

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT GREATER MANCHESTER COMBINED
AUTHORITY (AMENDMENT) ORDER 2018

Monday 19 March 2018

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Friday 23 March 2018

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The Committee consisted of the following Members:

Chair: PHILIP DAVIES

† Berry, Jake (*Parliamentary Under-Secretary of State for Housing, Communities and Local Government*)

† Bradley, Ben (*Mansfield*) (Con)

Clwyd, Ann (*Cynon Valley*) (Lab)

† Elmore, Chris (*Ogmore*) (Lab)

† Fabricant, Michael (*Lichfield*) (Con)

Hayes, Helen (*Dulwich and West Norwood*) (Lab)

† Heappey, James (*Wells*) (Con)

† Jenkyns, Andrea (*Morley and Outwood*) (Con)

Lewis, Mr Ivan (*Bury South*) (Ind)

† McMahon, Jim (*Oldham West and Royton*) (Lab/
Co-op)

† Morgan, Stephen (*Portsmouth South*) (Lab)

† Offord, Dr Matthew (*Hendon*) (Con)

† Philp, Chris (*Croydon South*) (Con)

Reynolds, Emma (*Wolverhampton North East*) (Lab)

Robinson, Mr Geoffrey (*Coventry North West*) (Lab)

† Swire, Sir Hugo (*East Devon*) (Con)

† Tolhurst, Kelly (*Rochester and Strood*) (Con)

Adam Evans, *Committee Clerk*

† **attended the Committee**

First Delegated Legislation Committee

Monday 19 March 2018

[PHILIP DAVIES *in the Chair*]

Draft Greater Manchester Combined Authority (Amendment) Order 2018

4.30 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): I beg to move,

That the Committee has considered the draft Greater Manchester Combined Authority (Amendment) Order 2018.

The draft order was laid before the House on 5 February 2018. As some members of the Committee might know, eight orders have already been made in relation to Greater Manchester combined authority. The draft order is simply the next step in bringing to life our devolution deals. Although the order is not substantial, it is important for enabling the day-to-day operations of the Greater Manchester combined authority. Since 2011, the combined authority has enabled Greater Manchester's local authorities to work together formally on the interconnected issues of transport, economic development and regeneration. In November 2014, the Government and Great Manchester agreed the first groundbreaking devolution deal, subsequently followed by four others, including recently at the autumn Budget.

Since the passing of the Cities and Local Government Devolution Act 2016, seven further orders have been made in relation to the Great Manchester combined authority, delivering the functions and the constitutional changes necessary to deliver the devolution deal. Those orders have provided for the introduction of a Mayor, given the Mayor the function of a police and crime commissioner and given the combined authority powers over housing, planning, transport, public health, fire and rescue, and, of course, education and skills. Some of those powers have been undertaken by the Mayor individually, and others by the combined authority collectively.

Less than a year has passed since Andy Burnham was elected as the first metro Mayor of Greater Manchester. All the metro Mayors elected just last May, including Andy Street, are making a huge positive impact on their city region. The latest devolution deal in relation to Great Manchester was made in autumn 2017. It set out new commitments between the Government and the combined authority to strengthen our approach to joint working. It included a Housing First pilot to support rough sleepers with the most complex needs, a local industrial strategy for Great Manchester and a pretty chunky £243 million of funding from the Government's transforming cities fund, to improve transport connections within Great Manchester.

The draft order amends the constitutional arrangements of the Great Manchester combined authority in relation to its housing investment fund, the allowances for members of the combined authority's committees and sub-committees, and setting the precept for the police and crime commissioner component of the mayoral precept.

It is to be made under the Local Democracy, Economic Development and Construction Act 2009, as amended by the 2016 Act.

The order will amend the constitution of the combined authority, so that in addition to a simple majority of members, the Mayor must also be on the winning side of any votes relating to the housing investment fund for any decision to be carried. That change to the constitution implements a commitment that we made in the devolution agreement and will increase the democratic accountability of the directly elected Mayor. The housing investment fund was agreed as part of our initial devolution deal with Great Manchester in 2014. It is a loan of some £300 million from the Government, which has enabled the combined authority to lend more than £420 million to local developers to help to fund quicker housing delivery across Great Manchester. The fund has committed to funding and building more than 5,800 homes on 23 sites across Great Manchester.

The combined authority can pay allowances for the travel and subsistence of members of the combined authority, but not for members of its committees and sub-committees. The order amends those arrangements to enable the combined authority to pay travel and subsistence allowances to members of its committees and sub-committees, and to pay other allowances if the committee or sub-committee member is not a member of a council within Greater Manchester. In acknowledgment of that, the combined authority has established an independent remuneration panel that will make recommendations for those allowances. The panel will now be able to make recommendations both to the combined authority and to the constituent local authorities on the remuneration of all members of committees and sub-committees.

The draft order also changes the date within the process for setting the police and crime commissioner component of the mayoral precept for the Greater Manchester Mayor. That change is being made at the request of the combined authority to ensure that the scrutiny process for the police and crime commissioner precept is always complete before the precept is issued.

Two of the consultations undertaken by the combined authority in relation to the devolution deal cover the issues in the order. Those consultations have been the subject of previous orders. As most of the proposals consulted on have already been provided for in legislation, the combined authority provided the Secretary of State with a summary of the responses to its consultations, and the Secretary of State has had due regard to that summary. Before laying the order, the Secretary of State considered the statutory requirements under the 2009 Act, which he believes have been met. Moreover, as the statute requires, the 10 councils and the combined authority have also consented to the order.

The order makes constitutional amendments to the Greater Manchester combined authority that will help to ensure the continuing effective and efficient operation of that combined authority to the benefit of all the peoples of Greater Manchester. The order will help to contribute to the greater prosperity of Greater Manchester. It will also pave the way for a more balanced economy, quicker housing delivery and economic success across the whole of our northern powerhouse. I therefore commend the order to the Committee.

4.37 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies.

I attended an event in Manchester on Friday, where the Minister was on a panel debate with the Mayor of Greater Manchester and a number of other Members, and we talked about the impact of High Speed 2 and investment in transport in Greater Manchester. During that debate, I noticed that the balance of power in the relationship between Greater Manchester and Government has changed. On the face of it, perhaps that change is subtle, but it is important.

I think back to when we were negotiating the first devolution deal and the establishment of a combined authority, and the relationship was one of subservience where Greater Manchester would ask Government for powers. It was anyone's guess as to how certain powers and areas of investment were arrived at, but, by and large, the councils in Greater Manchester waited for Government to tell them what Government were willing to do. On Friday—I give credit where it is due—I noticed that the relationship is one of mutual respect—and also mutual challenge, which is important if devolution is to develop as our great cities need. It is important to recognise how things have moved on.

I found it interesting how different the remuneration discussions were for when the Mayor was brought in, compared to those for councillors. Most people recognise that Mayor of Greater Manchester is a significant role—in my view, it is on par with being a Minister in terms of power, responsibility and accountability to the electorate—and in that context there was a big discussion about how much that person should be paid, which was slightly odd to me, because at that time I was a council leader and Eric Pickles was telling us we were volunteers and boy scouts. The Government need to go back and look at the role of councillors in the new devolved settlement, because, just as Parliament can be disconnected from our towns and cities, I see that within a combined authority the Mayors or the chairs can become very much disconnected from the ward councillors representing their communities at a local level.

There is also an issue about retention and how we attract decent talent to local government to serve as local councillors. The decision to take away councillors' pensions was a backward step—I acknowledge that the Minister was not in government at that point. That change was very popular with the public as they like taking pensions away from councillors because they are not always quite sure what councillors do.

My view is that councillors play a very important role. Many make sacrifices in respect of their careers and their families, and many give up promotions at work to spend additional time supporting the work of their local authority. Within this new devolved settlement, the requirement on those councillors will increase even further: they will have to contribute to the combined authority and to its sub-groups. Government ought to be proactive and look again at what we view the role of councillors to be in this new settlement. Are they volunteers? Are they there to be appreciated but not really taken too seriously? That was the tone when Sir Eric Pickles was in charge. Is it different now, because we recognise that power is being distributed further down? Will this new settlement reflect that?

On the housing investment fund, clearly any investment in housing is important, but the investment in that fund came at the same time that the housing market renewal scheme was cancelled in Greater Manchester. For those who do not know, the housing market renewal scheme was a programme of demolition, clearance and rebuilding of new, good-quality homes to replace substandard terraced housing that was built during the industrial revolution. In 2010, the housing market renewal scheme was cancelled completely. That meant that money that was due to go into that new housing stock was taken away overnight.

The money going in through the housing investment fund is a shadow of that for the housing market renewal scheme. I mention that in particular because although the housing investment fund has its role to play, we need to reflect the fact that it is about commercially viable sites for developers that are creditworthy and that are charged at a commercial interest rate. If the site is commercially viable, the developer is creditworthy and it will be a commercial interest rate, why does the developer not just go to a bank and borrow the money on the open market in the way that would be expected?

What is the role of Government in this new mix? It ought to be about addressing those sites where there is a commercial viability gap. For towns such as Oldham and many areas and communities in Greater Manchester, there is pressure to build on the green belt, through the Greater Manchester spatial framework, because we need units to be built, but the community wants the brownfield, old industrial sites that do not have value to local communities to be redeveloped. The cost of remediation and taking away contaminated material is so high that for developers it just does not stack up. I urge the Government to look at how they can do more to make sure that funding is provided for bridging the viability gap in those types of scheme.

4.43 pm

Jake Berry: To deal with some of the points made, within the scope of the draft order, I acknowledge the shadow Minister's comments on the new relationship between Government and all our metro Mayors. Across the country, fantastic individuals such as Ben Houchen, Andy Burnham, Steve Rotherham and Andy Street are changing politics across our country. That is a true partnership of people who want to drive forward our economy together and, where that true partnership exists, the Government will always welcome robust discussion with Mayors about what further tools of growth can be given back to local areas.

Across the whole of our northern powerhouse area, just to concentrate on the north of England, we are moving to what we would call northern powerhouse 2.0. The northern powerhouse is a policy that used to be the Government telling the north of England what they thought would work to drive forward the north of England's economy. Now, we are seeing much more of a partnership of our metro Mayors, Transport for the North and our great civic leaders across the north of England, and Government playing their part.

Councillor allowances ultimately are for the remuneration committee in Manchester to decide, in relation to the draft order, but it is also for local authorities to set those

[*Jake Berry*]

allowances using a remuneration panel. It is quite right that those allowances are determined at a local level and that Government do not set them centrally.

I am sure the shadow Minister welcomes the housing fund in Manchester. He referred to the housing market renewal programme, which he said at one point was about the demolition of houses. In my constituency of Rossendale and Darwen, it never got past the demolition of houses, notwithstanding the fact that millions of pounds were spent. I hope he welcomes the fact that, rather than knocking houses down, the housing investment fund is about building them, and building them more quickly.

It is great to hear an Opposition Front-Bench Member championing the free market. That is a pretty rare occurrence these days—[*Interruption.*] The hon. Gentleman might be changing his mind now. I hope that, like me, he will continue to support the Mayor of Greater Manchester in championing house building in Manchester, championing the huge success of the free market in driving forward Manchester's economy, and celebrating those new homes that will be built for the residents of the region.

Question put and agreed to.

4.45 pm

Committee rose.