



Select Committee on Public Services

Oral evidence: "Levelling up" and public services

Wednesday 10 March 2021

4 pm

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Members present: Baroness Armstrong of Hill Top (The Chair); Lord Bichard; Lord Bourne of Aberystwyth; Lord Davies of Gower; Lord Filkin; Lord Hogan-Howe; Lord Hunt of Kings Heath; Baroness Pinnock; Baroness Pitkeathley; Baroness Tyler of Enfield; Baroness Wyld; Lord Young of Cookham.

Evidence Session No. 4

Virtual Proceeding

Questions 22 - 28

Witnesses

I: Rt Hon Andy Burnham, Mayor of Greater Manchester; Councillor Susan Hinchcliffe, Leader of City of Bradford Metropolitan District Council; Councillor Barry Lewis, Leader of Derbyshire County Council.

Examination of witnesses

Andy Burnham, Councillor Susan Hinchcliffe and Councillor Barry Lewis.

The Chair: Good afternoon. We are now entering into the second session where we are talking to elected representatives from local government and, hopefully, the combined authority. We have already in the meeting Councillor Susan Hinchcliffe, who is from Bradford and Chair of the West Yorkshire Combined Authority, and we have Councillor Barry Lewis, who is Leader of Derbyshire County Council. We are expecting Andy Burnham, who is the directly elected mayor in Greater Manchester. He was in another event and will join us when he can.

However, I want to ask my colleagues to begin questioning and I will first turn to Baroness Tyler.

Q22 **Baroness Tyler of Enfield:** Could I start by declaring an interest? I am a commissioner on the Financial Inclusion Commission and I am also president of the Money Advice Trust.

I am sure we were all listening avidly to the announcements in the Budget last week and those that have particular relevance to the levelling-up agenda. They did seem to focus primarily on physical infrastructure and workplace training, but during this inquiry we have heard how important it will be to improve education and health outcomes to secure the well-paid and productive jobs that we are looking for in all areas of the country.

I am particularly interested in the issue of how levelling up can tackle health inequalities and some of the shocking disparities in life expectancy in different bits of the country, and, indeed, any links that you might see with the recent White Paper on health and social care. Could you set out two or three main areas that you think should be the real priorities for levelling up?

Councillor Susan Hinchcliffe: I am here as leader of Bradford, chair of West Yorkshire, but also representing the Local Government Association today, because I am on their city regions board. My views will try to encompass all local authorities.

With regard to levelling up and health inequalities, there is a real opportunity here, because it is the right issue to tackle. Covid has shown us that the health inequalities in this country are vast and that we have to do something about them. They have always been there, but they have never been more visible. It is absolutely the right intention. The question is how you do it.

You are right that there is a lot of talk about capital infrastructure, but social infrastructure is also important. There is the skills agenda, for example. I want to see a lot more money going into skills across the country, but let us not undersell the capital. I represent Bradford. I feel that people have had worse lives and died earlier than they should have done for want of being on a mainline train line. That requires significant capital infrastructure investment. I would not want to sell us short in the

north or in the country by saying, "It now needs to shift to social. Don't worry about the capital". There is a huge amount of capital infrastructure that needs spending to really level up and to narrow some of those health inequalities that we have all seen in the past.

As to how you do it—I would say that, wouldn't I?—devolution is a big part of that. I believe that better outcomes are delivered the closer to the people whom you represent, which means devolution to combined authorities. From there, it means devolving to local authorities, and from there, bearing in mind your last conversation, devolving to the community sector and voluntary sector at local level. It means all layers of government being confident enough to do the right thing at their level and to devolve the right decisions to the right level.

However, we need confident leadership in this country at a national, regional, local and community level. For that, we all need to be clear where we stand and what the right rules of subsidiarity are. We need to be really clear about that.

Baroness Tyler of Enfield: Do you have two or three issues that you think are absolutely pivotal to levelling up, or will they be different in different parts of the country?

Councillor Susan Hinchcliffe: The LGA's view is that you cannot have a one size fits all. It is very different things in different areas. West Yorkshire, for example, has 2.3 million people. It is five big metropolitan authorities. You have some very rural places and coastal areas that may have a different approach to devolution. Regardless of your solution, though, it will always be about devolving responsibilities and funding to the lowest level where those decisions impact the people that are affected most, and that needs significant money devolving.

Talking about which elements need tackling to achieve that, transport, skills and culture are the three things that I talk about frequently. If you get those three things right, you can get a place out of poverty. If you get them wrong, you are going to be in for generations of poverty. Transport, skills and culture are my big three.

Councillor Barry Lewis: From our perspective, we are a county, so we have a combination of urban and rural. In that sense, it is a very different set of demographics that we are dealing with in many ways. In Derbyshire, we are not talking about a devolution deal that would cover just a county, but three counties and three cities.

We are looking at exploring something like the East Midlands Combined Authority-type idea. In that thinking, the three key things for us are transport inequalities across the piece. In some deeply rural areas, you will be naturally disadvantaged from being able to access decent transport and getting to jobs and employment opportunities. That is quite a critical one for us.

The other one, even at a basic level, is that there is a need to think about mapping where our employers are versus where our employees are likely to be. If we are tackling the skills, apprenticeships and all these sorts of big questions, are we matching all that up right on a geographical basis? More particularly, if we are trying to transform our economy and we are talking about the Prime Minister's green revolution, we are changing the economy both rurally and within our cities and so on.

There is a big piece of work there in thinking about how we make that critical change in our local economies and what key sets of skills we need. Do we have the right skills even in further education and higher education places to be able to offer that? If we are thinking about low-carbon housing in the future, it will be a critical element of how we change our local economies and will require all kinds of other change.

Devolution is critical for this, because it has to impact on planning and all sorts of things. We are doing something in Derbyshire at the minute called Vision Derbyshire, which is working with our districts and boroughs as equals to tackle some of these big questions and big issues. It is a partnership, cross-party approach. It is working really well at the moment. It is critical in that conversation. It is only just now that we are really beginning to get to grips with some of these bigger topics. I would say that skills will still be quite important in that changing economic picture. They would be my big three.

Baroness Tyler of Enfield: Thank you for being so specific and giving us the rural perspective as well. That was really helpful.

Andy, I do not know whether you were online when I asked the question. Would you like to me to repeat it?

Andy Burnham: I heard it, Baroness Tyler. I just caught the question.

Baroness Tyler of Enfield: That is excellent. I would be particularly interested to hear from you on the issue of health inequalities and what links you think there might be between the new health White Paper and the levelling-up agenda.

Andy Burnham: Thank you. It is a really important question. My apologies, Chair and everybody, for being a little late.

Professor Sir Michael Marmot answered your question on the eve of the pandemic in February last year when the 10-year update review of his report as Health Secretary in February 2010 was published. He demonstrated even before the pandemic that life expectancy in England had stalled for the first time in a century since the 1900s, and it had gone backwards particularly among women in parts of the north of England. He pointed to a number of things, but, to answer your question, two stand out.

I absolutely agree with Barry and Susan about skills and transport, but I would say that there are two that are even more fundamental. They are work and housing, in particular. You cannot level up anywhere unless

people have good housing. If people do not have the foundation of a home behind them, which does not damage their health, I do not see how you can level up anywhere.

The reason why work is linked to it is this. If you look at the places that have struggled the most—we have struggled, and it is fair to say that parts of West Yorkshire and East Lancashire have struggled—where there has been a stubbornly high reservoir of cases and infections all the way through, it is the toxic combination of insecure work where people are not supported to self-isolate because they fear they will not have enough money, they will be sacked or they will be made redundant while they are isolating. That means that their work does not allow them to protect their health even in non-pandemic times.

When you add their housing situation to that, you have a real problem. People in insecure work spend a lot of time worrying about their housing if they are in private rented accommodation, because they fear eviction if they cannot pay the rent. Even before the pandemic, a Health Foundation study found that 20% of British adults say that their housing damages their health. I would probably argue that some of that is possibly physical health, or maybe their mental health, because of the insecurity of the whole package of what they are living with.

Michael Marmot gave us a premonition of what has happened then. He pointed to areas where health was going backwards, and those areas have suffered most during the pandemic. By definition, levelling up needs to start now in the areas where the infection rate and the death rate have been highest. The death rate is two-and-a-half times higher in parts of the north than it is in parts of the south-east.

You start with a good work agenda. You start with housing improvement and retrofitting to make homes safer and cheaper to run, improving people's living standards as well as the skills and transport that Susan and Barry spoke of. What matters are the foundations. If you want to level something up, you have to do it on top of firm foundations. The firm foundation that everybody needs in life is good housing that promotes your health rather than damages your health.

I would say to this committee: look at Finland, where they have a national philosophy of housing first. Give all citizens good housing, and from that you create the conditions for success, for health, and for people getting on in life. If you do not give people the foundation of good housing, you create the conditions for crisis and the use of public services, because people do not have a basic level of stability in their life, and they do not have a home situation that builds their health.

As for the new arrangements in the White Paper, I like a lot of what is in it. I think it is going in the right direction. I would advocate, as I am sure Susan and Barry would, for considerable public health and local government involvement in integrated care systems, because you have got to look at these wider determinants of health as part of the system.

Looking at health as a narrow treatment system will not build health in the communities that have been most damaged over the last 12 months.

Baroness Tyler of Enfield: I would love to probe further, but I know that other colleagues have questions to ask. Thank you very much, all three of you.

Q23 **The Chair:** Welcome, Andy. I am just reminding colleagues that there might be a vote fairly soon. We have improved since your day, Andy. We can now do that online.

Can I ask the next question, which is about the criteria that the Government are using for levelling up? In each of the three funds, the towns fund, the levelling-up fund and the UK shared prosperity fund, we have been looking at and thinking about whether the right criteria are attached to these funds to tackle how levelling up will take, because these are the funds that bring additional investment into the areas. It is about the criteria for assessing additional government money.

Councillor Susan Hinchcliffe: You make a really significant point. All three funds are different. They have different criteria. They are not very transparent but a bit opaque. It is very difficult to see the rationale behind them. They are also all centralised. We all have to bid into them, which is frustrating for somebody like me- who is chair of a combined authority, who believes in devolution as the best way to do the levelling up.

Locally in Bradford, but in the region as well, we have an economic recovery plan. We know exactly what we need to do to recover our economy. We know how much money we want to spend on skills, health tech, culture and transport. Every area in the country needs to have a constructive conversation with government saying, "This is our plan", not just for the next two or three years, but for the next 15 or 20 years, because this is a whole-scale economic change we need to bring about in our country. This is the plan that we need to do. We need a long-term investment plan, with government saying, "This is what we are going to deliver". These short-term funds based on different criteria are very difficult to plan for, are expensive to bid into, and do not make the long-lasting change that we all want to see.

Councillor Barry Lewis: I will add my tuppence worth on that particular topic, which is quite pertinent. In Derbyshire, we have two towns that will be in receipt of the towns fund: Staveley just outside Chesterfield, and Clay Cross in North East Derbyshire. We welcome those funds.

In the category one of the levelling-up fund, we have a number of areas in Derbyshire that will be targeted by that, but I take on board the point raised by Susan about the commitment of time and energy into going into these schemes. They have to have them pretty much oven-ready. That is quite a challenge for a lot of local authorities. However, I am sure that we will rise to that challenge.

The conversation that needs to happen between local authorities such as Derbyshire and the districts and boroughs within Derbyshire and government needs to be a little bit more joined up so that there is a clearer understanding of how deliverable some of these projects are.

We welcome the investment. As I say, it is pretty critical stuff. From my perspective, these are areas that have not seen this scale and nature of investment for a very long time indeed, so it is most welcome, but we need to think ahead a little bit better and do a bit more joined-up thinking. Devolution will help that necessarily. Maybe it is because we are not a devolved area that we are not able to access that, but it is important. We have that capacity to deliver, but it will take a lot of work on our part and within our local authorities in Derbyshire to be able to deliver that in the timely fashion that is required as part of these schemes. I wanted to make that point. I think that is important.

The Chair: Thank you. Andy?

Andy Burnham: Chair, you are asking the critical question. As far as we know what the criteria are—we are all guessing, because they have not been formally published—we can only conclude that the answer to your question is no, definitely not. We do not have the right criteria here. We have spent the week in the north-west scratching our heads, basically about how the funding was allocated last week and how some of the funding decisions were made. Let me illustrate the point.

You mentioned the shared prosperity fund. I think they are calling it the community renewal fund. The Merseyside region, the Liverpool City region, of long standing was the biggest beneficiary of European funds in England by a long way. Under the criteria, six of the seven boroughs in the Liverpool City region are not classed as priority one for that fund; only St Helens is. However, we find that Norwich, Herefordshire and Newark are all priority one for that fund. I would be hard-pressed to see how you could justify that and not include Knowsley, Halton and Liverpool.

Your committee's inquiry is very well timed and very important, because it is saying that levelling up should be needs-led and not politics-led. I do not think you can see in the allocations from last week that it was needs-led.

I will give you another example. Salford was not put into category one for either levelling-up funding or community renewal funding. Canterbury is priority one for levelling-up funding. Can any member of the committee put forward a plausible justification for how Salford cannot be category one but Canterbury is priority one for levelling-up funding? In the absence of the Government's criteria, you can only assume what has happened here. My team reckons that it has prioritised access to services. It has prioritised rurality over deprivation. If we are looking at true need and harm and where communities are furthest behind in their health, clearly the funding is not getting to the right place at all.

On the back of the Budget, levelling up is losing its way, because it is becoming quite divisive already, and it starts to feel politicised to me. In Greater Manchester, four of our boroughs have priority one access to the community renewal fund, but six do not. How do we explain that? Greater Manchester has similar needs in all 10 of our boroughs.

It is unclear, Chair. We can only assume that, no, there are not the correct criteria here. Levelling up surely has to be needs-led and deprivation-led. That really should be the guiding first principle of this. When we look at some of the funding given out last week, some of the towns fund was for the renewal of paving, the restoration of a town hall, the building of toilets. I am not saying that these things are not important. They are important. Ten or 15 years ago, local government would have been able to do this for itself anyway, because it would have had the money to do this without having to bid to a levelling-up fund or a towns fund. The point here is that people are now having to bid for stuff that, going back a long time ago, they would have been able to do for themselves anyway. The shattering of the local government finance base is also the issue here that needs to be looked at alongside all these funds.

I would not say that it has lost its way, but it is in danger of losing its way. Levelling up could unify the country coming out of the pandemic, because it really is the right theme for the times that we are living through. If it becomes a sense of Whitehall handpicking winners and losers on the back of criteria that do not look fair, levelling up will lose support.

The Chair: Thank you, Andy. I am really tempted to keep pushing on this, but it would not be responsible of me. I have to move on to colleagues. Lord Young will ask the next question.

Q24 **Lord Young of Cookham:** Can I take you back to the answers you gave to the first question from Claire Tyler, who asked what your three main areas for levelling up were, what the priorities were? Susan, you said transport, skills and culture. Andy said work and housing, and then added health. There was no overlap at all. This underlines what we were told by the first panel, who said that what you really needed to do was to measure the satisfaction of local citizens or well-being, as one of them put it. This will vary from area to area.

Given that the Government generally want to level up, how do we design, deliver and then measure a strategy that recognises the differences that you have just told us exist in what you think are the most important things for your area?

Councillor Susan Hinchcliffe: Andy and I were saying exactly the same thing. I know we said different subjects, but without better transport, without better skills, and without a better cultural offer, we do not get better housing, we do not get better jobs, and we do not get better health. They are all interlinked.

I have thought about this a lot. I know that land values are quite low in some parts of our region in West Yorkshire. If transport does not get in

there, they will always be low, so I will never be able to get a developer to build housing in an area of low land value. We need the land value to be higher, so transport helps me do that. Everything is interlinked.

When we talk about measuring, going back to your question about inequalities, in Bradford, for example, a woman lives to about 81.6 years, but she spends about 23 years of her life in ill health. If you think about that, when you are in your late 50s or 60s, you will pretty much be ill for the rest of your life. That is startling. It means that that person cannot work as long as they would like to. They might not be able to look after their family. They may be in poor housing and cannot afford a better house, and all those things. I would judge the criteria's success not based on satisfaction but based on healthy life expectancy. I have said this a lot.

The classic economic models always measure success based on GVA and productivity. It is all very useful, but what it does not show you is whether that economic success has been spread among the most people. Inevitably, looking at the last 10, 20, or 30 years, that success has not been spread evenly. By all means measure those things, but the principal driver to show whether we are making a difference should be healthy life expectancy. That gap in our country and in our regions and cities, in fact, between people who are less wealthy and people who are wealthy is 10 years' life expectancy in many places. We should be really ashamed of that in this country.

I would choose healthy life expectancy. All the other things are useful, but let us focus on that and see how we are doing on that in 10 years' time. That requires massive structural investment on all the things that we have talked about. We need to be brave enough as a country to say that we are good enough to invest in ourselves to solve that.

Lord Young of Cookham: Andy, you have been on both sides of this conversation. How would you, in government, draw up a levelling-up strategy against the background of what we have just heard?

Andy Burnham: I would strongly agree with what Susan just said about healthy life expectancy. That is the clearest single indicator that I would use to show that an area is being levelled up if people are having longer, healthier and hopefully happier lives.

How would I draw up a strategy? Obviously, it would be about improving the security of people's work. It would be about housing improvements starting in the places that have been hardest hit by the pandemic.

I also want to echo Susan's point, Lord Young, which is how you cannot necessarily say it is these things and nothing else is related. Transport is related to good work, as Susan said. In our part of the world, Greater Manchester, or in West Yorkshire, it is the same. A single bus journey can cost people over £4. It is £1.50 in London. If you have public transport that costs that much, you limit people's ability to access good work, because often they are restricted in how far they can travel. Here, if you

get off a bus and then get on a train, you pay again as a new customer. It is not like London where there is an integrated, capped system. Public transport is very expensive in the English regions outside London, because it is not integrated, and it is in itself more expensive than all the individual modes.

We are bringing forward soon a plan for a London-style public transport system in Greater Manchester where we are putting forward a vision of integrated public transport with a daily cap of the kind that London has. You cannot separate that from the ability of people to access opportunity but also to access good work opportunities.

It is a plan that is about work, housing, transport and skills. That is a levelling-up strategy. I will finish by saying: and devolve it. You cannot level up this country top down from the postcode in which many of you are all sitting right now. You just cannot do it. I was in a government that tried to do that. We had a housing renewal pathfinder in Greater Manchester, East Lancashire and West Yorkshire that failed, because it tried to tell people from hundreds of miles away what their communities should look like. You have to level up bottom-up. That is the way I would do it. You set out what you want to achieve, you trust people at local level, you devolve the funding, and then you let people design the homes, the transport systems and the skills systems that will enable communities to thrive and improve.

Dictating it from on high will fail. That is the problem with what came out last week. It is the tyranny of the Whitehall bidding culture where everyone has to go on bended knee with a begging bowl. It slows delivery. It is wasteful of public expense. I would set out clearly what we want areas to do and what we want them to prioritise, but then, for goodness' sake, devolve funding over a long-term basis to let them get on and develop a long-term plan to level up.

Lord Young of Cookham: Barry, do you have any insight into this?

Councillor Barry Lewis: I do. Thank you, Lord Young. I agree with Andy's final point that it cannot be done from London. It needs that local input. The local councils will know their local areas best. That is the level where we need to start thinking about how we devolve that money and those responsibilities for delivering. For me, some of the most critical aspects of this are that you create the right conditions for skills, for employment, quality jobs and on, and they need to be the key planks on which everything else is built.

Touching on that point about transport, subsidising transport in county areas in particular is an expensive exercise. We are talking about £4 bus fares. In my part of the world, that would be considered cheap in the grand scheme of things. We can be spending huge amounts of money on subsidising single fares in the past. We have been looking at £15 per subsidised person on a route. That is not sustainable. We have to think about how we do that as well.

For me—I mentioned this quite early on—it is about mapping and understanding where deprivation is in counties like Derbyshire. Rural deprivation exists in pockets even in the most affluent parts of our county areas. It is amplified by the fact that property prices there are likely to be the highest.

The people who are the poorest in those particular communities will be the most difficult to reach that we have to deal with in county councils. There is a real need to address that deep rurality and the pockets of deprivation that exist there. As I say, it is about putting the necessary infrastructure in place in a county like mine in Derbyshire to make sure that we can get people around, who can access all those opportunities, and that the right housing conditions fall into place following that. It is all about addressing those key things to do with education, skills and employment in our rural areas and our towns. On the east side of the county, we have also particular issues that need to be addressed. That conversation has to be had at the local level, which is how we will do the levelling most effectively.

Lord Young of Cookham: Thank you very much.

The Chair: Thank you for that. Those are very interesting points. I now come to Lord Bichard to ask the next question.

Q25 **Lord Bichard:** The first part of the question is whether you thought that devolution was key to levelling up. I do not really think I need to ask that, because, not surprisingly, all three of you think it is critical.

The second part of the question was: why? I am not sure I need to ask that either, because you have given us very good answers to that too, but I cannot miss this opportunity with three such eminent local representatives here to move on to how you think we could achieve a breakthrough on devolution.

Councillor Hinchcliffe was involved in the APPG report on devolution. I read through it and I thought this was a great exposition yet again on why devolution is important and what the barriers are to devolution, but I did not feel that I found out how we would move from where we are, which is in a rut, to something that all three of you would like to achieve.

How do we avoid getting into another 10 years of discussion about structures, governance, fiscal autonomy, taxes and politics, which is probably the easiest of those to resolve? How do you think we can move on from where we are to the kind of world that you have described and clearly would want us to move to?

Councillor Susan Hinchcliffe: That is a very good question. We need a bit more time to discuss that in detail. The short-termism of our parliamentary democracy does not help, I have to say. The nature of party politics is that there is an election every four or five years, so everybody wants short-term wins all the time rather than doing long-term planning. Devolution requires long-term planning, and it requires cross-party agreement on the core objectives you need to achieve.

Some of it is up to us. Andy in Manchester was the first devolved mayoral combined authority. Everybody is watching to see what difference that has made over time. We need to show the difference we have been able to make within the constraints, accepting that it is not the same kind of devolution as the nations have in Scotland and Wales. Some of it is us proving that. Some of it is down to confident political leadership with vision at all levels, which is what I said at the outset.

It needs a Prime Minister and a Government who have a vision for the country and are confident enough that it is important enough to surpass party politics and work with regional leaders to achieve what people need. We are at a crucial point in our history as a nation in that we are now out of Europe. Post-Brexit, what kind of a country do we want to be? I genuinely think that that conversation has not been explored properly yet, and that national, regional and local governments should decide together what kind of a nation we want to be and what each of the separate parts of achieving that are. Let us work together to deliver it, because the nation needs us to come together now to tell them how it can work and to deliver us healthy life expectancy changes that I have said I wanted to see.

Lord Bichard: Before I ask Andy the same question, your answer begs the question as to how confident you are that we are going to achieve what you have set out—the political will, in other words.

Councillor Susan Hinchcliffe: I speak from West Yorkshire, which is in the fortunate position of just having signed a devolution deal on about 16 March last year. We have come to our first anniversary. We were the last devo deal to get over the line with a mayor who will be elected in May. I speak from a positive point of view in that we have achieved a deal and we have sat down with the Chancellor to sign that off. I know there will be other areas of the country that envy our position having achieved that deal. It is a deal worth £1.8 billion over 30 years. I am very pleased and very proud of having negotiated that deal with government. I have a positive experience of that.

Of course, Covid has had a scarring impact on all levels of government, and there will be some readdressing of priorities and how people feel about the world after it. Depending on which area of the country you talk to, they may have a different view about how positive the Government are about devolution. I am sure Barry and Andy from their respective areas will have their own personal experiences to tell.

Lord Bichard: Andy, what is your key to unlock this logjam?

Andy Burnham: That is a really good question, Lord Bichard. I was in Westminster when we had Labour's attempt at devolution. I was quite an enthusiastic supporter. I remember Hilary was as well. It was yes for the north-east and then we were yes for the north-west. We were meant to be the next one to go. When the north-east had successfully gained its independence, we were lined up and raring to go. I remember struggling sometimes to persuade some of my PLP colleagues to get involved.

The problem is that there is a sense in Westminster and Whitehall that people will be diminished if they agree to devolution, I am afraid. That is the bottom line, is it not? All their status and their importance will be diminished. That is an uncomfortable thing, but that is the fact, I am afraid. That is why, if I am honest, the Government that Hilary and I were in were way too lukewarm about it. People did not enthusiastically make the case, and we should have done and did not. That is the issue. So how do you get over that?

We are in changed circumstances, because we have a Government whose political mission is to level up the country. They began with the Prime Minister's speech in Manchester in July 2019. It was a great speech, I will say, because it was compelling in its ambition for the north and the devolution to deliver it. Everyone in the audience was saying, "We can sign up to that". The Conservative Party has latched on to the theme of levelling up. It is the most potent political theme I have ever known in my time in politics, if they are serious about it. It will hit them hard if they are not, because they will get a backlash from having given a false promise.

The answer to your question, Michael, is that wise voices like yours on this committee need to say to them that they should stick with the approach that they have put out in the Budget—what Lord Kerslake would describe as Whitehall peashooter policies. I do not know if you have ever heard his phrase, but I love it. We all know what they are, and you will certainly know what they are, having been in that environment with gimmicky policies.

If we carry on with that and with manipulated lists of towns that will get a bit of funding, it will not level up the country. If you scatter it in the way they did last week, you will not get the strategic investment that links towns to towns, towns to cities, cities to cities, which was the original George Osborne vision. That levels up. Scattering bits and bobs around in a bidding process does not level up.

The question is: do this Government really want to achieve their political mission of levelling up the most neglected parts of the country? If they do, they will have to engage the full capacity of committed people in city regions like ours who are raring to go.

Something else in the Budget last week that was really depressing for a lot of people was the sidelining of the industrial strategy. This was going to be the guiding light for everybody a few years ago. We all did a massive amount of work on local industrial strategies. We have plans that we are really proud of. Andy Street, in the West Midlands, has a plan that he feels the same about. They were quietly shunted away last week and sidelined. I just think the Government are really misunderstanding this. The best thing they could do now is to get those industrial strategies and put the devolved funds behind them to kick-start and galvanise the economy coming out of the pandemic, but they have done precisely the opposite.

If I can say this, there is an inexperience among some in the Cabinet at the moment who think that it can all be done from Whitehall. They will be making a major political mistake if they carry on in that way. I would be the first to admit, in my ministerial career, that it took me a time to realise I could not run everything, and you have to rely on people within the system.

You could use the same argument about Test and Trace. They absolutely should have relied on local authorities and people within the local health teams, but did not. That was a mistake, and you can see the consequences of that mistake.

That is a microcosm of how this goes wrong when you try to centralise everything. You have to galvanise the capacity at local and regional level. That is what will achieve the political mission of levelling up. If you try to do it all from where they are, it will fail, so the Government will ultimately fail on what is meant to be their core defining mission.

That is the best answer I can give to you, Lord Bichard. The change of the situation we are now in is that we have a governing party that said that this is its defining mission. They cannot achieve it all on their own from ministerial positions. They need partners in the regions to help them do it. We are ready to be a willing partner with them to work outside party politics to level up Greater Manchester, but we feel that they are retreating from that at the moment.

Councillor Barry Lewis: For me, it is about clarity: being clear about the Government's long-term objective for devolution as well as being ambitious for it; letting us know the ultimate outcome which the Government want for devolution in England; and setting it out clearly in the new White Paper that is coming, whenever that is, and being clear about what it is that they want.

One of the most difficult things that we as local authorities are going through at the moment is not having clarity or clear understanding of devolution. We know it is coming. We all feel it. We know what it is likely to look like, but it is not very clearly set out as a path, as a journey for us, as local authorities. The big question that haunts a lot of local authorities is whether local government reform is involved as part of that process. Inevitably, it sounds like it is, but it is not something that the Government are ever very clear on. If you ask the question, you never get a clear answer as part of that.

As I mentioned earlier, we are approaching this from a unique perspective and doing non-structural reform in Derbyshire, but we do not know if that will fly on this point. We are trying it. We are working together as local authorities in the hope that it will, so that, ultimately, when we get to the point of that White Paper, we are prepared for whatever may come on the day that the White Paper hits the doormat, so to speak. It is very important that we work through all those particular issues locally. Local authorities need that kind of assurance.

When you have a levelling-up agenda and you are rolling it out across the country, you do not want that lack of understanding, that lack of clarity in local authorities, which will ultimately hinder getting the good outcomes that you want for local residents. You want clarity. You want to know what devolution is going to look like. For me, the big thing here is clarity, setting out the Government's vision for devolution across England.

The Chair: I will bring in Baroness Wyld now.

Q26 **Baroness Wyld:** I have a question for Andy, which I wanted to ask in the last session but I could not get in. Picking up on your point about not being Whitehall-down and local solutions, you may remember that you gave a very good solution the last time in health visiting, the data you had managed to grip and how that had an impact on public health. Did you feel a responsibility, and were you able to take that success and thread it beyond the area that you are directly responsible for? If so, how? If you did not, how might we spread that success?

Andy Burnham: Thank you, Baroness Wyld. We absolutely could share this. We think it has been a real success. It came out of a body called the Greater Manchester Reform Board, which is unique. I may have said this last time we met. It brings together all the public services in Greater Manchester but with the voluntary and community sector as well. We have set city region missions through the reform board. One was on school readiness. Another was on the life readiness of our teenagers in terms of their levels of hope and optimism beyond secondary school. Homelessness was the third, and active ageing was the fourth. This touches in some ways on Michael Bichard's question.

Our mission on school readiness was to get up to the England average. I can show you the figures pre-pandemic. We were closing the gap. It was all about identifying kids at 18 months, who, if all things stayed the same, would not be school-ready if they carried on on the same path, on the same trajectory.

We have now put a digital system in place that allows a range of early-years professionals to see those kids and identify them in a way that they could not when the health visitors held that as a paper-based record. It was beginning to show results, but it has been set back by the pandemic.

There are other successes that we can point to. Homelessness is the most obvious one. We have built an infrastructure over the last four years in Greater Manchester. In 2016-17, we had a real problem with exponential rises in rough sleeping. This is the power of devolution. We have focused the whole of the Greater Manchester system on this as a priority. It has turned the figures round the other way now. On the last count, we have gone from 300 people sleeping rough to 70.

This is the power of devolution when you ask all public services to come out of their silos and focus on something that will change lives within the city region and create health for people in the city region. It is that ability to ask people to step outside departmental targets or the inward focus

and focus on what will change things for residents. We are the only UK city region recognised by the World Health Organization as an age-friendly city region for some of the work that we have done. I am not saying other areas are not doing brilliant work, because they are. I am not always saying that we are the best at everything. We look at Leeds a lot, Susan, with regard to ageing and support for ageing. There is a lot of best practice.

However, the Greater Manchester system is different from London in that the members of the GMCA, as opposed to the GLA, are the 10 councils. In London, the GLA is separate from the local government base. In our system, if I can persuade everybody to move in the same direction around shared missions for the city region, everyone will move towards that target. Our early evidence would show that that moves the dial on really tough issues such as school readiness and homelessness. It is part of a journey. Can it be sustained? That is still an open question, because we are on a devolution journey. I could absolutely point you towards hard evidence not just of public service improvement but of life improvement of people on the back of some of the changes that we have made.

This is the power of devolution and is what Whitehall is missing. If you trap people in silos hundreds of miles away from communities, they will not be able to come up with answers for those communities. As Health Secretary, I had to deal in numbers, not names. As Mayor of Greater Manchester, I can deal in names, not numbers. That second opportunity gives you a wealth of opportunity to turn lives around in a way that you simply cannot operating through the top-down systems of Whitehall.

I hope that answers the question, Baroness Wyld, but I will be more than happy to share with the committee some of the evidence that we have on changing school readiness and homelessness if it will be of interest to you.

Baroness Wyld: Thank you. It is really impressive, but I guess my question is: how can we transport that expertise to these places where there are huge school readiness gaps? It is the age-old question, is it not?

Andy Burnham: I think people know; I think the professionals know. I am not saying we have a unique take on it here. In West Yorkshire, they know. In London, they know. Everyone knows. It is just that they are not empowered. The professionals are not empowered to prioritise it. Devolution allows people to set a different priority. I have often set the test of devolution as whether some of my public bodies will jump to a Whitehall tune, an NHS England tune, as opposed to the one that I am asking them to jump to. Sometimes, we have had that tension. If you can present it in the right way, people will buy in.

In every city region in the country, people know what will turn things round on school readiness. Early help with communication skills is what will do it for those kids at 18 months. That is what we have discovered. It is nearly all about communication skills. Everyone else in other parts of

the country knows that as well. They are just not freed up to work in a way that allows them to prioritise kids at 18 months old. The demarcations of their roles stop them from doing that.

Baroness Wyld: That is really helpful, thanks.

The Chair: I would love to come in on that, but I am not going to. I will ask Lord Hunt, who has been working on the domestic abuse Bill on the floor of the House today and missed the start of the session, to put a question.

Q27 **Lord Hunt of Kings Heath:** Hilary, it was about the domestic abuse Bill, because you and I have been involved in this for some weeks. We have had huge numbers of interventions from lots of charities, voluntary organisations, and people concerned with domestic abuse. I cannot think of one of them who told us to devolve any powers to local level. All of them want central government intervention, diktat and strategic leadership from the centre.

The vista that you presented today about the opportunities of devolution are very well made, as the all-party group report is. Do you really think there is a sufficient constituency out there to put pressure on government to deliver it? My sense as a Minister too is that it is mostly the other way—that both the public and stakeholders want more government intervention. How do we counter that if we are really going to get effective devolution?

The Chair: Susan, I can see you champing at the bit on that one.

Councillor Susan Hinchcliffe: It is a very good question. Devolution is a bit of a minority sport. I stood up in front of a local group and said, "We have devolution in West Yorkshire. I am really pleased about it", and they all applauded. I sat down afterwards, and a lady turned to me and said, "Susan, what is devolution?" That showed to me that you need to be able to speak in real language to real people to get across what we are trying to achieve here. It is a battle.

We as leaders need to be confident and doing our own devolution at a local level. Talking about Andy and localities working, we are investing more this time on localities working. Local authorities and regional authorities need to do their own devolution to show what it means to local people, and then perhaps they might understand it more.

It is a movement. It is showing the difference it makes and showing what happens in other countries. We are the most centralised country in Europe and we have the biggest inequalities. That has to show you something. Leaders should recognise that. It is a leadership role really. It needs vision from political leaders to make it happen. If the leaders do not get it, I am not sure there will be a clamour from the grass roots. It is about us as a nation coming together and saying that we believe in visionary leadership and we know what country we want to create, and this is the road map to get there. I will be on that journey with them if that is the clamour that they are raising.

The Chair: Councillor Lewis, we need your perspective on this.

Councillor Barry Lewis: That is quite an interesting one. For me, tackling the issue of domestic abuse in particular is very much a local issue. It is one where we are working with our colleagues in the police, health, housing authorities, the districts, the boroughs, the voluntary community and independent sector. This is bread-and-butter stuff that we do at the local level.

I see Lord Hunt's problem with this. A big national issue at the moment is domestic abuse. Everybody points the finger at government to find the solution. Solutions are already there locally. We already know that coming through this second fairly major lockdown we are going to see, and have seen already, spikes and rises in domestic abuse, and tackling that is absolutely fundamental. We have children's services at local level, at the upper tier authority level, to tackle a lot of these issues. What we need is better working between all those agencies and units. You can only improve that by doing devolution at this point.

The Chair: Thank you. Andy, I will hold you for the moment and go to our last question because, in a sense, this last question brings together a real challenge. Lord Bourne will ask it.

Q28 **Lord Bourne of Aberystwyth:** If we can fast-forward, I think devolution in England is a very good thing. Let us assume that it is happening or has happened. I would like views from the three on the panel—thanks very much for your presentation; it is fascinating stuff—on how they think the funding model for public services will need to alter, given that we will be devolving additional responsibilities to local and regional levels, and perhaps in what sort of timescale that could happen.

Andy Burnham: I hear some of my colleagues making the case for fiscal devolution, and I certainly would not turn away from that. I have always seen that as a stage beyond the stage that we are currently at.

The first stage is to put the public money spent in Greater Manchester that is already in the system under devolved control. There is evidence, as I just said to Baroness Wyld, that we will spend it better and get better results for our residents. The greater ability we have to control that funding, break down the silos, focus it more on prevention, more on people, names not numbers, that will get better results. You start with getting better control over what is currently in the system.

If you take something like the benefits system, nobody could tell me otherwise that we could not spend housing benefit better by working with reliable landlords, trusted landlords, within our city region. That will level up if you only get housing benefit if you properly look after your property and the safety of the people within it. We spend billions in this country on housing benefit, on properties that are a risk to people's health.

We have had a degree of control over the DWP's Work Programme. It is a very good partner. It has been a really enthusiastic participant in some of the devolution that we have done with it. We have had twice the success

rate of getting people out of the labour market and back into work long term. Again, why? Because we do not operate the top-down, tick-box, computer-says-no system. We have a more personalised, mental health-oriented approach to supporting people back into the workplace. The growing evidence base is that you get better results from public money the closer your decisions about services are to the impact they will have on residents.

There are more examples that I could give. For me, they are clear. I very much agree with what Councillor Lewis said about domestic violence. To answer Lord Hunt's question, we have all grown up in a country where Westminster is the only show in town; therefore, everyone looks to Westminster. That is the problem. Everyone knocks on the door of Westminster, because people have not been brought up believing that change can happen at the local level. This is why you have to build devolution at this point. It is in a fragile state at this point, but there are some really encouraging green shoots coming through within it. This is the time to hold on to it and say, "Look, you can actually change things in your community if you get a degree of power and then use it well".

I think we are at a dangerous point. People have accused me of setting devolution back by standing up to the Government last year over the row about tiers. If that is what it has come down to—that Whitehall will not have anybody answering back, and the minute anybody does they will pull the support in—that devolution is not worth having, is it? That is just begging-bowl or bended-knee devolution. There is just no point in it. Hold us accountable. Devolve the funds to us, but then hold us accountable for the results that we get, be that on domestic abuse, getting people back into work, or school readiness. Then, when we have proved that, let us really open up a conversation about greater fiscal devolution.

There are steps you could take towards that. Why do we not have the ability to levy a tourist tax? Most European cities do. There are things that could be done on land value tax if the Government were minded to move in that direction. There are certainly options, but I see them as things that will come in a phase beyond the phase that we are currently in.

I would prefer saying, "Give us control of public funding and see if we can get better results from it than Whitehall". Actually, Whitehall has not got brilliant results from it. That is why we are talking about levelling up. The Whitehall system has failed large parts of the country. It is a failure/crisis/ pick up the pieces regime when it comes to public services in large parts of the country. Try something different. The something different is devolution. There is a growing body of evidence that we can do it, but, when we have done that, we need to go into a new phase on greater fiscal devolution. "Don't run before you can walk", is what I would say. Plot out a course whereby we can take on more responsibility that leads to fiscal devolution.

Councillor Susan Hinchcliffe: I agree. We should have an agreement between a region and government about what outcomes need to be

achieved over a 10-year period, and we should be held to account on that.

You cannot do fiscal devolution until we have narrowed the inequalities. If you raise taxation in Bradford and council tax in Surrey, you get very different amounts of money, so you get to differential levels of service and funding. It just entrenches those inequalities.

On devolution, it just shows that in local government elections you get a 30% to 40% turnout. In national elections, you get a 60% to 70% turnout. That is the gap in the electorate's interest about local government. We all need to work on improving the reputation and the perception of local government, and the difference you can make in local government is enormous. That is what really drives me. We all need to speak about it more positively. Then people would understand how devolution is a good thing, and they should do more of it.

Lord Bourne of Aberystwyth: I think the Welsh Senedd percentage is somewhere between the two. Barry, do you have any last brief points?

Councillor Barry Lewis: I do, if you do not mind, Lord Bourne. It depends on the clarity from government. What does devolution look like? What does it entail? Is it local government reform or is it not? Is it locally based models or is it not? It always comes down to the man in the street, does it not? If you ask the man in the street to tell you about their local council, most people would not know, for example, that there are two layers of council in a lot of parts of the country, as in mine. There is a layering of services. We have this nonsense where we deal with the waste, and the districts and boroughs collect the waste. If we were all doing one thing, we might save £20 million a year or something like that as a county.

There are lots and lots of ways in which we can look at local government public services and potentially make some savings in the future here, but it really depends, as I say, on that clarity coming from government, and that is before you have even touched the fiscal devolution stuff.

The Chair: That is great. Thank you very much indeed. I have been indulgent and gone over time, but the broadcasters were prepared to allow us to do that. I really am grateful to all three of you for your time and your commitment, because I know how many meetings and so on you are all having to participate in at the moment. We will try to do our bit to reflect what you have said to us in our recommendations. Thank you very much indeed. I now formally end this session.