



Public Services Committee

Uncorrected oral evidence: Levelling up and public services—one-off follow-up session

Wednesday 25 May 2022

4.05 pm

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Members present: Baroness Armstrong of Hill Top (The Chair); Lord Bourne of Aberystwyth; Lord Davies of Gower; Baroness Morris of Yardley; Baroness Pitkeathley; Lord Porter of Spalding; Baroness Sater; Lord Willis of Knaresborough.

Evidence Session No. 1

Heard in Public

Questions 1 – 9

Witnesses

I: Neil O'Brien MP, Minister for Levelling Up, the Union and Constitution, Department for Levelling Up, Housing and Communities; Will Garton, Director General for Levelling Up, Department for Levelling Up, Housing and Communities.

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Examination of witnesses

Neil O'Brien and Will Garton.

Q1 **The Chair:** My name is Hilary Armstrong and I chair the Public Services Committee. We have a few members not here this afternoon, for all sorts of predictable reasons, but it is quite unusual for me because we have had such good attendance over the past two and a half years. That is nothing to do with you being in front of us today.

Neil O'Brien: We are not offended.

The Chair: You will see that we have two members who are remote and are dialling in. If they want to ask questions I will bring them in, and I always make sure that, if possible, I bring colleagues in to ask supplementaries if something comes up from the initial question.

We have been trying to organise this meeting for some time, so our original short look at levelling up is quite some time ago now, but because we are a committee that is looking across the board at public services, we have several themes that we keep coming back to, and levelling up is one of those. This is the only committee in the House of Lords that seeks to look at public service delivery, so in a sense we hold the whole of government responsible for its public service delivery. We try to do that in a way that gets away from the silos, and it seems to me that levelling up is a perfect example of the sort of topic that covers more than one department.

I realise that always gives a Minister a bit of a challenge, because you will be dealing with things that your department is dealing with day in and day out, but I am afraid we take the position that you are here to speak for the Government. We accept that there may be some things you will have to come back to us on, or whatever. We are a very tolerant group of people, but we do want to make sure that these policies work.

This is a public committee, so it is being broadcast. I think people have to work quite hard to find it, but then we are in Parliament, so these things are always a challenge. I am very pleased that you are here with us this afternoon.

Where do you see public services in levelling-up agenda? How do you see the improvement for access to economic activity, which was certainly one of the criteria that was set out? What role is there for public services in levelling up?

Neil O'Brien: Thank you for having us. What you are trying to do as a committee, looking across different silos, we are also trying to do as a department. One of the big differences between levelling up and previous attempts at what you might call regional policy, including ones that I have been involved in like George Osborne's northern powerhouse initiative, is a greater emphasis on the role of public services within that, and a greater emphasis on the multidirectional relationship between the public services and economic outcomes. Some of these things are very obvious. There are the obvious relationships between poor health and the

economy running in both directions, the links between educational problems and poor economic outcomes, and the relationship between economic difficulties driving crime and crime driving economic difficulties.

It is a big part of the agenda. Levelling up is about improving living standards, improving opportunity in public services, pride in place, and devolving power to local leaders. Quite a few of our 12 missions are directly about public services. You have: the education mission, with 90% of primary schoolchildren meeting the basic standards of reading, writing and so on; the skills mission, with 200,000 more people doing high-quality skills training every year; the health mission and expanding healthy life expectancy by five years by 2035 and narrowing the gaps between areas; and crime, where we are trying to cut homicide, violent crime and neighbourhood crime, particularly in the areas where it is worst.

Beyond those four, which are directly about public services, a number of the others are very influenced by public service outcomes—for example, our mission on well-being. We know from all the data on well-being that it is very influenced by poor health; it is probably the number one driver of it. Other things like pride in place and living standards more generally are very influenced by public service outcomes. If it would be helpful, I can set out a bit about what we are doing in each of the main public services, where there is a set of things that we are doing nationally to drive national improvement, often with a particular focus on pulling up the bottom end. There is often also an area-based dimension to it that is particularly about levelling up. That is true in schools, in skills, in crime and in health. Before I launch into all that, I wonder if there is a further question. I hope that gives you an answer to the core question of where we see the public services within levelling up.

The Chair: I am interested in how you will make sure that the prioritisation of social infrastructure and preventive services will help in levelling up.

Neil O'Brien: That is a good focus, and I know it has been a recurring focus for this committee and in your position paper a year ago. We are trying to act on most of the things in that, not just the recognition that I just talked about—as you said, public services are at least as important as bridges and roads, which we would absolutely agree with—but your focus on prevention and nipping things in the bud.

There are things happening on that front in each area. In health, for example, you said the overall quantum of funding has to be decent enough to have a good public service. I think we are doing that in health. The total DHSC spending in England has gone up from £141 billion in 2018-19 to £174 billion this year, so that is £33 billion more. It is quite a big increase, and that is in real terms. What you are doing nationally and what you would expect me to say is that there are 4,300 more doctors than a year ago, 11,800 more nurses than a year ago and so on. Beyond that national picture, you also need to have the preventive things that you recognised in your letter.

We are directly acting on one thing that you raised by creating a network of family hubs in 75 different local authorities, extending out what is now called the supporting families programme, all that core youth health intervention space. Again, just to pick on health as an example, there is a series of other things that we are doing, and I think everyone agrees that only by improving diagnosis and prevention will we achieve levelling up and protect the NHS in the long term from the growing pressures of an ageing society.

In terms of early diagnosis, we announced in the White Paper the 100 community diagnostic centres, which can be in lots of different locations; they could be in a shopping centre or a community facility. That is all about trying to make it much easier to diagnose a lot of people without them necessarily having to come into a hospital environment, because we are obviously keen to get more things like cancer diagnosed at a very early stage. There is lots of action on all the main public health drivers. Obviously we are maintaining the public health grant in real terms, but we are taking action on things like obesity. Both Will and I were at the Treasury when we introduced the Soft Drinks Industry Levy—as absolutely nobody calls it—the so-called sugar tax.

It is now pretty clear that it has worked, and that 6,500 fewer calories are consumed per person per year as a result of it and there has been a massive reformulation of sugary soft drinks. We will be responding to Henry Dimbleby's independent review in the food strategy White Paper. There are lots of pilot schemes that are quite adjacent to some of his recommendations already going on. There is socially responsible (SR) investment of £75 million in weight management services. There is a pilot scheme called Community Eatwell, where GPs can prescribe fruit and vegetables. There is a better health rewards programme that we are piloting in Wolverhampton, which is quite like some of the things that have been tried in Singapore and elsewhere.

There is also a lot going on in innovation. There is a £5 billion investment in health innovations under the spending review. I am particularly excited by the prospects of some of the new technologies coming onstream like semaglutide, which is an anti-obesity treatment, which does seem to have quite promising results and was approved by NICE in, I think, February, so lots of things are going on with regard to obesity. We will be updating the tobacco control plan. We will shortly be publishing the health disparities White Paper, which will set out some more steps on all these underlying drivers of poor health. There is action going on on prevention, new technology, and the big drivers on obesity and smoking. We might come back to this in relation to crime, but there is also quite a lot going on in relation to narcotics, drugs and all those things.

The Chair: We will not be cynical about the announcement that pushes back on that agenda, but I am pleased to hear that you think the sugar tax and the other things are working. I am just disappointed that you have pulled back on the other stuff, but there we go.

Q2 Lord Bourne of Aberystwyth: Thanks very much for coming to see us.

I am cynical about BOGOF. I really do not understand it. I am much more inclined to your view on Singapore. If Singapore does it, it is usually a good idea, and it has some paternalism, which is probably called for in that direction.

Going back to your picture of the overall position on health and diagnostic centres, more nurses and so on, I absolutely agree with all that, and that is fine and dandy, but it does not particularly relate to levelling up, does it? You could be doing all that and there could be no levelling up. Is there not a real concern here that there are communities and towns that are being left behind, certainly communities, which may not benefit from this? It is not necessarily a north/south divide, although that is part of it. In London you could have adjacent boroughs—indeed, you could almost have adjacent streets—where the positions of the kids, and the adults for that matter, living in those streets are very different. How are we seeking to make a difference there? What are the benchmarks against which we will judge success in these communities?

Neil O'Brien: It is a good question. There are two different ways of coming at levelling up. You can have national policies that, broadly speaking, have levelling up consequences and reduce disparities between areas—geographical disparities and so on. Then you can have area-based policies that are specific to particular areas. We have a mix of those things going on. Some of the measures I talked about, which are our national policies on obesity and so on, will tend to benefit places with poorer health the most. If you take steps to encourage vaping rather than smoking, drive down smoking rates and so on, that will tend to benefit poorer areas most because they have the highest smoking rates. It tends to be in places like Stoke and Blackpool.

You can then do things that are place-specific. The new hospitals programme, hospital upgrades and refurbishments are part of that. There will be a strong emphasis on levelling up in the placement of the diagnostic centres that I talked about. I know DHSC is thinking hard about how you use that to drive improvements in early detection and diagnosis in the areas where it is worst, because it tends to be in poorer areas where you get worse outcomes in terms of early diagnosis. You can use some of the different things that we are doing nationally to try to target areas where the biggest problems are.

The same is true beyond health. In education, we have national policies, but we also have the 55 education investment areas that have area-based policies. In crime, there are overall targets to increase the number of police officers, and early release at the halfway point and so on. There are also area-specific policies like the ADAM project, which are targeting particular hotspots. You need both. It is clearly not one or the other. In what we are doing, we aim to have both of those things in the mix.

Q3 Lord Willis of Knaresborough: Welcome Minister. I have listened with interest to your answers so far, and I do not think there is anybody on this committee who would not agree with the objectives that you have broadly set. The issue for most of us, certainly for me, is how that will be

achieved. As Nick said, what are the criteria for actually judging success? If you say that all those major initiatives require staff, they all require more people, and if you are looking at deprivation, the more deprived the area, the more difficult it is to recruit doctors, nurses, teachers, and so on. What are the Government doing as a collective to ensure that we can encourage the right staff to go into those areas at least to give some of the policies an opportunity to take off?

Neil O'Brien: It is an excellent question. There are different things happening in different public services, and different levels of knottiness to the challenge that you have just set out. For example, in general practice, where we are recruiting more GPs, there is the well-known and long-standing issue of the inverse care law, where there are more patients per doctor in poorer areas than rich ones, and I know DHSC is thinking about how it can address that as it increases GP numbers.

In other areas, we are in a slightly better position, with the creation of a national funding formula and the pupil premium. We now have a funding system for schools that is much more targeted on deprivation. Generally within schools, funding levels per student are much higher in higher-deprivation, poorer, lower-outcome areas. In relation to crime, crime is not a perfect fit for the economy. It is obviously much higher in urban areas, and you have many more police officers in those areas, quite rightly. Again, there has been funding simplification to try to make sure that resources are fitted to the need.

In a number of the different fields I just mentioned, we are taking action for exactly the reasons you give. In the education investment areas that I mentioned, there is the £3,000 levelling-up premium to retain early-stage teachers. You are quite right that it is more difficult to recruit teachers in some areas. We know that if you can get people to stay in those areas for the first five years of their career, they tend to put down roots and you then get good people staying for the long haul, which has been a challenge for various previous programmes to try to address.

I absolutely recognise the challenge that you have set out. In a number of these different fields there are policies that are targeting exactly the question that you just raised.

Lord Willis of Knaresborough: All that is really quite encouraging. The one thing I thought you were going to say, and I was hoping you would say, is that you recognise that we will never achieve this unless we can actually recruit from those areas of deprivation and encourage the people who live there and have their connections there to work there and to become part of the solution. Simply getting people to go in for a short period of time, be that overseas nurses or our best teachers, is not the final solution. Do you have any ideas about actually trying to get people who are there to use the current structures like apprenticeships, et cetera, and grow people from those areas?

Neil O'Brien: It is a good thing to do. If you can recruit from the areas where people will serve, and if you can retain people who have graduated

in medicine and the like to serve their own areas or the areas they have been living in, that is fantastic.

My only slight pushback is that in some areas it is also about using new technologies and doing things more efficiently. You mentioned in your initial questions recruiting more people, but simply recruiting more people clearly cannot always be the answer. We have constrained resources and ageing societies.

In general practice, an interesting avenue that we might be able to do more in is the use of technology. There are more people using face-to-face consultations down a phone, which enables more people to work remotely, which is one potential way of helping areas where it is more difficult to recruit. You can get people to work remotely in some of these places. I am not saying it is the answer to everything. I am just saying that in some of these fields we need to be thinking cleverly about how we use the new technologies to address the very real challenge you just described. None of that takes away from the attraction of recruiting people from an area who then work in the communities they know well.

The Chair: I think we have some ideas for our next report.

Will Garton: I agree exactly with the line of questioning. One thing they are doing in education investment areas, which is roughly the poorest third of local authorities, is teacher retention payments, so trying—exactly as you are alluding to, Lord Willis—to keep highly talented and skilled professionals in place.

Your other question, which again was an extremely fair one, was about the ambition in the missions. We are being quite candid and honest that these are extremely challenging. They are deliberately set to be ambitious, particularly the healthy life expectancy mission. In females, we have seen healthy life expectancy declining over the last couple of years. Reversing that and narrowing the gap is deliberately ambitious, which is why it is until 2030. We are setting ourselves a stretch target, if you like, and that was very much the philosophy of the Secretary of State and Andy Haldane in designing them.

We are also trying, as officials in government and, indeed, Ministers, to not see the missions in departmental silos. I am sure it is clear and obvious to all you that one of the key interlocking factors in the healthy life expectancy mission is housing. We are therefore working as a housing ministry in DLUHC with the Department of Health and Social Care to make sure that we are bound into that mission. I am trying to make it straightforward, but that is how we are organising ourselves.

The Chair: We are sort of reinventing the wheel here, but never mind.

Q4 **Baroness Morris of Yardley:** I have not made a study of this, but are you sure that paying extra money is the answer? Delivering a public service in an area of high deprivation and high poverty is actually different in nature to delivering a public service elsewhere. There are

additional challenges from the people you are trying to help.

I know more about schools than I do the other public services, but offering a cash amount has never been successful in the past. My instinct is that what might attract teachers to stay is, for example, a lot more bodies helping to remove the barriers to learning and getting children in school, getting them to stay there, getting them clean, healthy and well fed. If I had £3,000 to spend on breakfast clubs, lunches, washing machines that the children's clothes can be washed in, and so on, that would make good teachers want to teach there because it is a better place. How much work have you done on understanding the different nature of delivering public services in these areas?

Neil O'Brien: That is an excellent question from deep experience. You obviously want to do a bit of both of those things, and DfE has spent a lot of time studying these things. These things have a long heritage. Some of them will go back to your own experiences.

On retention payments and pay, there have been various schemes in this space, such as Teach First and other schemes that tried to get young, able, bright teachers to work in more deprived areas. One experience of those is that there has been attrition whereby people go and do it for a couple of years, after which maybe all their mates are in London and they move on. A bit of targeting and refinement has gone into that, so it is for specific subjects and specifically on early career and so on. It is the fruit of those experiences, having been through the mill on retention payments of various kinds before. You are completely correct that that absolutely cannot be the whole answer.

One of the great attractions for teachers, as you know better than anybody, is not so much about the pay but about what it is like to be in the school. Is the head and senior leadership team really good? Is it an orderly environment and so on? Within those education investment areas there are two other important things going on. One, broadly speaking, is a fund to grow the best multi-academy trusts. I think MATs are fantastic. They are an incredibly important lever for school improvement. Not all MATs are amazing, but the really good ones are managing to replicate success on scale, which is hugely important, because for decades there have always been miraculous schools with this amazing head and everyone goes and looks at it but it is then not replicated at scale. The good MATs are now managing to achieve that, which is a real breakthrough.

This is almost certainly the wrong way of putting it and a bit of a clanger, but you could see that as a kind of industrial policy for schools in areas where results have been lower for long periods, so you are trying to expand those really good multi-academy trusts in those areas. That is one thing we are doing to try to improve the school environment for teachers that makes it more attractive. I know, from the teachers I know, that that is a huge part of it.

There is another layer to that programme of investment areas. Twenty-four of those local authorities are also eligible for further bespoke interventions on things like behaviour where there is an identified and shared need. There will also be the purchasing of shared resource, potentially to do things. If in local authority X there is a major problem with behaviour and there is a desire on the part of lots of local partners to try to do something about it, there will be funding to try to tackle that, as well as funding for free schools in those areas as part of system improvement.

The basic thrust of your question is completely correct. It would be unwise to put all your chips on some sort of retention payment. You have to do a bunch of other things in these areas where you are trying to improve difficult to shift long-standing trends towards low attainment, low progress and so on.

Q5 Lord Davies of Gower: Levelling up is a UK initiative. If I can be self-indulgent for a moment, I used to represent a Welsh constituency, and almost one-third of the children in Wales are brought up below the poverty level. Given the challenge of rurality, how are you ensuring that efforts to level up the UK prioritise the neediest places in the country?

Neil O'Brien: That is a good question. There are several levels to the answer really. One of the themes of the White Paper, and this is true of the non-public services bit as well, is about trying to look beyond. This is also a point that Ron Martin, Phil McCann and others have made on the academic side, looking beyond the funds that are specifically for regional policy or for levelling up. It is tempting to think of it—and I think your position paper made this point—as, 'Here is government spending, a big thing. Here is a set of funds that are about regional policy, or levelling up or whatever. Let's focus on them'.

We should think about the wider environment of public service and public spending in total. For example, we have, for the first time, set a target to grow the share of R&D spending outside the greater south-east—outside the so-called golden triangle—by a third over this SR. That is a very aggressive target. We are backing that up with the creation of institutions, in particular places in Glasgow City region and in the West Midlands, together with innovation accelerators in Greater Manchester to pull from the local end as well as us pushing from the centre.

We are taking budgets that have never had a spatial dimension before and giving them a spatial dimension. We are thinking about the underlying, underpinning logic of why money ends up where it does. We have rewritten the Treasury's Green Book. We have changed various funding formulas for things like housing and regeneration funding to avoid an issue that we talk about in the White Paper where you can get into self-reinforcing spirals, both positive and negative. For example, if you put all your transport and housing spend into areas that already have a lot of congestion and high house prices, on the surface that seems very rational, and that is what we have historically done.

The challenge is that those sorts of things also have an effect on the wider economy and you can end up stimulating areas that are already highly stimulated and overheating while potentially understimulating areas that desperately need growth, so you end up with a weaker economy overall because you have some bits of the country where people cannot buy a house and cannot get on the train in the morning, and other bits of the country that are crying out for investment. As I go around the country visiting various places, I see that win-win opportunity quite often. There is a wider rethink of the logic of public spending more generally.

Then there is a narrower question about where we are doing things that are explicitly about levelling up. Are we making sure that they are well fitted to what we are trying to achieve? Part of that is making sure that we have objectively justified and published transparent funding formulas for those things that fit the nature of the funding and what it is intended to achieve. For example, you have the levelling-up fund, which is one of the different funds in this space and is about regeneration, transport and culture. Unsurprisingly, in the index that is used to prioritise places there is part in England that is about the need for regeneration and vacancies on the high street, and so on. There is a transport metric in there about how poorly connected places are.

The logic of what you are trying to achieve is matched by the index that you use, and that tends to move money towards areas that are poorer. For example, in the levelling-up fund more than half of the money has gone to the poorest 20% of local authorities on the index of multiple deprivation, but it is also fitting it to the point of the fund, and tackling the places that have poor transport connectivity and the places that have major regeneration challenges.

The same would be true for a number of the other funds, and I can go into detail on those if it is useful. We are extremely alive to the question in making sure that these different funds all target levelling up in a transparent way and align with the goals of the fund.

Will Garton: Exactly.

Lord Davies of Gower: I am not sure that I have completely understood you. Were you trying to explain how you measure it as well? If you want, can you tell me how you measure the success of it?

Neil O'Brien: We have a long document, which is the technical annexe, on the missions and the metrics, and it goes into some detail on our 12 long-term missions: how you will measure them, the actual indicators used, how often within those indicators you will look at it, what gap analysis you will do and so on.

We have published quite a lot of detail on how we will measure success or failure for each of the different missions, and we will probably add to that as we move forward. We have also made some changes to the architecture in Whitehall—what Andy Haldane would call systems change or rewiring Whitehall—to back that up. There is a regular Cabinet

Committee that helps us to pursue progress on all these things with departments. There is an independent advisory council that will help us to deep dive into particular subjects. There is now a well-established pattern of that Cabinet Committee and, indeed, the Cabinet doing deep dives on particular places, which are quite revealing. We are trying to come at that question of measuring in a number of different ways.

The Chair: Are you publishing that?

Neil O'Brien: Quite a lot of data is already published in this document, and there will also be regular annual reports to Parliament on how we are doing.

The Chair: How about where the deep dives are being done? Can people contribute to them?

Neil O'Brien: On deep dives specifically, some of them are very public in a sense. When the Cabinet met in Stoke two weeks ago at a big public event, it involved a lot of local stakeholders. I am doing a follow-up event there in a few weeks' time that will bring together the local council, various arms and bodies of government and other stakeholders to look at all the different challenges going on in that particular place.

There is a good challenge in your question about how, if we are going to do deep dives in places, we make sure that we are getting everyone in. When we go to particular places, we would certainly include quite a lot of different local actors, people involved in the local council, the town deal board, local academics and things like that. We should probably think about how we ensure that we do those things and that we are sucking in all the expertise we can.

Will Garton: In many of the places that we are discussing, we are also talking about devolution arrangements at the same time. Currently, that is a discussion primarily between government and local authorities, but certainly where we hope to come to a devolution deal we want to set out a very public set of agreements between place and central government, the sort of metrics that we want to hit and the improvements for those places that we hope to achieve as a result, and that will be very much hand in glove with place.

Neil O'Brien: That also brings in non-local government people, depending on the projects. For example, in one place they are pursuing a devolution deal. There is great interest in the R&D set of issues, which brings in people from that community. In Stoke, for example, a lot of heritage regeneration bodies are quite interested in what will happen there. It is sort of fitted to what is happening in a place.

Lord Davies of Gower: There has been some criticism of the Government's lack of transparency and accountability in all this. Would you agree? How would you answer?

Neil O'Brien: We are striving to improve all these things. I think there is quite a lot of transparency and we have published a huge document on

how we are planning to measure success and failure. We are bringing in people from the outside. In terms of funding arrangements, you can see the formula, look at the spreadsheet; it is all online. Of course, we are always keen to make it better, but there is quite a lot there already. I do not know whether we have done a good job of communicating everything that is out there.

Will Garton: Two of the missions are deliberately exploratory in terms of well-being and pride in place. Let us be honest: we are not as good at that as we are about sharing out broadband. We very much know what we are doing in broadband, but well-being and pride in place are harder to measure. They do not have the right spatial unit. We are engaging with the ONS on metrics and supporting metrics with academics and the What Works Network to try to get them right. They are not final.

Neil O'Brien: That is a very good point. One thing we must do better on is creating the granular data that we need in so many fields that we just do not have at the moment. We need to get R&D clarity on where departments spend their money and try to make that more granular than it is today. In so many other fields—public transport, you name it—we are working closely with the ONS's national data strategy and trying to drive change across Whitehall. A lot of the problems with lack of transparency are because the data does not exist in the way it should, and there is a big drive in the White Paper to try to improve that so that the data exists.

The Chair: Sounds familiar.

Q6 **Baroness Pitkeathley:** My question very much follows on from Lord Davies's, because I want to ask you about monitoring progress towards the goals that, by your own admission, are pretty ambitious. There have been issues in the past with monitoring and evaluation. You have talked about gathering the metrics and so on, but can I ask you to focus a bit more on how you will gather the experience of the recipients of the levelling-up programme—not the local authorities, but the people who are actually going to benefit from them, and how you are going to get examples of good practice? In particular, can you be sure that you will get them in time for them to influence your programme, because by any definition gathering that sort of material is a long process.

Neil O'Brien: It is a great question. The only thing I would push back on is that as well as trying to get what a technocrat would call the end user's experience of these things, it is also really important that we do everything we can to get help to understand the situation of the people who are trying to deliver them—who are often local authorities but not always; sometimes they are town deal boards and so on—in a way that we can help them to deliver these things successfully.

There are several things that we are doing on that front. We have mentioned deep dives into particular places. In Stoke, for example, we discovered that some of the challenges of delivering their levelling-up fund bids are to do with arms of government that need to put things in place to enable them to do what they want to do. One part of it is to

think about specific places and the knotty challenges. We have also tried to improve the sharing of practice between places that are doing similar things. The towns fund has a delivery partner, which is both a mentor and source of advice and technical support for people delivering town deals, but it also aims to bring together the people who are doing these things and to publish it in a transparent way. For example, what does the town plan for Grimsby look like, what does the one for Blackpool look like and so on? The aim is to encourage sharing at that level as well. We will try to build out from that to think about how we can make that work more broadly across a number of different funds. Having that wrapper of support and networking around funds so that places can learn from one another has been positive.

There is a lot to do to get useful monitoring and evaluation—not all monitoring and evaluation is useful—in order to help people who are trying to deliver things. We certainly thought a lot about that with the shared prosperity fund, which allocated relatively recently, and how we could encourage places to learn from one another and to work together.

Will Garton: I recognise exactly the angle you are pursuing with your question. As the Minister says, evaluations are very useful in the main. There is a thing, though, about how quickly they arrive for the next one. We have them in place for the towns fund, for the levelling-up fund, for freeports and the like. It is an ongoing piece of work, and a priority for us not to make the best be the enemy of the good. Sometimes we have a tendency in government to say, 'Well, it's not perfectly analytically pure, so we just need another three years to finish the job'. By that time the train has left the station. We are on it. I cannot say conclusively today how we will use early findings to inform current projects, but it is certainly something that we are looking at very comprehensively.

Baroness Pitkeathley: I take on board the Minister's point that it is very important to measure and evaluate how the deliverers feel, but I would just point out that how the deliverers feel does not always agree with how the recipient feels. They are not necessarily the same thing at all.

Neil O'Brien: You are completely correct. I totally echo Will's point about timeliness and key lessons being much more important than the perfect report that arrives five years too late, but we are also conscious of the need for it not to crush the people we are trying to deliver positive change to in their communities by excessive, over the top monitoring and evaluation of 15 business cases—wanting to know their VFM, asking for impossible pieces of data they can never get and imposing huge bureaucratic costs on schemes that gum everything up. There is a balance to be struck in these things.

The Chair: The National Audit Office recently criticised government for having only 3% of its programmes properly evaluated, and we had a meeting with the comptroller general about that. I have been in government on regeneration and social exclusion, and I hear what you are saying. So much of this has been gone through before, but there are

ways of doing it in such a way that people feel and understand what a programme is about, what they get out of it and how they can improve it. Across the board, that is what you need to think of, because one of the problems we face when we look at your work is that each programme is very different and the connectivity between them and what that means for the community is often very difficult to get hold of.

Will Garton: I understand the point you are making. Of course, another thing we are committed to doing in the White Paper is simplifying and streamlining the number of funding pots—

The Chair: Absolutely.

Will Garton:—because although the regeneration project, the station project and the road project are value for money, if never the three shall meet in place, it may not be value for money overall on a place basis. We are working on that project now. It is hard. There are a lot of pots, and getting a grip on the size of the issue and thinking about it constructively takes time. If we were to end up with a streamlined set of pots, that would make it easier for partners in place, as you say, to think in a place-based holistic way, which is our objective. I completely recognise the point you are making.

The Chair: You say in the White Paper that you intend to change government structures to empower local and regional bodies. Could you say anything more about the levelling-up directors in particular? I understand that there is to be one for each region and for each of the devolved Administrations. They seem to have a lot of work. Once they are appointed, they will have enormous amounts of work but with what level of responsibility? That is the sort of thing we are really interested in.

Neil O'Brien: Let me take that in a few different channels. The levelling-up directors are there to be a champion and help to local places in Whitehall, to be able to bash heads together, to try to unlock stuck things between different silos of government, to be senior people who can understand, get the analysis, make the wheels turn to identify and analyse the problem, and be strong enough to really drive things in Whitehall to try to get things solved, particularly where the fundamental problem is a lack of co-ordination between different departments. The aim is for them to be senior people, and we want to appoint them only if we can find the right person for the right place. That is only one part of our local empowerment agenda.

There are at least two other bits of it, probably three. Another bit is major devolution. Obviously, in 2010, the only place in England that had a devolved settlement was London. We now have mayoral combined authorities across all our largest cities, and throughout the White Paper we are pushing to both widen and deepen that devolution agenda, which is very exciting. It now has real purchase and is likely to stick over the long term. I think it is doing a lot of good.

When I talk to people at the West Midlands Combined Authority about the work they are doing on skills, it is clear to me that they are doing it better than when it was run on the national level, not just because they are doing things in a slightly different way that is better, but because they are doing some things that Whitehall could never have achieved. For example, they are creating co-ordination between local colleges so they do not all put on the same courses at the same time. You cannot do that from Whitehall. You need devolution and devolution to the right scale and power. That is one part of local empowerment.

Another is then giving individual local authorities, whether in a devolution agreement or not, both the financial firepower and flexibility to try to achieve the things they want. That is partly about having these different funding streams that we have talked about—the levelling-up fund, the towns fund, the high streets fund, the shared prosperity fund, the brownfield fund and so on—and, in the longer term, trying to simplify the landscape of all these hundreds of different funds, some of which are very small. I think for the big ones it is less of a problem, but some of the very small funds that are requiring places to produce expensive bids, have different rules and short periods, which we want to get away from. So there is a point about financial firepower.

Another final level is at the very neighbourhood level. We have a review at the moment of community spaces and thinking about the future of neighbourhood governance, parishes and so on, and whether there is something further that we can do there to empower at the neighbourhood level, which is work that is unfinished but it is ongoing.

Q7 The Chair: Again, I have been through this mill before, but one of the problems I have experienced in the north-east are areas where the local punters think, 'This is not my priority. They are spending all this money, but it is not on the things that are really going to make a difference'. You know about Bishop Auckland and the anxiety at that public meeting with the person who was putting a lot more money in than the Government, who were threatening to withdraw his money because people were not being involved effectively with either the council listening or the Government.

I know how easy it is for that sort of thing to happen. Before I came into Parliament I was a community youth worker, so I am very used to how you work with local groups and who gets the wherewithal to be the objectors and all the rest, but there is an issue. They have a town council in Bishop Auckland. They have other mechanisms in Bishop Auckland, but they felt that they were not being listened to. I was there at the weekend and the banners are still up: 'We don't want this bypass'.

Neil O'Brien: It is an interesting example. There is a more general point to be made, but let me home in on Bishop Auckland for a moment. At the moment, the different people involved in the Auckland project—Durham County Council and various local stakeholders—are working together in a collegiate way again, which is great. It is also part of a sort of ferment, though. Inevitably, when you are doing things that are really high stakes

locally and quite big changes locally, there will be a lot of views on the right thing to do: 'Could we get rid of this shopping centre?', 'What is the right future for this car park?', 'If we have to do only two out of these three different transport improvements, what are the right ones?'

It all fits together on what you are trying to achieve or what the future of the Auckland project is. How many people are really going to come to their annual event and how many parking spaces will be needed? Inevitably, there is lively disagreement, because you are doing big, exciting things that really matter for Bishop Auckland. It is producing big changes for the community and there are different important stakeholders in the private sector and the Auckland project and so on.

Our job is to try to encourage everyone to work together and to max out the benefits of different funding streams like the towns funds and the high streets fund for the time. Also, things change. They are thinking about their town centre regeneration and rejigging that, because things have moved on in financial terms and in the opportunities, so things have to adapt. There is a bit of a sense in your question that, 'Oh, the local community has been shut out'. I do not really agree. There is a lot more going on there than that. There are the views of major local institutions and major local private sector partners, all of which are important. No-one is not behaving correctly. There are just high stakes debates about important things for the town, about the right order to do things in and what is the right project in a complex and moving environment.

More generally, trying to find the right thing for the right place that people want and will be right for the community in the longer term is important. Community voice is really important. Some things are more technocratic than others. The innovation accelerators I mentioned earlier are very active in these different places, thinking about how they can benefit the local community. Manchester University thinks a heck of a lot about that. When you stand on the roof of its innovation centre, you are thinking about the people in the estates nearby and how it can benefit them, so they are actively thinking about that.

None the less, there is also a part of that discussion that is inevitably slightly more technocratic. For example, what does the R&D venture capital community in Greater Manchester think is exciting? What do they want to get into? What are the different local academic partners at Alderley Park and the universities truly good at that we should double down on? There is a bit of a mix there. There are some things that are quite technical and some things where the views of the community should be centred, and the towns fund, the high streets fund, the levelling-up fund and so on should be very responsive to those things.

Q8 Lord Bourne of Aberystwyth: It is a bit unfair to be testing the Minister on all these local areas, and this is not an area I know well, but it struck me that Peterborough looks like a very wealthy community. It has good transport links—rail and road—in a very rich devolution area, with Cambridge down the road even richer, yet it has these challenges. Indeed, I think it gets integration money from the department; it is an

integration area with Walsall and so on. Probably on many of the metrics that we are assessing it would not look like a poor community, or perhaps it would—I stand to be corrected on that—but how do you assess areas like that which, on the face of it, look quite wealthy?

Neil O'Brien: On quite a lot of metrics it does look wealthy. The challenges are apparent, which is one reason why it has the various different funding pots that it has received. I think your point is that, as you are driving through it, you think of the fantastic mainline station, loads of commuters to London and a lot going on. There are a lot of attractions there as well. A lot of the metrics that we use to identify the underlying challenges that you are talking about pick up the challenges in places like Peterborough, which is why it leads on to different funding things.

Lord Bourne of Aberystwyth: I think the integration thing was done in a slightly different way. Were areas not asked to volunteer and some were encouraged? I think Leicester was encouraged to and did not want to, so there may be slightly different considerations at play there.

Neil O'Brien: Funding for community and integration projects is something I am probably less familiar with than my colleague Kemi Badenoch.

Will Garton: I am afraid I do not know about the specific funding on integration, but your wider point about there being an intra-city region is probably a bigger thing in many cases than callous north versus south comparisons. We understand that completely. Our data is currently broadly at too big a spatial scale. We will do schools at the local authority level, but there is no reason why the local authority level is the right spatial scale. We could come down. We can tell you about the individual school, the individual ward, the individual community. Much of our effort on data is to get a much more granular and precise understanding so that we are not making too big a broad-brush comparison about place to solve the problem.

Neil O'Brien: On that specific point, one of the motivations for the Cambridgeshire and Peterborough devolution deal, which is building on the previous City Deal, was precisely to try to achieve those kinds of win-wins within that area. In Cambridge, you have a totally overheating housing market. It is an extremely expensive city, and is the life sciences capital of Europe. The Fenlands has a lot of lower-waged employment and poverty. Connecting these two things together to solve the problems of one with the opportunities of the other is one thing we hope for in the longer term from that devolution deal. As it happens, I am sure there are things one could refine there, such as the differences in geography between the City Deal and the devolution deal and so on. They also have had some personnel issues that are specific to the place.

It is exactly to seize the opportunities in those differences, even within a few miles, within Cambridge and Peterborough that motivates. It motivates the opportunity and motivates the devolution programme

there. The same would be true in the West Midlands, in Digbeth, which is an area with huge amounts of brownfield land and which still has a long way to go. You can see all the gleaming new buildings in the city centre. You are five to 10 minutes away from them, but only by getting a metro mayor, by getting Andy Street, can you get someone to put in the tramline, do the regeneration, do all the things with brownfield regeneration funding that will make that a very exciting place, move institutions, have the grip on the national level as well as locally to be able to create something that is more than the sum of its parts.

Q9 The Chair: When we did our first report, there had been criticism, including from the Public Accounts Committee, that the criteria for funding was too opaque at that stage and made it look as if some of the decisions were politically motivated rather than motivated by need and so on. What have you done to correct that impression?

Neil O'Brien: In more recent funding scheme announcements we have aimed to have the funding formula of allocation, the spreadsheets and so on, on the website on the day of allocation so you can literally see how the formula works right from the start. No one starts thinking, 'Well, how did you get to this number for us?' You can see how it is calculated right from the start, and it is important to do that in a timely way if we conceivably can. As much as possible we want to build all these things—respecting the point we were discussing a moment ago about fitting the purposes of the fund and the index together—from as much high-quality ONS national statistics-type data as we can. Sometimes the data you want on regeneration does not exist. There is no ONS national statistic, and you have to be prepared to use other things, but trying to do that in a timely way is something we are conscious of.

The Chair: No, I appreciate all that. As I say, I have been through all this before, and we wish you luck.

Neil O'Brien: Thank you.

The Chair: I think all of us want to make sure that we get a country that is more equal and fairer across the board. We just have to find out how we can do that together, and make sure that we do not always have to reinvent the wheel everywhere. There are some good practices that we can build on and develop. Anyway, enough from me. We have kept you over the time and, as you have seen, we have lost a couple of members too, but I thank you enormously for coming. We are grateful, and I hope that we can maintain this sort of dialogue. It is very important to be able to look at these things together and to just make sure that we are doing whatever we can for those folk out there who rely on us all. Thanks a lot.

Neil O'Brien: Thank you. Thanks for having us.