House of Commons

Business and Trade Committee

Oral evidence: Industrial Strategy, HC 121

Tuesday 8 September 2026

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Watch the meeting

Members present: Liam Byrne (Chair); Antonia Bance; Chris Bloore; John Cooper; Sarah Edwards; Alison Griffiths; Leigh Ingham; Charlie Maynard; Mr Joshua Reynolds.

Questions 956 - 986

Witnesses

- Councillor Richard Wright, Deputy Chair of the Inclusive Growth Committee, Local Government Association and Leader, North Kesteven District Council;
- Richard Parker, Mayor of the West Midlands, West Midlands Combined Authority;
- Judith Barker, Executive Director, Place and Economy, Cambridgeshire and Peterborough Combined Authority;
- David Skaith, Mayor of York and North Yorkshire, York and North Yorkshire Combined Authority.

Examination of witnesses

Witnesses: Councillor Richard Wright, Richard Parker, Judith Barker and David Skaith.

Q956 **Chair:** Welcome to the third panel of today's Business and Trade Committee hearing on industrial policy. With this panel and the next, we are looking at devolution, which the new Prime Minister has put centre stage in his premiership. First, let me say to Mayor Richard Parker that we are especially grateful to you for joining us at what we know is an incredibly difficult and busy time in the light of the Jaguar Land Rover announcement of about 4,000 redundancies. Could you give the Committee your sense of what the wider impact is likely to be?

Richard Parker: Thank you very much. JLR is a very important business, with its global HQ in the west midlands, supporting tens of thousands of jobs directly and through the supply chain. I was made aware late on Friday evening that an announcement was due, and we had a very busy weekend speaking to a number of members of the Government. I spoke to Sharon Graham, general secretary of Unite, and had a private conversation with senior folks at JLR too, although at that time we did not have clarity about the precise announcement or the numbers that were mentioned yesterday.

Following those conversations, I spoke to the officials who work for me, particularly around the skills support agenda, and asked the combined authority to put together a package of support that we could make available when we had firmer news. We announced that package yesterday—half a million pounds—which I am really pleased about, because this is about doing as much as we can to help those people who may lose their jobs. There is still some uncertainty over the precise timing of the job losses and the skills of those who will lose their jobs, but I understand the aim of the business is that most will be through voluntary redundancy. Let's see how that evolves.

Our programme of support is largely about doing as much as we can to retain highly skilled workers in the west midlands. There is enormous demand for the sort of skills that JLR's senior people have, not just through the automotive industry, which is still substantial in the west midlands, but through the defence and aerospace sectors. Many of the businesses that I have met in recent months that have decided to locate or relocate to the west midlands have done so because of the skills ecosystem around advanced engineering and manufacturing that we have here. Our priority at the moment is doing as much as we can to ensure that those who lose their job can be matched to other opportunities in the region.

Q957 **Chair:** At this stage, do you think there will be a knock-on impact on the JLR supply chain, or is it too early to tell?

Richard Parker: It is too early to tell, but based on conversations I have had—I have gone beyond political conversations, to those who understand the sector—this is all about JLR protecting production levels and making production more efficient. It is not taking capacity out of its production line; it is around some R&D positions—so I am hopeful.

Q958 **Chair:** That may augur well for the supply chain.

Richard Parker: Indeed. I am hopeful and optimistic that, by doing this, JLR is protecting production, its supply chain and the jobs that are related to businesses in the supply chain. That is really important, because half the jobs in the automotive sector in the west midlands are part of the JLR supply chain, and those jobs stretch from Coventry through Birmingham and up into the heart of the Black Country. That is where we are at the moment. I hope that position will crystallise, although every job lost is one we need to replace. If the work that JLR is doing to protect the supply chain will protect production levels, that is very welcome.

Q959 **Chair:** You have mobilised half a million pounds already, yesterday. Is that enough? Are you prepared to go further if more is needed?

Richard Parker: Frankly, if more is needed, we need to go further. We put together an emergency package that is supported by quite a lot of work, and I am very grateful to the team for the work they did for me over the weekend on that. More discussions will have to take place with the Business Secretary and the Secretary of State for Work and Pensions if further support is needed.

The precise nature of the support will depend on how many are ultimately involved and their skill levels. At the bare minimum, we must be matching current skilled job opportunities in the region with the workers who may lose their jobs at JLR. That is the immediate priority.

Q960 **Chair:** Right now, are you getting what you need from Ministers?

Richard Parker: At the moment, I think we have made the first move. We wanted to demonstrate that the mayoralty could be responsive, agile, incisive and decisive. My priority over the weekend was to support those jobs and particularly the families that will be affected. I think over the course of the next week or so, further discussions will need to take place with Ministers. At that point I will probably be better able to say whether we are able to work effectively with Government to get the support in place that we need. Current conversations with the unions—particularly Sharon Graham at Unite—and with Ministers have been positive.

Q961 **Chair:** Are you able to tell at this stage whether there are wider lessons to learn from this shock about the way in which we set about reindustrialising the country? Jaguar Land Rover, from what I can make out, have put their finger on everything from the cyber-attacks to the quotas in the United States. Others have highlighted the very fast growth in over-subsidised Chinese competition. This Committee has obviously highlighted the challenge of super-high energy costs in the past. We know there are skills challenges too. Is it too early to tell what some of the broader lessons might be?

Richard Parker: It is too early to go through the academic analysis, but the comments you have made and those made by JLR would certainly support the case in respect of China. I have been to China twice over the last 12 months. The scale of their investment and the pace with which they are moving cars from conceptual design into delivery is rapid, often twice as fast as we can do in the UK. As for other pressures, we know that JLR were particularly damaged by the tariff situation particularly in the US, and undermined by the cyber-attack. The wider geopolitical uncertainty is also affecting them. They are doing all they can do now to secure the future. I think it does raise some lessons or some questions about what work the Government here can do to protect businesses in the best way, so they can get through and survive, in a very resilient way, some of the challenges, particularly geopolitical challenges, currently facing many advanced manufacturing and automotive businesses that work at scale.

Chair: I want to broaden this out to ask about growth plans, but anything further on JLR at this stage?

Antonia Bance: Not from me.

Q962 **Chair:** David Skaith, thanks very much indeed for joining us. As I said at the top, the Prime Minister has put some emphasis on a grand plan for devolution, but it has to be devolution for something, a local growth plan. Can you give us a sense of what you think a good local growth plan looks like? What is it that you, as the mayor, need to put things like that together?

David Skaith: From our perspective, the clue is really in the title: it has to be local and represent the local needs and demands of each area. Each area having a local growth plan really sets that out, because each area has unique challenges as well as unique opportunities. An area like ours is very strong in rail innovation, bio-industry, food, farming and agritech, and these are things that we can really highlight and push forward on. Other areas of the country may not have those as their key growth sectors, but for us they are really vital.

The other piece that adds on to that is getting wider buy-in as well, so from industry experts, universities, colleges and training providers as well. Having that wider buy-in is really going to add weight behind what we are trying to do in the region, because you are going to get many more organisations, pillars and people pushing in the same direction. Whatever we want to do around our local growth plan—growing sectors such as rail innovation, for example—we need the colleges, training providers and universities on that same page, because we need the workforce that is going to come through that. It is about getting that shared vision and buy-in.

Certainly in our conversations with Government, they have emphasised the importance of having that wider buy-in from academia, businesses and the big sectors behind us as well, so that it doesn't look like we are just going off and leading on this piece of work ourselves. Having that stronger buy-in from those other areas has been critical for us.

A point around newer combined authorities like mine, which is just over two years old now, is that areas like ours have not traditionally been represented through devolution. Devolution has been born out of the big city areas—London, Manchester, Birmingham, Liverpool and so on. Now having smaller and more rural and coastal areas like mine represented is the direction devolution is going. Areas like ours, which may not traditionally have expertise in finance, insurance or whatever, can offer something different. For us, this comes back to food and farming, bio-industries and anything to do with offshore. We can now present those sectors and how we can grow them as well.

Q963 **Chair:** So in a sense, it is about leveraging your comparative advantages, but also leveraging the assets and, in particular, the institutions that you have locally.

David Skaith: Yes. When we were coming up with our local growth plan, there wasn't really anything shocking in there. The fact that we are very strong in food and farming, for example, struck no one as unusual. We have over 7,000 farms in York and North Yorkshire. We have a very strong food system. We have places like Fera Science, the University of York and Askham Bryan College, which do loads of work around crop resilience, green jobs and food and farming. They are industry specialists. Also in York and North Yorkshire, we have the highest concentration of food manufacturing businesses. Food manufacturing is the largest manufacturing sector in the country, and we have huge food manufacturers like Nestlé, McCain and Taylors in our patch as well, so for us to present that as one of our growth areas was not going to be unusual to anyone, but it is harnessing and leveraging the strengths we have in our region.

Q964 **Chair:** That is incredibly useful and is going to help us tease out a question that is to come. Judith Barker, you were nodding while listening to Mayor Skaith.

Judith Barker: Yes, absolutely. Like York and North Yorkshire, Cambridgeshire and Peterborough is a rural area with real diversity within it. That is one of the important things to remember. Within our local growth plan, we have the exceptional growth around Cambridge and life science and deep tech, but we also have some real challenges and some very diverse industries—again, agritech and food production, as well as advanced manufacturing based in Peterborough. One of the really important things that the local growth plans need to do is pick up that diversity and make that distinctive offer that is relevant to different places.

One of the things that our local growth plan does is consider the sectors that are going to drive growth across Cambridgeshire and Peterborough. There are six of the eight within the national industrial strategy. In addition to that, we are looking at how those play in place. We have four opportunity zones—Peterborough, Global Cambridge, the Fens and North Huntingdon—and we are asking, "How does the local growth plan come together in those places and how do we make growth happen there?" That is a combination of the places, those relevant sectors and the infrastructure we need to enable that growth to happen.

Q965 **Chair:** Do you agree with the basic analysis that David Skaith has given us about what a local growth plan needs to unlock?

Judith Barker *indicated assent.*

Q966 **Chair:** Okay. Councillor Wright, help us to think about non-mayoral areas, which cover, as we know, quite a significant part of the country. How are you wrestling with this dilemma?

Councillor Wright: Well, we are wrestling, because obviously the formal growth plans are for mayoral strategic authorities. What we are saying is that growth is not just in a mayoral area. Local authorities have been the drivers of growth for quite a considerable time. We know our areas. We do not need to be in a mayoral strategic area, although that can help. It is a different sort of formal plan. We do not want other areas to lose out. With what is happening with devolution at the moment—a different pace in different parts of the country—we don't see it as right that there should be a concentration just on mayoral strategic authorities. Actually, growth should be allowed elsewhere, and other areas need to be considered because they are very good at it.

Q967 **Chair:** What is the risk that we are running here by not thinking about that?

Councillor Wright: Areas being left behind. If we look only to certain areas—

Q968 **Chair:** About 40% of England is not covered by mayoral strategic authorities.

Councillor Wright: Exactly, and we do not know when we will have the universal coverage that the Government foresee. We do not want growth to stall in that time. We have some very good areas that are really performing. I am thinking of places like Bristol, which has managed to bring £500 million of investment into its area over time. Coventry and Warwickshire brought 53 different foreign direct investments in 2023-24. Investment is taking place; growth is taking place. We want to make sure that it is not stifled because it is looked at only in a certain context—certain formal plans. We need to make sure that the whole country is given the ability and the authorisation to grow.

Q969 **Chair:** Are you confident that is going to come?

Councillor Wright: We are confident if people are given the opportunity. It is about not pigeonholing as well, because quite often growth is looked at in terms of major infrastructure or seen as being in urban areas. I represent a rural area of Lincolnshire, yet one of my biggest growth industries is defence. I chaired a meeting for the LGA this year at the conference, and for 50 minutes out of an hour, three areas talked about rural economies, and we didn't get round to agriculture till the last 10 minutes. Rural does not just mean farmyards or agricultural businesses. It means that actually we have economies that are very diverse.

Q970 **Chair:** Mayor Parker, you are obviously further down the road than many colleagues. What do you think that a local growth plan needs to look good?

Richard Parker: First, consistent with David, it is about how we build on our competitive strengths as a region to drive growth and prosperity. Then, of course, ensuring that we bring together the necessary assets and investment to drive it. The sectors we are focusing on in the west midlands are the ones that have traditionally driven our economy—advanced manufacturing and engineering.

We are also looking to the future. We are moving from the everyday to the future day, and looking at life sciences, digital and tech and creative industries, where I am very pleased that the latest data suggests we are the fastest growing region in the country. That is fantastic.

It is about how we knit together that holy trinity of factors that drive growth. That means investing in skills so we get better-paid jobs. Those better-paid jobs improve productivity. That drives our regional competitiveness. When we get that right, it of course drives investment, which drives growth. Those are the things that we really focus on.

We need to move quicker. We need to be braver. We need to be bolder. Given the global situation we have referred to, I plan to be—and Government needs to be—fearless, not reckless, in approach. We need to back some winners. We need to be entrepreneurial, and we need to be decisive.

We need to move a lot more quickly. The pace of change and the development in technology in countries that are now competing with us for economic space is such that we need to move a lot quicker. Devolution and the role of mayors are a key attribute to delivering that rapidity.

Q971 **Antonia Bance:** We are just over a year into having an industrial strategy for the country again. That is something that many of us have called for for a very long time. I want to understand what difference having an industrial strategy makes to you in the work that you do in your region or area. Obviously, Richard speaks for the LGA, so I would also like to know how it works for the non-mayoral areas as well. Richard, we will start with you. How does the industrial strategy help you deliver what you need to do in the west midlands?

Richard Parker: First, on its own it is a big statement about the priorities for the country and the sectors that are going to drive our growth and prosperity. That message, both within the UK and across our businesses and internationally, is really important. It is a really clear statement about not just where we see our competitive strengths in the future, but where we want to build them.

The bit that is really important is how we dovetail our regional approach to growth with what the Government are seeking to do. I am really pleased that the key areas where we have competitive strength across our whole region are really closely aligned to the Government's approach.

That drives investment. It drives a relationship with our universities and R&D. It also gives us a clear platform to go forward on. I have made some big decisions recently about investing in creative industries to drive growth there. That is supported by funds from DCMS. The approach that we are taking to investing the very generous sums that the Government have given us on transport is now going to be driven by our platform that we want to create for growth.

What it is doing is unifying. It is giving us a very legitimate way to unify our approach to skills, investing in transport and housing, and around our growth priorities and where we want that growth to be. It is also a great mechanism for convening partners we need to work with on the growth agenda. Convening is a very important role of the mayors.

There is a great example in Coventry, where we have GreenPower Park—a centre to support battery production. That is an agreement between the combined authority and two local authorities, but we are working very closely with our university partners and the sector on how we create or attract the investment that we want to drive our economy forward. Having all those key partners coalescing around a clear sense of priority and purpose is necessary, but would have been difficult unless we had the clarity and purpose set out in both the Government's industrial strategy and our own regional growth plan.

Q972 **Antonia Bance:** Same question for you, David. How does the industrial strategy help you to deliver growth in York and North Yorkshire?

David Skaith: To pick up on Richard's point, it is about the direction of travel, confidence and a strong message from Government. As soon as the Government started pressing on with the industrial strategy and there were announcements, the confidence that we got from businesses and universities and those relationships really helped to support us because they saw a strong direction of travel.

One cautionary note I would sound is that we should make sure that the two speak together. At the time, it felt that, because industrial strategy was being created almost at the same time as our local growth plans, we should make sure that they spoke together and areas did not just go after a certain sector because there was potential investment in it, even though it might not be a strong sector in that area. That is not something that I am necessarily saying any area went after, but it is a cautionary tale regarding making sure that the local growth plan does represent your local area's strengths and opportunity and has alignment with your sectors, areas of strength, skill strategy and everything else.

We should make sure that people do not just suddenly shoehorn a certain area into their growth plan because it fits a national message, even though that might not be an area of strength. There is a slight cautionary element there and we should make sure that we go after what we are good at, rather than going after the money pot. Going back to one of the earlier points, each area will have its areas of strength. We are not going to start chasing car manufacturing in York and North Yorkshire because, compared with what Richard can do, it is just not an area of strength of ours. You have to hold to what you are strong on in your area and not get led down the path of thinking that the industrial strategy is saying this, therefore your growth plan needs to say that too.

Q973 **Antonia Bance:** Judith, does the industrial strategy help you?

Judith Barker: Absolutely, and I will give you a couple of different examples to demonstrate that. In terms of our work, it has allowed us to identify six key sectors, then, as people have described, work with the chamber on the local skills improvement strategy to ensure that the universities, training providers and colleges are all aligned in delivering what those sectors need. That it has felt like a national-local collaboration has empowered those discussions, and that has allowed us to develop a refreshed business board, which is critical as a voice going to the mayor.

The other thing it has allowed us to do is to knit things together and join the dots between them. One of the key things is that with the strategic transport authority, we have been able to look at strategic transport work alongside the work of the local growth plan and think about how those things fit together. For instance, our Tiger pass allows travel for £1 for people under 25 across Cambridgeshire and Peterborough. It has allowed people to reach training, jobs and employment opportunities and perhaps go to places that they would not have otherwise in order to realise those opportunities. It has allowed us collaboration with national Government which has demonstrated to stakeholders how committed we are both nationally and locally. It has also allowed us to bring in other areas of business to focus on growth.

Chair: We are running slightly behind time, so I am going to come to Mr Reynolds.

Q974 **Mr Reynolds:** David, obviously the Government are going to be devolving many more services out to the regions over the next few years. What should be the Government's priorities when it comes to devolving services? What services do you want to see them devolve to you?

David Skaith: In terms of business services and support, we find that some of it is slightly fragmented. If you look at the Innovate UK support as an example, there is a lot of great support there around the early stage of business development and that start-up type element. However, we are finding that a lot of that then drops off quite quickly before it becomes a very commercialised element.

In York and North Yorkshire, we have lost a few businesses that have looked elsewhere financially—actually, they looked overseas. For us, it is not necessarily always about devolving more funding; it is about having those levers and the whole process of supporting a business throughout, not just at that very early incubator start-up phase. It is a question of what levers we can have in terms of building packages and support processes right the way through the development of that business.

Again, an area like ours, which has a very strong link to the university, has a very strong sector of small microbusinesses. Something like 98% of businesses in York and North Yorkshire are small microbusinesses employing fewer than 10 or 15 people. We are very good at that. What we need is support for that next stage, and how we then harness and keep those businesses in that phase to grow and stay in a place such as York and North Yorkshire. If not, we will continue to lose them, either to areas that have much deeper pockets in terms of funding, which again gets drawn into the big urban areas, or elsewhere—they do actually leave the region.

We are looking to rewire how our growth hub delivers services so there is much more of a conveyor belt of support along the journey. That means looking at how we can support a small microbusiness at that phase, but also how we can support that business into that growth and spin-out element as well. That will help to harness and keep those businesses in the region, particularly the ones that are aligned to our growth plan, because that is where we want to see that growth come from.

It is more about the whole process through the business as it develops. It is not necessarily just a funding ask, because we know there is only so much funding around. It is that whole process and support that currently has not been devolved.

I will touch on one of the points raised earlier about how some areas are much more established, because it may seem like they get more support, or are much more established in being able to develop their plans and ideas while other areas might be left behind. Before my area gained established status, only a few months back, we were missing out on funding pots in and around these kinds of funding elements to support businesses. Now that we have established status, we will hopefully be around that table. We will be able to get further funding packages to be able to support those businesses long term.

Q975 **Chair:** What other powers do you need? When we had Mr Burnham in this position last year, he launched a vicious attack on the Department for Education and demanded the devolution of radically more education funding, so feel free to ruthlessly attack any member of the Cabinet at this stage.

Richard Parker: There is a big ambition. I think the new Prime Minister is committed to this. The post-16 skills agenda is really important. It is important, because we need to use every pound of that funding really effectively. We have the enormous challenge of NEETs, not just in the west midlands, but elsewhere. We let down too many of our young people in two ways. Too many leave school without basic qualifications. We often then put them into training courses that do not result in jobs. We have to bring that together far more effectively. That means mayors, training providers, colleges and employers working more quickly.

Q976 **Chair:** I am so old that I am now on my seventh round of three-year DWP funding in Hodge Hill, which has failed to move unemployment at all. Are you saying that you would like to be able to break out of that?

Richard Parker: Absolutely, and to be braver. I went to a fantastic skills hub that we put together with the DWP and University College Birmingham in Chelmsley Wood, where we took a college course for catering and developing chef skills and hospitality into a shopping centre in order to reach into part of the community that we previously had not reached. We need to do more of that stuff. We need to get closer to those communities if we are going to address this problem, and we need the resource to do some of that differently.

So my answer is: absolutely, we have to do things differently because, as you said, Chair, we have spent a lot of money on this—billions of pounds—and have not turned the dial at all. This issue is now one of the biggest challenges that we face, certainly in the west midlands. It is blighting the lives of millions of our young people.

I would also like HCA funding—the housing fund—devolved to the region. That is because I would like to drive housing development more quickly in places like Friar Park in Tipton and Wednesbury and other places. Again, we can use those resources in a more agile way.

It is not just about using those resources; it is delivering them more quickly. There is a multiplier model of two and a half times the economic benefit when we spend a pound. When we spend £1 billion, it is a lot of money going into our regional economies.

Building on where we started this conversation, we need to look again at some of the funds that the Department for Business, Innovation, Science and Trade has put together for programme support in the car industry, particularly the DRIVE35 programme. It is not just me who believes that there is now a case for having those funds devolved. The model around them—the paradigm—is too narrow. The money is not being spent.

It is not just me saying that; it is every part of the automotive supply chain, including JLR, who I believe will be writing in ahead of the Chancellor's autumn statement on that issue. We need to think more radically about some of the funds that are locked up in Government Departments. Some of them are not getting where they need to get to at all, and some are certainly not getting there fast enough.

Q977 **Chair:** That is incredibly helpful. Judith, very quickly, do you have anything to add?

Judith Barker: I would just add a plea for consistency between Government Departments, so that devolution feels and looks the same for us, as the recipients. I also ask for capacity for the devolved authorities to be able to manage some of these challenges.

Q978 **Sarah Edwards:** Richard, it is good to see you.

Richard Parker: And you.

Sarah Edwards: I am interested in what you were saying about housing. That was for the whole of the combined authority, but Tamworth is a non-voting constituent, so you also have the ability to build houses in our area and look at some of our challenges with that.

I am interested in what I am hearing from the industry. I chair the APPG for SME house builders, and I hear from them a lot about the challenges with viability, particularly north of London. The midlands is doing okay. I also hear about the problem that a lot of the plcs seem to be doing share buy-backs and are not seeing building houses as worthy of their business. How are you approaching some of these challenges? I know that you have a housing taskforce—Cornerstone Partnership, in my patch, is one of those members—and that is great, but how do you think you can overcome the challenge of wanting to build houses when the financial situation and the economy are telling a very different story?

Richard Parker: First, the use of Homes England money in our region will help. That will help us to underpin lots of developments, de-risk them and deliver the social and affordable homes that the west midlands, my region, needs. If we do that, we start investing, creating jobs, getting the 12,000 apprentices we are funding in the construction industry into work and building that confidence back—no doubt about that.

We also need schemes that are mixed use. That will drive the private sector homes too. My taskforce is, by the way, also looking at other products that we might deliver locally to attract and support home ownership for young people. I am confident that we can do that, but it is difficult to do that unless I have a greater stake and say in the way that Homes England's funds are being used. Even in one fairly small part of the geography I represent, where we have created a mayoral development corporation, we are planning 20,000 homes. That is in the centre of Birmingham. We need Government support to do it. We have the investors already. We could just do with some additional funding.

On your constituency, although it is outside mine, I am looking at the process of building new economic investment relationships with our non-constituent boroughs, including Tamworth, because people do not run their lives according to administrative boundaries. Many people in Tamworth commute to the west midlands for work and vice versa. I want a far closer economic relationship with the surrounding authorities, because that is good for growth. I do not want to exclude people in Tamworth from benefiting from the growth we want to create. Indeed, the west midlands needs the homes to be built, and many of those homes can be built beyond the boundaries of the west midlands themselves.

Chair: Let's touch quickly on money.

Q979 **Antonia Bance:** If you are granted the power to retain local tax revenues, does that not risk making rich regions richer while leaving poorer areas further behind? Judith, I imagine that this is pretty live in your area. I would appreciate your thoughts.

Judith Barker: Absolutely. Our mayor is very much engaged in the discussions about how the devolution of business rates, income tax and so on would work. We understand that that will include some equalisation measures. That clearly needs to be considered and thought out. We recognise that there are some challenges.

We also recognise that, within our area, we have considerable deprivation as well. There are some very deprived wards within Cambridge and within the fens and Peterborough and so on. We need to make sure that we allow all the businesses and communities of Cambridgeshire and Peterborough to benefit from the growth.

We also need to recognise that, if businesses are able to invest in Cambridge and around Cambridgeshire and Peterborough, and if that generates growth for UK plc, that is a very good thing for the tax revenues and the ability to equalise economic growth across the country. We are really committed to working with Government to find solutions that assist our economy to grow as well as the wider community and the wider UK.

Q980 **Antonia Bance:** I am going to assume that mayoral colleagues also believe that there would need to be some sort of equalisation measure to even things out, but I am going to ask Councillor Wright for views on tax devolution.

Councillor Wright: Growth doesn't stop on lines—people move across local authority lines, and so does growth. The mechanism that was used last year, which was redistribution of business rates, was rather crude and did not really achieve what it was meant to, because that money was never ringfenced when it went out and was redistributed. Therefore, there is no incentive for areas such as mine that have generated growth to carry on doing that, if we have lost out on the money you normally invest back into that growth, which will grow into the next area—it will generate confidence.

We have to be very careful. When we are looking at distribution schemes, and redistribution and equalisation, we have to make sure that it is not counterproductive. Just because one area is seen as having deprivation and another is not, that does not mean that you will encourage growth by just giving the money directly to the deprived area. It doesn't work that way. We all know this: if people are going to invest, they need investor confidence and they need to know that the right facilities will be there for them to grow. We need to be very careful about that. It is not just a very clear "deprived area/rich area" issue. That is not how we work and not how employment growth works.

Going forward, this needs to be co-produced with local areas. I do not agree that just saying, "We're going to top-slice that money away from that area," will do anything at all for a deprived area, unless it is invested correctly. We need to make sure that the Government strategy is correct on this, and it needs to be rethought, based on what took place last year.

Q981 **Leigh Ingham:** Councillor Wright, I am going to speak to you directly, if that is okay. I represent an area that is not a mayoralty, as do others on the panel. Earlier we talked about NEETs. It is interesting that one of the worst areas in the country for NEETs, Blackpool—which is not represented by a mayoralty either—would not be eligible for a lot of the funding that has been announced for skills and NEETs. That means that we are currently unable to tackle the biggest problem we have got, as you have identified, in the worst affected place in the country. You also mentioned the funding for local tax-raising powers and how some of that can be kept. How do you ensure that areas that have previously been left behind or really let down by Governments historically, but which are not covered by a mayoralty, will not fall further behind those that currently are?

The other example I wanted to speak to quickly is Stoke. I don't represent Stoke—I represent Stafford—but Stoke are desperate to build houses. They don't have a housing corporation because they are not represented by a mayoralty. Again, we are going to see areas that cannot proceed, against areas that do have mayoralties. What is the LGA advising Government to do in those cases, where you can see stark examples where you could have a left-behind area due to Government policy?

Councillor Wright: One thing to say is: trust in local government. We work together. We do not need to be forced to join; we do not always need a formal framework to do that. I do not know of any council leader who ever wants to see another council area stay deprived or lose out on funding. That is how we work.

I work in a rural area. We have different areas of deprivation, so we work together to make sure we equalise that out. That is the way forward, and that is the way it has to be. We need some of those devolved powers and some of that trust from Government. I am in a mayoral area now, but other parts of the country are not. It doesn't always need to be a mayoral area to be able to work with universities or jobcentres to do that; in fact, it isn't, and we are seeing that in other parts of the country.

With regard to house building, again, it is not just about the deprivation in the area. We need Government to unlock the levers along with the barriers. We need to get the infrastructure providers to actually provide infrastructure. I know an area where there should be a developer building out a sustainable urban extension that was asked to wait for a year for drinking water. They got on site, blocked out the ground—no meeting, no phone call or letter in the post: "By the way, we're going to delay your drinking water for another year." That business case is destroyed. It doesn't matter whether that is a deprived area or an affluent area; that is what we are facing at the moment. Those are some of the barriers to house building. As I say, it does not matter which part of the country you are living in, we are now seeing this across great swathes of the country, so that needs to be unlocked.

Chair: The message sounds like "Powers for all".

Q982 **Leigh Ingham:** Yes. Are you decoupling those powers? You don't think they need to be attached to a mayoralty or a combined authority? Is the

LGA's message that it can be any authority?

Councillor Wright: We recognise that there are strengths in mayoral authorities, but we need to make sure the other areas that are not going to see that for a while do not lose out. How do we make sure we provide some of those powers? It would not be on the same level, because we understand the Government's drive for mayoral authorities, but it has to unlock some of those powers for everybody, because otherwise we will have huge parts of the country just sat waiting. Saying that we are waiting for a strategic authority to arrive and start acting on growth or dealing with deprivation, joblessness or a lack of housing is a ridiculous situation to be in, so we need to make sure that the areas outside strategic areas are given the powers to be able to deal with that.

Q983 **Leigh Ingham:** An interim measure, then? An interim package of powers?

Councillor Wright *indicated assent.*

Chair: Super quickly, let's ask you about No. 10 North, this new start-up.

Q984 **Mr Reynolds:** How should Whitehall better co-ordinate with mayoral areas and local authorities to deliver growth? Judith, do you want to very quickly start us off?

Chair: We are well over time, so just give us a short, punchy answer.

Judith Barker: I will be very quick. I think it is about understanding that all regions are different, both in terms of capability and capacity and the issues that we face. I think it is about not pitching regions one against the other so that there is a competition; it is about building partnerships between them. Finally, it is the discussion that we have been having about strategic partnerships with organisations like Homes England and the National Wealth Fund, and allowing those relationships to develop.

Q985 **Chair:** It is early days, but how is it going?

Judith Barker: Our relationship with Homes England has really strengthened over the last two years. It is transformational in terms of what we have been able to do.

Q986 **Chair:** I meant over the last 49 days. Has there been a change of tone yet?

Judith Barker: Yes, absolutely. Day one of established mayoral status, the conversation changed. Very positive.

David Skaith: For me, what we have seen—and it does need to continue—is a marked change in the last few weeks, months or so. It is that cross-departmental working. We touched on a couple of things there. It is our ability to build houses—not necessarily the ability to physically build the houses, but the infrastructure, skills, and all the different pieces that come together. It is getting Government Departments to work much more strongly across Departments, so things are not being blocked by one Department because one area is saying yes and one area is saying no. We have seen a marked difference in that in the last few weeks, where those Government Departments are speaking much better together.

When we are talking about growth, each area is about growth. Housing is also a growth agenda. If we are building houses, that is creating jobs and it is creating places for people to live and stay in your region. All Government Departments are understanding their role in growth, but they are speaking together more. We have seen a marked difference in that.

Chair: It sounds quite hopeful, but as we know, it is the hope that kills you.

Councillor Wright: If we are to see a change of strategy, with No. 10 North being outside the London area, to understand other parts of the country, we see that as beneficial, but they still have to understand the local areas. They need the trust in local authorities to deliver. They need to understand that it is okay having powers in Whitehall and moving them to No. 10 North, but those powers need to be devolved out. We need to move away from the parent-child scenario of Whitehall and local government to understand that we should actually be co-producers of policy. That is the only way we are going to deliver. It will not work if we have just created another Whitehall but in Manchester.

Richard Parker: I have said this before. It felt until 49 days ago or so that as mayors, wanting more devolution and taking the case for that to the Government, we were a couple of laps ahead of where the Government were at the time. Since then, frankly, we are playing catch-up, which is good. It is moving fast. It is a very different set-up and a very different mindset. Today, I would do nothing but applaud them. In fact, No. 10 North are visiting me tomorrow. I think it is also very encouraging that they are not just sitting where they are, but they are also getting about to better understand what we need to do.

Chair: Thank you so much. This is an agenda that is very dear to our hearts. It is something that we will pursue, and we are very grateful for your helping us to ask the right questions of Ministers. It is Ministers to whom we turn now.