

# INDEPENDENCE FOR MANCHESTER

## FROM DEVO-MAX to DEVO-MANC

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A **radical plan** enabling Greater Manchester to set its own income tax in 5 years and elect its own independent Mayor is being proposed by Phillip Blond from the independent think tank ResPublica.

ResPublica says Greater Manchester should be the first fully devolved City in England with full control over all the public spending in its area.

In one of the most comprehensive reports to date Mr Blond says devolution can lead to economic growth. In short he wants Greater Manchester to have everything Scotland wants. And he says this should be the blueprint for other cities in England.

His report *DevoMax – DevoManc: Place-based public services recommends*:

\*Total Manchester public spending should be brought under the control of GM Combined Authority, under a new governance structure and accountability.

\*The Authority should be given legal powers to enact local joined-up Government, eliminating duplication and encouraging multi-agency initiatives.

\*Government should begin by giving Manchester power over property taxes, and move on to local income taxes.

\*Powers to reinvest savings and proceeds should be managed locally, while a percentage of overheads remains with Whitehall, the rest should be devolved.

\*Create a new democratic system with an elected Assembly led by the **Mayor of Manchester**.

### THE ROADMAP:

The report is a **call to action**. It says that within 100 days of the next Parliament a ministerial led group should agree the **steps to devolution**. As part of the new settlement GM will commit to devolving further to localities taking savings and local initiatives as near to their consumers as possible.

**Phillip Blond** said:

“For decades we’ve watched England’s cities sliding into decline. This is why England needs devolution. Financial freedom must come to Greater Manchester. Its population is bigger than Northern Ireland’s. Its economy is bigger than Wales. And it has a higher growth rate than Scotland. This is why it should be able to set its own taxes. It should have an elected Mayor. These plans outlined in today’s report, will allow it to turn its fortunes around, lifting the population out of the doldrums. This is a blueprint for independence for cities in England.”

Supporting the report **Lord Peter Smith, Chair of the Greater Manchester Combined Authority**, said:

“We welcome the broad thrust of this independent analysis which makes a case for total devolution to city regions on a scale that recognises the game-changing potential to both reduce public spending and boost growth. This full devolution model echoes our ambition, and we welcome ResPublica’s view that Greater Manchester would be uniquely placed to pioneer it.”

**Graham Allen, Chair of the Commons Political and Constitutional Reform Committee**, said:

“What is good for Scotland is good for England too where councils will be the vehicle for devolution, ResPublica shows how.”

**ENDS**

## **NOTES TO EDITORS:**

- 1) The UK’s largest towns and cities account for 61% of national economic output.
- 2) Manchester’s economy, where Gross Value Added is £50.9 Bn, ie bigger than that of Northern Ireland (£29.4bn) and Wales (£47.3bn), has experienced significant growth over the last 20 years with the potential to further increase its long-term growth rate to help drive stronger economic performance, not only in the North, but nationally.
- 3) The UK operates a higher level of central control over public expenditure. Central Government’s share of public spend in Germany is 19%. It is 35% in France, but a massive 72% in the UK.
- 4) In terms of taxation and public finance the UK, and England in particular, is the most centralised of the world’s major democracies. In Canada, Germany, Spain and Sweden the taxes determined by local and state/regional government exceed 10 per cent of GDP. In the UK only council tax and an element of local business rates, representing 3 per cent of GDP, is not set by central government.
- 5) Greater Manchester is not performing as strongly as it should, with productivity and skills below the levels that would be expected for a conurbation of its size. Despite

significant cuts to some public services over the past few years, total public spending in Greater Manchester has remained largely the same in real terms since 2008, being £22.5 billion in 2012/13. This compares with an estimated total tax take of around £17.7 billion, a gap of nearly £5 billion over a single year - between the taxes it generates and the cost of public services.

- 6) The two largest areas of spend - welfare benefits and health and social care – are where the demand for services is largely reactive. The key to reducing Manchester's funding gap will be to help people to get well and get better paid work. The economic position makes the case for radical place-based growth and reform not just desirable but essential if Government wants to deliver national outcomes.
- 7) Phillip Blond is available for interview please call Oruj Defoite on 07866685130 or email her on [oruj@sogold.co.uk](mailto:oruj@sogold.co.uk).

