and a desire for GMCA to put more back into the local community.

There is a strong commitment to place based working and delivery across all partners, for example through the public service reform white paper, ICB place leads, police and fire linking with transport provision, and through neighbourhood policing.

A consistent concern for CA members is their ability to fully support the CA’s wider ambitions and delivery, and this concern is amplified as councils look to their medium-term financial capacity and meeting their own budget gaps. This capacity is

not only about straightforward finances, but also on technical capacity and capability, for example on planning development control, or inward investment. Not all GM staff appreciate the resources challenge that councils face. Considering how to develop collective delivery capacity and capability across GM to build an effective and sufficient collective resource will be a worthwhile investment to realise the GMS ambitions and deliver more outcomes, particularly if the CA can bolster programmes and projects using its own resources.

Greater Manchester has long been known for its pioneering approach working in partnership across the health system. This continues to evolve throughout the many structural changes applied to the NHS at the strategic level. At this point further clarification of roles and responsibilities between the CA and the ICB would help to continue that evolution, and collectively have more impact on NHS performance.

The peer challenge can only reflect a snapshot of what GMCA has delivered to date and its ambitious and far-reaching plans for the future. It has many assets and positive attributes at its disposal to bring about further improvements to the quality of life and opportunities for local people, not least its solid and clear political and managerial leadership, and the enthusiasm and commitment of its staff and partners. More can and will be delivered through a consistent and ongoing nurturing of relationships; balancing ambition, risk and resources; making the most effective use of capacity, both internally and externally; and continuing to pioneer devolution on behalf of the city region and the rest of the country.

5. Next steps

It is recognised that the senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the combined authority's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Claire Hogan, Principal Adviser for the North West, is the main contact between the combined authority and the Local Government Association. She is available to discuss any further support the combined authority may require and



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