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Heseltine Institute  
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**Steps in the right direction?**

**Devolution in Greater  
Manchester and Liverpool City  
Region: the first mayoral term**

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Series 3 Briefing 6

September 2023

# Steps in the right direction? Devolution in Greater Manchester and Liverpool City Region: the first mayoral term

## Key takeaways

1. Mayoral and combined authority engagement in policy activity, for example, returning the buses to public control or controlling how the Adult Education Budget is spent, helps to shape and evolve the office of the mayor and the combined authority.
2. There are clear achievements in policy areas where activity has focused despite constraints and remaining challenges.  
Achievements are clear in those areas where the mayor or the combined authority has formal power, but achievements can also be seen in areas where informal power has been used effectively.  
While neither a democratic revolution nor a sham, local leaders were correct to grasp the offer of cityregion devolution from central government.
5. Devolution remains constrained by the power of central government and a lack of financial resources and limited formal powers, but it can continue to be developed through policy activity.

## 1. The policy challenge of the missing middle

Cityregion devolution is the latest in a long line of attempts to solve the 'missing middle' in English politics and to tackle the difficult relationship between central and local government. Cityregion devolution in the form of mayoral combined authorities, initiated under New Labour and accelerated under the Coalition and Conservative governments, was a product of a set of circumstances including a rising conviction in agglomeration economics and the political and economic motivations of ministers such as George Osborne. These coalesced into an intellectual movement which argued for the alignment of functional economic areas with structures to facilitate 'place based' politics.

The agency and ambitions of local leaders in Greater Manchester (GM) such as Manchester City Council leader Sir Richard Leese and chief executive Sir Howard Bernstein, who had long conceived of policy on a GM footprint rather than the local authority area alone,

ensured that GM would become the prototype for a Combined Authority (CA) and later a Mayoral Combined Authority (MCA). Leaders in the Liverpool City Region (LCR) who had worked actively to strengthen partnership working across the boroughs through initiatives such as City of Culture in 2008 were anxious to seize the same opportunities as their neighbour and thus ensured they were also in the first wave of cityregion devolution when combined authorities were established in 2014.

## 2. Evolving the office through policy activity: transport

The idea of a missing middle layer of governance was symptomatic of the view that England is an overly centralised state compared to other industrialised nations and that this overcentralisation partly accounts for the poor economic growth and productivity in cities across England. Our research into the first mayoral term of office in GM and LCR, which underpinned the publication of our book *Devolution in Greater Manchester and Liverpool City Region* (Blakeley and Evans, 2023)



involved extensive interviews, focus groups, participant observation and scrutiny of documentation. The resulting analysis showed that the policy activity of Andy Burnham in GM and Steve Rotherham in LCR, working with and through their combined authorities, can make a difference.

Transport is the policy field where the metro-mayors were directly accorded their principal hard power and here they certainly demonstrated to the public the worth of their office, in Burnham's case by returning the buses to public control which was the main reason for GM's council leaders accepting Osborne's insistence on establishing a directly elected metro-mayor. Both metro-mayors also benefited from the opportunity to extend existing successful initiatives. Burnham extended the functioning tram system and Rotherham was able to enhance an already well-regarded public transport system in LCR.

Yet the two metro-mayors were also compelled to join a dense policy network, ultimately dominated by the Department for Transport which limited their ability to seize the initiative. Moreover, on the central question of HS2 and its connection to Liverpool and the need for a new underground station at Manchester Piccadilly to accommodate its role as the link between HS2 and the proposed Northern Powerhouse Rail, the Treasury and the Department for Transport used their power to frustrate. The future of these specific grand projects remains in doubt.

### **3. Evolving the office through policy activity: economic growth.**

While hard powers were concentrated in the transport field, the main governmental justification for the MCAs was to address economic imbalances. In the area of economic policy, the metro-mayors were prone towards boosterism and grand projects, but their clearest contributions lie

in marrying economic policy with social objectives under the banner of inclusive growth.

Here they combined hard powers at their disposal such as control over strategic investment funds with soft powers such as the ability to convene actors and use their voice to draw attention to issues particularly the promotion of digitalisation, both in terms of infrastructure and inclusion, in line with their locally produced Industrial Strategies. Many examples of success can be cited. In the case of the LCR, the Shakespeare Theatre in Knowsley and local area-based initiatives such as the Knowledge Quarter and the Baltic Triangle illustrate the force which the mayoral combined authority could provide to advance existing initiatives which promote economic benefits to different parts of the city region.

In GM, Burnham used the power to establish mayoral development corporations to good effect to revitalise Stockport town centre. Other inclusive growth orientated initiatives such as the Good Employment Charter in GM and its equivalent, the Fair Employment Charter in LCR, relied on the convening powers of the metro-mayors. Also noteworthy were schemes such as Households into Work (LCR) and Working Well (GM) devolved to the CAs. Yet, despite such activity, the goal of inclusive growth remains a challenge for both city regions. City regions alone cannot attain inclusive growth and it must also be evaluated within a much longer timeframe than a four-year term of office.

Both metro-mayors also had control over the Adult Education Budget and placed a lot of importance on developing skills and apprenticeships. The Adult Education Budget was overseen by the respective council leader portfolio holders and endorsed by the CAs. They adopted place based strategies which rewarded existing providers with a good track record

and supported new types of delivery which emphasised local priorities, including addressing the needs of local citizens currently far removed from the labour market. In the field of apprenticeships while the metro-mayors were proactive in encouraging the initiative they were frustrated by the reluctance of the Treasury to transfer the national underspend to the city regions despite their constant lobbying.

#### **4. Evolving the office through policy activity: housing**

Housing and the related spatial development strategies represented a policy field in which hard powers and soft powers were mixed. Hard powers were devolved directly to the metro-mayors to establish mayoral development corporations, for example, and both metro-mayors were responsible for developing spatial development strategies although there was a difference of approach in each case. Soft powers were required to work with the individual authorities who were responsible for producing local plans to feed into the spatial strategies. Moreover, freedom to manoeuvre was heavily constrained by the need to use Government population growth forecasts and to meet Government imposed housing targets all while working within the National Planning Framework.

The withdrawal of Stockport from the ill-fated GM Spatial Framework (GMSF) was a visible political setback for Burnham and went some way to tarnishing the much-vaunted GM consensus. The GMSF, which then became Places for Everyone (or the Plan of Nine) is a statutory planning document identifying strategic sites including green belt release. The LCR's Spatial Development Strategy, by contrast, is a land use planning framework which does not identify strategic development sites. As such, Rotherham did not have to spend as much political capital

as Burnham. In addition, some local authorities had already taken the difficult decisions to build on the green belt. Soft powers, particularly the power to convene, were most to the fore in the focus of both metro-mayors on rough-sleeping. This was an ideological decision par excellence and revealed the extent to which a lack of hard powers could be countered by their use of generative power.

Although public service reform was one of the two pillars on which the argument for city region devolution was built, progress in both MCAs has been nebulous and each struggled to evolve the office through activity in this field. In LCR, public service reform was done 'policy by policy' during the first term in office. The absence of any overarching strategy to public service reform made it harder to point to concrete achievements although it was claimed there were distinctive approaches to how the Housing First monies were spent or how the publicly owned train services were managed. In GM, by contrast, there was a whole systems approach which manifested in the production of overarching strategies such as the GM Public Service Reform strategy.

There was evidence of some progress in GM, but this was often more visible in individual authorities, for example, the Wigan Deal, rather than at a GM level. Even in the case of health, GM's aim to go 'further and faster' than other areas of the country went unmet although there is emerging evidence that health devolution had made some impact, despite the Covid pandemic, on increasing life expectancy (Britteon, 2022).

## 5. What next?

Carefully nurtured relationships are essential to devolution. It is thus important to avoid the temptation to focus just on the figureheads of the metro-mayors. The metro-mayors are in the delicate situation of being both apart from and entwined with the councils and the cabinet which they chair. This relationship requires the co-production of policy initiatives. Individual council leaders remain powerful in the combined authority model and power has not flowed up from the councils to the combined authority. The metro-mayors' role is still more complex as they are enmeshed in both upward relationships with Westminster and Whitehall in a centralised state and downward relationships with voters and local leaders both those who are supportive and those who are critical. This produces a curious form of dual accountability. Moreover, the metro-mayoral constituency is both personal and party based.

In short, carefully nurtured relationships are vital to the success of devolution and so the future will be shaped by the degree to which trust can be engendered between the central and local state in the years ahead. Before the MCAs were established there were many who argued that they were simply a cynical 'poisoned chalice' or a 'devolution of austerity'. The MCAs in GM and the LCR, through their active evolution, have vindicated a different view. They are becoming more widely emulated as political structures as are the figures of metro-mayors. Yet it would be wrong to conclude that MCAs are irreversible. Their future is conditional, and they continue to face the tension of upward accountability to national government and downward accountability to voters.

The latest 'trailblazers', negotiated by GM and the West Midlands with central government, are testament to the relative

success of city region devolution and the contribution both Andy Burnham and Steve Rotherham have made to developing the office. They evidence, at least to some extent, Government's continued commitment to some form of devolution.

Yet, the trailblazers also show the continuing ad hoc and uneven approach to devolution and there were many in the LCR who were understandably aggrieved when they were not awarded one given the progress they had made. In GM, at least, the trailblazer deal enables Burnham to put policy substance on the aspirations he advanced in 2016 such as developing a Landlords Charter and introducing the integrated Bee Line transport system. On the other hand, his focus since 2016 on promoting opportunities for young people in the field of technical and vocational training by promoting a Manchester Baccalaureate appears to be obstructed by the resistance of the Department for Education to changing post-16 educational qualifications.

Devolution in England remains constrained by a preoccupied and divided central government which, at best, remains committed to a piecemeal, ad-hoc approach to devolution in which the transactional skills of local council leaders are the crucial factor in terms of gaining devolved powers. The combined impact of city region structures and the Government's apparent proclivity for expanding the size of existing local units appears to mark the death knell of traditional regionalism. With a General Election a year away, the Labour Party appears to be rhetorically committed rather than entirely clear about its proposals for further English devolution. MCAs thus remain to a large extent vulnerable to the whims of central government and are constrained by a dearth of financial resource, exacerbated by the slashing of the budgets of city

councils since 2010, and insufficient powers at their disposal.

Yet, despite these constraints, Steve Rotheram and Andy Burnham, working through their respective combined authorities have contributed to evolving the new office of the metro-mayor by emphasising their place based as much as their party credentials. More recently elected metro-mayors, for example Tracey Brabin in West Yorkshire, are now seeking to emulate many of their policies such as returning the buses to public control. There are also encouraging, if incipient signs, of the metro-mayors acting as a collective force within English politics.

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To cite this briefing, use: Blakeley, Georgina and Brendan Evans. 2023. 'Steps in the right direction? Devolution in Greater Manchester and Liverpool City Region: the first mayoral term'. *Heseltine Institute Policy Briefings*, 3(6). DOI: 10.17638/03172457

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