



Housing, Communities and Local Government Committee

Oral evidence: English devolution, HC 600

Tuesday 28 January 2025

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Members present: Florence Eshalomi (Chair); Lewis Cocking; Chris Curtis; Mr Lee Dillon; Maya Ellis; Mr Will Forster; Naushabah Khan; Mr Gagan Mohindra; Joe Powell.

Questions 1-42

Witnesses

I: Dr Jack Newman, Research Fellow, University of Bristol; Professor Colin Copus, Emeritus Professor of Local Politics, De Montfort University; Zoë Billingham, Director, IPPR North; Joe Fyans, Head of Research, Localis.

II: Tracy Brabin, Mayor, West Yorkshire Combined Authority; Councillor Louise Gittins, Chair, Local Government Association, and Leader, Chester West and Cheshire Council; Councillor Bridget Smith, Vice Chair, District Councils' Network and Lib Dem Leader, South Cambridgeshire District Council; Councillor Tim Oliver OBE, Chair, County Councils Network, and Leader, Surrey County Council.

Examination of witnesses

Witnesses: Dr Jack Newman, Professor Colin Copus, Zoë Billingham and Joe Fyans.

Chair: Welcome to the Housing, Communities and Local Government Committee. I am Florence Eshalomi, the Chair of the Committee. Could I just ask our guests to introduce themselves for the record, please?

Dr Newman: I am a research fellow at the University of Bristol.

Zoë Billingham: I am director of IPPR North in Manchester.

Professor Copus: I am emeritus professor in local politics from De Montfort University.

Joe Fyans: I am the head of research at Localis, the local government think tank.



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Q1 **Chair:** Can I ask my colleagues to introduce themselves and if they have any declarable interests?

Mr Mohindra: I am the Conservative Member of Parliament for South West Hertfordshire and a former county district and parish councillor.

Lewis Cocking: I am a Member of Parliament for Broxbourne and a Hertfordshire county councillor.

Mr Dillon: I am MP for Newbury, a West Berkshire unitary councillor and a Thatcham town councillor.

Mr Forster: I am MP for Woking. I will declare an interest: I am a Surrey county councillor with Tim, who is one of our guests later. When debt comes up, I will declare that I am also a Woking borough councillor.

Maya Ellis: I am MP for Ribble Valley and a parish councillor.

Naushabah Khan: I am MP for Gillingham and Rainham and I was a councillor until November last year.

Chris Curtis: I am Labour MP for Milton Keynes North and have never been a councillor.

Joe Powell: I am MP for Kensington and Bayswater.

Q2 **Chair:** Thank you for coming to the Committee this morning; we are looking at a really big agenda. One of the clear missions from the new Government is around devolution and additional powers, and obviously we have had the publication of the White Paper. I just wanted to start with a general opening question to you all: in terms of looking at the current powers that strategic authorities have, do you feel that the areas that currently have the strategic authorities have sufficient powers for carrying out that full-scale devolution?

Dr Newman: Devolution has tended to be focused very strongly on economic growth over the years. They have a significant amount of powers in terms of transport, and increasingly skills, but there are big gaps in terms of the broader provision of combined authorities. So thinking especially about areas of public health and other areas of social policy where those factors often feed into that broader economic picture over the longer term, and keeping combined authorities narrowly focused in that way often means that large areas of policy that could make a big difference to local prosperity and the local economy are excluded.

Finally, we might get into this later, but there is a big question about fiscal powers and there is a big gap there in terms of the fiscal powers that combined authorities have.

Zoë Billingham: It is really welcome that the Government have brought this Bill forward so early in the Parliament and are clearly taking the devolution of power in England very seriously.



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I would argue that the current state of devolution in England specifically is a mixture of devolved power, where mayors have control over the areas that have been given to them by Government, but also there is a lot of delegated power, which means that actually they are more helping Government perform some functions at the regional level. So we are quite a long way from full-scale devolution.

Linked to that is my final point: in the course of the passage of this Bill through Parliament and in the coming months, it would be helpful on many fronts if the Government started to set out their end vision for devolution in England. It would give confidence to citizens and people that this is a one-way directional shift of power to the regional level and to communities, but also to those local stakeholders, including businesses, that want the certainty of the devolution agenda. Looking at how it works in Whitehall and Westminster, if there was a clear end vision, let us say, of where they want devolution to get to, that would really help Westminster mobilise behind this new model of governance in England.

Professor Copus: I agree absolutely with everything that has been said so far. I would just add a critique, I suppose, which is that there is a distinction between devolution and decentralisation—the first being the handing down of autonomy, powers and freedoms, the second being the handing down of tasks, functions, some budgets and some responsibilities.

What we have seen so far—under the last Government and this Government—is edging more towards decentralisation rather than devolution. There is nothing that is coming to local government in England that replicates the devolution that occurred to Scotland and Wales, with the formation of their Parliaments and chambers. The missing part of this agenda, which would really give these strategic authorities the ability to tackle the tasks that they have, is a much greater freedom and autonomy from the centre. We will pick this up again when we get to financial devolution.

Q3 **Chair:** Just on that, Professor Copus, do you think a single settlement funding model would help distinguish between that devolution and decentralisation? Because essentially those authorities will have greater flexibility.

Professor Copus: Yes, it absolutely would, and that package is one of the ways in which devolution can start to become real and shift from decentralisation into a clearer understanding of what devolution is. However, it has to go beyond that. There have to be ways in which strategic authorities—indeed, I would argue all authorities—are able to have greater financial freedom from the centre. I know that is going to come up later, but that is the missing part of the jigsaw so far.



Joe Fyans: That has all been pretty well covered. The only thing I would add is planning: the current direction of travel from the Government to give formal strategic planning powers to the mayors is really welcome.

The issue exists between that decentralisation/devolution point, because obviously we now have a second consecutive Government elected on a mandate with a manifesto that involves hundreds of thousands of houses a year, so there will have to be some kind of targeting. Having strategic broad spatial planning at the combined authority level helps to get those homes delivered in the right places, obviously with the right kind of mechanisms all the way down.

Q4 **Chair:** Obviously, you will be aware that there are an additional four proposed mayoral combined authorities: North East, South Yorkshire, West Yorkshire and Liverpool City region. Looking at their funding settlements, so in terms of the unitary authorities, do you feel that they should be established before each region transitions into a mayoral combined authority, or should they both happen in tandem?

Joe Fyans: I will come in on that. You have to understand the historical position, in that this is a model that started in Greater Manchester among unitary authorities, and then it most significantly rolled out in the West Midlands with unitary authorities. We have CAPCA, the Cambridgeshire and Peterborough Combined Authority, which does involve district councils, but we don't have any others.

So it is not to say that the model itself explicitly calls for unitary authorities, but more that the recruitment and capacity problems in local government probably make a stronger case than just handling the integrated settlement. A situation where district councils were perhaps much better resourced and had much less historic under-resourcing would help, but where we are now, the unitary authority model has a lot of strong arguments for it from the financial standpoint—more so than just the model itself.

Professor Copus: I am going to disagree with that. There is actually no reason in theory or practice why devolution should be predicated on reorganisation at all. There are council systems across Europe—indeed, the globe—where much smaller authorities in multi-tiered systems are running services that are almost unheard-of for local government in this country, where we have a much bigger scale.

Devolution does not need unitarisation of local government; what it needs are the right powers coming down at the right level. A tiered system builds a level of sophistication into local government that enables it to stay close to the people it is representing and serving on one level, and operate at a higher level on others.

We seem to struggle with the whole idea of tiers in this country, or recently we have struggled with it. The OECD produced a report back in



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2016 that showed that the majority of structures of local government are multi-tiered, not unitary.

Q5 Mr Forster: I just wanted to come in on this because you have highlighted the Europe issue where we are very out of kilter. So if we have 500,000 population in unitary authorities—that is three times larger than they are now but around 250 times larger than French councils—why do you think Government are so reluctant to delegate power and funding to the councils we have now? By European standards they must be mega councils.

Professor Copus: If you want me to be honest, there is a real reluctance to let go completely of local government. The other part of this agenda is that the fewer councils and councillors there are, the easier local government is to control from the centre. When you have a system that is about the centre controlling localities, which has been developed over decades and beyond, then the fewer there are, the easier it is. Why do we need all these pesky councils and all these pesky councillors? They are just getting in the way of the centre being able to control. So my personal view is that at the bottom of it is one of the ironies of devolution: we talk about passing powers down, but at the same time we are reducing the number of councils so they are easier to control.

Q6 Mr Forster: So it is about control, not better government?

Professor Copus: I would argue yes, because again the evidence suggests that making local government bigger does not always mean it becomes more efficient, effective or cheaper; sometimes it does, sometimes it does not. But as you rightly pointed out, in this country we are already looking at councils with populations way above the European average, and those councils across Europe are still operating and providing services that are at a level we would find acceptable.

Zoë Billingham: May I just come in on that? One point that I would slightly push back on from what has just been said is obviously we do have hyperlocal governance in England, whether that is town and parish councils or neighbourhood governance, neighbourhood forums.

Under a unitarised model it becomes even more important to focus on that tier and the responsibilities and powers it has at that level, as well as how it then interacts with unitary councils. So I perhaps do not have quite as cynical a view as Colin, but there is a need and an opportunity to help mobilise that lower tier of governance—that hyperlocal level—in a unitarised model.

Q7 Chair: Just on the population: when we are looking at the strategic authorities, we are working on the assumption of around 1.5 million for that geography. But one of the areas that the Government are keen to highlight is there will not be any devolution islands; you will have places that have natural partners and neighbours.

We all know that constituents and residents do not know the difference



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between ward boundaries, but it is right down to those services: are they being delivered well? So it is a case of, do we need more clarity in terms of who is funding what and who is responsible for what, to make sure we see that efficiency locally?

Dr Newman: There is an important point here about the alignment of boundaries. It is really important that we finally settle the boundaries of local government and achieve some sort of stability over the coming decades because they have been in constant flux for a long time, not just the boundaries but the institutions as well.

This is reflected in the boundaries that Whitehall uses for policy development. If you look at the boundaries of the integrated care systems, for example, or the policy geography of any Department, they do not align with one another, and some stability in local government boundaries might help that alignment. Once you have that alignment you are able to join up services so much better, and it is easier for the different institutions to work together.

Secondly, it means that the public actually have an idea of who is responsible for the services they use, rather than knowing that they are in this area for that service, this area for that service, and the areas all have ridiculous names that do not mean anything to local people.

Chair: Yes: why would you have Vauxhall Ward in the Vauxhall constituency? The Local Government Association is not talking to the Boundary Commission.

Q8 **Mr Dillon:** My question is on the boundaries. At the moment the proposal is for unitaries to join up together, but within their existing unitary boundary, in effect. However, there may be communities and local examples where there are smaller towns and villages right on the edge of a particular unitary, which actually could make more sense coming into its neighbouring unitary if you are going to redraw it. But if you start going through that, it is a whole Boundary Commission review of local government, and I just wondered what your thoughts were on that.

Dr Newman: It can get very messy. My view is that it makes more sense to build from the building blocks we have in local government and then think about how policy geographies can align around those. Although there is also a question of where the public's voice is in this, and broadly, throughout the devolution debate and the drawing of boundaries, it has not really had a say over many years.

Joe Fyans: There is something about criteria here as well. As we get further down the road with this, it would be helpful if the Government would spell out more clearly what they want from a unitary authority: do we want a town and its hinterlands? That might help—if it is the case that the books need to be opened on some things—to know specifically what we are going for here.

Q9 **Mr Mohindra:** We are going to move on to questions about integrated



settlements, the pots associated with that and how it ties in with local growth plans. Do you think that there is already enough support for the mayoral combined authorities to make best use of the integrated settlements funding pots? If not, what more do Government need to do?

Zoë Billingham: It is an interesting phrasing of the question because actually mayoral combined authorities are set up better than many structures in Westminster to deal with integrated spending, with the flexibility to fund between lines of spend. Obviously, in Westminster it is very much split between Departments; in mayoral combined authorities the transport lead and the housing lead sit together and are working together all the time. Mayoral combined authorities are structurally already very well set up to receive integrated settlements.

On integrated settlements themselves, I would say actually it is a great progression in the devolution agenda, albeit it will not encompass all the spending of a mayoral combined authority, so we are still talking about an integrated pot that represents only a fraction of their total spend.

But more broadly, as mayoral combined authorities take on more powers and responsibilities, obviously that will need to be matched with staffing and capability in order to do that. That is something that can be easily fixed, whereas actually the structure of mayoral combined authorities is already well set up to receive integrated settlements.

Dr Newman: I just wanted to say something about the broader question of capacity and the capacity of combined authorities to deliver. With the model that has emerged of deal-making, where central Government offers power and funding in exchange for local places being able to show they have the capacity, there is the assumption that capacity is all the responsibility of the combined authority and central Government washes its hands of being involved with that. That is a big mistake. We have a world-class civil service in this country and it could be utilised much more effectively in helping build up that capacity at the local level.

Finally, there is also a concern here about the spatial inequality. Places like Greater London and Greater Manchester have a history of working together, with an economy and civil society that is very able to support the policy-making capacity. If you think about some more rural areas, coastal areas, peripheral areas, places without big cities, they often do not have that capacity—the skills, the funding behind different data analysis teams, strategy teams, and so on—to be able to deliver on powers. Unless we are just going to leave those places alone, central Government has a role in building up capacity there.

Q10 **Chair:** I digress, abusing my position as a London MP, but you referenced London there. London devolution and the London Mayor would actually argue that other combined authorities have taken more power and are quite far ahead of them—West Midlands and Greater Manchester, for example—whereas there is not a formal arrangement of decisions between the London Mayor and the London boroughs. Do you think there



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is a case that London could essentially fall behind in some of the devolution plans being proposed?

Dr Newman: Yes, potentially there is. And this is a concern, with London being seen as a static model that was created in 1999 and has now just been left. I absolutely agree that it should be part of the foregoing devolution plans.

Q11 Naushabah Khan: Moving on to a look at overview and scrutiny: what challenges do you foresee in ensuring that overview and scrutiny committees have the resources and the authority to hold local decision makers to account, in effect, in this changing model?

Professor Copus: Overview and scrutiny has always been treated as the Cinderella of modernisation of local government. If you remember that term from quite a number of years ago—modernisation of local government—when we introduced executives and cabinets, there was a sort of realisation, “What are we going to do with all those councillors that are not part of the cabinet?” Overview and scrutiny is often under-resourced, has a lower level of esteem than the cabinet in a council does, and often does not have the direct support from senior officers that cabinets do, but it is an absolutely vital part of the way in which local government does that last bit in its title, and that is govern.

Not only does overview and scrutiny have to look internally at the council, but it looks externally at a whole range of organisations. People say that our local government system is confusing because there are two tiers. When you look across the whole spectrum of public sector organisations, that is a very fractured landscape. Local government is the simplest to understand, and overview and scrutiny needs to focus on all the myriad organisations that spend public money, make public policy decisions and affect the lives of communities for decades to come, but without a single vote ever being cast. If anything is going to hold those to account it has to be overview and scrutiny in local government, but it is not resourced in a way that enables it to do that.

There is a big question about how you hold combined authorities to account. Of course, as the Chair pointed out, we are sitting in London, which has a different model of combined authority, with an elected chamber that is there specifically to hold the executive part to account.

We need to resource scrutiny far more than we do, increase its esteem and give it powers to call witnesses and to be able to say, “You will come to talk to these councillors about XYZ.” Because unless you do that, “We are not coming,” is an easy way out of what could be potentially publicly embarrassing scrutiny of external organisations.

Q12 Mr Dillon: You spoke about accountability and the role of scrutiny, but not the ability of scrutiny commissions to help with policy development and pre-scrutiny work. I just wonder, what do you think their role could be in pre-development of policy as well as scrutiny of actions?



Professor Copus: That is the other aspect of the scrutiny role. There is the question of accountability, but there is also the issue of policy development, and we have often put the cart before the horse. Policy seems to sometimes start in the wrong place; I would argue that it has to emerge from an evidence base. The way in which you collect that evidence is through overview and scrutiny. For the former councillors and councillors who are on this Committee, I have to say one of the challenges that scrutiny provides to the politics of local government is the power of the Whip and the way in which party groups operate—you all know what I am talking about—and members have to be able to critically evaluate policy, despite what the Whip's and the group's view on particular issues may be.

Joe Fyans: On that scrutiny point, it also comes down to what Zoë said earlier about purpose and defining what you want. We did a big exercise on governance and scrutiny at Localis last year and talked to all kinds of people; the main thing that came from it was that you need a sense of what local government is for and what these different tiers are supposed to do. Without that, it is hard to even get into the pre-scrutiny piece of things.

Mr Mohindra: Just on Colin's point about the Whip, I should declare that I am the Joint Deputy Chief Whip. But my counter to your point is that every politician is a critical friend; how we articulate that is what differentiates us. So I can assure you that councillors all have views; they may articulate that behind closed doors, but they hopefully have a united voice thereafter.

Q13 **Naushabah Khan:** Some of the panel have already touched upon this, but just to push it a little further and see if any of the other panellists have views as well: what specific measures do you think could enhance the effectiveness of overview and scrutiny? Especially as we see the revolving nature of responsibilities within local government.

Dr Newman: I agree with a lot of what has been said about scrutiny and accountability. One other important issue we need to bear in mind is that the political culture in this country is set up such that we have a governing party and an opposition, as we have in Westminster and in a lot of local authorities. Combined authorities don't work like that; they operate on a consensus model, where the idea is to build consensus and therefore remove opposition, which leaves a gap and places even more importance on the scrutiny committee.

As others have said, they are currently not really working effectively in combined authorities, so what can we do? I agree that a key point here is to think about their function, and a lot of that is an expanded role, so they are not just doing the technicalities of going through policy line by line; they also have a research role, a role in developing and thinking about policy.



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There is a big opportunity here for scrutiny committees in combined authorities to take on a public engagement role and have a role in enhancing local democracy in their area, such as running consultations, public engagement, thinking about direct democracy, and championing that side of things. That would give the committee the legitimacy to then hold the mayor to account and create something of a counterbalance.

There is one other option that is slightly more controversial but I am very fond of: the London Assembly model. I am aware there are problems with the way the London Assembly works, but the idea that you have a directly elected assembly responsible for scrutiny is a really good one for those combined authorities that are further down the devolution track.

Zoë Billingham: May I come in there just to reiterate some of what Colin was saying? Actually, making overview and scrutiny a higher status role within the council context, but also within the mayoral combined authority context, is a good idea. It will make it an ambitious place to be and a place where, young, new politicians coming through the system can really show themselves.

There has been talk of whether it should be professionalised locally. So for instance, the excellent staff that you have for this Committee—whether there should be that sort of staffing body to support an overview and scrutiny committee at the mayoral combined authority level to make it a more professionalised system, which would be really excellent.

But on the point that there are lots of other ways that mayoral combined authorities can be held to account: of course we have seen new ways emerge, whether that is mayoral question time or mayors going on the radio to speak directly to the public, who of course they feel are very much their primary place of accountability. There are lots of different ways, and some of the proposals were brought forward in the White Paper, including looking at who is the accountability officer for spending in a mayoral combined authority, and looking at whether we can either take that role or share it with central Government. At the moment it is permanent secretaries and Departments who take the full responsibility from an accounting officer perspective, but that role could be moved to mayoral combined authorities in time so that there is actually a sense of accountability held at the officer level for the spending of a place.

So scrutiny sits within a wider set of things that can be done on accountability locally, but I agree that more formalisation and professionalisation of oversight and scrutiny, and bringing in those wider place stakeholders, is the right thing to do.

Joe Fyans: On that metrics point, quickly, it is worth noting that there are loads of different models for metrics on how you measure quality of life, environment, IMDs, MAMA indicators, whatever. The most important thing for local government is that the metrics picked are consistent, as simple as possible, and that they are fairly appraised, as in the targets are not a constantly rolling thing. Long-term strategic targets would be



appreciated at local government level regardless of what metrics were chosen.

Q14 **Mr Mohindra:** Who should choose what the metrics or the targets should be? Should that be the overview of scrutiny, central Government or the mayors themselves?

Joe Fyans: Practically speaking it should probably be a part of the Bill, because if the integrated settlements are being negotiated in that way, how they are appraised should be at central Government level. But as I say, it should be as long-term as possible and not based on an ideal type, but on what is actually happening on the ground now. Appraise it versus if it was being done by central Government or if nothing was being done at all, rather than against an ideal type.

Zoë Billingham: I have a slightly different view on that. The current Government have set out their five missions, and through the outcomes framework for mayoral combined authorities there is real scope for mayoral combined authorities to propose their own outcome metrics based on local priorities.

Actually, then we might see and reflect some of the already existing different areas of focus of different mayors, whether it is Kim McGuinness in the North East who is focused on child poverty, or other areas that may have other objectives. So, within the broad framework of Government's own objectives, mayoral combined authorities should be proposing their outcomes—of course in agreement with Government; it has to be a two-way agreed thing—but actually there should be more scope for places to propose their own outcome measures.

Professor Copus: That is absolutely right, and when you consider we are now moving away from an urban focus on devolution and combined authorities, it is vital that there is a negotiation between Government and the combined authorities in the areas that they cover, that the metrics used to measure success and/or not are negotiated, and that they fit the particular areas and the particular devolution deals. An overall standardised approach would not be devolution, to be quite honest.

Q15 **Naushabah Khan:** In summary, I would be interested to hear from the panel whether you think that, given the current new structures proposed by the devolution paper, residents will be able to effectively engage with their local leaders.

Professor Copus: It will be extremely difficult. I now know the source of the magic figure of half a million population, but there has been a constant search for what you might call the philosopher's stone of population size. "If we get this optimum size, then everything will be lovely; it will be efficient, effective and cheap." But independent academic research over the decades has shown that there just is not this magic population size.



In fact, relating this to your question, research has shown that the democratic criteria of engagement with councils, trust in councillors and local officials, community cohesion, affinity with this new institution—all those things that are important in the democratic sense—more consistently decline the bigger local government gets. Those findings are more consistent than the findings that say the bigger local government gets, the more efficient, effective and cheaper it becomes. It is invariably more difficult with a population of half a million, if that is what we end up with, for communities to even feel part of that organisation, to even understand where it is or what it is, let alone want to engage with it.

That is where I come back to my defence of the tiered system. The tiered system provides a mechanism by which the public can engage with political leaders at a certain point. If you create a combined authority and then say that we are going to parish the whole area, and you also say that we are going to have area committees as well, then you have just reintroduced the system that you have scrapped, only on a different scale.

- Q16 **Chris Curtis:** I will just push back on this point slightly, because Will said something quite interesting at the start, which was that district councils are bigger than a lot of European comparisons and obviously what we are trying to create is even bigger than that. But is that not basically the point? The problem is not about this kind of localism versus larger argument, but many of us would believe, arguably, that district councils are the wrong size, being too big to actually fully represent communities, and too small to get those efficiencies that you would argue for. So is it not a case that, if we are getting rid of that district council level, rather than just pushing powers up, we need to push a lot of those powers down to parishes while also moving other powers up? Maybe the Government have not been talking enough about that.

Professor Copus: Again, if you look at the international level, some of our districts are big by comparison with municipalities that exist elsewhere. We already have the largest units of local government across Europe within our two tiers. So the idea that districts are too small or too big is really an argument that is looking at the question of size, when we ought to be looking at the question of resources, powers, autonomies, the sorts of things that local government do, and indeed the question that Joe raised about, what do we want local government to do? We often focus on the size as a way of avoiding those more difficult issues, but I would argue that, given the size of counties, our districts are about right.

- Q17 **Maya Ellis:** It is interesting that we have gone from size to resources and I just wanted to ask for your thoughts on whether there is another angle on this: that it does not matter how big or small; some places are great at engagement and consultation, and some places are not. I just wanted thoughts on that.

Zoë Billingham: Yes, I am happy to come in there. When you speak to members of the public, as the Chair started off this conversation, it is



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rare that a member of the public will know at what level decisions and powers are held and made; all they want, quite rightly and understandably, is for the change they want to see to happen. So we have to lead with an argument about effectiveness, because that is what the public demand.

You are right that public engagement at the local authority level is patchy, and that it should be an absolutely essential part now if unitarisation is to go ahead as the Government intend; they have to be absolutely clear about what is expected of unitary authorities in terms of engagement.

As I said previously, how they then communicate, link up and work together with the hyperlocal level—the parishes and town councils—is an absolutely essential part of this that still has to happen; otherwise it will have failed.

Q18 **Lewis Cocking:** I wanted to push back slightly. I think districts are the best size of local government because they allow people to connect with the communities more. So it was just the contrary argument to what Chris was putting over.

Joe Fyans: What we retain from the district structure and unitarisation is really important in that regard.

Naushabah Khan: Thank you very much for that. I speak as somebody who came from a unitary authority that is only 20 years old, represented 280,000 people and went through that change; you can still have connections to the local community.

Chair: Indeed.

Lewis Cocking: That is £280,000, not half a million.

Chair: Yes. Moving on swiftly to the money: fiscal devolution.

Q19 **Joe Powell:** Most of you mentioned fiscal powers in your introductions. Obviously the White Paper, outside of integrated settlements, does not devolve any additional fiscal powers. I am curious as to what you would have liked to see. What do you think would be the most appropriate fiscal powers to be devolved?

Zoë Billingham: I think that fiscal devolution is an essential part of the devolution discussion and what needs to come next. Frankly, many of us—including the wider stakeholders and local leadership—were quite surprised not to see anything in the Bill on that. The one exception is the mayoral levy that was proposed in the White Paper, which, as in London, then becomes a kind of community levy that you can attach to developments.

One of the lowest-hanging fruit in this space is the visitor levy. Edinburgh has just announced that it is going to introduce it; the Scottish



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Parliament has given local councils in Scotland the power to bring that forward if they so wish. It also happens in other European cities like Barcelona, and is an absolutely low-hanging fruit because it does not actually take any tax-raising powers away from central Government; it is instead creating a new form of fundraising at the regional level. So I would say that is an absolute minimum, but it is also a demonstration of what could happen if mayors were able to raise their own finance, and demonstrate how they can spend it locally according to their objectives and their outcomes framework, which they will agree with Government to improve outcomes in their places.

Just to give a sense of scale, even though the visitor levy does not have to be a big percentage on every night stayed in a city, in Edinburgh that is £50 million. Most combined authorities are at about £20 million a year in terms of their investment funds, so it is actually quite a sizeable amount of money, vis-à-vis the amount of money that mayoral combined authorities currently have that is flexibly used for them.

I would really support that as a first step in order to mature the model of devolution, and to really give the mayors the power and accountability that they actually seek and take. At the same time, we really need to see other moves forward in fiscal devolution, whether that is percentages of income tax or other of the major tax bands in future, but that needs to come hand in hand with accountability too.

Professor Copus: Zoë has just nicked my favourite example, which is a real problem. I don't think there is anybody sitting around this table that would have checked out of a hotel somewhere abroad, paid their hotel bill and then paid their municipal tax bill.

Q20 **Joe Powell:** Why do you think the Treasury or central Government have not?

Professor Copus: I am going to have to rely on my cynicism that Zoë pointed out earlier: I have to say I am not cynical by nature, just cynical by experience. I think it is because the centre does not want to let go of tax-raising powers. We are almost unique across the globe in that our local authorities—I know we are talking about combined authorities—have two major taxes available to them. In Belgium, for example, municipalities have something like 80 taxes that they can raise.

Q21 **Chair:** Did you say 80, as in eight zero?

Professor Copus: Yes, eight zero. They don't use them all and they set their own levels. You may go to some municipality in Belgium where the tourist tax is lower than the next one, but that is about those sorts of choices people make locally.

So, in answer to the question, there is a real fear of allowing units below the centre to have really fundamental tax-raising powers, and coupled with that, of course, are the spending powers that go with the ability to raise them.



If devolution is ever to be genuinely successful, we need to be looking abroad, and at models of other things by which local authorities can raise revenue; otherwise they are always going to be going cap-in-hand to the centre, which again is counter to what the spirit of devolution would be.

Dr Newman: I just wanted to raise one concern with fiscal devolution, which is spatial inequality: the places that are able to raise the most money are often the places that least need the money to spend on services. This is not a reason for not doing fiscal devolution but for thinking about fiscal devolution carefully, and in a strategic way that includes thought about the spatial distribution of resources in this country.

Therefore it is useful to distinguish between a complete freedom of authorities to raise or cut whatever taxes they want, and the idea that you have certain taxes where the revenue goes only to the local level, even if it is then redistributed. The latter allows you to protect the funding of local government without necessarily going down the route of driving further spatial inequality in what is already a very spatially unequal country by OECD standards.

Professor Copus: I don't disagree with that, by the way: the more councils are able to raise for themselves, the more resources that frees up centrally for the sorts of equality issues that Jack is talking about.

Q22 **Joe Powell:** If you look at where we are on an international standard, obviously we all know it is 5% or 6% of tax take. Do you think there should be a target for changing that? Could there be a metric for increasing that?

Professor Copus: That would be difficult to do, given the existing structure and the lack of clarity about where we want to move to. Once we decide what we do want to devolve, or what will be devolved in terms of fiscal freedoms, that is the point at which you can start to decide what the metrics are.

Again, there are a number of models across the globe where there is a shared tax take. So, for example, vehicle excise tax will be collected centrally, but part of that is exported to municipalities. So we do not necessarily have to have one body collecting the tax that just goes to itself; you can have a system where those tax takes are shared.

Zoë Billingham: May I just make one further point, Chair? It is an interesting idea of a tipping point—at what stage a regional leader is later held to account for the money they raise locally. At the moment, my sense of one of the Government's reasons for reluctance to allow for fiscal devolution, even a visitor's levy, was that they had made a strong pitch about not increasing taxes; but of course, if they gave the freedom to mayors to increase taxes, it should be politically on the mayors to then decide whether, politically, they want to raise those taxes and then take responsibility for that spend and that tax in that area. Until they see the



difference that that makes for the mayor politically and we reach that tipping point of responsibility, I think there will be a reluctance, because they will feel that any tax-raising decisions will be on the end of a dotted line back to the Government, as opposed to the responsibility of regional leadership.

Chair: Moving on swiftly to unitarisation.

Q23 **Mr Forster:** I want to talk about unitarisation and particularly risks around it. I recently asked Angela Rayner a question around what the risks are for vulnerable people when local governments are reorganising; how do the competing priorities of trying to meet the 1.5 million homes fit together? I would welcome your thoughts on this. What is the risk in your mind of reorganisation and unitarization? What can Government and councils do to mitigate that?

Dr Newman: I don't have strong views on unitarisation one way or the other, to be honest, so I will probably pass this to other panellists.

Joe Fyans: There is something about care markets and the provision of social care and making sure that services are uninterrupted if you are fragmenting county councils that currently do it. I am not an expert in social care provision, but that is something that obviously needs to be carefully looked at as you do the transitional process.

The point about housing and local plans is very well made, and how you continue to develop local plans on a burning platform could be a problem. At some point there may have to be a prioritisation made explicit by Government in terms of what we are focusing on here: are we focusing on our reorganisation or our planning? Because there is not a lot of capacity to go around at that district level. That is a concern, for sure.

Zoë Billingham: Yes, the estimates of the cost saving of unitarisation include the actual raw cost of doing the unitarisation itself. It is big organisational change and that carries both financial and operational risk to the services provided. As I say, the cost of doing the unitarisation, I hope, means that Government will help support local authorities through the transition; that will be absolutely essential to make sure that no essential services are inadvertently dropped during the process.

Professor Copus: There is a real risk to certain services; it is always a question of timing with these sorts of things. As Mr Forster pointed out, we now have a Government who have given some house building targets, for example, and targets in other areas of responsibility for local government. To expect local government to go through what will be a major upheaval—not quite on the scale of 1972, but not far off it—and at the same time meet all these additional pressures that are on them, is asking an awful lot of our local government.

I must admit, I do pick up on Zoë's point that sometimes the cost element of reorganisation is often woefully underestimated. There is a



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cost to reorganising: it is not a cost-free process. I have seen estimates of £20 million costs associated with reorganisation in each and every county area. That could then roll out over a number of years.

We hear an awful lot about the economies of scale, but the issue about diseconomies of scale is often missed from these discussions. We are already at the stage with some existing unitaries where the costs are not quite the savings that were promised. In fact, I will just throw this in: out of the new unitaries that were created since the report that the Government seem to be using as the basis for this half a million population, four are on the exceptional financial support list, one receiving something like £80 million, while the estimated savings from unitarisation were £20 million. If bigger is always better, why are they on that list?

Q24 Mr Forster: We were going to move on to finances and debts; that worked really well. The report that you are talking about is the PricewaterhouseCoopers report from 2020. That stated that savings over £2.9 billion could be made through unitarisation over five years.

I am tempted to ask if you agree; it sounds like you do not. I actually think you make a really good point about the costs of change: that is a concern. I would highlight that my area, which has been in 114 for some time, is a two-tier area, so I do not think you can say it is as simple as that. Is it that the councils that were chosen to go unitary had financial problems in the first place? Or trying to compare everything, are unitaries not making the savings they should?

Professor Copus: I suppose the answer to that question is, it depends on who you ask. If you ask the councils themselves and you ask a commissioned management consultancy, they will say, "Yes, we are." I am always sceptical, and I think you have to look a lot more closely at the sorts of costs that are being calculated and how they are being calculated.

In that particular report, one of the examples of economies of scale that was used was covid. I would argue very much that covid indicated the savings that district councils can bring to those sorts of emergency procedures. Districts were far closer to the vulnerable people requiring services. They knew their areas; they knew how to deliver and target services in a way that the larger an authority becomes, the more difficult that is.

I would point out as well that one of the councils on this list that I mention has a population over the magic figure of half a million. So I simply think that it is not always population that saves money.

I am not decrying the work that was done in that report, or PwC in any way, which is a well-respected, renowned organisation that does some good work for local government. But there is a timeframe involved as well, from 2020. We are now hitting a period where costs are increasing



anyway in an awful lot of services—social care, SEND, those sorts of areas. So I think the figures that were included in that particular report are not likely to be the ones—for all sorts of reasons that could not have been predicted at the time that that report was written.

Q25 **Maya Ellis:** Just a final specific question on debts and reserves of existing councils and how you think they should be treated when combining councils. The Minister for Local Government has been pushed on this a few times and has not given a clear answer. Where I am, in Lancashire, it is one of those things that actually, if it is factored in, could impact quite a lot on how different councils come together. Does anyone have any thoughts on how you would expect debts and reserves from existing councils to be treated if they come together?

Joe Fyans: I have nothing specifically, only to say that in certain parts of the country the debt is so high that I don't think there is much precedent for what happens if you put two public bodies together with those amounts; it is uncharted waters. I don't have a hard and fast answer to that question, but I would assume that we are going to need to know what you do with debts of the type that some local authorities have before we start getting too far down the road.

Dr Newman: Can I just say something very briefly about debts? One way not to respond to it is for central Government to go in and demand that the local authority cuts back on all its services, which seems to be a common response to local authorities going into debt and obviously has knock-on consequences further down the line. That is just one thing to avoid. I appreciate it is not a direct answer to the question.

Zoë Billingham: Again, a supplementary point in response to your question. Of course, the Government are planning to take a review of local government finance and recalibrate based on need. So hopefully that might address in the more medium term those authorities that have fewer reserves or greater levels of debt, in the sense that there has been a big lag between need and funding from central Government for a long time. So hopefully that will bring it back into balance, but what you do in the interim period is still an open question.

Chair: Thank you so much. You have given us a lot of food for thought that we will develop over the coming weeks on this really important area.

Examination of witnesses

Witnesses: Tracy Brabin, Councillor Louise Gittins, Councillor Bridget Smith and Councillor Tim Oliver OBE.

Q26 **Chair:** Welcome to the Housing, Communities and Local Government Committee. I am Florence Eshalomi, the Chair of the Committee. Could our guests introduce themselves for the record, please?



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Councillor Smith: I am the leader of South Cambridge District Council, a full member of the Cambridge and Peterborough Combined Authority and a vice chair of the District Councils' Network.

Councillor Gittins: I am the leader of Cheshire West and Chester Council but I am here in the capacity of the chair of the Local Government Association.

Tracy Brabin: I am the Mayor of West Yorkshire and I chair UK Mayors.

Councillor Oliver: I am the chair of the County Councils Network and the leader of Surrey County Council.

Q27 **Chair:** Can Committee members introduce themselves quickly, please?

Lewis Cocking: I am Member of Parliament for Broxbourne.

Lee Dillon: I am Member of Parliament for Newbury, a unitary councillor and town councillor.

Lewis Cocking: I am a councillor as well, sorry.

Will Forster: I am Member of Parliament for Woking. I have already made my declarations of interest.

Maya Ellis: I am Member of Parliament for Ribble Valley in Lancashire.

Naushabah Khan: I am Member of Parliament for Gillingham and Rainham.

Chris Curtis: I am Member of Parliament for Milton Keynes North.

Joe Powell: I am Member of Parliament for Kensington and Bayswater.

Chair: Thank you for coming before the Committee this morning. We are looking at and discussing English devolution on the back of the White Paper. We have a range of questions from Committee members. I will start with Maya.

Q28 **Maya Ellis:** I am going to ask the opener that we asked the previous panel: do you believe strategic authorities have currently been provided with enough powers from the Government to achieve full-scale devolution?

Tracy Brabin: Mayors are the key to growth. Up and down the country—whether that is the west of England, London, West Midlands, West Yorkshire, Manchester and up to the North East—we are innovating and delivering for our communities. It feels like this Government understand that and devolution, by default, is a gamechanger.

I know the Committee is aware that this is a once-in-a-generation moment to deliver better outcomes for people across the country, and to take power from the centre and give it to the people who—as this Government often mention—have skin in the game. I am really pleased



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with the way that we have been collaborating with Government and the way that civil servants have worked with mayoral combined authorities, but this is very much the beginning. When the White Paper was launched, the Secretary of State said it was the floor, not the ceiling of our ambition. There will be new mayoral combined authorities coming in as well as the really established combined authorities.

Can we go further? Yes, we can always go further, for example on innovation. The West Midlands, Greater Manchester and Glasgow have innovation funds. It would be great if it was rolled out across MCAs. The single settlement is good news. Those pillars of funding mean we no longer have to be in the begging bowl culture, the beauty contest, bidding wars, but we could have greater flexibility and freedoms with those pillars.

We have been talking with the Chancellor on fiscal devolution: for example, a visitor levy. That is something that is really of interest because it gives us an opportunity to be more self-sufficient. Another example would be more leadership when it comes to post-16, because currently mayors have responsibility post-19, so there is a gap and young people fall through the net. We think we can get better outcomes, get more young people into great jobs or technical education from 16.

Those are just a couple of examples but this is a really exciting time, not just for politics but for the country and the people across the country. You cannot grow the economy unless you grow the economy in the regions, and mayors are the key to that.

Councillor Gittins: Without repeating what Tracy has said, I would like to raise a few points for you to consider in your deliberations. While devolution is something local government has been asking for for a long time, so that decisions can be made in the local area, further clarity is required. For example, Tracy mentioned combined authorities that have been working together for many years, with almost a pick and mix of powers. We now have strategic authorities with a very clear list of what those powers are going to be.

We need a clear approach. What is a combined authority? What is a strategic authority? What is the difference between them and how are those powers going to sit between the two areas? It needs further clarity. Any devolution needs to be funded so that people can deliver at pace; that is clear in the messages coming from areas with devolved powers.

Although there are powers coming down, there are also powers going up from local authorities, so we need more clarity around planning, local skills, and other areas. What does that actually mean? How can local authorities contribute towards the development of policies that relate to those areas, bearing in mind the experience that they have had over the years? We need to have more clarity on any future powers that may go from local government up to strategic authority level.



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While all this is happening, we need to make sure that we are not derailing the missions the Government are trying to deliver, for example the 1.5 million houses. Local authorities up and down the country are delivering on those at the moment, so we need to make sure that, while we are sorting out devolution, those missions and that delivery are not derailed because we are looking for our devolution packages.

I think the answer to the question is not yes and not no. There is still a lot of work to do and we are already working with the Government in terms of what that looks like.

Councillor Smith: Key to this is fiscal devolution, including localisation of council tax. Colin spoke brilliantly earlier on what is devolution and what is decentralisation, and I am sure you will give it a lot of thought because what we are seeing is not really devolution. The idea that powers are going up is deeply concerning to me and most of my colleagues.

Councillor Oliver: I agree with much of what has been said. I believe this White Paper really does support the Government's drive for economic growth, which we know is absolutely essential for the country. We also know that a strong local economy drives healthier living. This proposed structure—with mayors having oversight of strategic growth, with strong unitary councils delivering the day-to-day services—gives us the best opportunity of supporting that agenda with the right sized and properly financed unitary authorities.

It is essential that the Government move on with this at pace, not least to provide certainty for staff and residents. Throughout, we must remember that we are here to deliver the best services we possibly can for our residents at the lowest possible cost. But it is not just about local government; this is a one-off opportunity to look at the coterminosity of other agency services—particularly around health, community safety, fire rescue and so on—to deliver those healthier outcomes for our residents and the wider determinants of health. It is not just about local government and we need to remember that this conversation should not just be about us.

Q29 **Joe Powell:** A quick follow-up question for Louise: London had the Greater London Authority Act 1999. One concern some of us have is that London risks being left behind because trailblazer deals are overtaking it, and we have this situation with the boroughs and the Mayor. Do you think there is a risk of London being left behind in terms of other deals that are happening?

Councillor Gittins: Yes, but we do welcome the proposal to review the Greater London Authority Act. From talking to London Councils, I know they are concerned that that could happen. However, we are confident that the Government will review it and make a better settlement going forward so that Greater London looks more like the rest of the country.

Chair: You need the powers Tracy has!



Tracy Brabin: To add to that, everybody in the country wants a healthy and growing London. It is our global front door, is it not? There are incredible opportunities for mayors to work collectively. One area in discussion is the procurement of EV buses. There are buses made in Yorkshire that are on the streets of London, but we are looking at bringing buses back into public control. We are in different parts of that process, but just think what we could do for UK manufacturing if we all came together and had that order book full of buses for London and elsewhere. We need London to thrive but we also want the rest of the country to have the same opportunities that Londoners have.

Chair: Moving on to integrated settlements and growth plans.

Q30 **Naushabah Khan:** This is a question for you again, Tracy. Do you think that the integrated settlements go far enough in consolidating funding?

Tracy Brabin: Thank you for that question. I was delighted that we were named as one of the mayoral combined authorities to get the integrated settlement. It is something I have been fighting for since I became the Mayor because—as you will remember—we have been in bidding wars. My success is someone else's failure and vice versa. Bidding for EV charging points, being in that beauty contest, seems absurd, so to have a single settlement is great.

The challenge for us now is that they are still in pillars, so transport cannot be used for housing or skills, and so on. What we are saying is, if you do really want devolution, give us the opportunity to teem and ladle where necessary. So if a housing project is ready to go, can we use a little of the funding that is still waiting for a green light elsewhere in order to get spades in the ground on that project?

One big challenge was in adult education, where we had five different funding streams, five different departments, different deadlines and different timetables. What we want is to get rid of that, but also to have the autonomy to be able to offer, for post-16, a line of sight to technical education and opportunities, and to be very responsive, in an agile way, to our business need, which someone in Whitehall or Westminster would not necessarily know about that need. For example, we are committed to spades in the ground on mass transit, our tram network, by 2028. We know we are going to need a pipeline of engineers and specialists so we can start the programme of learning now.

The same is true of Retrofit; we have a huge programme and need to train up a local workforce, so we need that autonomy. I would say, among mayors who are in newer mayoral combined authorities, the threshold of 18 months is a challenge. They believe that it is arbitrary, and we are talking to the Government. The Government are open to conversations—not necessarily the 18 months—about what thresholds they need for reassurance that you are ready for that single settlement. As it takes time to plan, it is always good for mayors to understand what the future looks like.



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Q31 Naushabah Khan: You have touched upon some of my other questions. In terms of that additional flexibility, to be clear, what would you and other combined authorities like to see over that funding? What additional flexibility do you think would be useful? You have already mentioned a couple of areas.

Tracy Brabin: Arm's length bodies. Whether that is AHRC, the Arts Council, or Innovate UK, we, as mayors, are the rocket fuel of innovation. We will not grow our economies unless we innovate. Homes England is another example. I know we are going to be working very closely with it, but is a close partnership the answer, or is it about devolving the monies to the mayors in order for them to work with their local authorities to deliver on housing?

We are in really good conversations with Government about how we make the White Paper and the Bill fit for whichever phase you are at as a mayoral combined authority. The appetite for devolution from the Secretary of State is great and I know the whole country will eventually have a Mayor or be on their journey. I think 90% of the north has a Mayor. Everybody is at a different phase but we have to have an eye on the future, not just on the present.

Q32 Naushabah Khan: Final question from me: in terms of receiving that flexible single pot of money in 2026, what impact does it have on your combined authority?

Tracy Brabin: It is huge, and it is a big step. Remember that, back in the day, we were a transport authority that dealt with buses. Now we have an ambitious programme of mass transit. We are bringing buses into public control and building thousands of affordable homes. We have a massive skills-for-all plan and a mission-led approach which is in parallel with Government. So we are ready. We are mature. We were a combined authority for years before being a mayoral combined authority, and we have really strong relationships with local authority leaders. So we are ready for it. Yes, it is going to be a big change, but that is what we need. Change is surely what this country needs, because we can't sit in the doldrums doing what we have always done.

Councillor Smith: May I just make one point? As somebody who is part of a combined authority, which is an improving combined authority, its success, I think, is built on the fact that all its councils are full constituent members; I think that is absolutely imperative. I believe it is the Manchester model, with those councils having about 250,000 population each. That is the way of linking the mayoral strategic authorities down to the communities to make sure that there is two-way communication, and that they are touching the lives of the people that they are representing.

Councillor Gittins: I think we still need greater clarity on the interaction between local government and the new strategic authorities on what role they will play, on the Greater Manchester model where council leaders have an area of responsibility, and the work Tracy is doing in West



Yorkshire. For example, Councillor Bev Craig, the leader of Manchester, leads on growth for the whole of the combined authority, working with those council leaders. We are placemakers at a local level and we just need to work through that in all the new areas that are coming on board. The combined authorities are set up in a slightly different way, so we need to learn from good practice and enable the new areas to see that good practice and move forward in a similar situation.

Q33 Chair: The IFS pointed out that all local authorities are still facing uncertainty. We have not had simplification of the single settlement, so we need to push the Government on that more.

Councillor Gittins: Should I say a few things about the financial—

Chair: We are going to come on to finances.

Tracy Brabin: May I jump in on the structure of the MCAs? In West Yorkshire, all leaders chair a committee. For example, Susan Hinchcliffe, leader of Bradford city council, chairs the transport committee. We have opposition members on our CA as well, so we are open to check and challenge. We have transparency: all papers are online and meetings are recorded live so people can see what is going on in their combined authority.

Councillor Oliver: I agree with Louise and others. The key is to have absolute clarity on where these different powers sit. In your previous session, you talked a little about double devolution, which I am sure we will come to. I would push back slightly on what Bridget said around district councils being closer to residents. The upper tier authority is the one delivering children and adult social care. We are in and out of people's homes on a daily basis. Indeed, they are in and out of our libraries on a daily basis. So I don't think that one councillor can claim to be closer or further away than another. At the end of the day, it is from the residents' perspective. Who do they turn to if a service is not being delivered? That public accountability and responsibility is what this Bill is trying to get at. You have a Mayor you go to when talking about strategic growth. So it is setting out an accountability framework that people can see.

Q34 Maya Ellis: One of the biggest challenges we face at the moment in our political landscape is that the everyday person on the street does not feel engaged or does not know how to engage with our political system. We debated in the previous panel the most effective way to do that. Does it depend on the size of the tier of government, how many resources they have, or is it the case that some are good at it and some are not? I wonder what you think the most effective way is of engaging local communities and stakeholders in this process.

Councillor Smith: One thing that really concerns me is that local government reform was not in the Government's manifesto. There is not actually a national mandate to be going through with it. Cancelling



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elections furthers that, because people are then not able to vote on something we are all dealing with to the exclusion of all else at the moment, and I gather there are currently no intentions to hold referendums on whether we all unitarise and what those unitary boundaries are going to be. Again, there is no public mandate.

Every referendum there has ever been on local government reorganisation has fallen. It has shown that people actually like the local government they have and they particularly like and trust districts. Now I know the ship has sailed on this and we are getting LGR, but we have to make sure that we don't lose what is best about what we currently have in local government.

There is hypocrisy at the moment in that it is the London boroughs and metropolitans—Manchester in particular—that are being held up as the exemplar, all of which have populations of 250,000 to 300,000. So, by insisting that the rest of us who currently are not unitarised—mainly rural areas—create these mega-councils of 500,000 actually singles us out, and does not treat us equally to those unitary authorities that are being held up by the exemplars.

The huge risk here is that you lose what is best in local government—you lose the local in it. People like me have to become professional politicians. I live in a village of 5,000 people. Everybody knows me. They all know where to come for help, and they come to me for help whether it is a district, a county, a health matter or whatever. I accept that part of my job is passporting my residents to where they need to go, and actually, me doing that quite often bumps them up the ladder so they get the attention they want because I know their local circumstances.

If we could look briefly at all the terrible riots we had recently, it was the local knowledge by local leaders, be it leaders or councillors, of their communities and the fact that their communities knew them, that actually took the heat out of an awful lot of situations that were very, very overheated. By increasing dramatically the number of people that we all represent—we are probably talking about 4,000 odd—I could potentially be responsible for 14 to 16 villages. I won't know them and they won't know me, and I won't be going to their parish councils and they won't like it when I don't.

Councillor Gittins: You can obviously see that this has generated a lot of discussion in local government. What I am clear about is that Government needs to provide clarity on some issues that local government is raising.

Going back to the question of who is best able to represent: I am a unitary authority, Tim is a county council and Bridget is a district council. We all came into this for the right reasons. We didn't come into this to be professional politicians or not to collaborate with our communities, so it is the ward councillors who are the most important. There is a lot of



concern and worry about what the future of local government might look like.

So my request to you is for the Government to provide clarity on things like the 500,000. Where has that arbitrary figure come from? All of us have come into local government for the right reason and we are in a situation where people are trying to play us off against one another, to say that they are a better councillor. Actually, we are all in it to do the very best for our communities. So the answer to your question is a ward councillor.

Q35 Will Forster: Following on from that, the manner in which local government reorganisation happens is really important. For those of you who have been on this journey, how do you think residents and key partners felt? How should we recommend improving that, going forward? Tim, as Surrey is about to go on that journey, Surrey county council tried to become a single unitary authority in 2020, and obviously it bid to be in the first wave this time. Is it fair to say that you haven't taken people with you? How do you think reorganisation can happen when organisations are at odds with each other?

Councillor Oliver: To your last point, we have taken the district and borough leaders along with us on this journey. There have been some constructive conversations around what unitary authorities in Surrey would look like.

I would make the point, to be fair to the Government, that it was in the Government's manifesto to pursue further devolution. The point of the local government reorganisation is simply to enable that mayoral devolution, so there is nothing inconsistent in the White Paper with what the Government promised they were going to do.

We have to look at this in terms of strategic services and those are best delivered at scale. Surrey county council has 1.2 million people. Many county councils are even bigger and they deliver those strategic services. It is absolutely right that there is that localism, that engagement, which could be done from a local government perspective through towns and parish councils, community forums, or indeed residents' associations. Many of us have very strong residents' associations in our areas. I represent about 12,000 people and I feel that I am fully engaged with them. In Surrey, there are 14 parish councils and many councillors engage with them perfectly well.

We have some good examples of unitary authorities including Cornwall, Buckinghamshire, Durham and Wiltshire, which are all over 500,000. From a district council's perspective, we are looking—in reorganisation terms—at consolidating existing services, planning departments, leisure departments and so on.

In the case of county councils, it is disaggregating social care services and so on. That has to be done really carefully, because if you split this



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down into two smaller segments, you will find that you potentially have the demand in one unitary authority and are raising the council tax in another. You actually have to look at how you split this. Five hundred thousand might be an arbitrary number, but it is based on all the evidence. I disagree with Professor Cope as all evidence suggests that you do then start to see efficiency in terms of finance and economies of scale.

Councillor Gittins: To answer your question, residents want to know who will empty the bins, who will provide adult social care, and who is there if they have an issue. They don't get het up about structures and layers. They want to have happy, healthy lives. Some lessons are really strong around communication and people working together.

Something we are trying to do within the Local Government Association is learn lessons from the most recent examples of unitarisation in North Yorkshire and Cumbria, and work with areas to enable them to go through the process in as simple and painless a method as they can, but it is really challenging. People are clearly very upset about all this, but by being focused on what it is we are trying to achieve ultimately, I am sure we will all get through.

- Q36 **Chris Curtis:** Lots of people bring up the size of 500,000. I come from a position of broadly agreeing with Tim. As far as I am aware, the 1.5 million for the combined authorities is not necessarily a statutory test like some other things are, so there will be flexibility around that. I cannot find it in my notes, but I assume that is the same for the 500,000. If you can come up with a compelling case for why it should be smaller or bigger, you can, and I am sure that will happen across the country. Is there any more clarity you are looking for from Government across that, or are you fairly confident as it is currently set out in the White Paper? If there is a good argument for having a smaller local authority of 250,000 to 300,000 people, you will be able to do that.

Councillor Gittins: That clarity is what we are calling for. I have been saying to people that if you have a compelling argument, you need to state it. Our view is that it is up to local places to determine the right size and fit for them, because local government know their areas better. I would ask for complete clarity on that 500,000 and the flexibilities within it.

Councillor Smith: If I could pick up on a point of Tim's, there is not an evidence base for the 500,000. Colin said he knew where the number had come from, and it would have been nice if he had shared that.

On strategic services, it is often the case that they are cheaper if delivered at scale; that is why so many of us have shared services. I have a shared waste service and a shared planning service, which is an award-winning planning service that Ministers Pennycook and Vallance have been spending a lot of time engaging with because of their



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ambitions for the Oxford-Cambridge Arc and supercharging the growth that that will have.

I have been working on a local plan jointly with Cambridge City for six years and it has cost millions to get it this far. The Government wants us to add an extra 150,000 houses to it. That is fine, and we are having constructive conversations with them. If I unite with Cambridge City, our numbers would be somewhere over 300,000. If I am forced to include another council to get me up to 500,000, I will have to throw that local plan in the bin and start all over again. That will have a serious impact on this Government's aspirations for growth in one of the key areas of biomed and knowledge-intensive industries because there will not be a local plan, and I will have to start all over again and call for sites for wet lab space and everything else. So there are unforeseen or unintended consequences for this, that I hope the Government will listen to.

Chair: We still have a few areas to cover, so could members and guests be shorter with responses?

Councillor Oliver: Could I clarify the number in the White Paper? The White Paper says a minimum of 500,000, but with exceptional circumstances. So where appropriate, because of geography or whatever, the Minister has said that he may move from that number, but equally he has said in the past not to 200,000 to 300,000, at that sort of level. That is the starting point in terms of the White Paper.

Q37 **Chris Curtis:** A similar question to one we had earlier. Are there any other fiscal powers that would be appropriate to devolve to local or combined authorities in the White Paper? Do you want to start, Louise?

Councillor Gittins: This is something we have called for for a long time. It is not going to help the immediate funding crisis that we have in local government. Tracy mentioned a tourist levy: the pressure that tourists—in a positive way—put on both the economy and service delivery. Some sort of tourist levy would be really helpful, and the ability to set taxes locally rather than nationally.

Tracy Brabin: Land value capture is something we are looking at quite closely, particularly when we are looking at a huge infrastructure project like mass transit; and business rate retention, where you can have thresholds that don't affect small SMEs but also can take some benefit from the growth you have created because of your investments and innovations—how can we make sure some of that money stays in our region. Finally, we are having conversations on whether we could have direct communication with the Treasury, rather than submitting our applications for spending to a Department. That was raised at a growth roundtable with the Chancellor and mayors. It is a new world, and at the moment it is slightly murky, but with collaboration and co-operation we can definitely get a model that is really exciting and will deliver growth across the whole country.



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Councillor Smith: We need the arbitrary cap on council tax removed because that will help some councils get out of debt. We need to have the freedom to raise licensing and planning fees to cover our costs. Tourist tax is a drop in the ocean. We tried to introduce it and it was voted down by those organisations that were going to have to levy it on our behalf.

Councillor Oliver: We need to be careful that local taxes are not a substitute for central sustainable funding for the key services. Giving some flexibility locally for innovative fiscal arrangements absolutely makes sense, particularly around those areas that are getting rewarded for driving economic growth. Whether it is business rate retention or some form of tax, it will really incentivise areas to get on with it.

Q38 **Chris Curtis:** A quick question to Louise. One issue on more fiscal devolution brought up in the previous panel was on inequality between regions. The other issue, which we did not speak about before, was the idea of creating favourable tax arrangements over here which can move certain organisations in and lowering the overall tax base across the country. Do you have concerns over either of those? If so, do you have any thoughts on how we might mitigate against them?

Councillor Gittins: What we have seen recently is the Government shifting funding to areas that have a very low council tax base, where they have a lot of band A and B properties, so potentially there could be some issues. The whole council tax discussion is probably a separate one. It would be great if one day we could sit down and come up with a more progressive version of council tax.

Chair: How long do you have?

Chris Curtis: I did promise the Chair it would be a quick question.

Councillor Gittins: There could be some inequalities there.

Chair: Moving on to unitarisation.

Q39 **Lewis Cocking:** I was mulling over in my head how to ask these types of questions because we have had the answers around size and the appropriateness of that. There have been different comments from different people. Tim, you think it should be 500,000 or more because of certain services that upper tier authorities deliver, such as adult social care, where benefits will not be realised if the authority is smaller. What is your view on giving the Mayor of that combined authority the adult social services and the children's services, so you remove them completely from councils? You could then get the fuller benefits, for example, on that wider footprint. What are your worries about breaking those up?

Councillor Oliver: It goes back to the division of responsibility. Tracy may have a different view, but the Mayor has a strategic role to drive growth and be the co-ordinator across the mayoral footprint. It is not the Mayor's role to deliver day-to-day services. If you are going to give the



Mayor responsibility for adult social care and children's services, you have to question what the sustainability of local councils is. There is a huge difference between what councils now deliver on a day-to-day basis and engagement with their communities, and what that role should be, going forward. Certainly, members of my county council and upper tier authorities would not support passing those responsibilities to the Mayor.

Tracy Brabin: To concur, we want strong local authorities that deliver those day-to-day services, whether that is libraries, snow clearance, refuse, adult social care, or children's services. This is what they do brilliantly. We are here in partnership to help them deliver and to be a voice for them to say to Government that they need sustainable long-term funding in order to prepare and plan for the future to deliver those services, and not have these cliff edges where they are often hanging by a thread, cannot recruit and so on. We are absolutely in partnership, but we have a different job to do as a metro Mayor. It is a strategic view of the whole region and is about growth, innovation and opportunity.

Q40 **Lewis Cocking:** Can I ask you a different question, Louise? Your area has been through unitarisation, albeit some time ago. My concern with unitarisation is, how do you get all of that economic growth in the place bit right—those powers that the districts currently have around economic growth, town centres and so on? The more town centres you put within a council area, the harder it becomes to learn those town centres and to know all the nuances. How does it work in your authority at the moment? Do you think you have got it right, or could you do better?

Councillor Gittins: It is an interesting question. It is a challenge because you want to make sure that it is done fairly across your patch. We have done really well with the economy in Cheshire West because HyNet is based there and it has just had £6 billion from Government. But balancing the different areas is a challenge.

We had a really ambitious regeneration programme that came out of covid in all of our main towns and our city as well. We started programmes. It is about working with your local councillors so that you can see the areas of need. Inclusive growth is really important. Sometimes I think smaller villages feel they have been left behind, so it is about having lots of balls and juggling them all, pretty much the same as a Mayor does but in a hyperlocal area. It can be done.

Q41 **Lewis Cocking:** Bridget, if I can ask you a slightly different question. Do you want to give us some views on planning? If you have a bigger authority, some people might say it is easier for the Government to force through lots more housing in different areas because the authority is bigger and you can put more housing together. Do you want to comment on any planning stuff around the process of going for unitarisation? You have already made some comments on the Government wanting to build 1.5 million homes; how is that going to happen through unitarisation?



Councillor Smith: A knowledge of and closeness to place is key to good placemaking. It is not just about building houses, because if the Government just wanted to build 1.5 million houses, they would be focusing on areas where land values are really low.

A lot of focus—I know from personal experience—is on an area where the land values are as high as London, because that is where the opportunity for economic growth is. There is no point in building houses that are not associated with jobs, so it has to be responding to the job market and emerging economies, particularly in the knowledge-intensive sectors.

If you are to get this right, you have to be able to work with organisations and smaller unitary authorities. I am being painted slightly as somebody who is fighting for the cause of district councils, which I am not doing. What I am doing is accepting that we are where we are, but fighting for the cause of smaller unitary authorities which maintain that connection to local place so that placemaking—when you are talking about thousands, if not tens of thousands of new houses—is acceptable to residents and responds to the needs of business.

We have heard a lot about judicial review recently—things getting tied up in judicial review. My current local plan has about 60,000 houses in it. We are involved in very amicable conversations with Government about going way over and beyond that, because we believe there is going to be an increased need. I don't quite accept the 150,000, but there is undoubtedly huge scope where we are. If you end up with these mammoth organisations, they will lose that ability.

If you think about the combined authority I have, there are three distinct economies: Greater Cambridge, which I am part of, Fenland, which is largely agricultural, and the Huntingdon area, which is a real mixture—much more than you see in the rest of the country. You have to have people who are specialists in their area's economy, and consequently know what the housing need is, so that you can build the right sort of houses in the right places, that will deliver but also work for our residents.

Chair: Did you want to come in, Lee?

Lee Dillon: No, it is fine. We can follow up.

Q42 **Chair:** I just wanted to ask you a final question, Tracy. What do you think the role of the Mayoral Council should be, going forward?

Tracy Brabin: The Mayoral Council is a great development. A few days after the election, the mayors were invited to No. 10 where there was a commitment that we would have the Council of the Nations and Regions. Obviously, that is different from the Mayoral Council. The Mayoral Council is chaired by the Deputy Prime Minister, which indicates a commitment to the mayors and is a real opportunity.



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I am basing my experience on two meetings, but we have an opportunity to roll up our sleeves and talk about the White Paper, and about how we are going to submit to the spending review, and talk to Ministers specifically about work, wellbeing, employment, and the expansion of responsibilities for mayors. We are able to get into the weeds of things that we want to achieve. It is a great opportunity to get all the mayors around the table. There are 12 currently, but there are many more coming on stream.

It is a great chance for us to share learning as well, so those mayors that are further along the journey and are more experienced can also support mayors who are newer. They also get access to the Deputy Prime Minister and the opportunity to state their case about the things concerning them. It is a great step in the right direction. To reiterate, the way this Government have approached it has been exemplary. We feel that we are on an exciting journey.

Councillor Oliver: We are also very pleased that the Deputy Prime Minister has set up the Local Government Leaders' Council to help reset the relationship between central and local government. What would be really good is to work out how the Leaders' Council can engage with the Mayoral Council as well.

Councillor Gittins: To build on that, the Leaders' Council has been really successful. It has given us an opportunity to start some in-depth discussions—or get into the weeds, as Tracy likes to say—about some really challenging areas that we are facing. It would be good to see how the interaction with the Mayoral Council is going to work.

Chair: Thank you all very much for coming this morning and opening up some really important discussions, which the Committee will continue to pursue.