

# Closer to Home

## EXPLORING THE DEPTH OF DEVOLUTION IN GREATER MANCHESTER

by Amy-Grace Whillans-Welldrake





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# SUMMARY



Greater Manchester is one of the leading pioneers of devolution across local government in England. The Combined Authority has pioneered this approach as a means to enable local solutions and early intervention to reduce demand on public services. Delivered via an approach rooted in local pride, an independent Northern spirit and with the conviction that local knowledge produces better policies and solutions.

So what does devolution mean to the citizens of Greater Manchester and the future of local government and the welfare state? How have residents experienced these changes? To answer these questions this report explores the progress of this approach through the perspective of the voluntary, community and enterprise sector (VCSE) experiences of devolution, its views on the future of devolution in Greater Manchester and the implications for public services and local democracy.

VCSE organisations described in detail the assets and challenges facing their communities alongside the organisational impacts of devolution, while outlining their thoughts on the future of devolution in Manchester.

By using a mixture of interviews, surveys and case study examples this report can reveal that 82% of VCSE organisations interviewed and 50% of VCSE organisations surveyed were in favour of further devolution in principle from the Greater Manchester level. Organisations described their vision for further devolution as providing 4 key elements:

- 1.** Increased local commissioning and innovative approaches to funding
- 2.** More local influence and control over employment powers
- 3.** Increased democratic control, participation, and engagement locally
- 4.** Greater community ownership across local economies

However, support for future devolution was subject to a number of caveats and dependent upon the type of power or service to be devolved, at what level, and the funding arrangements required. Support was also dependent on the guarantee that services would provide equal access to consistent levels of quality support and provide representative and accountable decision-making structures.

This report therefore argues that the VCSE sector needs to be at the heart of thinking and piloting new forms of devolution, which must include the four key themes above if the sector and citizens are to play a meaningful role within future reforms.



# INTRODUCTION

The welfare state is facing serious financial and demographic challenges such as an ageing population, automation and austerity, and has experienced radical and damaging ‘reforms’. The UK’s population is both growing and simultaneously ageing with a surge in the number of people aged over 65 from 11.6 million today to 15.4 million by 2030. In Greater Manchester itself its population is predicted to increase by 3% with an ageing profile displaying a 15.2% increase in those over 70 by 2021 (GMCA, 2017). The combination of an increasing and ageing population is likely to increase demand for health and social care services and the complexity of care required. The ability to fund and adapt to these services is therefore a crucial challenge for both central government and local authorities across the country.

The future of work within UK’s economy also faces fundamental changes via automation and the decline in manufacturing (Lawrence, 2016). Accelerating technological change will transform how we live and work, communicate and consume as 66% of current jobs are at risk of automation, with the lower paid generally most at risk, according to the Bank of England (2016). This equates to 15 million jobs at medium to high risk of automation. It is likely that such changes will result in large-scale unemployment for people with manual or lower skills, while tax, wage and pensions contributions are likely to fluctuate with growing labour market insecurity, all of which pose serious questions as to how to fund the future of social security and what benefits could look like (Lawrence, 2016). Such economic changes require significant reforms at both national and local level within education, training and employment support.

Since 2010 local government has experienced savage funding cuts which have fundamentally reshaped the state’s role within social security and its ability to deliver services (Hastings, 2015). According to the National Audit Office (2018), local governments in England have seen a 49% real-terms reduction in Government funding from 2010-11 to 2017-18 alongside a rise in demand for key social services. Authorities across the UK have also been treated unevenly by central government with authorities with more deprived populations suffering disproportionately higher levels of cuts (Hastings, 2015). This has forced local authorities to focus their spending on statutorily services which are now also at risk (National Audit Office, 2018). As a result, many areas have experienced an increase in crisis intervention, as early support services have been lost (Gayle, 2018).

Austerity has been accompanied by welfare reforms such as Universal Credit which have introduced stricter eligibility criteria levels, lower levels of funding and increased

conditionality enforced via sanctions (Watts, 2014). Indeed, a recent UN Inquiry found “evidence of grave and systematic violation of the rights of persons with disabilities,” partly on the basis of the sanctions regime (Alston, 2018). The digital focus of the wider benefits system and Universal Credit in particular has also built a barrier, preventing people with low incomes, low IT and language skills or those who are elderly from accessing benefits (Alston, 2018).

Such reforms have undermined the capacity of benefits to loosen the grip of poverty and have collectively made it much harder for people to make ends meet, evidenced by the huge increase in food-banks (Bulman, 2018). With the result that many claimants experience difficulty with their mental health, finances, and work prospects, and are often pushed into crisis into debt, rent arrears, and serious hardship, requiring them to sacrifice food or heat (Cheetham, 2018). As a result, poverty rates have increased with 14 million people, a fifth of the population experiencing poverty. Four million of these are more than 50% below the poverty line, and 1.5 million are destitute, unable to afford basic essentials (IFS, 2017). Child poverty is also predicted to rise by 7% between 2015 and 2022, to as high as 40% (IFS, 2017).

So what does this mean for the future of our welfare state, and how can we rise to these challenges?

For many devolution is the answer and is seen as providing greater democratic control and responsiveness around decision making. Enabling local solutions and early intervention which reduce demand on public services. An approach pioneered by Greater Manchester in 2014 with the first City Deal, followed by the devolution of its £6 billion health and social care budget. Yet recent devolution deals have been criticised as undemocratic, and fragmented, with the potential to create unequal distributions of resources and political power, increasing the likelihood of privatisation (Fineberg, 2015).

So where do we go from here? Perhaps the answer to creating effective services capable of addressing the challenges facing the UK lies not in Whitehall or even the town hall, but in the citizens, whose experience in using the welfare state make them the real experts.

# 1. Methodology

This report therefore aims to explore the possibility of a more radical system redesign and a renewed vision from the bottom up. To do this we explore the voluntary, community and social enterprise sector (VCSE) experiences of devolution and its views on the future of devolution in GM and the implications for public services and local democracy. Public sector organisations who worked closely with the VCSE sector were also engaged, to contextualise the VCSE experience and gain a more strategic perspective. The report will also highlight cases of best practice in each neighbourhood, evaluate their impact, and any barriers or restrictions facing services and local initiatives. Evidence from each stage of the research will then be combined to suggest a new settlement for the welfare state and argue what would need to change to enable this to happen.

Our intention is to provide a radical alternative and challenge the current reform agenda from a grassroots perspective:

- We ask what would the welfare state look like if it was designed by citizens and what would the role of national, local and community look like?
- Could a new settlement between the national and the local help address some of the challenges currently facing the welfare state?

For reasons of time and resources it was not possible to conduct research into every area in Greater Manchester, so two areas of GM were selected at random, as a result the research subsequently took place in Salford and Rochdale. The research unfolded in 3 stages:

1. First an online survey of 32 voluntary and community sector organisations who deliver health or employment related activities, services, or advocacy was conducted.
2. Followed by a second stage comprising 39 semi-structured interviews involving key representatives from VCSE and public sector organisations.
3. Thirdly examples of alternative international best practice were chosen to reflect the key themes emerging from the findings.

These case study examples were presented along with initial findings to gain participant feedback at 2 facilitated workshops in each area. Examples which received positive feedback are included in the report.

## 2. Devolution in Manchester

Devolution is a form of decentralisation - described as the transfer of power or authority over decision-making and resources from higher (e.g. federal, or national) to lower levels (e.g. regional, municipal, or local) of administration (Liwanag, 2018). Between 2011 and 2014 a series of 'city deals' with a 'first wave' to the eight Core Cities including Greater Manchester (GM) were negotiated followed by the Cities and Devolution Bill in 2014. The widespread consensus being that local communities in England should be allowed to take greater control over how money is raised and spent in their areas and Government seems to remain committed to that approach (House of Commons, 2016). After the 2019 General Election there has been even more discussions about the need to increase devolution.

However, the powers granted within the 2014 Bill reflect a delegation of specific powers and responsibilities to local government or institutions, to deliver tasks under a significant degree of national oversight and control, rather than the full transfer of responsibility and powers from central to local government (Quilter-Pinner, 2016). Despite this the Greater Manchester Devolution deal represents the most developed 'model' of devolution in England outside London involving more responsibility for a wide range of major policy areas including:

- Transport
- Health
- Housing
- Finance
- Education
- Welfare
- Crime

Greater Manchester has gained powers and responsibility over a consolidated, multi-year transport budget, bus services, railway stations, and 'smart ticketing' (House of Commons, 2016). GM also controls the Housing Investment Fund of £300m and has gained financial powers which include full retention of business rate revenue, the Community Infrastructure Levy (CIL); non-statutory Land Commission, and Manchester 'earn-back' agreement (whereby Manchester receives a proportion of tax generated from economic growth). This also includes the management of devolved business support budgets such as UKTI Export Advice. While for education GM is empowered to restructure further education in Greater Manchester and control the Apprenticeship

Grant for Employers. GM also shares joint commissioning responsibilities with DWP the Life Chances Investment Fund, children's services and the Troubled Families and Working Well programmes. All new powers and responsibilities are managed by the Greater Manchester Combined Authority, which consist of 11 elected members: an elected council leader from each of the 10 boroughs across GM, together with the directly elected Mayor of Greater Manchester (Sandford, 2018).

However, the most significant powers relate to Health, and Greater Manchester control over its entire health and social care budget (£6 bn. a year) with joint planning and integration of NHS health and social care services and budgets. The reforms sought to provide a new opportunity to do things differently and to take a broader focus and prevent those with long-term complex care needs from 'falling through the gaps' between services via health and social care integration (House of Commons, 2016). However according to NHS providers, it is unclear as to whether pooled budgets or devolved arrangements will necessarily release efficiency savings. Indeed the NHS Confederation stated that until the challenges facing the health and social care sector were solved devolution could risk making a national funding problem a local one (House of Commons, 2016). Decisions over health are now taken at GM level via 'strategic partnership board', comprised of 38 organisations to oversee decision-making.

## 3. The voluntary sector

### Salford

The City of Salford covers 37 square miles and the five districts of Salford, Eccles, Worsley, Irlam and Cadishead, and Swinton and Pendlebury. Some 220,000 people are proud to call Salford their home (Salford City Council, 2016). As one of the world's first industrial cities Salford has undergone an economic renaissance over recent years and has ambitious plans to become a global city with significant public and private investment over the last ten years helping to create more new jobs and opportunities than ever before (Salford City Partnership, 2017).

However, despite the success of the city's continued growth, not all of Salford's residents are sharing in the benefits of this prosperity. The fact remains that significant levels of poverty continue to exist in many parts of the city. Levels of family poverty are higher in Salford than the national or Greater Manchester average. 70% of Salford's population live in areas classified as highly deprived, with over 25% of young people under 16 living in poverty. Furthermore, Salford is the 22nd most deprived area nationally and, although improving, there remains a significant gap between the most and least deprived parts of the city (Salford City Council, 2016).

The significance and importance of the VCSE sector in Salford is recognised across all its major strategies via a particular emphasis on integrated neighbourhood working across its anti-poverty, health and skills strategies. Indeed, Salford's approach to health is focused around neighbourhood place-based delivery of health and social care services, with the aspiration that general practice will operate on a federated basis at neighbourhood level acting as a hub for local communities and networks of services (GMCA Salford, 2017). The aim of which is to deliver improved outcomes for citizens across the borough and produce savings of £35m by 2020/2 (GMCA Salford, 2017). The Anti-poverty strategy *No one left behind: tackling poverty in Salford* also adopts a co-produced approach in Partnership with Salford Poverty Truth Commission to maximise the VCSE contribution via service delivery, commissioning and procurement (Salford City Partnership, 2017).

There are an estimated 1,513 organisations working in the VCSE sector in Salford and the vast majority of organisations are micro or small (87 per cent less than £100,000). The sector is therefore a significant employer with an estimated 3,500 FTE paid staff (5,300 employees in total), contributing 111.2 million per annum to the economy. These organisations support a wide variety of individuals and delivered 2.4 million interventions in 2016, the majority of which were delivered at local authority, and community levels (Damm, 2017a). However the sector is currently facing severe funding constraints with a loss of £5 million in funding since 2012/13 (Damm, 2017a).

## Rochdale

The Metropolitan Borough of Rochdale includes the towns of Middleton, Heywood, Littleborough and Milnrow, and the village of Wardle. The borough which lies directly north-northeast of the City of Manchester has a population of 218,400 people (Rochdale Borough Council, 2017). Rochdale takes its name from its position on the River Roch and is the birthplace of the co-operative movement. Rochdale is also well known for its textile industries including cotton. In the past Rochdale's local economy has underperformed in comparison to Greater Manchester and the rest of the north-west due to high levels of unemployment (Rochdale Borough Council, 2016). Rochdale is therefore looking to widen its employment base, with an increase in the range and quality of jobs in the borough and improved access to jobs (Rochdale Borough Council, 2016). As one of the most deprived boroughs in England (between 16th and 46th) raising aspirations of local residents and young people is a particular focus of the area's core strategy as is the development of Rochdale's town centre and transport access within and beyond GM (GMCA Rochdale, 2017).

Rochdale also faces challenges as regards health as although life expectancy in the Borough is increasing, it is below national levels for both males and females, with Rochdale ranking 140th out of 150 local authorities for overall premature deaths (under 75-years of age). To address this Rochdale has adopted a six-point programme focused on prevention and self-care with services delivered via a neighbourhood model using multi-disciplinary teams to deliver care. The new Primary Care Strategy will provide 4 community service hubs to offer gateway and management to sign post and co-ordinate people's care throughout the system (GMCA Rochdale, 2017). As is the case with Salford, Rochdale primary care programme focuses on adopting an asset based and integrated approach to delivery within communities. This involves joint commissioning by the council and CCG and the pooling of local budgets with the aim of addressing the predicted £26m funding gap between the CCG and the council by 2020-202 (GMCA Rochdale, 2017).

Like Salford the significance and importance of the VCSE sector is recognised within Rochdale's developing focus on co-production via its participatory approaches to working with citizens such as its Rochdale Community Champions; Rochdale Citizens involved in the Integrated Working project and the Citizens Hearing project. This co-produced approach aims to create more participatory conversations and explore relationships between public services and citizens and to enable citizens to help shape priorities, practices and strategies within the borough (Goldstraw, 2018). In Rochdale there are an estimated 1,180 organisations working in the VCSE sector in Rochdale and the vast majority of organisations are micro or small (less than £100,000).

The VCSE sector is therefore smaller than Salford's, and as a result the number of interventions (1.6 million) is also lower. Nevertheless, the sector is an important local employer with an estimated 2,100 FTE paid staff, contributing 67.2 million per annum to the local economy. As was the case with the VCSE sector in Salford, Rochdale organisations serve a wide demographic of the area's citizens, and deliver the majority of services at local authority, community and neighbourhood level. Like Salford the Rochdale VCSE sector have experienced severe cuts in funding with funding remaining below 2012 levels (Damm, 2017b).



## Perspectives

Interviews with VCSE organisations revealed a number of key assets across both areas, which organisations utilised to deliver their activities. Across both Salford and Rochdale organisations highlighted the resilience of people and communities as being a key asset. The use of local mutual support networks and sense of neighbourliness that residents used to help each other was particularly emphasised. Volunteers were also viewed as essential to the continued existence of the sector in both areas, with organisations emphasising their reliance upon volunteers to continue to deliver support. Existing staff were also viewed as key assets for both their skills and expertise. In a number of cases VCSE organisations highlighted the fact that the staff were from the local areas as being an important asset in building relationships in communities.

*“Everyone has strengths and we work with them to find solutions. It’s a two way process we support people, but its for them to sort their life out”*

The VCSE sector in both Salford and Rochdale highlighted the strong sense of local identities in communities and the wide variety of grassroots organisations as being key strengths which supported the VCSE sector in its work. In Rochdale’s case the township structure in the area was felt to foster this and is reflected in the operating boundaries for many VCSE organisations. The diversity of Rochdale communities (over 90 different languages spoken across the borough) was also highlighted as a strength (Rochdale Borough Council, 2017). As many cultural VCSE organisations and faith groups play a very active role in supporting their local area, especially around homelessness. Whilst certain challenges were highlighted regarding community integration a number of VCSE organisations expressed a sense of pride that Rochdale had successfully avoided the level of violence and tensions which had occurred in other areas of GM.

Interviewees also noted that there was a strong will and culture of collaboration and partnership working within and between the VCSE and public sectors. Salford CVS as the local voluntary infrastructure organisation was viewed as playing a crucial role in enabling this and supporting the sector generally via funding, advocacy and advice:

*“...the CVS will support you in great depth and detail for free as long as you’re a member, how fabulous is that.”*

Salford CCG was also viewed positively due to its Third Sector Fund financed (£1million p.a) administered via Salford CVS which provides small pots of funding to VCSE organisations providing health and well-being related activity. As a result, a large proportion of organisations in Salford reported having awareness of the CCG’s agenda or some form of a relationship with them, even if indirectly. Salford Council itself was felt to be an asset due to its focus on mitigating the impacts of austerity via its Anti-poverty task force, and its focus on reducing and managing council tax arrears. The council was also noted as working closely with housing associations in order to avoid tenants becoming homeless due to debt. Its choice to keep its in house welfare and debt advice team was felt to be very positive, as this retained an important resource for residents and the VCSE sector.

However, in Rochdale organisations felt that whilst there was a strong will to work in partnership across the VCSE and public sectors, this had not yet translated into practice and was still felt to be developing. Although partnership working around the homelessness agenda via the BRAIN cross sector meetings, was highlighted as an example of good practice. The homelessness support offer was also felt to be strong in part due to the high levels of demand in the borough. Rochdale interviewees also highlighted the arts and cultural offer as a positive asset, which was incorporated within the prevention emphasis in the public health plan (GMCA Rochdale, 2017).

*“Networking around Rochdale is quite strong, we work with around 30 organisations who we signpost too, but although public services are engaged its disjointed. There seems to be a lot going on but it hasn’t filtered through yet. We need to break down these barriers and bring everything together.”*

# 4. Challenges

## Austerity

Austerity and public sector cuts emerged as the most prominent challenge and concern for VCSE organisations with 72% of organisations surveyed reporting that it had impacted their organisation either “a lot or a great deal” as seen in Figure 1. Of those surveyed 93% of organisation felt that austerity had also impacted residents “a great deal” as identified in Figure 2.

1. Has your organisation been negatively affected by austerity?

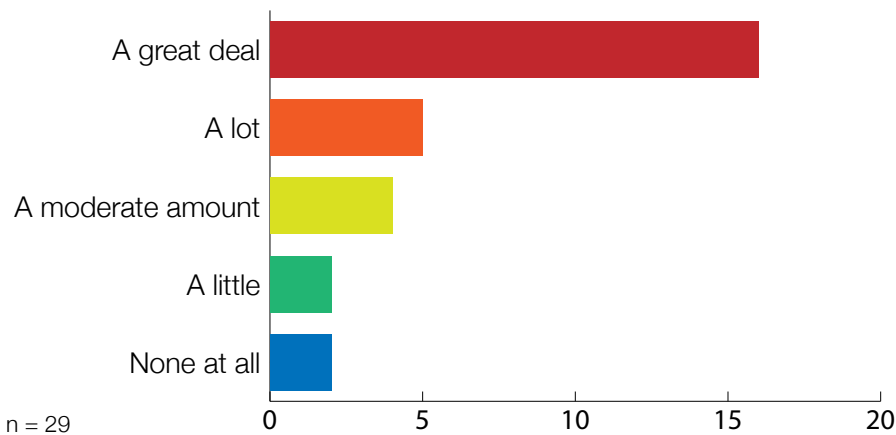


FIGURE 1. Has your organisation been negatively affected by austerity?

2. Has austerity affected the people of GM?

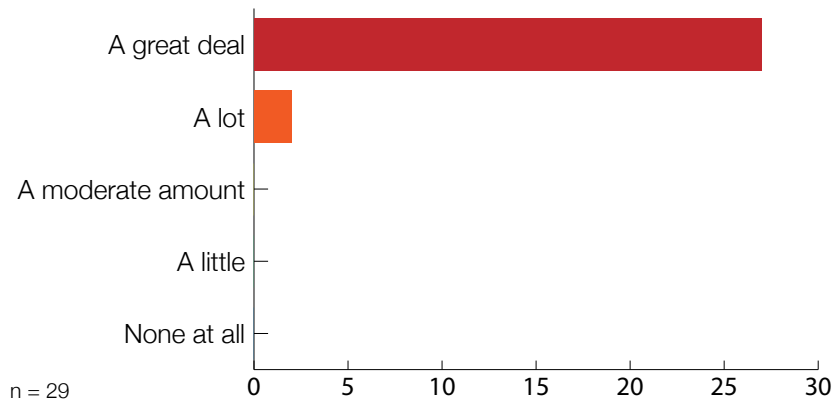


FIGURE 2. How has austerity affected the people of Greater Manchester?

The interviews supported the survey's findings as 85% of organisations reported austerity and welfare reform as leading to an increase in demand for support services from both the voluntary and public sectors. Increased demand was felt to be driven by cuts to benefit levels, the increased use of benefit sanctions, and changes in thresholds and eligibility criteria making it harder for people to access support and maintain an adequate income. The introduction of Universal Credit was noted as a particular challenge which was exacerbating existing issues and pushing people into debt due to its delayed payment schedule. The use of private providers for welfare assessments was also criticised:

*“we're allowing people to make money out of poverty.”*

46% of interviewees also revealed that cuts to funding had resulted in the loss of services and staff, and a subsequent loss of capacity, skills, local knowledge and relationships between professionals and communities. As a result of these issues more individuals were accessing services in severe crisis, than was the case 5 or 10 years ago, as support services for early intervention or non-referral provision have been cut or lost.

This was felt to create an additional strain as such cases were often extremely complex and required a high level of time and resources to resolve. Interviewees also reported that due to the cuts in public services the VCSE sector was expected to take on more responsibilities which previously would have been provided by statutory services. This was noted as a key challenge as little or no additional funding was provided alongside the transfer of responsibilities. Organisations therefore raised concerns around the sectors capacity and sustainability to provide services, especially disability support services which require consistency and structure.

*“Everybody wants more for less, they're almost so out of touch with what's going on its untrue”.*

Homelessness was also identified as a challenge across the majority of interviews. Street homelessness is a very visible problem in Greater Manchester which has the largest street homeless problem outside London (Williams, 2018). Indeed, a number of organisations reported the difficulties in accessing emergency care and accommodation for rough sleepers. 15% of interviews specifically identified a lack of affordable and social housing, as the underlying issue behind the difficulties in rehousing people experiencing homelessness. As a result, a number of organisations questioned the type of economic growth being pursued and identified the current housing strategy's focus on “affordable” rather than social housing as key barrier when tackling homelessness (GMCA, 2016).

*“They're just allowing private companies to build estates without any relief roads or shops, there's no affordable housing.”*

## Employment and skills

The quality of employment opportunities was also highlighted as a key issue in 28% of interviews as the majority of jobs available for those with low skills or on benefits are insecure, low paid and often subject to zero hours contracts. Organisations therefore reported that people were often experiencing in-work poverty and accessing their support services. 26% of VCSE organisations reported that current employment support provision via the job centre wasn't able to meet the needs of those furthest away from the labour market. It was felt that the Job Centre could not provide individuals with the time or quality of support needed for them to gain skills and employment. The use of sanctions made the Job Centre a difficult partner to work with on ethical and practical grounds for many VCSE organisations, as the people they supported often did not want to engage with the Job Centre due to fear of sanctions.

*“I'm not going to work with an organisation that sanctions people for weeks for missing an appointment.”*

The stress experienced as a result of these challenges was identified as leading to mental health issues ranging from low level depression to serious mental health conditions.

*“For a lot of people work placements don't end up helping people to get a job, people just end up going through an endless cycle of placements which is really demoralising. They (Job Centre) don't really look at what people can do they just set people up to fail.”*

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## Funding approaches

31% of VCSE organisations identified the structure of the sectors grant funding as a challenge due to what was felt to be a continual focus on new approaches or ideas for funding, rather than a willingness to fund existing programmes or services with a proven track record. The short-term length, and small size of funding pots was also identified as a challenge, for all organisations but especially smaller grassroots groups. This was due to the time and skills required to fill in applications for multiple funds, as well as the short-term length of funding which was felt to leave little time to develop effective results. VCSE organisations also reported that funding tended to only fund the delivery aspects of the programme and overlooked the core staffing costs involved.

The monitoring and evaluation of the grants provides a further challenge for smaller VCSE organisations who often found evidencing the wider social impact of their projects to be particularly complicated. A large number of grants have also shifted their focus to require evidence of prevention, which is a difficult concept to evidence. Organisations also expressed a view that commissioners assumed that added social value would be delivered by working with the VCSE sector; yet additional funds for this were not provided within grants. Organisations also reported increased competition for diminishing resources which reduced the willingness of some organisations to work in partnership.

## Service delivery and culture

The interviews also identified a number of cultural barriers in the VCSE sectors relationships with the public sector. 13% of VCSE organisations reported that VCSE services were often viewed as separate or not part of the system and were seen as either well-meaning amateurs or as competition for funding. 23% organisations also highlighted a concern that recent reforms were concentrated on redesigning the most efficient way to deliver services from a public service perspective, rather than focusing on supporting the emotional and physical well-being of people using the service. This was a key issue for 26% organisations who noted that self-confidence and hope were integral to sustaining the effectiveness of service interventions and to maintain change.

*“Its building relationships with people that makes the real change, you need to embolden communities and give them the confidence to help find their own solutions with support and guidance.”*

*“Another service isn’t the solution to everything we need to break away from this needs based approach which doesn’t see communities as part of the solution.”*

The shift to online access for a number of services and benefits was felt to reflect these organisational priorities.

*“Everything is digital most of our users just don’t have the IT skills, it’s really daunting for people”*

# 5. The impact of devolution

Devolution is a long term and complex process, the impacts of which are still emerging. This is reflected in the high number of respondents (53.8%) who reported that they were unsure as to whether devolution had created positive impacts as seen in Figure 3. This would suggest that overall those surveyed were unsure as to the exact impact of devolution. This is supported by 56% of interviewees who expressed the view that it was too early in the reforms implementation to measure its effects.

### 3. Has devolution had a positive impact on GM?

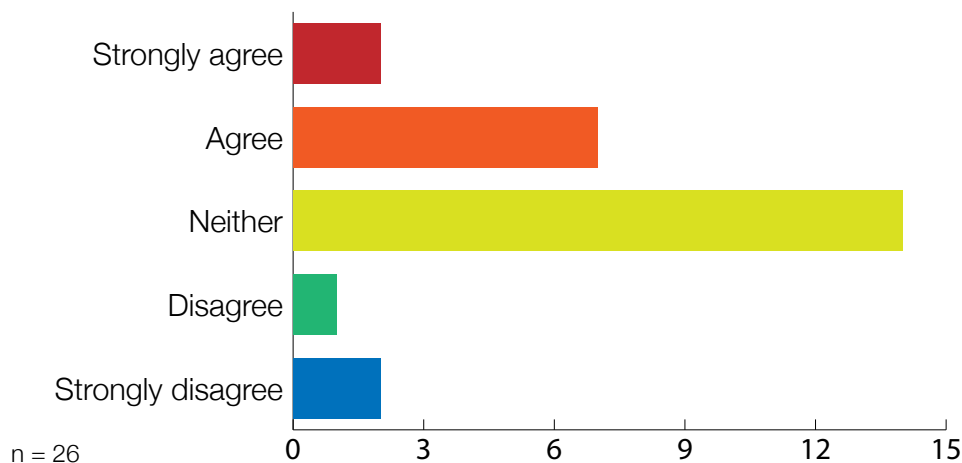


FIGURE 3. Has devolution had a positive impact on GM?

The interviews revealed a further level of nuance as 51% of interviewees, the majority of which were smaller grass roots organisations felt that devolution had little or no impact on the way their delivered their services. This speaks to a clear divide within the VCSE sector as organisations who are responsible for commissioned services or receive larger public sector grants are more likely to experience the impacts of devolution reforms and therefore have a greater need to adapt to such changes. In contrast smaller organisations which are reliant on grant funding to deliver very localised work are unlikely to come into contact with devolved structures or services to the same extent.

*“It’s almost too soon to tell.”*

*“I feel like the reforms are more about uncertainty, I know it’s happening and there are changes but it feels very removed.”*



## Service delivery and culture

The interviews revealed positive impacts around service delivery and culture. 44% of the medium to larger scales VCSE organisations reported that the reforms had enabled them to think more strategically across GM and created opportunities to deliver projects in other local authority around newly devolved responsibilities. The survey responses in Figure 4 also support this as 50% of respondents felt that they had changed their working practices since devolution was introduced.

### 4. Since devolution has your organisation started to change how it works?

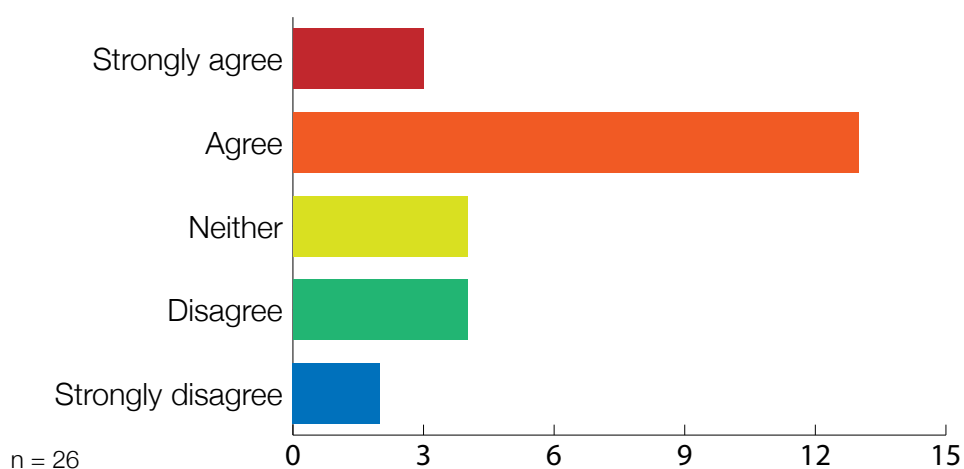


FIGURE 4. Has devolution changed how organisations are working?

54% organisations interviewed noted evidence of a shift in approach from public services towards a more localised and integrated focus and increased decision-making. Whilst this was considered to be positive such developments were felt to be relatively limited and restricted to individual programmes or cases of best practice.

The devolution of funding pots was generally viewed positively by 26% larger VCSE and public sector organisations as providing an opportunity to work in partnership across services and develop new approaches to deliver services more strategically and to better reflect local needs. Some organisations felt that reforms had created “more energy” to explore different approaches.

*“It hasn’t affected our everyday delivery but we can think more strategically, we can now go and meet people at the GM level and have conversations about what we could do.”*

These results appear to be broadly reflective of the GMCA’s findings which suggested a greater alignment in strategic planning and the integration of local services, alongside an increase in flexible investment across GM priorities (Independent Prosperity Review, 2018).

However, a large number of interviewees expressed concerns regarding devolved commissioning. 56% of interviewees highlighted concerns that large scale commissioning at GM level would reduce their ability to develop new and flexible approaches locally, and compete with larger organisations.

The introduction of single provider models at GM level, was a key concern, as such models had the potential to become an attractive proposition for larger national organisations to bid resulting in individualised supply chains potentially restricting the involvement and the diversity of VCSE delivery partners. A number of VCSE organisations expressed concern and annoyance that this could increase the instances of national organisations being “parachuted into communities”. Whilst organisations acknowledged that efforts had been made to provide smaller scale contracts within the adult skills budget, this still required the VCSE sector to form large partnerships to bid.

*“Because it’s GM and because they don’t know the grassroots and they just don’t have their finger on the pulse of what’s actually happening in communities, they give funding to these massive charities. I mean how much is actually going to people after administration costs; and then they come to us to help in finding the people they need to support.”*

Interviewees also identified some practical challenges in navigating the new funding arrangements within the health and social care budget and noted that it was often difficult to understand which organisation were funding what. The number of pilots funded by the transformation fund was also felt to present similar difficulties for the sector in keeping track of multiple projects, delivery partners and funders. The transformation fund was generally viewed positively as enabling the development of specialist services and new forms of practice. However, organisations expressed concern around the projects sustainability once the funds were no longer available. This is reflective of GMCA’s initial findings, which noted that Transformation funding was found to be challenging as it often sits in a single department, is time limited, and has very specific criteria tied to it, thereby limiting its potential for sustainable change (Independent Prosperity Review, 2018).

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## Engagement and representation

The roles of Greater Manchester Mayor and Salford City Mayor were positively by 31% of organisations as providing easier access to decision makers and as increasing accountability locally.

*“At Salford level I can go to the town hall and have a chat with the Mayor, and he knows what we do and sees the results, he’ll actually listen and he’ll go out and listen to the people we support.”*

*“Before I used to have to go 200 miles to ask for support or to talk about projects, now it’s 2; it’s much harder for decision makers to hide.”*

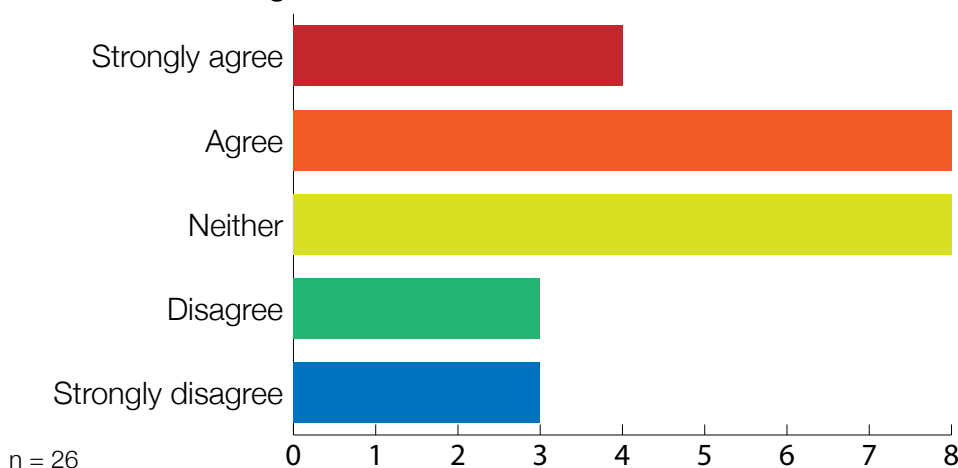
The GM Mayor Andy Burnham as the most visible symbol of devolution was generally viewed as well intentioned “with his heart in the right place” and was praised for drawing attention to homelessness crisis, and for donating 15% of his salary to help address this issue. His question and answer sessions across each local authority were also viewed as a positive attempt to engage with and listen to communities. Organisations also felt that as Mayor he had helped to promote Greater Manchester and to develop a more centralised

voice for the area. However, his mayoral powers were felt to be limited as regards making large scale impacts on changes regarding issues such as homelessness and was generally valued for his soft rather than hard power.

*“He’s been very good at bringing existing resources and organisations together, and challenging them on what they’re going to do, nobody laughs at ideas because we have the ambition to change things.”*

From an engagement and representative perspective devolution was felt to have increased the sector’s soft power and influence by 18% of interviewees. The interviews also revealed a general sense that the VCSE sector’s voice was being heard more often as result of devolution, providing an increased level of influence. This is supported via the survey results in Figure 5 below which reveals that 46% of respondents either agreed or strongly agreed that their organisation had a greater influence in decision-making since devolution.

**5. Has your organisation become more involved in decision-making in GM?**



**FIGURE 5.** Has devolution increased organisational involvement in decisions?

However, whilst Figure 5 suggests an increase in organisational decision-making both the interviews and survey responses in Figure 6 reveal serious concerns regarding the level of democratic engagement and knowledge of devolution. The majority of VCSE organisations surveyed felt only somewhat familiar with the reforms (46.15%). The interviews revealed further nuances 49% of interviewees felt that their knowledge tended to be restricted to their organisations area of responsibility and reported little detailed knowledge regarding powers outside of health and social care. Indeed 18% of interviewees reported that their only point of contact with devolution was via the Mayoral elections. This tended to be case for smaller VCSE organisations who were not aware of the details of reforms but were aware of the new Mayoral role and devolved budgets. In contrast a small minority of the largest VCSE organisations operating across GM public services reported a highly detailed knowledge of recent reforms.

## 6. How familiar are you with the detail of devolution in GM?

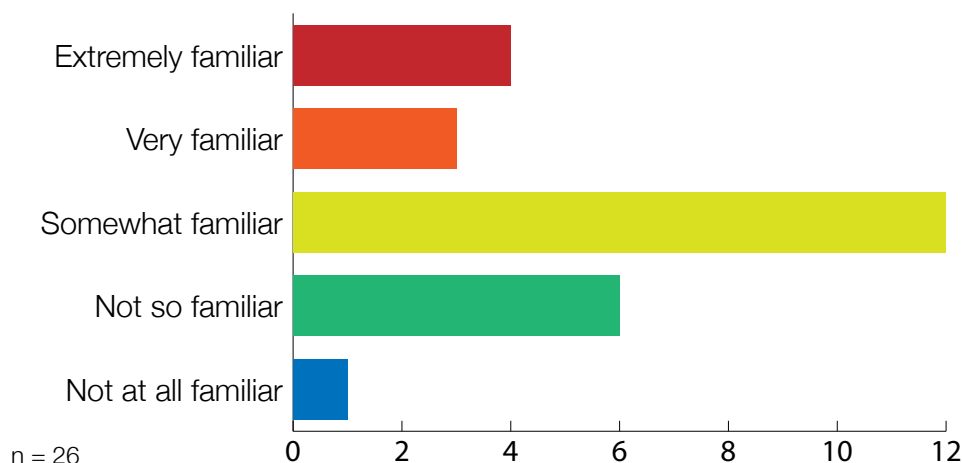


FIGURE 6. How familiar are you with the detail of devolution reforms?

The limited knowledge surrounding the full scope of devolution reforms appears to be due to a lack of engagement with the VCSE sector. 62% of organisations interviewed felt that there had been a lack of engagement and transparency around the progress of devolution, its targets and who was delivering the work. This is echoed by the House of Commons report (2016) which noted a high level of public concern regarding the changes to health in the city and was heavily critical of a lack of public consultation and engagement at all stages of the devolution process.

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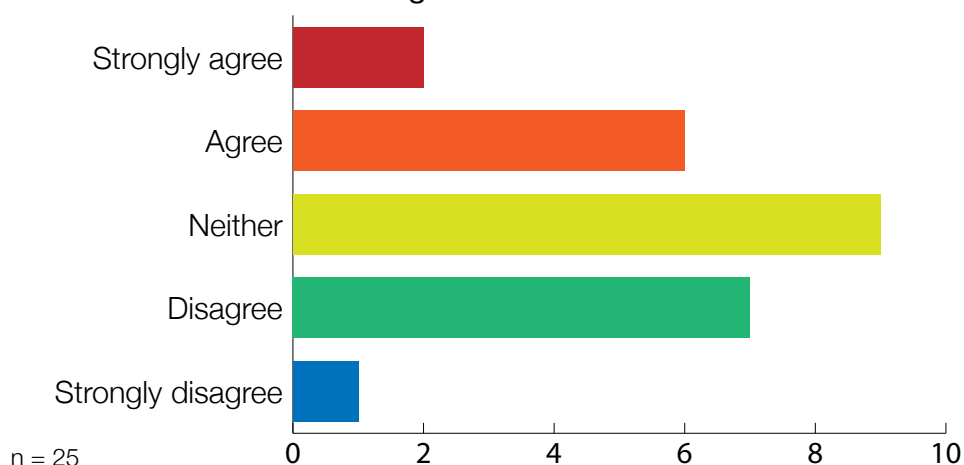
*“To most people devolution is just another word, another soundbite.”*

56% of groups also raised concerns that this lack of engagement had resulted in a lack of both interest and understanding across the general public in GM. With organisations reporting that at most residents tended to have a general sense of the concept of devolution and the role of the Mayor.

As a result, 23% of interviewees raised serious questions as to whether devolution had brought power and control to communities via increased input into decision-making in a meaningful way or whether it was just another reform process delivered as way of mitigating current challenges. Indeed, a number of interviewees argued that choice “requires communities to be able to define what the agenda ought to be” which they felt was a rare occurrence. This is supported by the results in Figure 7 which reveals a strong polarisation of opinion between those who agreed or strongly agreed (32%) that communities had experienced more influence in decision-making and those who disagreed or strongly disagreed (32%). With the majority neither agreeing or disagreeing 36%.

Whilst devolution is a work in progress there has been strong criticism of the lack of clear, transparent and measurable objectives, and the absence of hard evidence as to its impacts. This has led to serious questions regarding the rationale behind the reforms and the evidence upon which they are based (House of Commons, 2016).

### 7. Since devolution have local communities had more influence in decision-making in GM?



**FIGURE 7.** Have local communities had more influence in decision-making in GM?

56% of interviewees felt that there was a lack of evidence as regards the impacts of devolution both at GM and from previous reforms in the UK. As a result, organisations questioned whether reforms should continue to be introduced without a strong evidence base. Concerns centred around whether devolution would be able to deliver the cost savings and prevention outcomes envisaged in the required time, and who would bear the responsibility for potential consequences if the anticipated impacts weren't achieved.

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## Devolution and financial risk

26% of organisations highlighted concerns regarding the financial risk of devolving increased responsibility for services while budgets are being cut. Thereby reducing the ability of local government to deliver high quality services and meet increasing service demands. Indeed, a number of organisations expressed concern that devolution provided an opportunity for central government to absolve itself of the responsibility and accountability delivery of critical local services. A recent paper by the GMCA New Economy sets the devolution deal in the context of the Government's deficit reduction programme. To achieve a net budget surplus by 2019-2020 an extra £3.5 billion of savings needs to be found over and above previous plans and an additional £9.9 billion cuts in revenue spending in 2020-21 (Etherington, 2017). A number of interviewees therefore raised concerns that as devolution was being framed and introduced as a means to create savings that the goal of empowering citizens within service reform would never be realised. Interviewees also expressed concern at the concentration on public service reform, which they felt had limited scope to address key economic challenges such as the quality of local jobs and wage levels which are key drivers of poverty. Indeed 23% noted that devolution presented the "illusion of control" and was extremely limited in terms of powers, with GM remaining subject to government control regarding budgets, and approval for joint commissioning.

31% of interviewees also highlighted concerns regarding the level of equity amongst the different local authorities within the GMCA and noted that current or future devolution reforms could risk entrenching these inequalities further. 13% of those interviews considered the reforms to be “Manchester centric” as regards their focus, which was also reflected in a concern that the voices of smaller authorities would be overshadowed by larger and more wealthier boroughs.

*“I know it’s supposed to be happening here but we don’t really feel it, we haven’t been affected, it all seems to be happening in central Manchester.”*

49% of VCSE organisations were also critical of what they felt was a concentration of bureaucratic and political power within Manchester. Indeed, a number of interviewees reflected that this concentration of administrative power replicated the power imbalance between Whitehall and local authorities and argued that certain functions and offices should be dispersed across the borough. 18% of interviewees also reported challenges regarding the accommodation of different leadership styles and approaches across the different boroughs.

These issues were raised by organisations which were delivering services across GM, and who found it challenging to respond to different agendas. These challenges also applied to the differences in approaches and culture between local authorities and public bodies such as NHS England, which interviewees noted presented difficulties when trying to finalise agreements.

## 6. The future of devolution

Despite a number of key concerns 82% of those interviewed were in favour of further devolution in principle from the Greater Manchester level. However, this is much higher than the survey results in Figure 8 where 50% of those surveyed were in favour of further devolution while 30% were unsure. The survey also asked participants which services they felt had potential to be devolved further to local area level. However, when asked to specify which services could be further devolved no individual service gained more than 35% of respondents support.

8. Could power and decision making be devolved further down from the GM level?

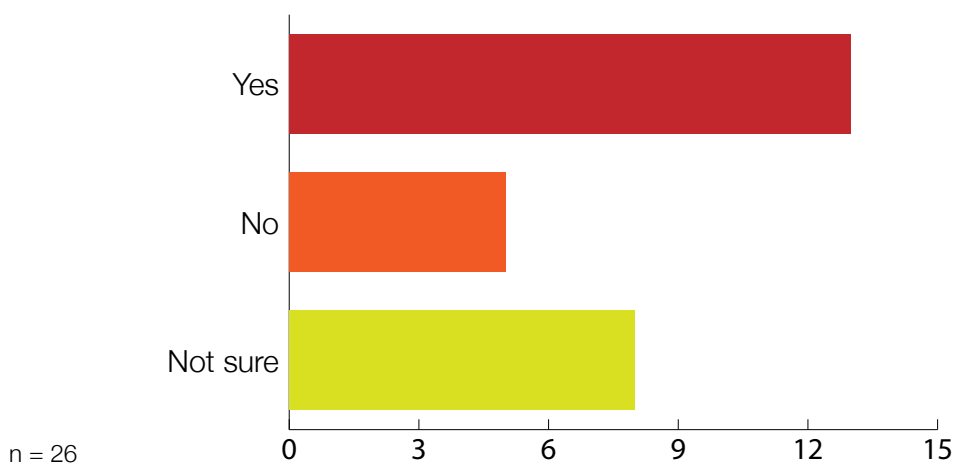


FIGURE 8. Could powers and decision-making be devolved down from GM?

Interview responses would suggest that this particular survey response is due to the fact that the VCSE support for further devolution is subjected to a number of caveats. These caveats are reflective of concerns surrounding the financial risk of devolution, the funding arrangements required, equal access to consistent levels of quality support and representative and accountable decision-making structures.

*“It’s horses for courses, you need to get the right balance between services and communities and you need to work out what can only be done at each level and to start from the bottom.”*

*“People know what the problems are locally and there should be more local decision-making but people need to be informed and supported to make decisions and it needs to be accessible, then people can come up with really creative solutions.”*



However, interviewees noted that there was potential for more decision-making to be delivered at street level, neighbourhood, level with ward and borough levels generally considered to be the most appropriate. The rationale behind these responses was that ward and local authority levels enabled greater localised decision-making whilst maintaining the level of expertise needed to make more complex decisions. Interviewees also suggested that further powers and devolved approaches to decision-making and service delivery could be delivered in the following area:

1. Local commissioning
2. Employment support
3. Democratic reform
4. Health and social care
5. Community ownership

The case studies below were selected to reflect the feedback from the interviews and surveys and comprise alternative examples of devolved approaches. Whilst exploring alternative case studies, the size and scale of administrative units were taken into account to reflect Greater Manchester structures as closely as possible with the aim of providing alternatives which could be realistically compared with current structures. These were then presented at workshops in each area to test and discover whether similar examples may be relevant to Greater Manchester. Participants in the workshop were asked to comment on each case study example, and those which received positive feedback are included in the section below. This report does not advocate the replication of any particular model set out in these case studies, instead they are used to shed light on the VCSE sectors concept of what devolution is and their thoughts about what it could be.

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## 1. Local commissioning

21% of interviewees suggested more localised commissioning at community level and a greater level of citizen representation in such decisions. A number of interviews also suggested that local commissioning should be weighted to reflect good practice creating an advantage for smaller VCSE organisations with strong track records. Local commissioning is a central part of the local wealth building approach which has made headlines for its impacts in Preston where 12 Anchor institutions examined their £1.2 bn total annual spending power and redirected it to local businesses spending an additional £4 mn locally (Chakraborty, 2018).

31% of interviews also reported that the way funding was delivered needed to change if further devolution were to be both desirable and effective. Organisations reported that they wanted to see a reduction in the number of targets required to access funding to be replaced with a greater focus on the quality of outcomes for individuals.

*“In an ideal world all the numbers would go away and we’d be looking at things on a case by case basis, focused on sustainable change for that individual.”*

Organisations also suggested a reduction in the number of competitive tenders as many rejected the idea that competitive commercialism was more effective within public services and the third sector. Interviewees also argued that grants could be equally

strategic and more cost effective than complex tender and monitoring processes. Instead interviewees called for a greater emphasis on long-term grant funding accommodating core organisational costs, alongside an increase in development funding to develop and test new approaches locally.



### Barnsley

Despite having its funding reduced by 40% over eight years Barnsley has been able to adopt an alternative approach to engagement using local councillors and empowering their roles within communities via a democratic approach to place-based working and commissioning (Butler, 2019). This approach involves:

- 19 Ward Alliances made up of 3 or 4 local councillors plus several non-elected community representatives. Each Ward Alliance has a starting budget of £10,000 per year and 50% of spending must be matched by local volunteering or other assets.
- Six Area Councils bring together councillors from the Area to control and monitor Area budgets, equivalent to £100,000 per ward. Commissioning decisions are made locally and monitored closely by members of the Area Council. Local council services remain controlled at a Cabinet level.
- Councillors work together with officers from the Area Team in community development roles to strengthen community action. They enable a strong focus on information sharing, publicity and the use of social media.
- There is a strong strategic focus on the value of volunteering across all areas of activity, connected by Barnsley's Love Where You Live brand and support for a wider Neighbourhood Network of voluntary organisations (Duffy, 2017).

Evaluations of this approach have identified positive outcomes such as high Social Return on Investments (SROI), alongside increased productivity, and increased engagement between Councillors, community groups and the wider council (Duffy, 2017).

## 2. Employment support

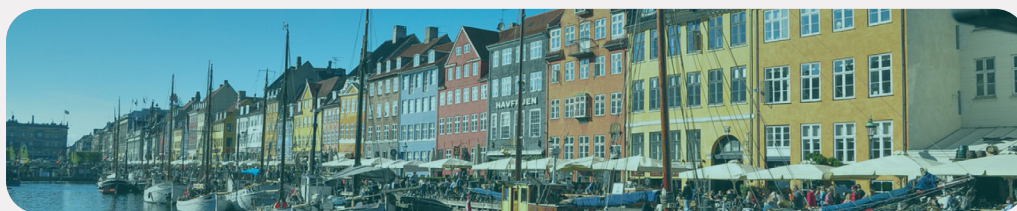
28% percentage of those interviewed suggested that more powers, discretion or control over social security and employment support could be devolved, with suggestions such as an independent GM based employment support service or greater discretion over sanctions etc.

*“Local employment support services across GM would be great, it would be able to help people who get lost in the system and you could provide proper face to face support and match skills to jobs in the area.”*

However, 8% of interviewees expressed strong concerns as to whether the combined authority would become responsible for delivering what were considered to be highly problematic systems and approaches, with only minimal flexibility to make changes.

*“It could be a total disaster, they (DWP) are just a juggernaut who are drowning in their own red tape and we could go down with them.”*

It is interesting to note that this kind of devolved approach to employment support was established in pilot programmes which were then closed down by the Coalition Government in 2010 and known as the Future Jobs Fund (Duffy, 2017). Even the DWP's own researchers found that it was a highly successful programme. Below are two case study examples from Denmark and Scotland exploring what alternative devolved approaches might look like.



## Denmark

The administrative structure in Denmark is split between national, regional and municipal levels. The regional governments are responsible for healthcare, economic development including employment related benefits and the management of a number of social institutions (LGDK, 2009). The Ministry of Welfare operates at regional level via “regional administrative authority officers” to ensure compliance with national legislation and minimum standards, oversight and accountability for service delivery across both municipality and regions. Whilst regions are responsible for the strategic oversight, municipalities are responsible for shaping and delivering employment support policies and the management of local job centres (Larsen, 2008).

The key difference between the UK and Denmark is that Danish Jobcentres have no direct responsibility for assessing benefit eligibility, paying out benefits or directly imposing sanctions. These tasks remain the responsibility of the separate Unemployment Insurance funds for the insured unemployed and for the social welfare offices of municipalities (Finn, 2016). This system allows local control over employment support such as training delivered via job centres, whilst separating the social security element of seeking employment from the more independent local support.

This approach enables local control and flexibility without requiring job centres to take responsibility for delivering national eligibility and conditionality elements of unemployment benefits, something which many interviewees identified as a key risk during interviews. Wider employment policy is shaped and delivered by Local Employment Councils (LBRs) operating within municipalities. The LBRs are established within local Job Centres and advise and guide the employment programmes of municipalities. This encourages increased communication and partnerships between municipalities and relevant stakeholders such as employers, and the VCSE sector (Larsen, 2008).



## Scotland

The Scottish system presents an interesting example of more localised control whilst maintaining national standards and control. The 2016 Scotland Act devolved new powers on welfare and social security and empowers the government to oversee the delivery of the Disability Living Allowance, Personal Independence Payments, and Carer's Allowances etc (Scottish Government, 2016). The reforms empower the government to provide flexibility over conditionality and practice, enabling the Scottish government to stop the use of private companies for assessing Disability Living Allowance claims due to concerns around their performance.

The Scottish government also has the power to make administrative changes to Universal Credit and to vary the housing cost element of its support package. People claiming Universal Credit in Scotland now have the choice of being paid Universal Credit twice a month rather than monthly and having their Universal Credit housing element being paid directly to their landlords. This change may seem small but the payment system within Universal Credit has been identified as causing serious budgeting challenges and pushed a large proportion of claimants into debt.

However, the UK government retains power over the majority of benefits such as Pensions, Child Benefit, Jobseeker's allowance, ESA, Housing Benefit, and Tax Credits (Scottish Government, 2016). The Scottish government is also directly responsible for providing employment support for disabled people and those at risk of long-term unemployment. However, the core job centre functions continue to remain the responsibility of the DWP, and instead the focus lies on the delivery and administrative control of benefits and employment support, the reverse of the Danish example (Scottish Government, 2017).

### 3. Democratic reform

62% of interviewees wanted to increase democratic engagement with devolution, with a number of organisations critiquing the first past the post system, which often results in one party winning overall control across all councils in Greater Manchester with very small opposition parties. This led 18% of interviewees to suggest a Proportional Representation voting system and more participatory approaches. A number of organisations also suggested the need for more “independent voices” outside of party structures and suggested “citizen councillors” or argued for more independent councillors within the existing system.



#### Scottish electoral system

In Scotland the Single Transferable Vote system is used to elect local councillors. The single transferable vote (STV) is a voting system designed to achieve proportional representation through ranked voting in multi-seat organisations or constituencies. Under STV, an elector (voter) has a single vote that is initially allocated to their most preferred candidate (Electoral reform, 2015). This enables votes to be cast for individual candidates rather than for parties and party machine-controlled party lists, and reduces “wasted votes” in comparison to the first-past-the-post system voting. In the Scottish case parties often file a list of candidates from the same party enabling votes to elect all MP’s based on their individual abilities. Voters can also vote for independent candidates without worrying about wasting their vote (Electoral reform, 2015).





### **Greater London Authority (GLA)**

The (GLA) consists of the Mayor of London and the directly elected 25-member London Assembly. The GLA can amend the annual budget, or Mayoral strategy with a two-thirds majority (Sandford, 2018). The London assembly is elected via the Mixed Member system (MMP) using 14 single-member constituencies and 11 additional member or “top-up” seats for the whole of Greater London. The MMP system is a form of proportional representation in which voters get two votes: one to decide the representative for their single-seat constituency, and one for a political party (Electoral Reform, 2018). The MMP system is popular as a compromise solution which addresses the restrictions of the first past the post structure by ensuring a level of stability in the control of seats, whilst providing a greater selection of candidates, and provides a second layer of representation should people feel unrepresented. This ensures that every party can potentially win seats in every area, providing a greater incentive to focus across a variety of boroughs. It also encourages the likelihood of coalitions and increases the chances of smaller parties or independent candidates gaining seats (Electoral Reform, 2018).

Greater representation can also exist at the very local level without any voting changes other than a political will to focus on independent representation. To explore the independent theme within the interviews, Frome in Somerset and Barcelona were chosen as examples and presented in the workshop.



### Frome

Dissatisfied with current council representation local residents formed the group Independents for Frome (IFF) with the view that political diversity was a strength. Any resident not part of an existing political party can stand as a candidate and are selected by independent panel. IFF is held together by a codified way of working that acknowledged the inevitability of disagreement, and a sense of purpose that differentiate it from old-school independent councillors. Independents for Frome won 10 seats at the town council in 2011 and was felt to be much more representative of local views with proceedings felt to be “infinitely friendlier now, more open” (Harris, 2015).

Once in power IFF has invested in the local community by forming a community interest company and borrowed around £750,000 to invest in buildings and land, and to boost its regeneration work (Harris, 2015). In 2015 after four years in power IFF took all 17 seats on the Town Council, with vote-shares as high as 70%. The increase in vote share is an interesting achievement as the average turnout for local elections across England is 35% (EC, 2017).



The Citizens movement in Barcelona provides an interesting example of how methods of engagement can encourage the growth of participatory democracy beyond formal elections.



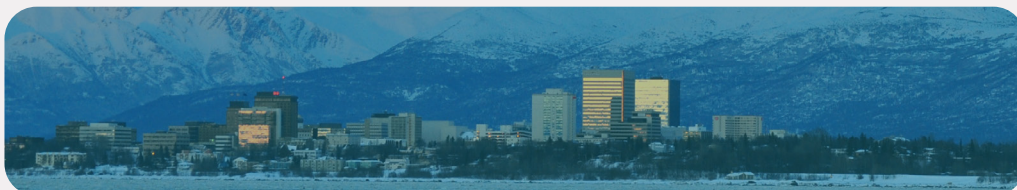
### Barcelona en comu

After the crash of 2008 the citizens of Barcelona mobilised in protest against austerity measures and formed Barcelona en Comu. The movement began by developing a citizen's platform made up of citizens and like-minded political forces and developed a manifesto and a code of ethics, which were then toured around neighbourhoods. The proposals were developed via an extensive process of listening, responding to ordinary peoples' concerns, and crowd-sourcing ideas (Barcelona En Comu, 2016). This produced a citizen mandate made up of 40 measures in order of the priority given to them by citizens, which formed the core of the Barcelona En Comú electoral programme. Alongside this a set of citizen demands for each neighbourhood and district of the city, and City-wide policy proposals on different issues were also developed.

The code of ethics also includes a £1850 monthly limit on payments to its elected officials. By February 2017, €216,000 in unclaimed salaries had been paid into a new fund to support social projects in the city (Barcelona En Comu, 2016). The movement has also introduced an open-source platform, Decidim Barcelona, for citizens to co-create the municipal action plan for the city. The platform has received over 10,000 proposals were registered by the site's 25,000 registered users. While that's a small share of the city's population, the online process was complemented by over 400 in-person meetings. The platform has also led to a participatory budgeting system to redistribute funds to activist and community groups (Barcelona En Comu, 2016).

## 4. Health and social care

18% of interviews also suggested that increased decision-making and engagement could be applied to health care via changes to existing GP structures and new neighbourhood approaches. The neighbourhood approach developed by Salford has been strongly influenced by the Nuka approach which is referenced in Salford's Locality health plan as a best practice example (GMCA Salford, 2017). As both systems provide primary care on a neighbourhood footprint of a population between 44,000 to 63,000 using multidisciplinary teams (GMCA Salford, 2017).



### Nuka

The system is a relationship-based, state funded, “citizen-owned” approach to transforming health care. Nuka is delivered by the Southcentral Foundation in Alaska which provides access to full primary health and related services to more than 55,000 customer-owners in Anchorage and the Mat-Su Valley (Gottlieb, 2013). The approach is credited with transforming the community’s role from ‘recipients of services’ to ‘owners’ of their health system, by giving them a role in designing and implementing services.

However, whilst Salford CCG has developed a list of engagement practices including patient groups and “You said we did” newsletters these are applied across the whole city (GMCA Salford, 2017). In contrast within the Nuka system engagement and decision-making takes place at the neighbourhood level, in which customers don’t just have an ability to give feedback, they effectively have a ‘vote’ as the organisation responds to the priorities they set. This is enabled by a Governing Board made up of local citizens on the board who are involved in day-to-day decision-making, and citizen Advisory groups who examine new initiatives and comment on them. As well as joint operating boards which meet periodically with the senior leadership team to provide feedback to the organisation. Employees also have an active role as members of 4 Functional Committees to respond to customer-owner feedback and move improvement initiatives. A regular ‘listening post’ with an ‘open mic’ for the community to raise questions and voice concerns was also introduced where the CEO takes every question. The care model combined with the decision-making and engagement has achieved 36 per cent reduction in hospital days, 42 per cent reduction in urgent and emergency care services, and high customer satisfaction levels (Gottlieb, 2013).

## 5. Community ownership

23% of interviewees wished to see a stronger focus within devolution on increasing power and control within the economy. While 15% felt that to genuinely shift power to communities or citizens, that this required greater ownership of assets in the economy.

*“It’s the control of assets that’s crucial to change we should be applying the same principle like co-production, but we should be applying them to economy that’s real power, that’s a fundamental shift.”*

Examples focused heavily on co-operatives and reflected a growing emphasis on these organisations in Greater Manchester (Banks, 2018). The democratic membership structure of co-operatives and organisations such as community benefit societies and land trusts were suggested as an additional way of encouraging engagement in local democracy and providing a greater sense of local control within the economy. For example:

*“Democracy doesn’t just mean voting, you need to look at democratic structures across the private, public and voluntary within organisations.”*

Indeed, worker cooperatives have long-term benefits for the worker-owners, who feel more empowered and in control than other workers and enjoy a far greater sense of job security and achievement (McQuaid, 2013). Significantly, cooperative businesses don’t just make for happier workers; they’re also more viable than conventional businesses as once created, the expected survival of worker cooperatives meets or exceeds that of conventionally owned firms (Olsen, 2013)

The importance of co-operatives and of working co-operatively is well recognised within Greater Manchester. In Salford the council developed its Salford Co-operative Ambassadors programme in 2015, which involved ‘anchor’ organisations across the public, social and commercial sectors seeking to advance collaboration and cooperation in Salford via new initiatives (CLES, 2017).

Rochdale is also a member of the Co-operative Council and is using its legacy as the birthplace of the co-operative movement to help regenerate its town centre (Voinea, 2018). The benefits of co-operative working and business models have also been recognised across GM via the development of a Greater Manchester Co-operative Commission to be delivered in partnership with the Co-operative Party (Banks, 2018). Co-operatives also form a key part of local wealth building and share the principle that wealth should be widely held. Since 2008 Manchester has been embedding social value alongside local procurement leading to the proportion of total spend locally increasing from 51.5% in 2008-09 to 73.6% in 2015-16, creating over 5000 new jobs (CLES, 2018). Whilst GM is clearly exploring both aspects of local wealth building this approach remains led by services and professionals. In light of these examples the case studies below were chosen as they provide a greater opportunity for the devolution of decision-making and economic ownership for citizens.



### Co-operation Jackson, Mississippi

Co-operation Jackson is a co-operative movement where predominantly black working-class communities are creating a co-operative solidarity economy through a combination of direct action and electoral strategies. Solidarity Economy as a concept describes a process of promoting cooperative economics that promote social solidarity, mutual aid, reciprocity, and generosity. It also describes the horizontal and autonomously driven networking of a range of cooperative institutions that support and promote the aforementioned values ranging from worker cooperatives to informal affinity-based neighbourhood bartering networks (Akuno, 2015). Co-operation Jackson developed The Jackson Kush Plan with the long-term vision is to develop a co-operative network based in Jackson, Mississippi that will consist of four interconnected and interdependent institutions:

- 1. federation of local worker co-operatives
- 2. co-operative incubator
- 3. co-operative education and training centre
- 4. co-operative bank or financial institution

Unfortunately, the former Mayor of Jackson, Chokwe Lumumba died in 2014 before the plan could be enacted. If fully implemented Jackson would have boasted the most substantial city-led co-operative development in the US. Some of its ideas include: waste management, recycling (sorting) and composting, security services, food service/catering, health care, child-care. However, Cooperation Jackson continues to organise independently and work towards the plan's key goals (Akuno, 2015).



### **New York**

New York has also developed an extensive co-operative support programme by establishing a \$3.4 million Worker Co-operative Business Development Initiative fund (NYC, 2017). The New York plan aims to fight inequality and build economic security by supporting worker co-operatives whose business model provides meaningful and stable employment to support the economy. The partner organisations were supported by the NYC Business Solutions Centre which offered specialist courses.

The funding was distributed across 11 partner organisations to share information, support existing and generate new worker co-operatives, and help other businesses transition to the co-operative model. As a result of the fund 28 new worker co-ops were established, creating 234 jobs in co-ops and support agencies, as well as providing education, training and technical support to another 20 existing co-ops (NYC, 2015).

# CONCLUSION

Partnership working between the public and VCSE sectors is now more necessary than ever and is seen as the ideal solution for the challenges of a 21st century welfare state. Yet the VCSE sector in Greater Manchester is facing its own serious challenges around austerity, funding structures, and cultural barriers with its relationship with the public sector. Indeed, the sectors relationship to devolution is divided, with the sector split between a minority of larger organisations who have experienced significant changes in their working practices, and those smaller organisations who reported little difference to their way of working. The research reveals that the majority of organisations felt that it was too soon to gage the overall impacts of reforms, although the interviews suggest positive impacts around service delivery, culture and engagement via the Mayoral role. However, these were tempered by serious concerns around the potential financial risk of devolution, limited levels of understanding and democratic engagement with reforms, and a lack of evidence regarding the benefits of devolution.

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Despite these concerns the VCSE sector remains supportive of the concept of devolution in principle. If key concerns around financial risk, monitoring and evaluation, accountability, representation and transparency are met, then the sector is broadly in favour of the devolution of further powers. For the VCSE sector in Greater Manchester a new settlement between the national and local would involve further powers to combined authority level, and the devolution of further decision-making powers at ward and community level. The potential areas for further devolution relate to employment support services, participatory democracy and community ownership within the economy.

Inherent within the sectors suggestions for devolved alternatives is the principle of citizenship (with all its responsibilities and opportunities). This is based upon increasing citizens involvement in local democracy supported by the development of relationships between citizens and services, a balance between professional and community expertise, and the need for accessible information and diverse representation to support decision making. For the VCSE sector in Greater Manchester the principle of devolution was recognised as a means of empowering communities, with the implicit understanding that the more influence and control citizens have over their lives, communities and services the better the outcomes.



In response to these findings this report therefore recommends the following five policy recommendations:

### **1. Greater citizen engagement at Greater Manchester level**

This would involve a renewed communications drive to communicate the current Greater Manchester Structure and devolved powers with both the voluntary sector and residents. Alongside this an online portal and open sourced platform should be developed, in addition to a wider citizens engagement strategy to co-produce priorities for Greater Manchester. This would enable citizens to submit ideas and provide a greater involvement in local policy making. As seen in the example of Barcelona en Comu a participatory budget scheme connected with the platform should also be introduced, thereby enabling citizens to play an active role in shaping the financial priorities for GM. Local referendums on key issues could also play an important role in improving citizens democratic engagement with the devolved structures.

### **2. Greater citizen involvement in local decision-making**

The findings also suggested an appetite for increased decision-making at the local as well as the GM level. This report therefore recommends an increase in local commissioning in partnership with the VCSE sector and local councillors. Barnsley provides an excellent example of how local communities can play a greater role in shaping their communities and devolved decision-making on the micro level.

### **3. Reform of current devolved governance structures**

There is clearly an appetite for further devolved powers under certain caveats, however before any further devolution takes place this report recommends reforms to the current devolved governance structure. In light of the existing democratic deficit the devolution of further powers requires more direct democratic control and accountability as seen within the Greater London Authority. This report therefore recommends the development of a directly elected equivalent to the Greater London Assembly elected using proportional representation alongside the Mayor. This would not only provide greater accountability but would increase democratic engagement, by enabling the selection of a wider pool of political parties and candidates from a variety of backgrounds.

### **4. Increased economic ownership within the economy**

The findings also suggest that devolution has been too narrowly framed and focused on the devolution of public services. Instead the interviews suggest that the VCSE sector wishes to see greater economic ownership and decision-making in the economy. This report therefore recommends that Greater Manchester should go further in its emphasis on working collaboratively by focusing on increasing the number of co-operatives within the economy by working closely with the VCSE sector across communities in GM. As seen in the case study of Co-operation Jackson the GMCA should explore the

development of a specialised fund or bank to support co-operatives start ups. Alongside this there is a need to provide a significant investment in education, skills and training to support the development of a more co-operative economy.

## **5. Further devolution of specific employment support and benefits powers**

The findings also suggest that there is scope for further developed powers relating to employment support and benefits. However, in light of the sectors very real concerns regarding the risk of adopting negative DWP practices, this report recommends that the GMCA explore the development of a separate employment support service for Greater Manchester. The separation between employment support and unemployment benefits in the Danish example raises the possibility of developing an integrated employment support system which would incorporate local VCSE sector providers and would remain removed from the negative associations and bureaucracy of the Jobcentres.

Whilst a GMCA service would need to liaise closely with the Jobcentres, this model would offer a greater opportunity to deliver localized and tailored employment support to individuals. While also remaining connected to the strategic priorities of GMCA and enabling a stronger connection and overview to the Greater Manchester employment market. There is also significant potential for the GMCA to explore the devolution of certain administrative powers relating to the benefits system as is the case with Scotland's powers over the Disability Living Allowance, Personal Independence Payments, Carer's Allowances and elements of Universal Credit (Scottish Government, 2016). However, these powers should be restricted to reforms regarding delivery and practice, with the core eligibility requirements remaining the responsibility of the DWP.

This report therefore recommends that the combined authority explore the possibility of adopting these recommendations in partnership with the sector, many of which could be developed without devolved powers.

This report also recommends exploring negotiations with national government regarding the devolution of employment powers alongside the development and reform of GMCA current governance structures.



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In her spare time Amy-Grace is a Director for the community group Ancoats Dispensary Trust where she developed a passion for community activism and heritage.

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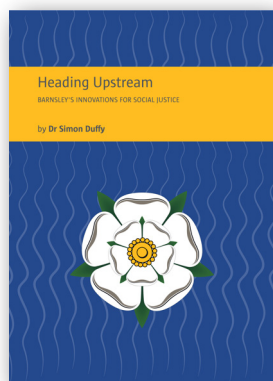
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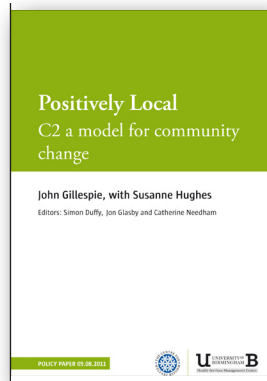
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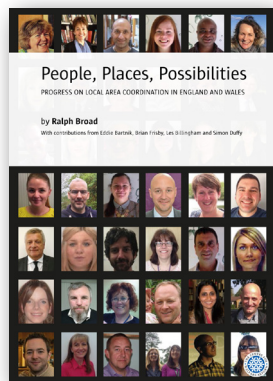
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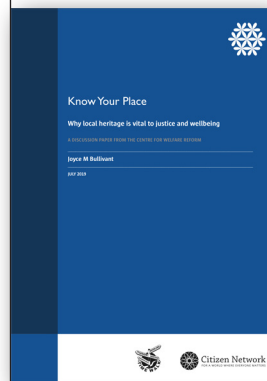
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