

Report to: CABINET - 29TH NOVEMBER 2007
OVERVIEW AND SCRUTINY - 3RD DECEMBER 2007

Subject: NEW GOVERNANCE ARRANGEMENTS IN GREATER
MANCHESTER

Report of: CHIEF EXECUTIVE

Contact officer: Joyce Redfearn ext. 2001

Purpose / summary: To advise Members of the outline proposals for the constitutional arrangements for Sub Regional Governance in Greater Manchester

Alternative options considered and reason for selecting the one recommended: The proposals are based on principles approved by the AGMA Executive. Members may comment on alternative options

Recommendation / decision: Cabinet and Overview and Scrutiny are requested to consider and comment on the proposed New Governance arrangements in Greater Manchester.

Key Decision: This report does not involve a key decision.

Risks / Implications:

Financial:	None identifiable at this stage
Staffing:	None
Policy:	Greater Manchester response to the Sub National Review
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	No
Wards affected:	All

Property Implications– Does the proposal involve a reduction, addition or change to the Council's asset base or its occupation?

No

Does this proposal have significant implications for the Council and the local population?

Yes in that it will affect the economy of the Greater Manchester region and other major areas of activity of the Council

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

The proposals put forward for comment will put in place new arrangements which will apply to the formal relationship between the ten Greater Manchester Authorities and the way they collaborate and co-operate with partners within Greater Manchester

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes**

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? **Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

Categorisation of the report:	X		X
Discussion leading to a decision		Discussion	X
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
	3.12.07	29.11.07	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Joyce Redfearn

Date 9th November 2007

1. Introduction:

At their meeting in Swinton in September 2007, the AGMA Executive agreed a number of principles regarding the future arrangements for sub regional governance within Greater Manchester. This agreement was based on principles – a ‘Heads of Terms’ report which will be translated into a new draft constitution over the coming months.

The ‘Heads of Terms’ is being shared at this stage to ascertain whether there are any issues that this Authority would wish to see further clarified or debated before the detailed constitution is drafted.

The AGMA Constitution will be presented to Council for this Authority’s agreement prior to its adoption.

There remain some outstanding details to resolve on the principles but the attached document summarised the position following the discussions which took place at both the 28th September and 26th October Executive Meetings.

2. Transport

The issue of Transport Governance arrangements was considered by the AGMA Executive at their June 2007 meeting. The report considered then referred to the need to have arrangements in place which supported the implementation of any successful Transport Innovation Fund bid and set out the likely functions of the Executive Board, the Transport Commission and Corridor partnerships with respect to transport matters. The Executive has also indicated previously that it would want the PTA to be built into the new arrangements within a structure led by an Executive Board.

The Draft Local Transport Bill contains a provision through which the Secretary of State for Transport could require a review of transport governance arrangements to be undertaken in individual city regions. Until the final version of the Bill is published and guidance has been issued it is not clear what the detailed terms of reference for such reviews will be. Therefore while the broad structure of AGMA arrangements set out in this paper will clearly apply, due to the current unique circumstances affecting the transport governance debate the detail of transport governance arrangements will need to be returned to at a later date and may need to differ to some extent from the template for the other commissions set out in this report. Further reports on this will be submitted to the AGMA Executive as the Government’s response to the TIF submission becomes clearer and the Local Transport Bill’s provisions are confirmed.

SUB REGIONAL GOVERNANCE IN GREATER MANCHESTER – OUTLINE PROPOSALS

1. OVERALL AIMS AND OBJECTIVES

1.1 Whilst we have defined these in the past in the previous submissions made to Government, it is considered appropriate to set these out in the context of the opportunities and challenges presented by the Sub National Review (SNR). Consequently it is proposed that our overall aim and objective in terms of sub regional governance for the 10 authorities in Greater Manchester should be:-

- to work together in order to achieve the promotion or improvement of the economic well being of the Manchester City Region, its people and businesses, through measures and joint actions which member authorities may determine from time to time.

1.2 Within that statement there are a number of different layers and levels of engagement that we will need to operate under:-

- constitutionally, we will put in place new arrangements which will apply to the formal relationship between the 10 local authorities within Greater Manchester and the way they cooperate and collaborate – with partners within Greater Manchester
- recognising the wider nature of the Manchester economy, we will work with other appropriate agencies and bodies beyond Greater Manchester in order to achieve the above objective
- this will take place within the regional context of N W England and whatever regional structures and arrangements are in place

1.3 More specifically, and using the SNR as a base document, this can be expanded to include the following aspects:-

- that we will develop an integrated strategy for Greater Manchester based around the priorities previously identified for the city region
- that this integrated strategy will form our contribution to the development of the new single integrated regional strategies heralded in the SNR
- that we will seek to engage others outside Greater Manchester with a view to enabling this strategy to be owned and adopted within the wider Manchester City Region
- this strategy will form the guiding principles for us in Greater Manchester in terms of:-
 - our engagement with regional, national and international agencies and
 - the implementation of agreed actions necessary at a sub regional level to achieve our objectives,

- that within Greater Manchester we will collectively own and manage – with relevant partners – an MAA for the city region. We will also seek to explore similar arrangements or compacts with other areas outside Greater Manchester

- 1.4 In developing this model, it needs to be made clear that within Greater Manchester we are not creating a separate local authority. The ‘sovereign bodies’ remain the 10 local authorities within Greater Manchester; although if other authorities outside wished to join the partnership, we would welcome discussions on whether or not this would be possible.
- 1.5 The principle of the 10 local authorities remaining sovereign is set out in more detail in the next section of this report. The main point is that any existing statutory responsibilities and services delivered by or on behalf of individual local authorities would remain their responsibility, unless that local authority agrees to devolve such responsibility to the new sub regional arrangements.
- 1.6 Consequently the model we would propose to adopt would be that the new governance arrangements would be based around Sections 101 and 102 of the Local Government Act 1972. These are set out in full at Annex 2 to this report but in effect they enable a group of authorities to appoint a joint committee to carry out such functions as those authorities agree can be discharged jointly. We would need to be specific about those powers, but the principle would be based on the objectives set out in 1.1 to 1.3 above and be based around those priorities where we intend to take collective action at a sub regional level (see proposed new structure at Annex 1).
- 1.7 Using Sections 101 & 102 of the 1972 Act does not mean – for example - that all functions relating to planning and housing would be done by a Joint Committee. We will need to set firm parameters around what is done at a sub regional level by the Joint Committee; and what (and there will be a lot; particularly in terms of delivery) remains the responsibility of the ‘sovereign’ local authorities within the new arrangements. This issue is discussed in more detail in paragraphs 2.3 – 2.4 below.
- 1.8 With all the proposals set out in this document there is an agreement that any new constitution – once prepared - should be the subject of at least an annual review at each annual general meeting to be held under the new arrangements. This recognises the reality that as any new system starts to operate there may well be principles set out in this note which prove – in the light of operational experience – to need amendment.

2 EXECUTIVE BOARD. RESPONSIBILITIES & FUNCTIONS

- 2.1 Building on from the overall aims and objectives set out in the preceding section it is proposed that, in general terms, the functions and responsibilities for the Executive Board should be:-
- overall responsibility for developing and agreeing the integrated strategy for Greater Manchester

- creating a number of Commissions¹ with delegated responsibility from the Executive Board for overseeing delivery and the development of more specific strategic work against the aims and objectives set out in the strategy, where this has been identified as an appropriate function for the sub regional level
- the power to set up sub Committees to discharge any existing or new functions which the Executive Board would wish to delegate to such bodies²
- monitoring the performance of these Commissions and other partners in delivery of the strategy; using – where appropriate – any Multi Area Agreement (MAA) negotiated between partners
- the Executive Board would – as far as National Government is concerned - be the body accountable within Greater Manchester for the MAA
- Overall budgetary and policy responsibility where devolution/delegation of functions within the SNR will take place at a sub regional level. It may choose to delegate this role in some areas to individual commissions (in particular Economic Development) but the overall constitutional responsibility should rest with the Executive Board
- The power of appointment to Commissions and the Business Leadership Council. Again, the detailed work may be delegated to a separate search and selection sub Committee; but the power should be vested in the Executive Board.

2.2 The Business Leadership Council should be based on the model introduced for the National Council in July 2007³, meaning that its role and function, in general terms, would be to:-

- advise the Executive Board on its ongoing policies and priorities;
- conduct its own reviews on the areas it believes will determine the future economic well-being of the Manchester City Region; and
- where issues are particularly important, have the power to make recommendations directly to the Executive Board.

2.3 When the AGMA Leaders discussed the outcome of the SNR in Wigan on 31 August they were very clear that their support for moving forward on MAAs and sub regional governance was predicated under the understanding that there needed to be a clear definition of what powers and responsibilities would be carried out at a sub/city region level and what would be carried out at a local level. Outside any new constitution it may be necessary to specify the criteria for the type of areas where this is appropriate, which would be likely to include areas/functions where:-

¹ It is envisaged that, initially at least, these would cover the areas within Annex 1; although not all would be created at the same time. However we should have the flexibility – as circumstances change – to either add more or reduce from this 7, rather than constitutionally fixing on any specific number

² Recognising that there are some functions currently carried out within AGMA – e.g. S48 grants – which would not sit appropriately within the concept of any new Commissions

³ NB Government press release available at <http://www.number-10.gov.uk/output/Page12224.asp>

- it is impractical for the local authorities to work separately
- there is demonstrably better value for money in collective action; and
- there is significant added value by sub regional collaboration as opposed to operating in isolation.

2.4 The detail of this would, it is argued, need to be defined within the terms of reference for each of the Commissions that will be established. However, in general terms it is proposed that the following principles need to apply, given the principles of ‘the 10’ remaining sovereign; as set out in paragraphs 1.4 and 1.5 above:

- No statutory responsibilities for which individual authorities have a duty to provide can be devolved upwards to the new Executive Board; unless individual authorities freely and independently decide they wish to do so and the Executive Board wishes to accept such responsibility
- No service delivered by or on behalf of an individual local authority can be transferred to the auspices of the new Executive Board; again unless individual authorities freely and independently decide they wish to make such a transfer and the Executive Board wishes to accept such responsibility⁴
- Working within existing statutory frameworks, the Executive Board and the Commissions would be responsible for developing sub regional strategies which will act as a framework for – but not a replacement of – district strategies, and agreeing priorities and programmes for delivery across the City Region within the following policy areas:-

Economic Development
 Spatial Planning) [joined together in terms of the
 Housing) Commissions]
 Environment (including climate change and waste)
 Transport
 Health
 Safer Communities
 Shared Services and Capacity Building

- The actual delivery of agreed sub regional priorities and programmes may be carried out by sub regional organisations (e.g. Manchester Enterprises) local authorities or other partners or a combination of these. The mode and level of delivery will be determined by circumstance and statutory responsibilities, but there will be an agreement that, where sub regional strategies, priorities and programmes have been agreed, that there will be a requirement on identified delivery agencies to do so and to be accountable to the Executive Board for their performance.

3 MEMBERSHIP OF THE EXECUTIVE BOARD AND BUSINESS LEADERSHIP COUNCIL (BLC)

3.1 The previous work we have done on City Region Governance has always been done on the assumption that the Executive Board would be comprised of Leaders. It

⁴ This implies that it would not be necessary for any such function to be agreed to be devolved by all 10 – as is the example in a number of cases in Greater Manchester already; the most notable being waste disposal.

is proposed that this be stipulated in any a new constitution. Currently we have a system where any substitutes can attend in place of a Leader. We will obviously need to maintain a system which allows substitutes so that all authorities can be represented. However it is proposed that – in order to maintain some continuity and a linkage to Governance structures within each of the member authorities - that any substitute must be drawn from that authority's own Executive.

- 3.2 The Executive Board would appoint a Chair and Deputy from amongst its number. It would have the power to also create other posts. It has already been agreed that one of these posts – to be included in the new constitution - should be a Vice Chair and that this post should be drawn from the minority party with the most places on the Executive Board. The Chair and any other positions could have decision making powers delegated to them⁵. However these powers would need to be explicitly delegated by the full Executive Board and there should be no formal delegated powers in any constitution. The constitution would also need to be clear about who takes the Chair if the Chair of the Executive board is absent – the working assumption this would be the Deputy; and if she/he is not present; the new Vice Chair post to be created.
- 3.3 Based on the 2006 White Paper proposals it is proposed that the Chair of the Executive Board (plus the other positions created) would be appointed for a 4 year term but that:-
- a) these appointments can be changed at any time through a vote of no confidence from amongst Executive Board members; and
 - b) no Chair of the Executive Board could remain in that position if he/she was no longer either the confirmed nomination of their 'home' authority; or ceased to be an elected member for whatever reason.
- 3.4 The BLC membership would be determined by a Search and Selection Committee. The make up of this Committee will be the subject of discussions with the private sector but it is intended that its local authority members will be drawn from the Executive Board; and that more than one political group would be represented. The BLC (echoing the national model) would have a maximum of 15 members. The objective (and this could be set out in a more detailed specification) would be for the BLC members to be:-
- at CEO, Director or Board Chair level; with an ability to contribute at an appropriately strategic level,
 - to be drawn from a representative cross section of business/industry sectors and sizes throughout the conurbation (including Higher Education)
 - to be drawn from companies located across the conurbation, rather than being focused on one geographical area

and that the role of the Chamber of Commerce needs to be appropriately taken account of in determining BLC membership.

⁵ For instance making appointments, approving submissions to Government, speaking on behalf of the Executive Board. It would be up to the Executive Board to agree these as and when appropriate.

4 ASSOCIATE MEMBERSHIP

- 4.1 This is an area where there has been much discussion around the unarguable fact that the Manchester City Region – in economic terms – stretches beyond the boundaries of Greater Manchester. The implications from this are that we need to involve representative bodies from outside Greater Manchester in an appropriate way which is of mutual benefit and which adds value to our aims and objectives for the Manchester City Region.
- 4.2 We currently have three existing associate members within AGMA; but there are, potentially at least, many more. Annex 3 shows all those authorities and sub regional partnerships which currently border Greater Manchester. We have also previously approached organisations outside G Manchester about our aims for city region governance and this was reported to the Executive in May 2007. Broadly the responses received indicated a desire to engage with us in the future.
- 4.3 It is suggested that engaging with areas outside Greater Manchester – whether this is through associate member status or otherwise - that we adhere to the principles set out in sections 1.1 and 1.2 of this note and that a revised constitution confirms that our governance arrangements will be open and transparent. AGMA Executive meetings are held in public and under the proposed new links to Section 101 and 102 this would remain. We should make this clear to areas outside G Manchester and explain that any area can, in practice, attend meetings and have access to papers which are not part of the private agenda (which, in practice, tends to be very few).
- 4.4 Beyond this it is intended that we approach areas outside Greater Manchester and seek meetings at which we can discuss general principles of how and where we would engage with other areas more practically than them just being observers at our meetings. For some (including – it is expected - existing associates) this may well be something akin to existing associate status. For those authorities – plus others - there may also be potential to develop relationships along the lines of compacts or memorandums of understanding (see sections 1.2 and 1.3) about the areas where we can cooperate; and the way we would do so. For a third group knowing that they can attend as observers and have access to papers may suffice. The proposal is that we should not be prescriptive to other areas at this time, but to explore with others how they might wish to engage with us.

5 MEETINGS OF THE EXECUTIVE BOARD

- 5.1 It is too early yet to say how **frequently** the Executive Board should meet under the new arrangements. It may need to meet more frequently initially as new arrangements are being set up, but it may be, after new arrangements bed down there may only be a need for the Executive to meet quarterly. The constitution would need to stipulate the minimum number of times that the Executive would meet each year and it is anticipated that would need to be at least twice, based around requirements for an annual meeting for appointments etc, plus a meeting for budget setting and agreeing the overall business plan for those operations for which the Executive has responsibility. There would also need to be the customary provisions for meetings of the Executive Board to be held in emergency if requested by (say) 2 local authorities.

5.2 It is proposed that the Leaders need to continue to reserve the morning of the last Friday in every month which could be made available for either Executive Board meetings or other business ‘traditionally’ dealt with by the current AGMA Executive but which might not conveniently fit under new arrangements. Examples of such matters, based on recent agenda papers would include:-

- budgets of Joint Authorities and most AGMA Units⁶
- specifically section 48 Grants; currently managed by a separate AGMA Committee
- Asylum Seekers (but which also has its own Board with member level representation)
- Pay/Personnel issues
- G Manchester Disaster Relief Trust

The proposals to enable the Executive to set up sub Committees (see section 2.1 above) would enable such functions to be discharged on behalf of the Executive; where they thought this appropriate.

5.3 As far as **voting** is concerned the principle has been agreed that wherever possible, agreement on matters at the Executive Board is done so without the need to take a vote. However if resolution without a vote cannot be achieved, arrangements should be that voting is carried out on the principle of “1 authority 1 vote” rather than any other arrangement based around – for example - weight votes according to population

5.4 The following areas have been identified as matters of strategic importance, where – as a matter of last resort if agreement cannot be reached without a vote – a 2/3 majority will be needed:-

1. adoption of sub regional strategic policies and plans
2. adoption of a Metropolitan Area Agreement following negotiations with Government and other partners
3. responses to Government consultations
4. decisions with financial consequences/costs to the member authorities (e.g. AGMA Units contributions, budgets - if any – delegated to individual Commissions, etc)
5. decisions/recommendations on levies/precepts of joint authorities
6. endorsement of strategic plans produced by the new Commissions
7. amendments to the constitution

but for the following areas a simple majority need only apply

8. appointments to external bodies
9. appointments to the new Commissions when established
10. election of Leader, Deputy and Vice Chair of the Executive Board

5.5 There may of course be other issues not identified in the list above where agreement is not otherwise possible. The basis on how any votes in areas outside the above list should be determined will need to be treated on a case by case basis.

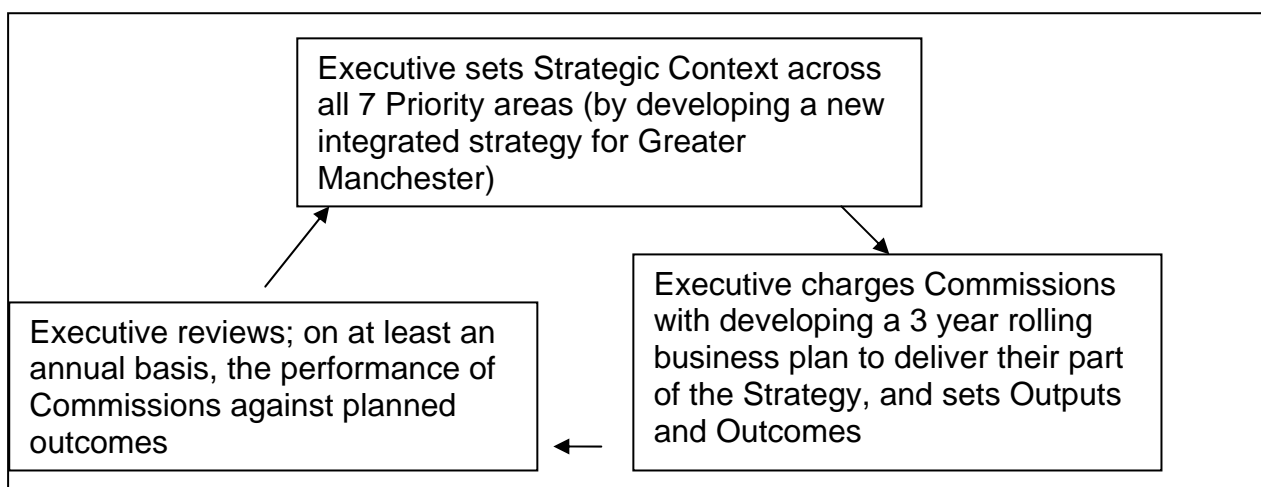
⁶ although in the reforms to AGMA’s operation in 2000, budgets and work programmes for some of the smaller planning units have already been delegated to Officers

- 5.6 It is also agreed that where a 2/3 majority is applied that this be 2/3 of all member Councils within the partnership, not 2/3 of those attending any meeting. Based on the Executive Board being formed of 10 members this would set the majority required in such cases as always being 7⁷.
- 5.7 It is also proposed that a quorum be set for the Executive board; and that this should also be 7 member authorities attending.

6 THE COMMISSIONS

6.1 The following principles are proposed for the relationship between the Executive Board and the Commissions:-

- the Executive Board is the 'accountable body' in terms of these new arrangements. It sets the parameters, remit and role for the Commissions and makes appointments to the Commissions. It can create new ones, abolish existing ones and amend membership as it sees fit.
- representation on the Commissions is in order to deliver the remit set by the Executive Board. Commission representatives are not there to represent specific geographical areas, political groups or sectoral interests, but to perform a role for the city region as a whole; and will be appointed based on skills and experience
- the Commissions would have authority to act within the strategies and remits set for them by the Executive; but would need the Executive's endorsement to act any wider than that remit
- **the caveats in the introduction to this report about the need to return for specific proposals on transport in the light of Government legislation apply particularly to this section**
- the proposed relationship between the Executive Board and the Commissions is best illustrated by the following diagram:-



⁷ This would need to be qualified in as much as if a sub regional issue voted on was outside the interest of any individual authority (as, for example, waste disposal is currently for 1 authority) that this 2/3 majority would need to 2/3 of those member authorities with an interest in that particular issue.

- 6.2 As far as the membership of the Commissions is concerned, the intention would be that, except for the Economic Development Commission (see section 8 below) and the Health Commission (which the Executive has already agreed will have a 50:50 split) membership of the Commissions would be based on a majority of members being from local authorities. In order for there to be an appropriate level of continuity and accountability at least one local authority member on each Commission would be drawn from members of the Executive Board.
- 6.3 The precise arrangements for each Commission may in some cases need to be the subject of individual decision but the following principles (taking into account caveats about Transport mentioned in the introduction to this note) should apply:-
- There should be a maximum of 11 members on any one Commission (except Economic Development; see section 8 below)
 - Therefore it is proposed that not all member authorities are represented on each of the Commissions
 - The power of appointment to the Commissions – except where decisions have already been taken - for both elected members and non local authority representatives - shall be vested in the Executive Board which may delegate appointments to the type of search and selection committee envisaged for the BLC (see section 3.4 on page 6 above)
 - In exercising this power the Executive Board will set out a schedule of requirements/personal specification which prospective Commission members will need to meet
 - No authority should have more than one seat on each Commission; but each shall have a minimum of 4 seats across all the 7 Commissions.
 - Representatives on each Commission from local authorities must be elected members and
 - their nominations must be endorsed by that local authority's Executive,
 - Whilst there is a presumption that in most cases these nominations will be from a local authority's Executive they need not exclusively be so; and
 - any elected member eventually appointed by the Executive board to serve on any Commission cannot simultaneously hold any scrutiny position within his/her own authority which relates to the function of that Commission.
 - in making appointments to each of the Commissions , the Executive Board will aim to achieve political balance as far as is practicable
 - As with the Executive Board, appointments will be for four years, but must cease if an elected member ceases to be a member of the Executive of his/her authority, or changes authority during the time of his/her appointment.
 - There should be no substitutes permitted for seats on the Commissions

- Within whatever overall parameters are eventually agreed; individual Commissions will have flexibility over working arrangements

6.4 The reasoning behind these proposals is as follows:-

- The Commissions exist only as bodies which are delegated roles and functions by the Executive Board.
- The Executive Board remains the “accountable body” in terms of overall sub regional responsibility and accountability to individual local authorities (see section 7 below)
- Unlike the Executive Board where there is the principle of representation from each Leaders home authority, this is not the case with the Commissions. The Commissions are there to oversee delivery on behalf of the Executive Board. Within the principles set out in 6.3 members should be selected by virtue of their individual expertise, and that alone.
- If we are appointing on basis of skills/abilities and Commission members are not representing geographic areas or political groups, substitutions would not be appropriate.
- Servicing of each Commission – and support for members within each Commission - will be based around the lead responsibilities of AGMA Chief Executives, individuals identified under ‘Team Manchester’, whatever sub regional capacity is identified to support each Commission and other resources as the Commissions might identify as necessary. There should be no need – based on the principles by which Commission members are to be appointed – for them to be accompanied to meetings by individual specific support officers.

6.5 The reasoning behind the numbers quoted in 6.3 above is as follows:-

- originally, the Leaders sub group working on the detail of these proposals suggested a ceiling of 15 for each Commission. This implies – if local authorities were to be in the majority, 8 seats on each Commission. However it would be much more difficult to deliver a system where only 2 local authorities miss out and still keep the principle that all members are there to work for the sub region rather than their own geographical locality.
- the figure of 11 enables us to deliver smaller commissions, and can help make their work more sub regionally focused
- the minimum of 4 elected member seats per authority across the Commissions works because, with 7 Commissions and 6 seats on each (except health with 5), this gives 41.. This implies 9 authorities with 4 seats (=36) and 1 with 5. $5 + 36 = 41$.

7 ACCOUNTABILITY

7.1 The only aspect of accountability contained under AGMA’s existing constitution is that of the AGMA Council which can:-

- (a) hold the Leaders to account by receiving the minutes of the AGMA Executive and being able to ask questions and make comments upon them; and
- (b) ask the Executive to consider any matter referred to it by the Council.

7.2 It is proposed that under new arrangements there remains a system of sub regional accountability. What is currently known as AGMA Council could form the basis of part of such a system. However in future it is proposed that such a system operates in the following way:-

- a scrutiny 'pool' of members be established to work on specific tasks either as requested by the Executive/separate Commissions; or through their own proactive agreement:-
- this pool of members to be drawn from elected members (3 per authority) who are not active on any of the bodies which would be under scrutiny; that is the Executive, any named Substitutes for the Executive, any Commission member; and any member of any sub committees formed under the new arrangements.
- within such a system it is proposed that current arrangements which set political and gender balance for AGMA Council member should remain for any revised arrangements.
- decisions of the Executive Board or Commissions can be raised by scrutiny pool members; to see if a majority of their number wished any such matters to be the subject of further scrutiny by a representative sub group from amongst their number. The panel could have the ability to make recommendations from any such scrutiny process to the Executive, which it would be required to respond to
- a system of call in should be devised enabling any 5 members of the scrutiny panel to request that any decision of the Executive be subject to call in, provided that any such decision was not exempted by virtue of urgency or where such decision had been the subject of prior consultation with the pane. This would need a system with deadlines for requiring any such call in and timetabled 'call in' meetings between each Executive Board meeting, to be used as and when necessary.

7.3 What is missing from any current arrangements is any obligation for AGMA leaders or their authorities to report back on/consider decisions/proposals considered within AGMA. An important element of accountability and scrutiny of decisions within the existing local government framework is therefore lost. Consequently it is proposed that under new constitutional arrangements there should be:-

- an obligation on each local authority to report back to its own Executive /Council on the decisions taken by the City Region Executive Board. The actions of any Leader on the Executive Board and his/her decisions would then be potentially subject to that own authority's scrutiny arrangements
- the opportunity for any local authority to refer any decision taken by one of the Commissions to the Executive Board where it considered that the Commission has acted outside the delegated authority given to it by the Executive Board

- A system of a short written electronic digest of the Executive Board's actions and decisions should be sent after each meeting to all Councillors within Greater Manchester.

7.4 It should also be highlighted that, under section 101 and 102 of the Local Government Act 1972, the Executive Board, its decisions, reports and papers would be subject to the same legal requirement in terms of freedom and access to information as local authorities operate under.

7.5 Finally there is a need to retain a wider consultative body along the lines of the existing Greater Manchester Forum. The Forum would no longer be the body which 'owns' Manchester Enterprises, but some form of consultative/stakeholder engagement events would need to be held on at least an annual basis.

8 THE ECONOMIC DEVELOPMENT COMMISSION

8.1 It is necessary to go in to slightly more detail in these proposals as far as the Economic Development Commission is concerned, in order that work can start of establishing that Commission as soon as possible. Several of the points below re-iterate those made in previous submissions to Government, but now need formal confirmation from the AGMA Executive in order to enable work to start on this aspect of city region governance.

8.2 Membership of the Commission

- The Commission will be chaired by a private sector appointment made by the Executive Board, based on the search and selection processes described elsewhere in this document
- The majority of members on the Commission will also be drawn from the private sector. All members will be appointed by the Executive Board and will also be subject to a similar search and selection process to that for the Chair
- Voting members on the Commission shall be no more than 13, of which 6 will be drawn from local authorities
- Local authority representatives shall be elected members drawn from member authority's Executives. No substitutes shall be permitted (see points made in section 6.4).
- Appointments to the Commission shall be for four years, but subject to the powers of appointment by the Executive Board and that if an elected member ceases to be a member of the Executive of his/her authority, or changes authority during the time of his/her appointment he/she can no longer remain on the Commission.

8.3 The Role of Manchester Enterprises (ME)

- Manchester Enterprises shall be the executive agency whose operations are directed by the Economic Commission

- The Economic Commission will take over the functions of the Board of Manchester Enterprises, which it is intended will remain a Company limited by Guarantee.
- Ownership of Manchester Enterprises will be transferred from the Greater Manchester Forum to the 10 local authorities within Greater Manchester.

8.4 Timetable for implementation

October – December 2007

- ME Board to consider proposals
- AGM of Manchester Enterprises under existing arrangements (i.e. G Manchester Forum), to include discussion on proposed new arrangements
- Work on legal changes needed to alter ownership arrangements for ME
- Creation of 'shadow' Economic Commission via search and selection process
- Progress reports and any necessary decisions to be considered by AGMA Executive as necessary,

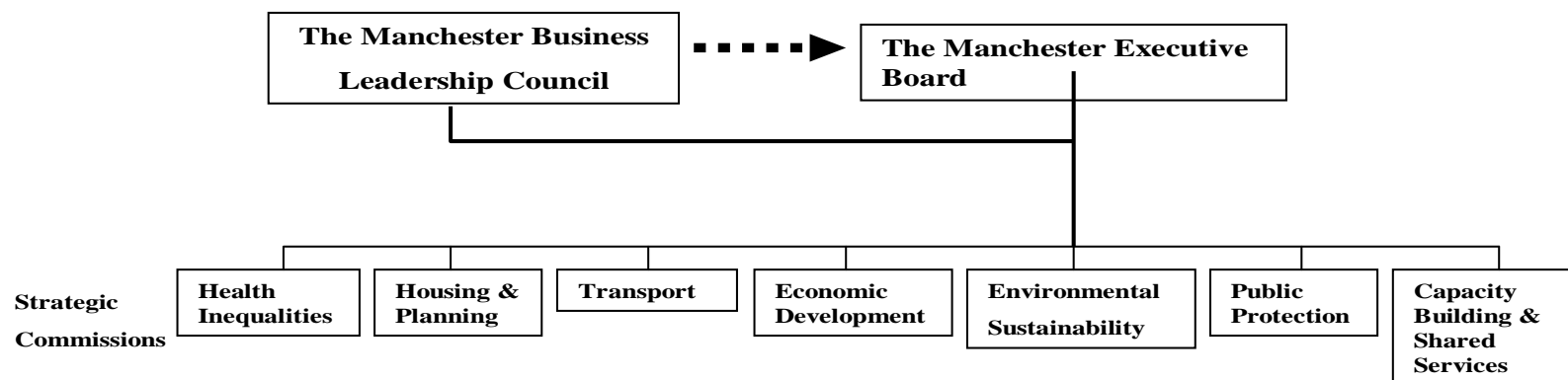
January – March 2008

- Agreement of work programme for new Commission, including its role in delivering MAA
- Conclusion of legal agreement for transfer of ownership of ME
- 'winding up' meetings of G M Forum and existing ME Board
- Launch of new Commission

John Hawkins
version dated 19 October 2007

SCHEMATIC OUTLINE OF PROPOSED GOVERNANCE ARRANGEMENTS

Summary of proposals



**SECTIONS 101 & 102 OF THE LOCAL GOVERNMENT ACT 1972
(as amended by subsequent legislation)**

The parts highlighted in bold are particularly appropriate for the purpose of this report. For details of the Acts which either have repealed or added to certain parts of these sections, see the UK Statute Law Database (<http://www.statutelaw.gov.uk/Home.aspx>)

101. Arrangements for discharge of functions by local authorities.

(1) Subject to any express provision contained in this Act or any Act passed after this Act, a local authority may arrange for the discharge of any of their functions—

- (a) by a committee, a sub-committee or an officer of the authority; or
- (b) by any other local authority.

(1A) A local authority may not under subsection (1)(b) above arrange for the discharge of any of their functions by another local authority if, or to the extent that, that function is also a function of the other local authority and is the responsibility of the other authority's executive.

(1B) Arrangements made under subsection (1)(b) above by a local authority (" the first authority") with respect to the discharge of any of their functions shall cease to have effect with respect to that function if, or to the extent that,—

- (a) the first authority are operating or begin to operate executive arrangements, and that function becomes the responsibility of the executive of that authority; or
- (b) the authority with whom the arrangements are made (" the second authority") are operating or begin to operate executive arrangements, that function is also a function of the second authority and that function becomes the responsibility of the second authority's executive.

(1C) Subsections (1A) and (1B) above do not affect arrangements made by virtue of section 19 of the Local Government Act 2000 (discharge of functions of and by another authority).

(2) Where by virtue of this section any functions of a local authority may be discharged by a committee of theirs, then, unless the local authority otherwise direct, the committee may arrange for the discharge of any of those functions by a sub-committee or an officer of the authority and where by virtue of this section any functions of a local authority may be discharged by a sub-committee of the authority, then, unless the local authority or the committee otherwise direct, the sub-committee may arrange for the discharge of any of those functions by an officer of the authority.

(3) Where arrangements are in force under this section for the discharge of any functions of a local authority by another local authority, then, subject to the terms of the arrangements, that other authority may arrange for the discharge of those functions by a committee, sub-committee or officer of theirs and subsection (2) above shall apply in relation to those functions as it applies in relation to the functions of that other authority.

(4) Any arrangements made by a local authority or committee under this section for the discharge of any functions by a committee, sub-committee, officer or local authority shall not prevent the authority or committee by whom the arrangements are made from exercising those functions.

(5) Two or more local authorities may discharge any of their functions jointly and, where arrangements are in force for them to do so,—

- (a) they may also arrange for the discharge of those functions by a joint committee of theirs or by an officer of one of them and subsection (2) above shall apply in relation to those functions as it applies in relation to the functions of the individual authorities; and**
- (b) any enactment relating to those functions or the authorities by whom or the areas in respect of which they are to be discharged shall have effect subject to all necessary**

modifications in its application in relation to those functions and the authorities by whom and the areas in respect of which (whether in pursuance of the arrangements or otherwise) they are to be discharged.

(5A) Arrangements made under subsection (5) above by two or more local authorities with respect to the discharge of any of their functions shall cease to have effect with respect to that function if, or to the extent that, the function becomes the responsibility of an executive of any of the authorities.

(5B) Subsection (5A) above does not affect arrangements made by virtue of section 20 of the Local Government Act 2000 (joint exercise of functions).

(6) A local authority's functions with respect to levying, or issuing a precept for, a rate shall be discharged only by the authority.

(7) A local authority shall not make arrangements under this section for the discharge of any of their functions under the Diseases of Animals Act 1950 by any other local authority.

(7A) Subsection (7) above does not apply to arrangements as between principal councils in Wales.

(8) Any enactment, except one mentioned in subsection (9) below, which contains any provision—

- (a) which empowers or requires local authorities or any class of local authorities to establish committees (including joint committees) for any purpose or enables a Minister to make an instrument establishing committees of local authorities for any purpose or empowering or requiring a local authority or any class of local authorities to establish committees for any purpose; or
- (b) which empowers or requires local authorities or any class of local authorities to arrange or to join with other authorities in arranging for the exercise by committees so established or by officers of theirs of any of their functions, or provides that any specified functions of theirs shall be discharged by such committees or officers, or enables any Minister to make an instrument conferring such a power, imposing such a requirement or containing such a provision;

shall, to the extent that it makes any such provision, cease to have effect.

(9) The following enactments, that is to say—

- (d) section 1 of the Sea Fisheries Regulation Act 1966;

are exempted from subsection (8) above.

(10) This section shall not authorise a local authority to arrange for the discharge by any committee, sub-committee or local authority of any functions which by any enactment mentioned in subsection (9) above are required or authorised to be discharged by a specified committee, but the foregoing provision shall not prevent a local authority who are required by or under any such enactment to establish, or delegate functions to, a committee established by or under any such enactment from arranging under this section for the discharge of their functions by an officer of the local authority or committee, as the case may be.

(12) References in this section and section 102 below to the discharge of any of the functions of a local authority include references to the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions.

(13) In this Part of this Act “ local authority ” includes the Common Council, the Sub-Treasurer of the Inner Temple, the Under Treasurer of the Middle Temple, the London Fire and Emergency Planning Authority, any joint authority except a police authority, a joint board on which a local authority within the meaning of this Act or any of the foregoing authorities are represented and, without prejudice to the foregoing, any port health authority.

(14) Nothing in this section affects the operation of section 5 of the 1963 Act or the Local Authorities (Goods and Services) Act 1970.

(15) Nothing in this section applies in relation to any function under the Licensing Act 2003 of a licensing authority (within the meaning of that Act)."

102. Appointment of committees.

(1) For the purpose of discharging any functions in pursuance of arrangements made under section 101 above or section 53 of the Children Act 1989 —

(a) a local authority may appoint a committee of the authority; or

(b) two or more local authorities may appoint a joint committee of those authorities; or

(c) any such committee may appoint one or more sub-committees.

(1A) For the purpose of discharging any function in pursuance of arrangements made under regulations made under section 18 of the Local Government Act 2000 (discharge of functions by area committees)—

(a) a local authority may appoint a committee of the authority; or

(b) any such committee may appoint one or more sub-committees.

(2) Subject to the provisions of this section, the number of members of a committee appointed under subsection (1) or (1A) above, their term of office, and the area (if restricted) within which the committee are to exercise their authority shall be fixed by the appointing authority or authorities or, in the case of a sub-committee, by the appointing committee.

(3) A committee appointed under subsection (1) or (1A) above, other than a committee for regulating and controlling the finance of the local authority or of their area, may, subject to section 104 below, include persons who are not members of the appointing authority or authorities or, in the case of a sub-committee, the authority or authorities of whom they are a sub-committee.

(4) A local authority may appoint a committee, and two or more local authorities may join in appointing a committee, to advise the appointing authority or authorities or, where the appointing authority or each of the authorities operate executive arrangements, any executive of that or those authorities, or a committee or member of that executive, on any matter relating to the discharge of their functions, and any such committee—

(a) may consist of such persons (whether members of the appointing authority or authorities or not) appointed for such term as may be determined by the appointing authority or authorities; and

(b) may appoint one or more sub-committees to advise the committee with respect to any such matter.

(5) Every member of a committee appointed under this section who at the time of his appointment was a member of the appointing authority or one of the appointing authorities shall upon ceasing to be a member of that authority also cease to be a member of the committee; but for the purposes of this section a member of a local authority shall not be deemed to have ceased to be a member of the authority by reason of retirement if he has been re-elected a member thereof not later than the day of his retirement.

LOCAL AUTHORITIES AND SUB REGIONAL PARTNERSHIPS LINKED WITH
GREATER MANCHESTER

1 Existing Associate members

Blackburn with Darwen BC
Warrington BC
Blackpool BC

2 Authorities which are not currently associates but which have borders with G Manchester

Lancashire	Chorley DC Rossendale DC West Lancashire DC Lancashire CC
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Merseyside	St Helens MBC
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Cheshire	Macclesfield DC Cheshire CC
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Derbyshire	High Peak DC Derbyshire CC
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W Yorkshire	Calderdale MBC Kirklees MBC
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3 Other local authorities included in Northern Way definition of Manchester City Region

Cheshire	Vale Royal DC Congleton DC
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NB. If local government reorganisation does take place in Cheshire this may result in an East Cheshire authority (comprising the areas of Macclesfield, Congleton & Crewe & Nantwich) plus one West Cheshire authority (Vale Royal, Chester City, Ellesmere Port & Neston). East Cheshire would have a border with Greater Manchester

4 Sub regional partnerships:-

Pennine Lancashire
West Lancashire
Mersey Partnership
Cheshire & Warrington Economic Alliance
Leeds City Region
Derbyshire Dales and High Peak LSP

