

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT GREATER MANCHESTER COMBINED  
AUTHORITY (FUNCTIONS AND AMENDMENT)  
ORDER 2017

*Monday 24 April 2017*

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**Friday 28 April 2017**

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**The Committee consisted of the following Members:**

*Chair:* MR DAVID HANSON

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|--|--|
| † Brazier, Sir Julian ( <i>Canterbury</i> ) (Con)                      | McGovern, Alison ( <i>Wirral South</i> ) (Lab)   |
| † Burrowes, Mr David ( <i>Enfield, Southgate</i> ) (Con)               | † Morgan, Nicky ( <i>Loughborough</i> ) (Con)  |
| † Cartlidge, James ( <i>South Suffolk</i> ) (Con)                      | † Opperman, Guy ( <i>Lord Commissioner of Her Majesty's Treasury</i> )                                 |
| Creasy, Stella ( <i>Walthamstow</i> ) (Lab/Co-op)                      | † Percy, Andrew ( <i>Parliamentary Under-Secretary of State for Communities and Local Government</i> ) |
| † Debbonaire, Thangam ( <i>Bristol West</i> ) (Lab)                    | † Pow, Rebecca ( <i>Taunton Deane</i> ) (Con)  |
| Dowd, Jim ( <i>Lewisham West and Penge</i> ) (Lab)                     | † Throup, Maggie ( <i>Erewash</i> ) (Con)  |
| † Hart, Simon ( <i>Carmarthen West and South Pembrokeshire</i> ) (Con) |  |
| † Heapey, James ( <i>Wells</i> ) (Con)                                 | Tamsin Maddock, <i>Committee Clerk</i>   |
| Leslie, Chris ( <i>Nottingham East</i> ) (Lab/Co-op)                   |  |
| † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab)                 | † <b>attended the Committee</b>  |

# First Delegated Legislation Committee

Monday 24 April 2017

[MR DAVID HANSON *in the Chair*]

## Draft Greater Manchester Combined Authority (Functions and Amendment) Order 2017

4.30 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Percy):** I beg to move,

That the Committee has considered the draft Greater Manchester Combined Authority (Functions and Amendment) Order 2017.

It is a pleasure to serve under your chairmanship, Mr Hanson. The order, which was laid before the House on 20 March, will, if approved and made, provide new powers for the Mayor to designate areas as mayoral development areas, to set the local transport plan and policies and to make grants to local authorities. It will transfer the functions, property, rights and liabilities of the waste disposal authority to the combined authority, abolish the waste disposal authority and confer new information-sharing powers on the combined authority. It will also provide for a number of constitutional and funding arrangements.

Of course, councils in Greater Manchester have worked closely together for the past three decades, but since 2011 the combined authority has enabled Greater Manchester councils to work together formally on the interconnected issues of transport, economic development and regeneration. In November 2014, the Government and Greater Manchester agreed a groundbreaking devolution deal, which has subsequently been followed by three others. Manchester is much further ahead than other areas on the devolution journey.

In March 2015, we legislated by order for Greater Manchester to have an interim Mayor. In March 2016, we legislated to establish the position of elected Mayor for Greater Manchester; the Mayor will also undertake the police and crime commissioner functions. In December 2016, we legislated to confer on Greater Manchester significant new powers, some of which were to be exercised by the Mayor and others by the combined authority corporately. Those included new housing and planning powers, devolved transport powers and new powers on education and skills, aligned with those of the local authorities.

On 24 March, following parliamentary approval, my right hon. Friend the Minister for Policing and the Fire Service made two orders that, first, transfer the functions of the Greater Manchester fire and rescue authority to the Mayor, transfer the assets and liabilities of that service to the combined authority and, in turn, abolish the fire and rescue authority; and, secondly, set out the detailed operation of the police and crime commissioner function when it transfers to the Mayor on 8 May, and transfer the assets and liabilities of the police and crime commissioner to the combined authority.

I will deal with this afternoon's order as quickly as I can. If approved and made, it will enable the Mayor to designate areas as mayoral development areas and will require the Mayor to prepare local transport policies and plans, subject to agreement from seven of the 10 combined authority members. It will enable the Mayor to pay grants to local authorities—those are, of course, designed to support the Mayor's decisions in relation to use of the consolidated transport budget—and provide that any use of the “earn back” infrastructure fund is agreed by the Mayor.

The order will transfer the functions, assets and liabilities of the waste disposal authority. The Wigan local authority area is outside the waste disposal contract and will remain outside the waste disposal authority, at its own request. The order provides the combined authority with the same powers to share information as the constituent authorities have; provides for constitutional and funding changes, including in relation to the political balance of committees, the chair of the overview and scrutiny committees, and allowances—

**The Chair:** Order. I greatly apologise for interrupting you, Mr Percy, but I wish the Government Whip would resume his seat.

**Andrew Percy:** Thank you, Mr Hanson. This is such a popular order, I am—

**Jim McMahon** (Oldham West and Royton) (Lab): There is great excitement.

**Andrew Percy:** There is such excitement, among Conservative Members anyway.

As I was saying, the order also provides the necessary powers for the allowances for the Mayor and other members of the combined authority.

The origin of the order is in the governance review and the scheme that was prepared by Greater Manchester in accordance with the requirement in legislation. In 2016, Greater Manchester published two schemes that set out its proposals for powers that could be conferred to Greater Manchester in 2016, as provided by the Local Democracy, Economic Development and Construction Act 2009.

That first consultation ran from March through to May of last year and the second from July through to August. The combined authority provided the summaries and the Secretary of State considered those, as per the statutory requirements. In conferring those functions, the Secretary of State has concluded that they would indeed be likely to lead to an improvement in the exercise of the aforementioned statutory functions.

In considering it appropriate to confer local authority powers on the combined authority and make constitutional changes, the Secretary of State has, of course, had regard to the impact on local government and communities. Importantly, from a local democracy point of view, all 10 of the constituent councils on the combined authority have consented to the making of the order.

You will be pleased to hear in conclusion, Mr Hanson, that the Government are making good progress on implementing the devolution deal to Greater Manchester. The draft order we are considering this afternoon is a

fairly significant milestone, contributing to greater prosperity in Greater Manchester and opening the door for what we want to see, which is a more balanced economy and continuing economic success for Greater Manchester, which is already playing such an important part in driving forward the northern powerhouse agenda and the economic development of this country. On that basis, I commend the draft order to the Committee.

4.36 pm

**Jim McMahon:** Thank you, Mr Hanson. It is a pleasure to serve under your chairmanship. I put on record a declaration of interest. My father is a truck driver who used to work for the Greater Manchester waste disposal authority until its transfer to Viridor under the private finance initiative contracted there. Unlike me, he has a proper job, as I think he would say.

I am pleased to see the order, which I see as a tidying-up exercise in many ways. I have always felt that the myriad outside bodies that were the legacy of the joint committees that were established in Greater Manchester did have room for efficiencies to be made, particularly with back-office facilities around HR, finance, payroll, comms and press, marketing and such areas. That will provide a capacity to support the Mayor in their functions.

It would good to get some clarification—today or in writing—on the transfer of assets and liabilities for the waste disposal contract to the Greater Manchester combined authority. At the moment, the Greater Manchester waste disposal authority is made up of nine of the 10 local authorities within Greater Manchester, with Wigan outside that agreement. There would have been room for Wigan to opt into that quite recently, particularly when the private finance initiative contract was being negotiated in 2009, but Wigan local authority members decided, for their own reasons, that it was not for them.

If any assets or liabilities are being transferred to the Greater Manchester combined authority, which is owned by the 10 local authorities in effect, any assets in particular cannot be divided by 10, when the value has been created by the nine local authorities. I accept that is quite a technical point but it is quite important in tracking where those assets and liabilities will ultimately go.

On paper, talking about waste disposal sounds like a very dry subject. It is, but it also involves a great deal of public money. When the PFI contract was agreed in 2009, at £3.8 billion that was the largest PFI in the whole of Europe. We are now only eight years into that contract, so a significant amount of money is being transferred.

There is a link to the order that we will consider later today at 6pm, which relates to the precepting responsibilities, but this order is primarily about the levying responsibilities across transport and waste, which, as I said before, makes complete sense.

I will address my final comments to the mayoral development areas. I again support that principle. The ability of local areas to determine for themselves where their development priorities are is absolutely in the spirit of the type of devolution that we have been pushing for.

From a Greater Manchester perspective, when the call went out from Government I know a request was made for a number of the town centres and business parks to be designated as enterprise zones to enhance development in those areas. Unfortunately, under the

criteria the Government were not able to allow for that. It struck me at the time that while it might not be a national priority for those areas to be designated as some kind of development zone, our town centres in Greater Manchester absolutely need a focused energy and determination from some authority to ensure that development can be kick-started. Instinctively, it feels like that the combined authority level is the right one at which to do that.

Again, I would be grateful if the Minister could confirm whether the Mayor will be given powers in the way that enterprise zones have tax reliefs and tax incentives in place when they are approved by Government. Will the Mayor have the same type of powers to give tax relief and business rate incentives within mayoral development zones in those areas? If that is not provided for in this statutory instrument, will that be brought forward in the future?

4.40 pm

**Andrew Percy:** I welcome the shadow Minister's support for what he called tidying-up functions. It is important we get this order through, otherwise we will have a Mayor elected on 4 May who will take office without the appropriate functions and powers to be able to operate.

The waste disposal contract will transfer over on 1 April 2018. The reason for that date is that it is what the Greater Manchester Combined Authority requested. My understanding is that it wishes to form a waste committee comprised of the members of the nine constituent councils. Residents should see no change to how waste is collected or the service they receive. It is simply that the legal entity has been absorbed by the combined authority. As part of undertaking the governance review I referred to, the combined authority has an opportunity to review the functions and integration of public services. It has concluded that doing it this way allows it to make some savings as part of the contract without it having any detrimental impact on or making any difference to how the service is provided to local residents.

I will write to the hon. Gentleman in more detail on the mayoral development corporation, its nature and what could be part of that. It is for the new Mayor to come forward with a proposal to Government to put a mayoral development corporation into being. We are keen to see it happen, but it will require further statutory instruments in this place. I am more than happy to write to him with the full details of how that would operate.

I welcome the hon. Gentleman's support for the two functions. Manchester is so much further down the devolution route than anywhere else in the country, and that is testament to the local leadership and the history of working together. The impressive economic development we have seen in Manchester in the past few years—and decades, it could be argued—is a consequence of that close working between partners and local authorities. That is precisely why the Government are so enthusiastic about emulating that in other parts of the north and more generally through the rest of England. I again commend the order to the Committee.

*Question put and agreed to.*

4.44 pm

*Committee rose.*





