

# ESPO TANGO

## Territorial Approaches for New Governance

Applied Research 2013/1/21

Case Study Report  
Reinventing regional territorial governance -  
Greater Manchester Combined Authority

Final Version December/2013



This report presents the final results of an Applied Research Project conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

Information on the ESPON Programme and projects can be found on [www.espon.eu](http://www.espon.eu)

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

This basic report exists only in an electronic version.

© ESPON & Nordregio, 2013.

Printing, reproduction or quotation is authorised provided the source is acknowledged and a copy is forwarded to the ESPON Coordination Unit in Luxembourg.

## List of authors

Paul Cowie

Simin Davoudi

Ali Madanipour

Geoff Vigar

(Newcastle University, Newcastle upon Tyne, UK)

## Table of contents

1. Introduction to Case Study.....	5
2. Integrating relevant policy sectors.....	9
2.1 <i>Public Policy Packaging</i> .....	11
2.2 <i>Cross-Sector Synergy</i> .....	12
3. Coordinating the actions of actors and institutions.....	13
3.1 <i>Governing Capacity</i> .....	13
3.2 <i>Leadership</i> .....	14
3.3 <i>Subsidiarity</i> .....	15
4. Mobilising stakeholder participation .....	15
4.1 <i>Democratic Legitimacy</i> .....	16
4.2 <i>Public Accountability</i> .....	16
4.3 <i>Transparency</i> .....	17
5. Being adaptive to changing contexts .....	19
5.1 <i>Reflexivity</i> .....	19
5.2 <i>Adaptability</i> .....	20
6. Realising place-base/territorial specificities and impacts .....	21
6.1 <i>Territorial Relationality</i> .....	21
6.2 <i>Territorial Knowledgeability</i> .....	22
7. Other elements and aspects of Territorial Governance.....	23
8. Conclusions .....	23
8.1 <i>Major findings on the basis of the dimensions and indicators</i> .....	23
8.2 <i>Relationship between dimensions and indicators</i> .....	25
8.3 <i>Promoters and inhibitors of territorial governance</i> .....	25
Interviewees.....	26
References .....	26

## Maps

Map 1: Case study area: Greater Manchester2. Integrating relevant policy sectors.....	8
---	---

## Figures

Figure 1: Greater Manchester as part of the former North West Region and its location within the UK .....	6
Figure 2: The 10 boroughs forming the Greater Manchester Combined Authority.....	7
Figure 3: Governance structure of the Greater Manchester Combined Authority.....	10

# 1. Introduction to Case Study

This case study analyses the territorial governance of Greater Manchester. Ten local authorities have collaborated to establish a new tier of statutory authority, the Greater Manchester Combined Authority (GMCA), which is an administrative structure at the city-region level and the first of its kind in the UK. The study focuses on the institutional arrangement of GMCA and its relationships with central government and the private sector, as developed through policy initiatives such as City Deal and Local Enterprise Partnership (LEP), as well as with local civil society and the wider region. City Deals aim to provide city regions with greater power over spending, investment and strategic development in their area. The Local Enterprise Partnership aims to promote economic growth by creating partnerships between local government and business. In the case of Greater Manchester these two schemes cover the same geographical area but this may not be the case elsewhere.

Greater Manchester in North West England is the UK's second city in economic terms, playing a key role in the economic performance of the North of England. In 2008 the city as a whole generated over £50bn of GVA, representing 4% of the national economy (AGMA, 2010:1). Manchester defines itself as the 'original modern city' due to its industrial heritage and has been seeking a post-industrial urban renaissance in common with the other large cities of the north of England. In common with other such cities, the population was in steady decline until 2000 when it again began to increase based on both national and international immigration and an improved birth rate.

Since the original Greater Manchester County Council was formed in 1974 the political landscape of the UK has undergone a series of transformations. This could be broadly divided into three phases. The first being the challenge to local authorities, particularly to those of a left of centre persuasion, in the 1980's by the Thatcher Government. However, in 1986, the top tier of this two-tier system of local government (i.e. the Greater Manchester County Council) was abolished by central government, leaving ten independent and unitary boroughs, each responsible for their own spatial planning. In the same year, in order to collaborate on strategic issues, these boroughs worked together voluntarily to establish the Association of Greater Manchester Authorities (AGMA).

With the return of Labour to power in the late 1990s there was a shift to more regionally based governance. This saw the creation of a regional tier of governance, which included not just Greater Manchester but also the whole North West Region. Following the recent financial crisis and the prospect of the abolition of the regional institutions, they continued their collaboration and established an additional integrated institutional arrangement enacted by statutory instrument at the sub-regional level in 2011, which is called the Greater Manchester Combined Authority (GMCA).

The final phase came with the introduction of the coalition government in 2010. One of the first actions of the coalition was to announce the abolition of

the regional tier of governance. This to a certain extent is beginning to be reversed through the introduction of Local Enterprise Partnerships and with the recommendations of the Heseltine Growth Review (Heseltine, 2012) which calls for greater autonomy at a city region level.

In spite of considerable success in rebuilding its economy over the past 25 years, the city-region retains significant pockets of multiple deprivation closely connected with the uneven spatial development of the conurbation. It can be broadly split between a more prosperous southern part transformed by the recent history of sustained economic growth and a northern part that has continued a longer-term trajectory of deprivation (Harding *et al.*, 2010). As a consequence, some of the 'most deprived wards in the United Kingdom' are situated 'only ten minutes from the glamorous café culture of Manchester's consumer city centre' (Blakely, 2010). Furthermore, the city-region has been hard-hit by recent public spending cuts, which are set to increase, with an estimated £10billion to be removed from the economy in the four years between 2011 and 2015 (Talbot and Talbot, 2011).

In the context of the deteriorating financial crisis and the ideological preference for a small state, the UK coalition government, after taking up power in 2010, abolished the regional tier of territorial governance in England. Nine Regional Assemblies and corresponding Regional Development Agencies (NUTS 1 level) had been established under the previous government, channeling funds from the EU regional development funds and central government through regional spatial and economic strategies. Apart from the London Assembly, all these regional institutions and strategies have now been abolished by the new government.



Figure 1: Greater Manchester as part of the former North West Region and its location within the UK

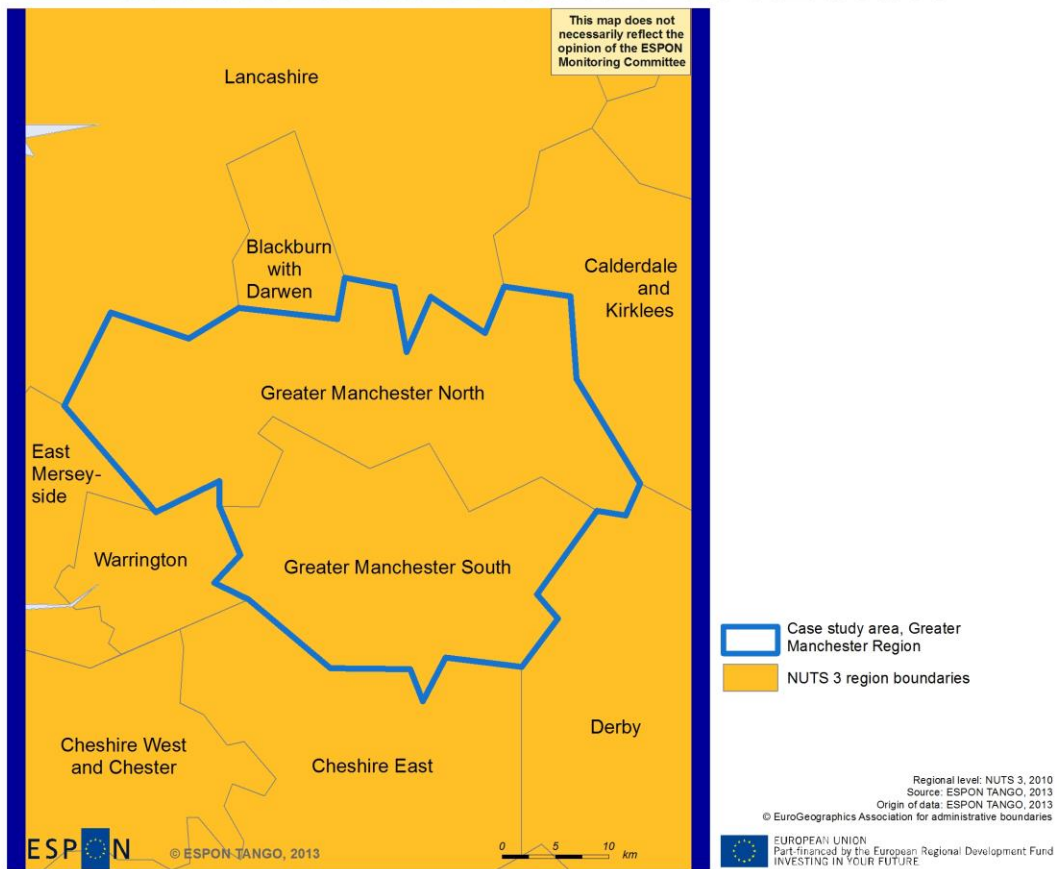


Figure 2: The 10 boroughs forming the Greater Manchester Combined Authority

From a territorial governance perspective the case is of interest because it is the first example of such administrative integration in the UK, and the only example of a statutory metropolitan government outside London. It represents an attempt to re-work institutional boundaries beyond single political or administrative representation and coordinate governance within a territory based on a functional economic area. It is this process of administrative integration and partnership collaboration which is interesting from a territorial governance perspective since it is a conscious effort to operate at the extended city region scale as opposed to the borough scale. The case study investigates the relationships between the GMCA and three sets of stakeholders (the boroughs, businesses, and central government). These three sets of relationships address the dimension of effectiveness, as identified in the EU 2020 strategy (CEC, 2010). The relationship between the GMCA and its constituent ten boroughs is of the utmost significance. The relationship with central government has been rearranged partly through the City Deal, which devolves some financial and administrative powers to the city region. The strategic relationship with businesses is coordinated through a Local Enterprise Partnership. However, in GM a strategic body to engage with the private sector - the Business Leadership Council, had been established as early as 2008. These three sets of relationships will also be evaluated with regard to other forms of relationship with local citizens and civil society groups, as well as the wider regional players in the neighbouring areas.

The research is also highly relevant in terms of the changes to governance structure at a regional and city region level in England and Wales. As the economic crisis continues to make its presence felt in the UK devolved governance and finances are again on the agenda as a means of promoting growth.

# CASE STUDY AREA 7: GREATER MANCHESTER REGION



Map 1: Case study area: Greater Manchester



## 2. Integrating relevant policy sectors

Over the years the various governance institutions in Greater Manchester have understood the benefit of maintaining governance capacity at the city region level. Developing territorial governance at the city region level is founded on a mutual understanding that certain policy sectors are best addressed at a city region level rather than by the individual local authorities. This need for evidence-based planning across a number of related policy sectors at the appropriate spatial level was stressed by a number of stakeholders interviewed.

The GMCA has therefore assumed competence for a number of policy sectors at this level, the main ones being transport and economic development. The evidence for packaging certain policy sectors together at the city region level comes from several directions. The first has been identified by the stakeholders as being linked to the perceived success of the Greater London Authority in driving forward development. A number of the stakeholders highlighted the benefits London has over other city regions as it is able to coordinate a range of policy issues and ensure there is continuity and strategic thinking at this spatial scale. The economic and social benefits of this city wide transport strategy were understood by a number of stakeholders. So for example a senior politician described how residents in their borough had benefited indirectly through reduced congestion on routes into and out of the urban centres, even though the light rail system did not serve their district.

Greater Manchester is aiming to rebalance its economy away from the traditional manufacturing that dominated its 20<sup>th</sup> Century economy. It is aiming to capitalise on the presence of a reputable research University and its reputation for creativity to develop its knowledge economy. Some of this development has occurred through the relocation of institutions such as the BBC from London to Salford in GM. However, in the view of policy officers from the GMCA, more can be done to develop this further. A current initiative involving the University of Manchester is the development of graphene. The technological breakthrough to discover graphene was carried out by Nobel-prize winners in the University. To ensure Greater Manchester capitalises on this discovery, the university is now engaging with the Local Enterprise Partnership, national government and other local institutions to explore how the technology can be exploited to deliver economic benefit to the city region.

To ensure there is integration of policy sectors at the city region level, the GMCA has a range of structures. These are both formal in nature, such as statutory committees and partnerships, and more informal processes, such as the work carried out by the 5 Commissions. Figure 3 sets out the current governance structure for the GMCA.

## Governance in Greater Manchester



Figure 3: Governance structure of the Greater Manchester Combined Authority

The structure outlined above is always evolving and responding to change. The Greater Manchester Combined Authority and the AGMA Executive Board are the top tier of elected member governance. Their membership comprises the 9 leaders and one elected mayor of the 10 local authorities.. This is supported by a number of thematic groups each of which is tasked with a specific policy remit (the oval shapes on the diagram). These structures have continuously evolved as the benefits of working on a GM scale have developed.

There is a great deal of literature on the optimal level for spatial planning and territorial governance so as to maximise the possibility of integrating the various policy sectors. Following the demise of Regional Development Agencies, there has been a great deal of discussion as to whether economic development should be pursued at a local level. The recent Heseltine Review (Heseltine, 2012) again highlighted the need for sub-regional governance structures to undertake strategic spatial and economic planning. For the stakeholders interviewed, the GMCA boundaries are based on sound principles of functional economic areas. These are evidence-based geographical spaces based on travel to work areas and economic output of a particular area (see Davoudi, 2010 for definition). In terms of the integration of the various policy sectors, this was felt to be preferable to the old Regional Development Agency boundaries which covered much larger and more diverse areas. The stakeholders interviewed argued that the use of functional economic areas allows a range of policy sectors to be better coordinated.

Following the demise of the regional development agencies the main problem for the city region in integrating the various policy sectors has been the lack of

financial support at the city region level. Where the region has been able to attract financial support it has been through nationally developed policy programmes. This has meant that the structure of the policy programme has been developed at a national level to a certain extent. Whilst this could be seen as a barrier to the better integration of policy sectors, the interviewees argued that they had been able to engage with central government on an equal level to help shape these policy programmes. They suggested that this was because of their strength in term of size and institutional support across the city region. This has enabled the GMCA to strongly influence central government's decisions to devolve a level of power and control over the delivery of these programmes which has allowed better coordination of policy.

The stakeholders interviewed about the integration of the relevant policy sectors all expressed satisfaction: that it was functioning well and created the desired synergies. Stakeholders argued that many of the issues facing the Greater Manchester City Region, such as economic decline and the renewal of its transport infrastructure, needed to be tackled at the city region level rather than the local level.

### **2.1 Public Policy Packaging**

One issue that was raised by the interviewees was the ability and willingness of the various institutions who could potentially be involved in the territorial governance process to actually get involved. It was pointed out that whilst in certain policy sectors there were institutions able to engage in policy development at a city region scale, for example policy sectors such as transport and policing, in others limited autonomy and a lack of devolved territorial governance prevented a fuller engagement with the city region. An example of this would be in the area of health and wellbeing. At the present time the main institution responsible for health and wellbeing, the National Health Service (NHS), is undergoing a radical overhaul of its governance structure and this has affected its institutional capacity to engage with GMCA at the city region level. This in turn can act as a barrier to attempts to deliver a coherent public policy offer - or package- at a city region level. This could be termed an institutional mismatch.

This mismatch was also evident when the anticipated outcomes of any policy programme at a region level were not aligned with the inputs required from the individual partners. Using health as an example again, a number of interviewees highlighted a potential problem where all partners within the city deal programme contribute to the financial cost of a policy but the benefits only accrue to one partner, i.e. the NHS. This could be termed an output mismatch. To promote effective public policy packaging the experience of Greater Manchester suggests that there needs to be both institutional alignment and outcome alignment.

In other areas there has been much stronger evidence of public policy packaging. Stakeholders interviewed pointed to the strong evidence-based approach to policy development that has been a feature of territorial governance in Greater Manchester. This has enabled persuasive arguments to be made in support of the chosen policy options. One example of this has

been the approach to strategic transport issues. Prior to the formation of the GMCA the 10 boroughs agreed to pool financial resources to create a strategic pot of money to develop integrated transport across Greater Manchester. The development of the light rail system and its subsequent extension to the north of the city region area has allowed the GMCA to be more ambitious. So for example the development of the light rail system has enhanced opportunities for economic development in the peripheral areas within the city region. A good example of this is the redevelopment of Salford Quays as a Media City. This has given the GMCA the confidence to enter negotiations with the national government about the possibility of devolving responsibility for rail franchises to the regional level.<sup>1</sup> This would require the Manchester City region to work with other cities and territories across the north of the England to manage these regional rail franchises.

One of the issues raised by the interviewees however was the mismatch in cost and benefits within the region. For example spending through the City Deal may be focused on the provision of better access to housing and health services. The policy programme itself may involve a wide range of partners within the city region, both from the public and private sectors. The financial benefits following from the successful implementation of the policy programme may however accrue to the health sector only, so ignoring the contributions of other partners involved in implementing a particular policy . For some policy interventions (particularly social ones) it is difficult to understand how different variables interact to produce particular results and so determine how any financial benefits resulting from particular interventions should be shared.

## **2.2 Cross-Sector Synergy**

There are a number of structures in place within the Greater Manchester city region aimed at fostering cross-sector synergy. Cross-Sector synergy is created through both the development of policy and its implementation. Strategic policy across the common themes is developed within the thematic groups responsible for driving policy on behalf of the GMCA. These groups bring together public and private sector partners to consider broad challenges facing the city region. This approach seeks to address themes rather than particular sectors.

For example the NHS (National Health Service) is a key partner in the Greater Manchester Health and Wellbeing Board and sits alongside other public and private sector clients. One issue facing Greater Manchester and particularly its more deprived areas is access to healthy food which in turn affects general health. This can be addressed in a number of ways, better provision of affordable fresh food, better education to allow residents to prepare and cook their own food or creating more employment opportunities to generate more income. The focus on an issue rather than a sector allows a wider range of sectoral partners to be brought into the process and tackle an issue from a number of directions.

---

<sup>1</sup> In the UK the rail network is run through a series of franchise agreements with rail companies. The franchises run for a fixed period of time and cover restricted geographical areas.

This themed approach to policy development also applies to economic development. In terms of the wider business community individuals with a broad mix of skills are brought together in the membership of the Local Enterprise Partnership. Whilst members are not chosen specifically to represent their own sectoral interest, there is a balance between the various sectors within the Local Enterprise Partnership membership. It is also interesting to note that as these institutions mature and develop an established territorial governance structure other institutions within the city region have altered their own structures to fall into step. One example of this is the Chamber of Commerce. Previously each of the individual authorities and major towns had their own chamber. Recently they various chambers have amalgamated into one Greater Manchester Chamber of Commerce. This has resulted in a more streamlined working relationship between the Chamber of Commerce and the Local Enterprise Partnership.

One gap sector which is not well represented at the GMCA level is the community and third<sup>2</sup> sector. This omission was raised with the interviewees and the reason given by all those interviewed was that the community and third sectors did not operate at the scale of the city region. It was felt that this sector was best engaged at a local level through the local authorities. This is perhaps a missed opportunity and is in contrast with the attempts to engage with the business sector at the city region level. There are city region level organisations and institutions for this sector such as the Greater Manchester Centre for Voluntary Organisation but they have only limited engagement with the governance structures within the GMCA.

### **3. Coordinating the actions of actors and institutions**

#### **3.1 Governing Capacity**

GMCA's draws a great deal of strength from its history of governance at the city region scale. This can be traced back to the formation of the Greater Manchester County Council 40 years ago. There have been a number of attempts to reorganise the regional and sub-regional governance structures in the UK. Throughout all these reorganisations Greater Manchester has held on to some vestige of city region governance or at least cooperation. As mentioned in the introduction, above, this was initially through the formal County Council structure, but following the move to individual unitary authorities, an informal governance structure was created in the form of the Association of Greater Manchester Authorities (AGMA) formed in 1986. This has provided the region with an ability to coordinate action and responses to changes at this level. The combination of elected councillors coming together in combined committees and pooled resources to support such a structure

---

<sup>2</sup> Third sector refers to charities and businesses run on a not-for-profit basis and aim to support and develop community cohesion.

has maintained this capacity. It has also been recognised that there was a need to include the business sector in this governance structure.

As outlined in section 2, the participation of the business community was brought about by the introduction in 2008 of the Business Leadership Council. The Business Leadership Council acts as both a check and balance on the GMCA's policies and at the same time carries out reviews and the development of policy in its own right. From 2011 GM has also had a Local Enterprise Partnership which also has a board made up of seven business leaders working alongside the chairs and vice chairs of the GMCA. The LEP and the Business Leadership Council are completely separate and operate independently of each other, but the nature of the business networks in the region means the various members know each other. The interviewees confirmed there is no real lobbying carried out in relation to business interests, save where they lobby external institutions such as the national government and EU. The relationship is described as being much more collaborative. The institutional capacity built up over the years has resulted in a strong working relationship between the various institutions and the wider business community.

The main strength of GMCA in terms of its governing capacity is its longevity. In one form or another the local authorities within the Greater Manchester City region have had some form of governance covering the whole of this area since 1986. This has allowed a great deal of shared knowledge, trust and capacity to be developed and utilised to engage with the problems facing the area and to reach out beyond the region to establish networks and to gain access to resources. This has been helped by a unified political landscape in the region. Greater Manchester is dominated by the Labour Party, a political party on the left of centre of the political spectrum controlling around 8 out of the 10 of the local authorities in the city region. All the stakeholders interviewed acknowledged that this has been a unifying force in the process of developing territorial governance capacity at the city region level. However at a political level the governance system works through all ten authorities' politicians understanding that the interests of their residents and businesses are best served by working together.

### **3.2 Leadership**

The stakeholders interviewed felt that one of the strengths of the current structure was its strong leadership. The main governance body, GMCA is comprised of the elected leaders (and one elected mayor) of the 10 constituent elected local authorities. The leaders are local councillors who, by virtue of their leadership of the largest political party within the local authority, become the leader of the Council. The authority has its own secretariat seconded from from a number of local authority districts hosted by Manchester City Council. Oversight of the working of the authority is provided by the scrutiny committee which is comprised of 30 elected members from the 10 local authorities within the city region.

As set out in figure 3 above, there are various routes and platforms to enable decisions to be influenced. This structure seems to allow a wide range of

stakeholders to influence the governance of the city region, however there was an acknowledgement that at times leadership of the process can be dominated by the larger local authorities within the territory. The most powerful of which is Manchester City Council.

In terms of economic activity and employment the City of Manchester dominates the city region. This gives it a strong hand in any negotiations with the more peripheral, northern, local authorities. In terms of leadership this can be both a benefit and a tension. One officer acknowledged that it could be the case that due to the nature of the city, having some of the key physical assets (the city centre for example) and institutions (Manchester University), this tended to be the focus of development rather than seeking to balance development or lift development across the whole city region. The Local Enterprise Partnership on the other hand was more aware of the need to balance development across the city region and highlighted steps such as the media city development in Salford and extension to the tram system as ways of doing this.

### **3.3 Subsidiarity**

The governance system does appear to be developing clear and strong leadership for the city region. The city region has a structured approach to leadership could best be described as being strongly hierarchical. The various partnerships and commissions feed information and suggestions to the central decision making committee. All the interviewees commented on the fact that they believed decision are being made at the appropriate level.

From the local authority point of view the senior politician interviewed confirmed there was a strong feeling that when they attended GMCA meetings, whilst they did not forget the authority they represent, they did not feel the need to

‘fight their corner and ensure [*Local Authority Name*] always appeared on the list of GMCA projects and policy programmes” (Interviewee D, 2013)

There was a feeling that certain decisions should and were best made at the city region level, even if that meant there was explicit funding or projects for their own authority area.

## **4. Mobilising stakeholder participation**

The complex nature of the current governance arrangement at the city region level has had the effect of institutionalising the mobilisation of stakeholders. The history of partnership working has led to strong links between the key institutional stakeholders in the region. This includes both private and public sector institutions. What is perhaps less clear is the extent to which this has fostered a sense of democratic legitimacy within a wider spectrum of stakeholders and the public. As one interviewee commented:

‘if you speak to the man or women in the street they would probably not have a clue who GMCA is or what it does.’ (Interviewee A, 2013)

#### **4.1 Democratic Legitimacy**

For the stakeholders directly involved in the governance arrangements, there is a feeling that democratic legitimacy is served through the presence of elected politicians on the main governance structure in the GMCA. The constitution of the GMCA provides that the powers of the Combined Authority are exercised by an Executive Board made up of one representative from each of the 10 constituent authorities. The representatives are mainly the leader of each of the local councils. Democratic legitimacy is therefore secured for the Combined Authority through the democratic process that takes place within each of the local authorities within the city region. This process does introduce a degree of distance between the democratic process at the local level and the decision making process within the Combined Authority at the city region level. This distance may be recognised as being neither truly democratic nor fully understood by the wider community as acknowledged by the interviewee’s comments outlined in the introduction to this section.

On one occasion a policy proposal was put to a referendum within the city region. The proposal related to the introduction of a congestion charge in the urban core. At the level of AGMA, which was then the competent governance body, there was majority support for the proposal but not unanimous support. However it was considered to be such an important decision that directly affected the community within the city region that the final decision should rest with a popular vote. In the end the proposal was not supported in the referendum and the proposal was dropped. The interviewees pointed out that this has been the only time a referendum has been conducted and there are no structures or rules in place to determine if and when matters should be put to a popular vote. The principle of a referendum has however been established within the institutional partners making up the governance structure. The interviewees particularly the elected representatives, are aware of the need to maintain a degree of democratic legitimacy when there is a clear and direct impact on the community. This does mean there is a slightly fuzzy area between those decisions made by GMCA which are deemed not to directly affect the community and those which do.

#### **4.2 Public Accountability**

As will be discussed in more detail in section 4.3 the governance process for the GMCA is transparent and open to public scrutiny. As a statutory body it is governed by the same rules as any other local authority. The question then becomes whether in practice there is genuine public accountability in the everyday processes and to what extent the various stakeholders can influence the decision making process.

The GMCA has a formal scrutiny process through its scrutiny panel and more informally through the private sector acting as a critical friend during policy development through the LEP and the Business Leadership Council. The scrutiny panel monitors all the decisions made by the Executive Board and any sub-committees of the GMCA. The scrutiny panel is made up of



elected councillors from the 10 constituent local authorities. There is a cross-section of councillors from the various political parties to reflect the overall political constitution of the city region. In addition to the formal scrutiny arrangements the Business Leadership Council advises the Executive Board on its decisions and can offer advice and recommendations to the Executive Board on issues which it feels should be part of the future decision making process.

As with other territorial governance aspects of the GMCA, public accountability is derived through two quite complicated arrangements. Firstly there is the democratic process by which local councillors are elected to represent a given population in each local authority. Stakeholders from the general community therefore have the opportunity to lobby their local councillor or if they are lucky, their local councillor will be the leader of their council and therefore be a member of the GMCA Executive Board. Alternatively stakeholders from the community in general can engage with elected members who sit on other thematic groups. This could add legitimacy to the process through participatory actions. However, the governance of these groups is dominated by institutional stakeholders. It can therefore be difficult to for non-institutional stakeholders to gain meaningful access to the governance process. The stakeholders interviewed considered the current situation to be an acceptable balance between democratic legitimacy and the ability to govern on the most effective territorial scale. It was felt that enabling effective governance at the level of the city region would inevitably require a degree of compromise with regard to democratic legitimacy. Prior to devolution<sup>3</sup>, there has been little appetite for directly elected regional governance. The only area to be given the option, the North East of England in 2004, rejected the proposal by a margin of 3 to 1. There has been devolution of power to Scotland, Wales and to a lesser extent Greater London but there is little likelihood of having similar democratic institutions in Greater Manchester in the near future.

Interestingly one of the civic institutions recognised as being fundamental to good territorial governance in the UK is the press. However when the senior reporter at the main regional daily newspaper was interviewed they also conceded they knew little of the territorial governance structure, nor indeed of the GMCA's role in the socio-economic development in the region. The press scrutiny was limited to reporting on the major decisions made by the GMCA and AGMA such as the proposed congestion charge and the takeover of Stansted Airport by the local authority owned Manchester Airport. Day-to-day scrutiny of the governance and decision making processes of the GMCA was absent.

### **4.3 Transparency**

In terms of transparency in the territorial governance arrangements of the GMCA there are two sides to the story. On the face of it there are clear and

---

<sup>3</sup> Devolution in the UK refers to a process whereby certain governance powers, for example in relation to planning, education and health have been devolved to the Scottish Government and the Wales and Northern Ireland Assemblies.

open procedures. All meetings of the GMCA, Executive Board, the LEP and some other groups are open to the public in accordance with the rules governing local authority democracy. The papers for meetings, agendas and minutes of meetings are all published on the GMCA web pages. Further the representatives from each of the member authorities also report back to their own executives and elected members on a regular basis. There is an element of scrutiny within this process. A number of the interviewees conceded that should more direct financial autonomy be devolved to the city region the current structure may prove to be insufficient and changes will be needed.

One argument made in favour of the current structure is the opportunity for governance at the city region to rise above local party political allegiances. The interviews with both the elected council leader and the private LEP member highlighted the benefits of not having overt political posturing within the governance arrangements. Comparisons were made with elected mayors and the Greater London Authority as instances where party politics could hinder effective regional governance. The point was made by a number of the interviewees that the governance structure of the GMCA was such that party politics and even local politics could be put to one side and the focus turned to the overall benefit of the city region. This may partly due to the dominance of the Labour party within the governance institutions and the lack of political power of the other parties. However, the Leader of the Local Authority interviewed felt that there was a genuine feeling of cooperation and working for the betterment of Greater Manchester that was above petty party politics.

The other side of the story is that the complexity of the structures and decision making processes and the distance from any directly accountable Councillors means that in practice it is not clear how wider stakeholder groups understand and are able to engage with this level of territorial governance. As mentioned previously, the interviewees conceded that it was unlikely for the wider public to understand or be able to engage with the governance process. They then argued that the degree of democratic legitimacy and transparency that was in place was sufficient given the strategic nature of the governance process.

As outlined in section 4.2 alternative civic institutions such as the local press have also failed to get to grips with the new governance arrangements and whilst able to provide scrutiny of the major decisions affecting the city region the day-to-day governance arrangements are not put under any detailed scrutiny.

There seems to be a consensus that the current processes for mobilising stakeholder participation are appropriate rather than ideal given the nature and relative youth of current governance structures. The ability for elected members from each of the partner authorities to form a Combined Authority without any direct elections to that Combined Authority relieves them of the short term political pressures normally associated with regional governance. At the same time their responsibility to their own authority and constituents within that authority is sufficient democratic accountability to ensure a valid and accountable process.

## 5. Being adaptive to changing contexts

The ability of the Greater Manchester city region to maintain a stratum of governance at the city region level is perhaps the strongest indication of its ability to adapt and innovate in the face of changing circumstances - nationally and internationally.

Throughout this period there have also been wider structural changes taking place in the UK and indeed across the wider world. The pressures of redeveloping what was the world's first industrial city mirror the issues facing Europe in general as outlined in the Europe 2020 strategy for instance. The city region has sought to develop its human capital and take a greater role in the knowledge economy.

Speaking to the stakeholders, adaptability has been a key to the way in which the city region is governed. This has been the case throughout the various governance structures that have held sway in the territory. There has been the development of an institutional memory that has been carried forward to the new body. The lessons from failed attempts to adapt to the changes faced have been taken on board by subsequent policy programmes. A good example of this can be found in the failed bid for the 2000 summer Olympics which were then used as the basis for the 2002 Commonwealth Games and lead to the regeneration of parts of east Manchester.

### 5.1 Reflexivity

The main mechanisms for reflexive thinking within the governance structure are six high level thematic groups . These drive thematic priorities that the city region sees as being critical to its future development:

- The Greater Manchester Low Carbon Hub (formerly the Environment Commission)
- Greater Manchester Health and Wellbeing Board (formerly the Health Commission)
- Planning & Housing Commission
- Transport for Greater Manchester Committee
- Employment and Skills Partnership
- Police and Crime Steering Group

#### Manchester Family / Centres of Excellence

- New Economy - specialising in research, strategy, evaluation and performance management, including employment and skills
- MIDAS/ Manchester Solutions - specialising in business growth, trade and inward investment
- Marketing Manchester - (Visit Manchester), specialising in marketing, communications and tourism.

With all these various institutions and partnerships in place across the policy sectors there is a risk that there could be confusion and duplication between

the various bodies. This does not seem to happen in practice. One stakeholder highlighted how policy ideas across the various sectors could be initiated in a number of ways and by a number of stakeholders. This was seen as being analogous to the way laws are introduced in the UK Parliament where bills can be introduced in either the House of Lords or Commons. In a similar way policy initiatives can be introduced by bodies such as the Local Enterprise Partnership, Business Leadership Council or through one or more of the commissions. This flexibility in determining the agenda and future development of the city region's policy was seen as being a distinct advance when it came to adapting to the changing policy and economic environment.

## **5.2 Adaptability**

It is something of a paradox that the adaptability of the territorial governance arrangements owes a lot to their stability and longevity. It is also a result of having to develop a governance structure from the bottom-up rather than adopt a structure imposed from the outside. Following the abolition of the Greater Manchester County Council, the last formally constituted regional governance structure; the city region has had to undertake governance at the city region level through a series of partnerships and ad hoc programmes. In most cases these policy programmes have been introduced by central government or through EU funding programmes and have been competitive in nature. The city region has been successful in both attracting such funding and due to its success has been able to influence the development of such national policy.

This ability to engage with policy makers at a national level has been a benefit and a hindrance. The interviewee GMCA4 discussed this in the context of the Local Enterprise Partnership. There has been much policy discussion at a national level as to how best to promote growth and address the structural issues facing the national economy. One proposal, outlined previously, which seems to be gathering momentum, is the idea that more financial and economic decision making should be devolved to the city region. Whilst the city region is well placed to adapt to this new agenda the interviewees felt that the lack of similar governance structures elsewhere in the country militate against a general approach to devolving more powers and control to the city region level. A number of the interviewees made the point that Manchester is somewhat unique both in its history and its approach to territorial governance. Other major cities, particularly those in the northern half of England lack the history and commitment to this sort of collaborative working.

## **6. Realising place-base/territorial specificities and impacts**

The territorial scope covered by this case study has been defined by the history of the area. The main reason for the current boundary of the GMCA relates to the history of territorial governance in the region. The boundary of the city region conforms broadly to the boundary of the old Greater Manchester County Council (GMCC). Following the abolition of the GMCC the Association of Greater Manchester Authorities was formed to maintain a degree of governance coherence across the city region.

There has also been a strong political influence in the restructuring of governance in the territory. It has been argued that the main reason for the abolition of the metropolitan councils in the 1980's was due to them being a powerbase for the Labour Party in opposition to the national conservative government (Thornley, 1993). Politics has also influenced the boundary. The 10 local authorities making up the GMCA are still dominated by the Labour party and its elected representatives.

### **6.1 Territorial Relationality**

One of the biggest territorial issues for the GMCA is the dominance of Manchester both as a political institution and as a social construct. The city of Manchester has dominated popular perceptions of the area in terms of the territory's culture and employment. This has overshadowed the other areas and to a lesser extent influenced the relationship with cities and territories outside the city region. Those interviewed made the point that they felt this was a benefit to territorial governance. Whilst most of those living within the territory covered by the Combined Authority would have very little understanding of the nature and role of the GMCA there was a strong cultural affinity to the notion of a Manchester city region.

One of the drivers for the regional affinity may have been the various high profile city region projects. Interviewee E highlighted the Commonwealth Games and the failed Olympic bid as being city wide projects which helped foster a popular understanding of the city region as a coherent territory.

Other interviewees articulated the nature of the territorial coherence more through evidenced based policy. This territorial evidence base was partly established with the production of the Manchester Independent Economic Review (MIER, 2009), which states that, "the city region is a highly-coherent single economic geography, with substantial travel across local authority boundaries for work, education and leisure."(2009: 29) Interestingly this approach to developing an evidence base to underpin territorial governance at the city region scale has now been followed in the North East with the production of the North East Economic Review (NELEP, 2013) which has now been followed by a proposal to establish a combined authority in the region to mirror GMCA.

This strong evidence base works together with a strong cultural affinity to generate a coherent territory. This strong territorial rationality across both public and private sector institutions in particular allows individual authority members to adopt a less defensive approach to negotiations at a city region level. As the senior politician commented there is an understanding that what is good for the city region will inevitably be good for their local authority as well.

## **6.2 Territorial Knowledgeability**

The city region has developed a substantial body of knowledge, both technical and practical knowledge, during its development from informal partnership to statutory body. Some of this knowledge is carried through key personnel within the governance structure. A number of key people working within the GMCA structures as officers and politicians have been associated with governance in the city region for a very long time. This balance between long standing members and new members has ensured that there has not been any loss in the corporate memory. Those interviewed highlighted this was more through luck than any particular strategy to develop a corporate memory on the part of the city region.

However steps are now being taken to develop a more robust way of maintaining territorial knowledgeability. Other civic institutions are now aligning themselves to mirror the GMCA territorial structure, for example recently each town or city within the Greater Manchester city region had its own Chambers of Commerce, these have now been amalgamated to form a single Greater Manchester City Region.

The Manchester Family of Businesses plays an important role in establishing a territorial knowledgeability. Recently the links between the GMCA governance structure and the other institutions involved in the family of businesses have been strengthened with a member of the GMCA board being assigned to a particular commission. This aims to provide a better link between the GMCA board and the work of the matic groups whilst at the same time increasing the accountability of these groups.

## **7. Other elements and aspects of Territorial Governance**

One issue which has been put to one side by those involved in governance at the city region level has been the issue of greater democratic accountability and legitimacy. At the moment the governance structure appears to have support from the institutions affected and enjoys a degree of acceptance, albeit of the 'ignorance is bliss' sort of acceptance, by the community in general. This balance could be upset in the future in a number of ways. The first could be as a result of a mistake or major failure on the part of GMCA. At the moment the Combined Authority has been successful in the projects and programmes it has undertaken. This has allowed it to avoid serious scrutiny by say academics or the press. This may change if a crisis was to strike and more attention was paid to the level of accountability within the city region structure.

The second change which may upset the balance is the possibility of greater financial autonomy being devolved to the city region. There have been significant hints from central government that this may be a serious proposition given the continued failure to stimulate economic growth and the cross-party support for the proposals set out in the Heseltine (2012) review. A number of the interviewees acknowledged that with greater power comes greater responsibility and accountability. At the moment there is no clear way of developing such accountability, particularly democratic accountability, within the city region structure. Proposals such as an elected city region mayor or a fully elected regional authority have little popular or political support. At the moment the senior politician interviewed confirmed the issue has been:

“Put in the too difficult box and left for later” (Interviewee E, 2013)

At some point this will have to be addressed and will further test GMCA's resilience and adaptability. The Coalition Government's response to the Heseltine Review (HM Treasury & BIS, 2013) does address the issue of accountability within these new city region governance structures, specifically LEPs but, argues that because local authority elected members sit on the LEP boards accountability is somewhat achieved indirectly.

## **8. Conclusions**

### ***8.1 Major findings on the basis of the dimensions and indicators***

One of the main concerns with the GMCA case study may be its transferability or at least extracting elements of the Greater Manchester case study as a quick fix for territorial governance issues. One of the strengths of the Manchester example has been its ability to engage in the process of developing the policy programmes it then seeks to implement as part of the territorial governance process. Manchester sees itself as a pioneer and leads

where others follow. One example of this can be seen in the Heseltine Growth Review (Heseltine, 2012) where Manchester was singled out as an exemplar of good city region governance and is then used as a template for future development of city region territorial governance. This ability to influence the development of territorial policy may not be available to other less developed territorial governance situations. Greater Manchester has been allowed to develop over time, it has got things wrong, but has been able to learn from those mistakes to get things right the next time.

This learning process has been helped by the longevity of the territorial governance process and actors. The indirect accountability has allowed space for a consensual, largely non-party political long term strategy to be developed. Many of the interviewees stated clearly that an elected mayor, similar to that in Greater London, would not be appropriate in Manchester. They also pointed out that the wider community also rejected the idea of an elected mayor in a recent referendum on the proposal. Manchester has therefore developed a distinctly managerial approach to territorial governance. The way the GMCA was discussed by all the local interviewees one could be forgiven for thinking they were discussing a public company rather a city region. This was seen by many as being the key strength of the GMCA approach to territorial governance.

Having outlined some potential difficulties in seeking to transfer the GMCA governance structure to other territories, there are a number of elements which could be transferred. Although the institutions and partnership structures have been developed in an ad hoc manner there has been an underlying logic to the development of the structure. Both AGMA and GMCA have sought to include separate governance institutions that focus on either strategic development of policy or on the delivery of policy rather than seeking to combine both elements in one institution. This avoids potential problems associated with institutional lock-in which occurs when, due to the political investment by the governance institution, there is a reluctance to abandon a particular programme. This separation of responsibility is also improved by the governance institutions with review responsibility. This tripartite structure may not be suitable for all scales of territorial governance, but where the scale is suitable it does offer a model for good territorial governance.

As was outlined in section 6.1 the Greater Manchester model of territorial governance is now being copied in the north east. The initial development of an evidence base to justify the need for territorial governance at the city region scale is seen by the North East Local Enterprise Partnership as an important first step in creating a city region governance structure. This has then helped the development of institutions to deliver the cross-sector synergy and stakeholder participation needed at the strategic level.

The ability to approach other levels of government, national and EU institutions for example, with a clear set of strategic priorities also allowed GMCA a stronger hand to negotiate the terms of policy programmes such as the City Deal. Whilst not bottom up governance in the pure sense, this form of



evidence based territorial governance is increasingly important in the age of a more managerial style of governance at all levels.

### **8.2 Relationship between dimensions and indicators**

With the Greater Manchester City region the strength of the territorial governance structures has been built on the strong relationship between the first and second dimensions of territorial governance and their respective indicators. Strong leadership within local government and a history of partnership working between the various local authorities has enabled the new governance structure, GMCA, to mobilise various private sector stakeholders and build wider governance partnerships. All this has been built on a platform of territorial knowledge and evidence.

### **8.3 Promoters and inhibitors of territorial governance**

#### **Promoters:**

- *Public policy packaging*: Strong strategic commitment to package policy at a city region level
- *Cross-sector synergy*: Good institutional synergy – the governance structure integrates a range of formal institutions both within and outside the territory
- *Governing capacity*: Strong governance structure with clear lines of reporting from the Combined Authority to the constituent local authorities
- *Leadership*: Good history of city region leadership carried forward into the new institution
- *Subsidiarity*: Awareness of matching the scope of territorial governance to appropriate territorial scale and knowing when things should be left to institutions other than GMCA
- *Reflexivity*: There are good institutional mechanisms, through the partnerships and commissions, for reflexivity and learning
- *Adaptability*: There are good institutional mechanisms, through the various partnerships and commissions within the GNCA structure, for reflexivity and learning
- *Territorial relationality*: Evidence based approach to territorial relationality underpinned by a cultural awareness of territory
- *Territorial knowledgeability & impacts*: Established territorial knowledge developed over 3 decades.

#### **Inhibitors:**

- *Cross-sector synergy*: Civil society was notable by its absence from the territorial governance process
- *Democratic legitimacy*: There is little direct democratic legitimacy and only indirect democratic legitimacy through the elected representative sitting on the main board.
- *Transparency*: Rhetoric of transparency but awareness that actual engagement with public limited. There are scrutiny structures in place but limited to institutional scrutiny only

## Interviewees

Senior Policy Officer - GMCA

Senior Policy Officer – Local Enterprise Partnerships; Department for Business Innovation & Skills

Chief Executive – One of the Manchester Family of Businesses

Private Sector Board Member – LEP

Senior Elected member – Local Authority member

Senior Reporter – Local Daily Newspaper

## References

Association of Greater Manchester Authorities( AGMA), 2010, *Greater Manchester Local Enterprise Partnership: A proposal to the government*, Manchester: Association of Greater Manchester Authorities.

AGMA, 2012, 'Community Budget update March/April 2012', [http://www.agma.gov.uk/commissions1/improvement\\_efficiency\\_commission/community-budgets/updates/march-april-2012/index.html](http://www.agma.gov.uk/commissions1/improvement_efficiency_commission/community-budgets/updates/march-april-2012/index.html), accessed 26 June, 2012.

BIS, 2012, *Local Enterprise Partnerships*, Department for Business Innovation and Skills <http://www.bis.gov.uk/policies/economic-development/leps>, accessed 19 June 2012.

Blakeley, G. (2010) 'Governing ourselves: citizen participation and governance in Barcelona and Manchester', *International Journal of Urban and Regional Research*, 34(1), 130-45.

Commission of the European Communities – CEC (2010). *Europe 2020: A strategy for smart, sustainable and inclusive growth*. Office for Official Publications of the European Communities, Luxembourg.

DCLG,2011, *Do it your way*, Department for Communities and Local Government, <http://www.communities.gov.uk/news/corporate/2046953>, accessed 23 June 2012.

DCLG,2012, *National Planning Policy Framework*, London: Department for Communities and Local Government.

Hall, P. (1998) *Cities in Civilisation*. London: Weidenfeld and Nicolson.

Harding, A., Harloe, M. and Rees, J. (2010) 'Manchester's Bust Regime', *International Journal of Urban and Regional Research*, 34 (4), 981-91.

Heseltine, M. (2012) *No stone unturned in pursuit of growth*. London: Department for Business Innovation and Skills

HM Treasury and Department for Business Innovation and Skills (2013) *Government's response to the Heseltine Review* (Cmnd 8587) London: The Stationary Office  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/188379/PU1465\\_Govt\\_response\\_to\\_Heseltine\\_review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/188379/PU1465_Govt_response_to_Heseltine_review.pdf) , accessed 28 May 2013

MIER, 2009a, *Independent Review*, Manchester Independent Economic Review, <http://www.manchester-review.org.uk/projects/view/?id=720>, accessed 19 June 2012.

MIER, 2009b, *Understanding labour markets, skills and talent: Final report of Project 5*. MIER, Manchester.

MIER, 2009c, *Sustainable communities: final report of Project 6*. MIER, Manchester.

New Economy, 2012, *Local Enterprise Partnership*, <http://neweconomymanchester.com/stories/1344-local-enterprise-partnership>, accessed 19 June 2012.

North East Local Enterprise Partnership (NELEP) (2013) *North East Independent Economic Review Report* Newcastle: NELEP

Smith, Lord Peter, 2012, Manchester achieves another first, Local Government Chronicle, 26 March 2012, <http://www.lgcplus.com/budget-2012/manchester-achieves-another-first/5043185.article>, accessed 23 June 2012.

Talbot C. and Talbot C. (2011) 'Cuts in the city: Manchester 2011', <http://www.mbs.ac.uk/about-mbs/news/assets/pdf/manchester-government-2011-professor-colin-talbot.pdf>, accessed 27 June 2012.

Thornley, A. (1993) *Urban Planning Under Thatcherism, the Challenge of the Market*, London: Routledge

[www.espon.eu](http://www.espon.eu)

The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

ISBN 978-2-919777-40-2