



Constitution Committee

Corrected oral evidence: Future governance of the UK

Wednesday 1 December 2021

11 am

Watch the meeting

Members present: Baroness Taylor of Bolton (The Chair); Baroness Doocey; Lord Dunlop; Baroness Fookes; Lord Hennessy of Nympsfield; Lord Hope of Craighead; Lord Howarth of Newport; Lord Howell of Guildford; Lord McAvoy; Lord Sherbourne of Didsbury; Baroness Suttie.

Evidence Session No. 16

Heard in Public

Questions 226 - 239

Witnesses

I: Councillor James Jamieson, Chair, Local Government Association; Councillor Nick Forbes, Labour Group Leader and Vice-Chair, Local Government Association.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Councillor James Jamieson and Councillor Nick Forbes.

Q226 **The Chair:** Good morning. This is the Constitution Committee, as you know. We have been conducting an inquiry into the future governance of the UK. We have taken a lot of evidence over the past few months and, indeed, your association and councillors have submitted evidence to us. We are very grateful to you both for coming this morning. We have Councillor James Jamieson and Councillor Nick Forbes, and we have a variety of questions and plenty of time, I hope, for an exchange of thoughts.

I will start with something quite general. In the information that we were sent by the Local Government Information Unit, we heard that the balance of power within the UK is far from optimal. Can we start by getting a feeling of whether you think further devolution is necessary and, if the situation is not optimal, what the problems are? Can you start with that, and then colleagues will want to pick up on specific points?

Councillor James Jamieson: I think there is unanimous agreement in local government that it is far from optimal. The UK is one of the most centralised countries. If you look at any of the reports and if you use a proxy for spending power, the UK is miles behind most of the developed world, or in fact all of it, in regional and local government.

The real question is why it is suboptimal. We all live in a place. We do not all live in Whitehall. Nick lives in Newcastle, I live in Bedfordshire, and people live in Cornwall and in Kent, and so on. The issues that people face are very different, and there needs to be co-ordination and work on place to deliver the best outcomes that we can for residents. All too often, when you are trying to make decisions, you find that you have to revert back up to Whitehall to actually do something. I do not want to steal Nick's thunder, but I will. We discussed discussing this yesterday, and Nick gave a very good example: that you need the Secretary of State's approval to get rid of a cattle grid. I am sure that people ignore that particular rule, but it just shows the sheer absurdity of it.

We can deliver at place so much better. One of the things that have recently been devolved is public health, which was devolved to local government from the NHS—and thank goodness, because we have demonstrated during this pandemic just how well it has been run within local government. We have had better outcomes, despite a very significant cut in funding, which just shows that if you focus on place and the needs of your place, you can make decisions on a holistic place-based basis and you just have better outcomes. We are hamstrung, because we do not have the powers in place that really would deliver for our communities.

Councillor Nick Forbes: To add to Councillor Jamieson's comments, clearly there is a need for further devolution. We know that the current system is inefficient, that it takes up a lot of time trying to negotiate with central government, and that people almost always complain that

decision-making powers that affect them are taken by people who do not understand their communities and the place in which they live.

There are probably three different arguments about why we would need further devolution. The first is the broad point about democratic representation. We know that people feel most closely aligned to their local politicians, and that sense of local democracy is essential to overcome some of the tides of international fashion that may well push communities apart. There is also a very compelling argument about better service delivery. Councillor Jamieson referred to the public health project. All upper-tier local authorities were devolved a public health budget in 2013, and most have achieved savings of a magnitude of one-quarter of the overall budget by recommissioning, reprocurring, joining things up at the local level and ensuring that there is a focus on prevention as well as good value for money.

I would argue that there is a third reason, in addition to representation and service delivery being better. We know that our economy underperforms compared to other European countries. One reason for that is that so many levers of power for the economy are centralised in central government. The emerging combined authorities, which have been going for only three or four years now, have demonstrated that by exercising power at a local level we can get better economic outcomes and better joined-up delivery of public services. Ultimately, this leads to a very compelling argument for why we need a better devolved settlement, particularly within England.

The Chair: You mentioned centralisation, which we have heard quite a bit about over the past few months, but you have also talked about public health budgets coming to you. Is there one trend towards centralisation, or is it very mixed?

Councillor Nick Forbes: It is not a linear process. In the past, we have had large announcements of significant funding streams, where half of the funding stream was passported by the Treasury direct through to mayoral combined authorities. None of the current funding streams that we have to bid for and compete against for, in my understanding, are passported direct to combined authorities.

That means that we have a fragmented jigsaw approach to trying to get funding, particularly associated with the economic recovery. We have something in the region of 70 different funding pots that we have to bid into, all of which have different criteria and decision-making powers and all of which have different accounting mechanisms. If we do not get one of those bits of funding, we have a hole in our economic recovery plan. It is also very time-consuming and costly in officer time in local authorities. So I would argue that the current system is just not serving us well.

Councillor James Jamieson: There is a lot of talk about devolution, but the long-term track record has been one of centralisation. I always like to make the comparison with what the Chamberlains did in Birmingham at the turn of the 20th century. We would love to be able to do that now. It

transformed Birmingham very much to the benefit of its citizens, with better sanitation, healthcare, schooling and civic pride. We would not be allowed to do that now, but we need to go back to that.

Over a period of time, powers have kept being chipped away from local government in little increments. Councils 20 or 30 years ago had many more powers regarding transport, schools and health, but that is gradually being chipped away. Yes, we are talking about devolution, but the tendency—for all Governments; this is not a political point—has always been to say, “I want to have that lever”. We will be successful as a country only if Governments let go of some levers and accept that they can be better delivered locally.

Q227 Lord Dunlop: As you have said, English devolution to date has been the antithesis of a one-size-fits-all approach. Do you think there needs to be a devolution framework that brings a bit more coherence to this trend of policy? If so, what principles do you think should underpin that framework?

Councillor Nick Forbes: An observation that I would make is that the current devolution settlement in England is primarily about wider economic powers—adult education, transport and economic investment—but there is virtually no devolution on social policy, so what we have at the moment is not the complete suite of what could be devolved from central government. It works well where you have a combination of a functioning economic geography at local level and a strong sense of local identity that people buy into, it works well in London and in Greater Manchester, but I think people struggle with it a bit in, say, Cambridgeshire and Peterborough, because that just does not feel like a natural area that people would instinctively identify with. It feels to me as if we have started a job but not really gone all the way.

In terms of consistency, I do not think it is wrong to have different levels of devolution for different combined authorities depending on their development, ambition and speed of delivery at a local level. Actually, there is quite a narrow framework of options available within the current mayoral combined authority system. There is huge potential to broaden that out to many other areas of government where we think we could deliver better outcomes for less money.

Councillor James Jamieson: The current process is very contractual. It is very much about a deal. The implication of your question is “Should there be a framework?” There absolutely should. This should not be about doing 50 deals or whatever across the country, all of which may or may not be different. It should be about finding the right level at which to exercise this power for the best interests of our residents.

There are a number of powers that, frankly, you could devolve tomorrow. You would not need any government reorganisation; you would just need the will. Some of those would appropriately be devolved to districts, borough councils, metropolitan borough councils, counties or combined

authorities. We would very much suggest that there is stuff you can get out there now, and that would be a very good thing to do.

The Chair: Could you give examples?

Councillor James Jamieson: Why should planning and traffic enforcement not be devolved to local authorities? Some of the silly stuff that we just mentioned, such as cattle grids, could just be devolved.

If you have a framework then there are other powers where you sit back and say, "You know what? You have to think about accountability and you have to work with people". I always give the example of health, where there are a lot of things that you could devolve. That works very well in Manchester. You could devolve them to a large county, such as Kent, because it has a large geographic footprint. However, if I put my own hand up and say Central Bedfordshire, our health footprint is Luton, Bedford, Central Bedfordshire and Milton Keynes, so we would need to come up with an arrangement that enabled us to deliver that power. If we had a framework and we knew that the power was available, we could come to that arrangement. At the moment it is very much contractual: "Give us a governance arrangement and then we'll have a discussion about what you might be able to bid for". The fundamental assumption should be not "Why is something devolved?" but "Why is something not devolved?" That would be a much better starting point.

Councillor Nick Forbes: Another example that fleshes out quite an interesting issue in this debate is regional schools commissioners. You might argue that there is a devolved function on regional schools commissioners, but there is no democratic oversight at local level; they are accountable to the Secretary of State. So although you have devolved officer or professional expertise, ultimately the power resides in central government. There are examples of that in other government departments where you can argue that something has been devolved, but actually it has been devolved without democratic oversight at local level.

Councillor James Jamieson: To give an example, if you have a surplus school site as a result of reconfiguring your schools and building more places, you still need the Secretary of State's approval to sell the old site.

Lord Dunlop: One reason why the centre might be reluctant to devolve is the capacity of local bodies to handle the powers. Do you think this is a legitimate concern and, if so, what criteria could you put in place that would be the test for whether powers could actually safely be devolved in that situation?

Councillor James Jamieson: Capacity is a general issue that we need to address. Councillor Forbes alluded to this earlier: we have so much competitive bidding for different pots of money and so many inspection regimes that at the moment we are using a lot of capacity for that. If you simplified that, it would make life so much easier and in itself would provide significant capacity to do a lot more. Would I then be saying,

"Yes, and it would be nice to have some resources for more capacity"? Of course I would, but a lot of capacity is taken up by the current bureaucratic labour-intensive processes of bidding.

I am trying to remember—I have the figures somewhere—but I think there are over 200 pots of money that local government bids for, more than half of which are less than £10 million. Of course we will bid for them because we need the money, but if we had a single pot that was allocated on more of an outcome-based framework, that would save a huge amount of resources and allow us to focus on getting the job done.

Again, as Councillor Forbes alluded to, when you have to bid for multiple pots, you might need five different bids in order to get a big enough package to do what you want to, but if you get four but not the fifth you are in the invidious position of having to hand back the money because you cannot deliver what you wanted to. So a lot of resources are tied up unnecessarily in bidding, in the multiple inspection regimes and in the feedback that we have to give for all those pots. There is a real opportunity there to create resource.

Councillor Nick Forbes: As James has highlighted, the current arrangements are inefficient and it takes up a lot of time pursuing particular pots of money. We would actually have capacity if we did not have to do that.

The other important point is that there is no point devolving something if all you are going to do is take decision-making out of Whitehall and transfer it to a local level but do it in the same kind of way. Something that can be done at local level that just cannot be done on the national stage brings together community interests and other agencies and actors in the place such as universities, hospital trusts, police, fire and other public services. It is perfectly possible to have a different conversation about how to use resources at a local level than would necessarily take place at a centralised point.

That highlights that no central government can do this; it has to be done locally, because it is about co-ordinating in a place. However, I acknowledge that capacity will be inconsistent at the moment because we have a very patchwork-quilt approach. If there were to be further progress on this, capacity building would need to be built into the settlements overall.

To give another very quick example, when the adult education budget was devolved to a number of mayoral combined authorities, it was devolved as an entire budget but without the overheads in the Civil Service. So in effect at a local level we have to top-slice the budget that we were given for delivery in order to manage the fund. Actually, we increased the number of learners, despite having to top-slice a 10% share of it, but that is an example of how we have to be careful about devolving the whole of the resource rather than just the headline budget figure.

Q228 Lord Howell of Guildford: This is all very interesting, but can I ask for your judgment of the actual technical capacity of modern local government today to handle the great increase in decentralised administrative issues—and indeed political ones, because politics is always involved?

We are in the midst of a gigantic digital revolution that is transforming the way everything works. Is it your judgment that this is creating more momentum for more decentralisation, or could it be creating forces pulling the other way, toward centralism, which have to be resisted?

Councillor Nick Forbes: At the moment, there is a general mindset that we have to have a national approach and we are not terribly comfortable with difference. But, as James said earlier, there is no reason why what is right for his community would be the same approach for my communities. Finding a way to similar outcomes but through different means is part of the exciting conversation that we can have on devolution. I argue that, in the pandemic, local government proved itself to be more competent, more consistent, more joined-up and more enabled to speak to partner agencies and communities than any bit of central government. I do not need to rehearse some of the challenges of inconsistent information, but, by the nature of it, talking to frightened headteachers or local community groups can be done only at a local level.

Councillor James Jamieson: You were talking about capacity, data, the modern world and whatever, and what that means. The key point is that local government has demonstrated that it is more agile and can cope with changes much more quickly and adjust things. It is really hard: you have 18 Whitehall departments, or whatever the number is, deciding on the right thing to do down in Truro. I could not tell you what the right thing to do in Truro is, so I would be surprised if a bunch of civil servants in Whitehall could. But the people in Truro could, and they could make those decisions. The fact is that the quality of data coming from Whitehall is not great, but people on the ground know what the data is.

When we had the pandemic and we were trying to make sure that the shielded community was properly protected, it was blatantly obvious that the data we were getting from the NHS was incomplete. Some of that community were in sheltered housing, but people were unaware that they were. However, we knew they were because we went round and saw them. So I do think we can do it much quicker.

The other point is what I always call the fungible dollar issue, although I should probably say fungible pound. It is really hard to work out how you will save money for one department from another, and how you extract that. If you start saying, "Well, actually, if we invest in proper supported living for older people or capital investment in places for SEND pupils, this will lead to savings in this area and we can extract that in order to have a virtuous cycle of further investment", you can do that on a place-based budget, but you really cannot do it on a sectoral budget, which is essentially what we have in Whitehall.

However, you raise an important point about data. This is not particularly a point about devolution, but the quality and sharing of data are critical if we are going to do the best for our communities. That means having accurate data, systems that can share it and a willingness for people to share that data. You are likely to have greater willingness to share on a local basis than you are, basically, if you had an open door across the country.

Lord Howell of Guildford: You are really saying that, with the world now in which big data is dominating government decisions and where every individual, all of us, has their information and background directly pinpointed on government national systems, local government is empowered and in a stronger position to handle this sort of situation than, let us say, it would have been 10 years ago.

Councillor James Jamieson: That is if we were allowed to have access to that data. I will give an example of one of the issues we frequently have. We are obviously very concerned about vulnerable children. Having some of that data from the health service about vulnerabilities would enable us then to support families so that children can stay with them, rather than us finding out eight or nine years later when it has gone off the rails and unfortunately we are having to take a child into care. There is more data available, but if you really are to have early intervention, it needs sharing and to be accessible, with the right protections and all those things. There is an opportunity to get that sharing, and it is easier to do that on a local basis.

I am just a bit coy about saying too much about big data and that sort of Big Brother angle. This is not about Big Brother. It is about focused, important data that makes people's lives better. Also, we have frustration from residents all the time. They ask, "Why do we have to fill out essentially the same form 20 times when you, the public sector, have that information?" Quite frankly, most members of the public could not tell you whether the body responsible is the local parish council, the district council, the county council, the NHS or the Department for Education. They do not know. They just feel that it is the public sector.

Councillor Nick Forbes: Newcastle, by the way, is the home of the National Innovation Centre for Data. The Government invested in that about five years ago exactly to do the job of making sense of the big datasets that public services generate but, frankly, do not really know how to make sense of. The national innovation centre is part of the infrastructure that we have in the city, but of course it is a national centre, enabling us to put together and think about data in very different ways.

A very topical issue where there is frustration about data is the numbers of asylum seekers and refugees in our respective places. We all know that we want to make sure that they are supported, able to put down roots and rebuild their lives, but we have huge frustrations across local government about the Home Office's inability to share basic data, such as who is in our places or our cities. Are they families, individuals or single

people? Do they have children, and do they need to be in school? It is basic stuff like that, and it is very frustrating. What we tend to do is compensate at a local level by having our own partnership arrangements between different agencies, and we share information at a local level, but it could be a lot more efficient and effective if we were able to share that kind of information directly with central government. There are many other examples of this.

Q229 Lord Sherbourne of Didsbury: Can I change the subject and move on to elected mayors? I want to ask two broad questions, if I may. First, what is your view of how successful the elected mayors have been, and by which criteria do you judge that? Are they, for example, more responsive to local needs than local councils and councillors, or do they command greater confidence from the electorate, and does that show itself in a better turnout at local elections for the mayor? Does it produce greater outcomes? That is the first broad question: how you judge the success of the elected mayors.

My second question is: would you like to see more elected mayors? If so, do you think there needs to be a reorganisation in certain local areas to make that feasible, and do you think that increased powers need to be given to local mayors to make them effective?

Councillor Nick Forbes: The fundamental principle with mayoral combined authorities is that their powers and responsibilities are drawn from central government, not local government. They are drawn down, not up. Mayors can be a very powerful voice for a place, and they certainly exercise a significant amount of soft power, but they do not actually have the ability to control very much. It is more about influencing, shaping and helping to prioritise. The argument I would make is that the combined authority model is probably leading to better outcomes in service delivery than central determination of those resources would, but that is due to the mayor and the wider team around the mayor—the council leaders in that area—not just the mayors themselves.

On the question of having more elected mayors, there needs to be a greater level of local determination in what people think is appropriate governance for their place. It is not unusual for major cities around the world to have mayors, and they are often seen not just as a powerful spokesperson but as someone who brings in investment and helps to grow the economy. However, whether that model would fit comfortably in a county area I am not so convinced. So rather than a straightforward “Yes, there has to be a mayor”, we need a broader conversation about other governance options.

Police and crime commissioners, for example, have replaced police authorities—and, yes, you have one individual, but has that produced different outcomes in the police? I am not sure there is a huge amount of evidence that there has been a radical change for better or worse. The constituent local authorities in that police authority area have far less contact through their local authority membership than they did

previously, so sometimes it can actually feel as if the process of having a single elected individual can make people feel further away from decision-making rather than closer.

Lord Sherbourne of Didsbury: I take it that you are very sceptical about local elected mayors.

Councillor Nick Forbes: I would not say that I was sceptical. There are some very good examples of where they work very effectively, but there are also examples of where they have struggled. That goes back to my point earlier about how you need both a functioning economic geography and a strong sense of place to be effective. Those are the examples where you really could say that mayors have made a big difference.

Councillor James Jamieson: If I may, I will slightly challenge your hypothesis. If I heard your question correctly, I think you were asking whether a mayor was a better form of local government and whether it had been successful as local government. I would say that actually the whole purpose of a mayor was, as Councillor Forbes said, to draw down powers from government. Are mayors better at running national powers at a local level than national government? Generally, we would say yes, but that is about localising national powers.

The real issue is whether it is the best form, and there are two questions that I would put here. First, as Nick said, do you want a figurehead for a place? People know what Manchester is. If you have someone like Andy Burnham, or the mayor in Birmingham, really pushing their area with soft power, that has a benefit, but it is not so much a governance issue. I would say that there is a cart-and-horse argument. Are mayors a good idea? Well, tell me what they will be doing, and then I will be able to form a judgment as to whether it is a good idea or not.

On the question that you alluded to, I would say: what is the framework, and what powers will be delegated? Those are key things. Secondly, we have to recognise that we have a fantastic country, and it is diverse. I will use Kent again as an example. People live in Kent, but Kent is not Manchester, and it is not the West Midlands; it is a very different sort of place. I would argue strongly that a different model is suitable. It is interesting, if we look at another form of devolved government, that we do not have a mayor for Wales or a mayor for Scotland; we have a leader who is elected by the Members of their Parliaments. Why is that not an applicable model in other parts of the country? We already have a county, so why not have an elected leader? I think we need different models for different places, because we have a diverse country.

Lord Sherbourne of Didsbury: I take your point, but if you thought there was a suitable region where an elected mayor would be appropriate, and you wanted to give that mayor powers that were not those taken from central government, how would you design that?

Councillor James Jamieson: That literally comes back to the question of the framework and the purpose of what we are trying to do. To take

the example of central Bedfordshire, although I may annoy some of my local colleagues, we have talked about devolving health. If we are genuinely going to devolve health, where the health footprint is for local authorities you will have to have some mechanisms by which, when a decision is made, it can be delivered on the ground, because we are having significant health powers devolved and, to make that effective, you would pull up some powers. There would be no reason to do that without the devolution of those major health powers.

Councillor Nick Forbes: I think the issue here is that mayors are traditionally broadly associated with representing cities, and in particular being a focal point for the business community and inward investment. That is why the economic model lends itself to mayors, and it is why you tend to have mayors in cities or city regions—but it does not lend itself to the social care integration model. You would not have a mayor with specific responsibility for health and social care integration, for example. They may be part of the suite, but it is not the driver of what makes the impact at a local level.

Councillor James Jamieson: I want to be clear that I am not advocating a mayor for Bedfordshire.

The Chair: We note that.

Q230 **Lord Howarth of Newport:** Good morning. You have made your case for the radical decentralisation of government in measured and diplomatic terms and tones, as we would expect of you, but do we not need to intensify this debate? Is there not an urgency about this? Do we not need a greater insistence on this decentralisation? Do we not need to move beyond the world of deals and beyond the language of earned autonomy and other such condescending notions? Does central government not need to take a deep breath and really let go? Is this not a precondition of communities gaining the opportunity, confidence and energy they need to renew themselves? Without it, are we going to get the revolution in productivity that we need, the levelling up and renewal of our rather jaded democracy?

My first question is: how are you actually going to get the change in this political culture that has allowed local government to atrophy in many respects over so many years, while central government, without a shadow of justification, has aggrandised power to itself? Secondly, if we move to this new political nirvana that people are describing, there will still be a role for central government, if only in equalising resources, moving resources from the wealthier areas to the less wealthy. Can you envisage that central government could do that without once again bearing down on local communities and telling them how they should organise themselves and live their lives? Those are my two questions.

The Chair: That is a big question. We shall come on to some specifics on levelling up and some of the funding arrangements. The core of the question is how you get government to alter its attitude to this.

Councillor James Jamieson: I think there were about five questions in there. On the first one, there is an absolute clear yes: government should let go, and there is a big opportunity there. The difficult one is how on earth we persuade government and Whitehall to do that. It is part of our job, and I think it is the job of all of us, to demonstrate time and again that local government can deliver better places and better outcomes for our residents more effectively than delivery from Whitehall. I know it is difficult for people to let go, but they just need to do that.

Councillor Nick Forbes: There is a traditional view in the Treasury that investment around the country is a zero-sum game and that therefore it needs to invest in the areas that will generate the greatest economic impact. The problem with that is that it skews funding decisions towards what you could argue were already quite overheated parts of the economy—London and the south-east—and that is why the north feels as if it never gets a look in.

There has been some progress in changing some of the Treasury Green Book rules, but that by itself will not be sufficient. We need sustained investment over a continued period if we are to genuinely reach our economic potential, particularly in the major cities outside London. It is very telling that it is only Bristol that performs at the national average economically. Every other major city outside London in England performs at less than the national average in terms of economic output. Something is wrong there. Our argument is that the way in which decisions are taken is holding the economy back.

Councillor James Jamieson: There is an urgency to this. We have come out of the pandemic and it has cost the country a huge amount of money, and there has been a huge social cost. We need to do better and find more effective ways. I will tell the Chancellor any time that if he has a Budget problem, he should just devolve the money and the powers and we will do more for it locally then he will nationally, and that is how we will balance the books. That is urgently important.

The pandemic has highlighted inequalities in the country. Health outcomes are heavily correlated with deprivation. Having a place-based strategy would allow us to look at some of the deprivation issues that are more complex than simply saying, "Well, this area needs a bit more money". There are myriad issues in different parts of the country that need a local focus if they are to be addressed.

- Q231 **Lord Hope of Craighead:** I want to come back to a question that Lord Dunlop put to you early on. He was pointing to the doubt among those who have to handle these matters in Whitehall, expressed in the question, "Can they handle these powers?" The point is that devolving powers carries with it responsibilities for delivery. The question then is whether there is an ability to deliver on the powers that have been developed. Councillor Forbes, you said in one of your answers that capacity building would need to be built into this system. I wonder if you could enlarge on that a bit and explain what you meant by it.

Councillor Nick Forbes: First, it is a very patriarchal, old-fashioned view that central government knows best, and that places should have earned autonomy and basically earn the right to stand on their own two feet. It feels to me like part of the problem that we have that mindset. When Danny Alexander was Chief Secretary to the Treasury, he did an interesting piece of work that was broadly on public sector reform and looked at issues of accountability in the system. It made a number of recommendations about shared accountability between national and local government regarding devolved functions.

On the point about capacity, economic development is not a local authority's statutory responsibility, yet those of us in major cities see it as a fundamental part of our role to lead and shape the economy, grow the economy, create jobs and ensure that people have the skills to do them. However, that is not a statutory function; we do it because we think it is the most important thing we can do for our respective places. There are other places around the country that do not have that history of economic development work and would therefore need some investment to bring them up to speed with regard to the same functions that many of us currently have.

Lord Hope of Craighead: Could you explain a little more what do you mean by that? Is capacity building about increasing the numbers of people operating within the system? Presumably by statute you have a fixed number of members that you can have on each council, but you can enlarge the support mechanisms. Is that what you are talking about?

Councillor Nick Forbes: If we are talking about officer teams, it is worth noting that local government has been the sector of public service delivery most affected by job losses throughout the decade of austerity, while we have seen modest growth in Civil Service numbers. Our argument—similar to the adult education budget point I was making earlier—is that if we could have the resources that currently reside in the Civil Service devolved to us at local level, that would give us the capacity to do things more effectively.

Lord Hope of Craighead: The devolution of resources comes with it, as well as the devolution of powers. Is that right?

Councillor Nick Forbes: Yes. Frankly, the idea that there is an omnipresent Civil Service that controls everything, visibly or invisibly, from Whitehall—if it ever was a system—is broken. It does not work.

Councillor James Jamieson: I want to build a bit on the comment from Councillor Forbes. The assumption is not just that we will get the powers and the saving will be taken by the Treasury because it will not give us any money. The assumption is that we will be given the powers and the resources associated with them, and in some cases that will also involve people because there are regional civil servants doing the job. When public health was transferred, the personnel were transferred as well. The assumption that there was nothing there would be false, because you would transfer. We would no doubt do it in a leaner way, because that is

what we are good at, and that would take a bit of time, but the assumption that there is no capacity is not right.

Your comment earlier alluded to whether we would need more council members. I do not think there is an LGA line on this, but I think there is capacity to do quite a lot of things in local government without more council members. In fact, if you devolved, you would actually make our jobs easier, because we could get on and do stuff rather than bidding and banging our heads against a brick wall.

That would also encourage more people to want to become members. How we attract more councillors is a genuine issue across the country. The biggest attraction of being a councillor is that you can make a difference, so the more of a difference you can make, the more interesting the job becomes.

Lord Hope of Craighead: Public health is a very good example of successful devolution. The transfer of personnel to work with it requires a bit more information. How did that operate?

Councillor Nick Forbes: Can I challenge the assumption behind the question? Public health was not devolved but transferred. It was a local NHS function transferred into local government rather than a national function, although there was a bit of realignment of some of the national functions.

Lord Hope of Craighead: I beg your pardon. Still, there was a transfer of personnel, which is a good example of what you say is required to make proper use of devolution. Is that right?

Councillor Nick Forbes: Yes.

Councillor James Jamieson: To be quite frank, it would be slightly daft to have a function that was currently run from Whitehall with 500 civil servants involved in it and then to transfer the powers and budgets to local government and have 500 civil servants doing nothing. Obviously we would need to work on that.

Q232 **Baroness Fookes:** I started my career in local government as a councillor—that is what started me off—and I remember thinking that there was often a mismatch between what the Government wanted you to do and the resources and powers that you were given to carry it out on the ground.

Can we now look at something that is very current, the levelling-up agenda, which I gather will shortly be encapsulated in a White Paper? What do you think the Government's priorities should be? Perhaps more particularly, what role should local authorities play in that, or is this just another example of "handing down" when you want it in the reverse direction?

Councillor Nick Forbes: I would argue that the levelling-up agenda and the devolution agenda are aligned but not the same thing. Devolution is part of the armoury of tools to help to deliver on the levelling-up agenda.

Part of the issue, of course, is that there is no clear definition of what we mean by levelling up. The most obvious explanation of what we mean is that, regardless of where you live in the country, you can broadly achieve the same outcomes in areas of public life for yourself and your family, and there are no unforeseen advantages or disadvantages just depending on where you live or the circumstances of your birth.

That is actually quite a profound agenda, and certainly not one that can be delivered by a Government with a couple of big project funding streams. It really is about tackling many of the national inequalities that we have seen since the post-war period, and that means that there needs to be a sustained level of government, particularly government investment, over a sustained period of time, if it is to make any difference.

We may get on to what the levelling-up agenda may also include, but those two prerequisites—that it is a whole-government approach rather than a departmental one, and having sustained investment in places that are underperforming in their outcomes—are an essential part of the starting point, rather than just saying, “Here's a budget. Let's see who bids into it”.

Councillor James Jamieson: There are a couple of key points here. One is that levelling up is not just a north-south issue. There are places that need levelling up across the country. There are some very poor places everywhere, and we all know about that in Plymouth and Hastings. As Nick says, the key point is that this is not about building a new library, flyover or whatever. It is much more complex. It is about how we create more and better paid jobs in an area and how we give communities the skills for those jobs. How do we create the aspiration so that the schoolchildren of today see themselves in those jobs? How do we take people who have may been unemployed for many years and help them into a job? How do we give people decent housing, and how do we address some of the health outcomes? Again, I would need to double-check the stats, but there is 15 years of difference in life expectancy between different parts of the country.

There is a whole raft of things. It is not as simple as saying, “Here you are. You get a grant for economic development”. You need to look at how we attract employers, how we utilise our universities or technical skills in this area, how we have great housing and how we have transport infrastructure. How do we look at green infrastructure? How do we make it sustainable? How do we avoid people having to commute huge distances? It is a whole raft of things.

Again, that comes down to place. A place can have a very different issues. Somewhere like Derby does not have a world-class university, but it has some interesting world-class technology businesses. How do we develop that? You may go to a different place. Okay, I will call Sheffield a world-class university, because I went there, but it also has some really fascinating stuff about materials, and you can build on the university.

That would be a different mechanism, but you have to be able to do that at place.

Baroness Fookes: How would you expect or hope that the Government might approach this complicated set of issues?

The Chair: To add to that question, how much have you been involved and consulted and had discussions with the Government about the way forward for the White Paper?

Councillor Nick Forbes: I have not had any discussions on the White Paper, although James, with a different political complexion to me, may have had slightly more input on it. The fundamental point is that, if the Government think they can do levelling up by using the current rubber levers in Whitehall, they will make the same mistakes again. It is not an either/or; it is a both/and. Local government needs to be essential to this agenda, because we know that we are leaders of place and shapers of our communities. We do not just do the planning framework; we are able to co-ordinate agencies in a way that no other bits of government can, just because of the nature of our relationships at a local level. There can sometimes be a sense of policy by diktat. Levelling up has to be one of those ones where we genuinely feel that we are co-producing the outcomes that we are trying to achieve together.

Councillor James Jamieson: I, like every other local authority, have been lobbying and talking to anyone who will listen to me to try to put our point of view. I hope that some people have been listening. I am well aware that, at an officer and official level, conversations have been going on.

The key question here is the one that Nick and I have alluded to. This is not a DLUHC local government issue; it involves Defra, BEIS, the Department for Education, the Department for Transport and pretty much every department, if you will do this. That is a big leap, and I am not expecting white smoke and for everything to be transformational tomorrow. But if we can have a White Paper that moves us in that direction, that would be great.

One of the things that we have asked for and which would be very helpful is to have a combined government-local government task force to look at devolution and levelling up. I know they are not quite the same things, but there is a big overlap. That would allow us to pull together departments and start to address why we cannot do something and what the issue is. We had a very successful task force on Brexit that was about how to address the issues as Brexit came along. That worked well under the previous Secretary of State for Local Government. Something like that would work very well as a mechanism for trying to push through. It should not be a one-off; it should be ongoing. If we are to have successful levelling up and devolution, it will not be just this White Paper and stop; it will be a long period, and that is crucial for us.

Baroness Fookes: It might be helpful if the committee had a briefing on

how the Brexit task force worked, if you think that might be a model for future work.

Councillor Nick Forbes: We have also done something similar through the pandemic, with, in effect, sounding boards for Ministers and the opportunity to talk about emerging issues that no one had quite foreseen. So we have quite a good model here. It is not about saying that we will take things off or we could do things instead; it is about sharing and trying to come up with new solutions to long-standing challenges.

The Chair: It would be interesting to know a little more about that, and it might be quite useful to the committee.

Q233 **Lord Hennessy of Nympsfield:** I wonder if I could follow up on Councillor Jamieson's point a moment ago on the need for the long term to be predominant in policy-making. Do you both regret the passing of the government's industrial strategy—I think it was last March—which was abandoned formally?

Councillor James Jamieson: This may sound terrible, but I am not an expert on the Government's industrial strategy, and I am not a big fan of top-down.

Councillor Nick Forbes: All Governments have their fashions. The coalition Government in particular talked a lot about industrial strategies and having local place strategies that aligned with a broader national plan. The National Infrastructure Commission and the national green investment bank were established. But you are quite right: there has been very much very little mention of the industrial strategies, and it is all about levelling up, because the political weather has moved on a little.

Lord Hennessy of Nympsfield: My question was about whether you regret that.

Councillor Nick Forbes: The fundamental point is that, regardless of what it is called, what is needed is consistency over a very long period of time. Strategies and plans that chop and change with electoral cycles, frankly, are not really much use. Business looks for long-term continuity and stability, which is genuinely one of the things that we are able to do at local level. We have our electoral cycles, but they are not of quite the same magnitude of cycle as those of national Governments. So you can get greater stability and continuity at a local level than you can in many departments of government.

I have been leader of my city now for 11 years, and I think I have dealt with four or five different Chancellors of the Exchequer and four or five different Secretaries of State for Communities and Local Government. Ministers come and go, but local government tends to have a slightly longer memory.

The Chair: Yes, indeed.

Q234 **Baroness Doocey:** My question is about funding. You have covered

quite a lot of funding issues. I particularly liked Nick's description of a fragmented jigsaw. It took me back to my days on the council, and it does not seem as if anything has changed very much since then. Do you think that the shared prosperity and levelling-up funds will impact current funding arrangements? If so, how?

Councillor Nick Forbes: My view is, yes, they should, because the UK shared prosperity fund is the replacement for European Union structural funding. That was the only major bit of funding that was directly targeted at areas of disadvantage and inequality. If there is no fund of that nature as a significant part of the UK shared prosperity fund, we are actually going backwards on levelling up, not forwards. I do not know the detail and have not heard anything even being rumoured, but if that is somehow swallowed up and there is no focus on narrowing outcome gaps, the Government are not really being serious about the levelling-up agenda being part of every bit of government. That is my view.

Councillor James Jamieson: I largely agree with Nick, but I have in the back of my mind that we have said that in an ideal world we want a single pot. If we can have a single pot and roll everything in but also have the right allocation mechanisms, that would make life a lot easier for all councils. You need to put funding where it is needed.

We talked earlier about things that are important on this issue, and one of them is that we need to think about other things around levelling up. The planning White Paper is really important for levelling up; it needs to be about communities, not houses. We find the proposed developer levy interesting, because it is quite clear that in certain parts of the country there are high land values and high land value uplifts, although I had dinner last night with someone who argued that the uplift is not quite as big as you would think.

If we can extract the land value uplifts in the parts of the country and the types of development where they are significant in order to invest in the infrastructure that is needed in those places, so that government does not need to put its hand in its pocket in, let us say, leafy Surrey, that would enable more funds to go to other areas. I was talking to the leader of Stockport and Salford in Manchester, where, frankly, there is land that has negative value because it is contaminated, and government needs to spend money just to make it worthless.

Part of levelling up is about how we extract the value that is there in order to spend it on infrastructure and therefore enable more funds to move to somewhere else. That is one of the ways in which you can square that circle, so to speak.

Q235 **Baroness Doocey:** I have another question for you. We have had quite a lot of evidence about the Government paying lip service—I am very much paraphrasing—to the merits of devolution to local government in England but never really following through with a real, enduring shift in power. It has been suggested that this is because the control over resources is never passed down. You have covered a bit of that today,

such as the freedom of councils to raise their own resources. If you share this analysis and you were offered just one thing that you could do to change it, what would that one thing be?

The Chair: A simple question. You have a magic wand. What is your one wish for Christmas?

Councillor Nick Forbes: Local government is funded by two out-of-date property taxes: business rates and council tax. Business rates are woefully out of date, because they are building based and therefore do not represent current economic value in many cases. Council tax was, frankly, a fudge at the time, and it has increased inequalities and is a very regressive tax. If I had a magic wand, I would transform both of those into more sensible, modern, 21st-century systems of taxation with a stronger sense of local ownership and decision-making.

You will always need a level of national balancing and reallocation, because we know that tax bases around the country are not the same; some areas have lower tax bases, some higher. But the fundamental principle is that the current system is absolutely creaking at the seams, and to rely on that without a fundamental review of, say, the last 30 years is building devolution and the levelling-up agenda on rather shaky ground.

Councillor James Jamieson: I will be a bit cheeky. I will take your question slightly differently and go back to my original request that when we talk about devolution and levelling up, the default position should be "Why should this not be devolved?", not "Why should it be devolved?", and the resources associated with it. That would be my Christmas present, but that might take time to happen in practice.

I completely agree with Nick. We have a financing system for local government that is creaking, and we need a better one. But just fixing the financial system is not the big win. The big win would be changing the relative balance of powers and delivery from a centrally based delivery model to a locally based one. You have to sort the financing out along with all those powers. I will check the figures, but I think that about 8% of financing in the UK is derived locally, compared to most of the developed world where it is 25% to 30%. If you take 25% of the financing, you will also take an awful lot of powers and delivery to the local level. That is where I think we should be.

Councillor Nick Forbes: Cities in China have far more flexibilities and freedoms financially than cities in England do.

Q236 **Lord Howell of Guildford:** We talk all the time about what your ambitions are, in the context of decentralisation, for more local financing and more local taxation. This is a highly political area in which tremendous battles go on all the time.

The short answer, or the pat answer, from Whitehall, to Councillor Jamieson's question about why things should not be devolved is because the money is raised centrally, and therefore the decisions must be

influenced to some degree centrally. How do you begin to get around that and really move towards what you have just called for, a genuinely devolved system, unless you will go deep into the heart of the issues of revenue raising? I picked up the phrase “meaningful fiscal freedom” somewhere. What does that mean?

Councillor James Jamieson: If I may, I would disagree with you slightly. The money is not raised centrally; it is collected centrally. All taxation comes largely from place. It is paid by our residents, whether it is income tax, VAT, stamp duty or whatever. So you have a collection mechanism that is central, but there are plenty of other places in the world that find mechanisms of collecting it centrally and then allocating it back to the places where it was raised. That is one thing. That basically says, “If the money was allocated back to us, having been raised from us, we’d be able to fund these things ourselves, and you could devolve it”.

I have to agree with you. I do not particularly like the idea of the Chancellor deciding every year how much money every council in the country gets. It would be much better if people were able to raise the money locally, know what their funding was and, frankly, make local decisions. I know Nick is very keen to get his bridge over the Tyne sorted out. That may be an incredibly important thing to do in Newcastle, and it is right that local residents in Newcastle should be able to decide, “You know what? We’re prepared to pay a penny on VAT, sales tax or whatever to deliver that crucial thing for my area”. There may be another area that says, “You know what? We don't mind having potholes in the road. We just don't like paying tax”. I do not happen to agree with that—I like to fix potholes—but that is a local choice.

That goes to your point about needing to find mechanisms for having more of the money that is raised from an area staying in that area and being more consistent and not relying on the Chancellor. We talk about fiscal freedoms, which is about things like councils being able to decide what their council tax is, so long as the Treasury does not find that an excuse to add more burdens to local government and not fund it. We should be able to have various local taxes. Some people want a tourism tax. I was talking to some of the leaders in Devon and Cornwall, as well as on the east coast, who are inundated with second homes, which prices locals out of the market, and they would like to have a double council tax on second homes. Whether or not that is a good idea, it is something that local areas should be able to decide for themselves. Those sorts of things would be very useful.

Councillor Nick Forbes: The tourism tax is a really good example. We tried to get this power several years ago, and we were really scratching our heads to understand why the Government would not let us do it. If you go on holiday in virtually any other place in the world, it is not unusual to see on the checkout bill a few extra euros, dollars or whatever for the local tourism levy, and that funds the infrastructure required to deal with tourism. The fact that we were not allowed to do it is an example of the kind of barrier that centralisation creates.

We are not just talking about direct taxation here. James has talked about land value uplift as a mechanism. We have the ability to borrow using PSBR borrowing, but we have a borrowing cap. That means that we are limited in what we can do, even though what we borrow has to have a demonstrable funding stream to pay back the borrowing. We have accelerated development zone powers and tax incremental financing in some of our cities whereby, as part of the city deal process, an area of development land is ring-fenced and the local authority is able to keep 100% of the business rates raised in that area over a 25-year period, which creates an incentive and a funding stream to de-risk that land for development. So there are other mechanisms that we can use there.

Most recently, at COP 26, we had a very interesting conversation about the amount of investment we would need to leverage in to make our homes, businesses and transport systems net zero. It is not all going to come from the public purse, so we need to think about completely new financial instruments and mechanisms to be able to leverage in the scale of the funding that we need to make a difference. There are lots of examples of financial and fiscal flexibilities and freedoms that we could exercise that are not necessarily directly about personal taxation.

The Chair: Can I go back to the shared prosperity fund for a moment? We have talked about it with colleagues in Scotland and Wales, and there is a concern there that central government will dictate priorities. My colleague Lord Howarth could wax lyrical about the discussions on the Newport bypass, which central government may wish to impose even though those locally, or nationally in Wales, do not want it. Do you have a similar fear about how that allocation might go within England?

Councillor Nick Forbes: I do, yes.

Councillor James Jamieson: I would go back to an earlier comment of mine. Where you are reliant on lots of multiple funding streams and pots, you make suboptimal decisions because you are bidding for the pots rather than deciding on the priority for your area and allocating the money in the most effective way possible.

Councillor Nick Forbes: We have a history, going back to the post-war period, of understanding that not every part of the country has the same chances or opportunities, so there needs to be a flexible approach to resources that takes that into account. Sadly, over the last decade or so, we have seen the dismantling of virtually every fund targeted towards inequalities or deprivation, and the European funding was the only one that was left. That is why I am concerned, because if the UK shared prosperity fund does not follow broadly the same principles of targeting areas of greater deprivation for investment, levelling up will not be applied here, which means that communities will go backwards rather than forwards.

Q237 **Lord Hennessy of Nympsfield:** It has been fascinating hearing your thoughts on the interplay between place and patchwork, the value of having a bespoke system of central local relations, and the price we pay

for having a lack of organising theme and principle. You have given me a new one today with the cattle grid. I always thought the only organising principle was the horse, which was a key to how big a county would be, because it was a question of how far you could ride in a single day for meetings—but we have the cattle grid, too.

However, the interplay of place and patchwork is fascinating. It is a life's work to understand who does what, with what and for whom and where, in terms of services. Do you think the great prize is to retain the bespoke quality that you have both spoken very highly of, while bringing a kind of harmonisation of some kind to central/local relationship—or is that just hoping for too much? Do you think that we as a country have a very deep aversion to organising principles of any kind anywhere, or do you think I am being too pessimistic?

Councillor James Jamieson: Pretty much every councillor, including me, and I am sure you and other Members of Parliament, stood because they wanted to do the best for their communities and wanted to help their residents. That is the guiding principle of all of us. Having something that is more local needs some coherence, and government has a huge role as an enabler rather than as a provider. That is the key point here.

Councillor Nick Forbes: Civic pride may have felt a little dented in recent years. I am minded that when we are in Glasgow for COP 26, for example, we went to reception in Glasgow town hall. If any of you have been there, you will know that it is the most glorious building—built, clearly, as a symbol of Glasgow's assessment of its own wealth, power and status as a city. Many of our Victorian town halls in particular represent that same civic pride.

Everyone thinks that their place is the best but, more importantly, everyone thinks that the way they do things in their place is the best. One thing that we do as the LGA is encourage people to learn from each other without undermining that sense of local distinctiveness and identity. Local authority boundaries can sometimes create slightly artificial communities, but on the whole it is the best structure we have for representing natural communities along natural barriers. Trying to move towards some kind of standardisation across the UK would be a bit like everywhere looking like one of those soulless indoor shopping centres, rather than having the vibrancy and vitality that you get from local distinctiveness and difference.

Councillor James Jamieson: Councillor Forbes makes a good point here. Having 330-odd councils across the country brings its own issues, but it means that people look at problems in different ways, have different priorities and find different solutions. People learn from each other. That is one reason why I am very proud of my role in the LGA: we have been really good at helping councils to understand what other people do, having peer reviews and understanding when someone is good at something. Certainly, as I go around councils, I see something in every council I have been to that it is exceptionally good at. If I am entirely honest, most councils have one or two areas where they could

improve. The fact that we have what someone described as a patchwork is an opportunity for people to learn from each other and improve. That is what we see. When you have a one size fits all, who are you going to learn from? Who is the person who is going to up with a better idea, a novel way or a different way? That is really interesting in local government: that ability and willingness to learn from each other that I see every day.

Councillor Nick Forbes: We sometimes joke that we should offer peer reviews to central government departments, too.

Q238 **Baroness Suttie:** My question really follows on from that last comment. You have both expressed tremendous frustration with Whitehall. In fact, one of you called it broken. Two questions flow from that. First, do you think it is possible to change the political and administrative culture in Whitehall? How could you go about doing that?

Secondly, you talked earlier about a combined task force to help with the levelling-up agenda. What other changes to the machinery of government do you think could improve dialogue with local government? Some people have talked about creating an English devolution department. I suspect you would not necessarily be in favour of that, but would you like to come up with some suggestions?

Councillor Nick Forbes: It is very important that we do not fall into the very easy trap of blaming the Civil Service or criticising government departments simply because of the current structure. The point that we are trying to get across in all these answers is that, rather than having decisions taken on a centralised template away from communities, you get better outcomes and better buy-in to those outcomes if those decisions are taken more locally.

This is not a case of either/or—it is not a call from local government to eliminate central government—but we need a new partnership, a new collaboration, a new sense of shared purpose that we are working towards and a shared set of outcomes. One of the suggestions that was floated a couple of years ago was that we might broadly sign up to the UN sustainable development goals as a framework to report on what was happening in our respective places. I thought that concept had some quite interesting ideas in it.

It is also very clear that there is inertia in central government. This is not a blame issue but there is that inertia, which we have seen overcome in previous years only when there has been a very strong push from the very top of government. So if the Government are serious about this, I would have thought that they had to create something like a Cabinet sub-committee led by very senior Cabinet members in order to make sure that not only was the work joined up across departments but the message was clearly sent from the top that there were requirements to join this up.

That raises the interesting question of how place would be represented in that kind of approach. I do not think it is appropriate for place just to be represented through—I am sorry, I forget the full name of the levelling-up department now. It feels to me as though there is a challenge to think through how to create a co-designed system that would give us a better sense of what we are all trying to achieve together.

Councillor James Jamieson: The whole point is that this is an opportunity. We are trying to say, as Councillor Forbes was alluding to, that this is not a criticism of people who are trying to do the best they can in the framework in which they find themselves. It is quite a complex beast, because it is not about what one department does. It will mean a different way of thinking across Whitehall and, as you say, a Cabinet committee really focused on this. The latest Cabinet reshuffle, the appointment of Michael Gove and the new name of the department go a long way towards having a very senior Minister out there whose key focus is on levelling up and devolution. That is a very positive move, and we need to build on that and work with it. It is about some of the things underneath it.

There needs to be recognition that this is not an overnight fix. I am conscious that various Whitehall departments are very focused on the day job. There is an awful lot of interesting stuff that you can do in health, social care and devolution, but at the same time you are looking at a backlog in elective care. Sometimes you just need to create a bit of space to think about that more strategic, long-term space, and some of that needs to be done in government: "Yes, your job is to sort elective care, but some other people need to stand back and work out how we'll improve local community care and community support and keep people out of hospital, which we do on a place basis". Someone needs to worry about this year's exam results in schools, but someone else needs to be standing back and saying, "How do we give our workforce of tomorrow the skills that they need? How do we get people who have been employed for a long time back into work?"

The latter point has to be linked to the sorts of jobs that might be available in the local area. There is no point giving local people skills for something that is not available there. We are learning from the pandemic that there is a huge shortage of people available for work with the skills that are needed. We as a country will have to transition our skills base, because the skills that we needed three years ago are not the skills that are needed today. It is about creating that time and that headspace slightly away from the day job.

Q239 The Chair: I get the impression that you think it is quite a critical time for local government, and indeed for the relationship between the centre and local authorities. You have obviously been under great pressure in the last decade or more. How worried are you about this? Councillor Jamieson talked earlier about morale, the fact that local councillors feel frustrated and that people very often do not want to stand for election. Do you think there is scope for resetting the relationship and

reinvigorating local authorities if the Government would make the right moves?

Councillor James Jamieson: Absolutely. I think that local government is in a tough place. We have had funding reduced for a long time. I am pleased that in the last two or three years we have at least started getting some extra funding to reflect demographic pressures. However, local councils are in a difficult position financially across the country. We are seeing huge pressures in adult social care and in SEND children. At the same time, we are trying to look at how we will recover out of this pandemic, which has changed the world we live in. I would say that, yes, we face a lot of pressures, but there is a huge opportunity at the same time. If we as a nation are able to grasp that, we can go to those sunny uplands. If we do not grasp it, there will be some potentially severe concerns.

Councillor Nick Forbes: I intellectually tried to make sense of the Brexit referendum result in effect by thinking of the question on the ballot paper as, "Are you happy with your life at present?" Clearly people answered, "No", because they voted for change. However, if we do not make any structural changes to the way the country is run, that vote will have been in vain. It feels to me, particularly post Brexit and post Covid, when we have seen so many changes accelerated in such a short period of time, that if we are not thinking about a different settlement, we will end up with the same frustrations, the same tensions and, ultimately, the same underperformance of the economy and the state.

This is a timely discussion, because nobody has really imagined what Britain could be like without using as a starting point the current systems and frameworks of government, but we do need to imagine that. We need to think outside the traditional boxes of how government operates and think about the challenges we need to address in a modern 21st-century society, rather than thinking about government structures that were invented, in some cases, back in the 1900s. The structure of government has not moved on since then.

I want to make a final plea about councillors. We have thousands of councillors around the country who selflessly put in many hours. Quite a lot were rather offended when a former Secretary of State took away our ability to pay into a pension fund and referred to us as similar to Scout leaders. There is something about enhancing the status of local authority councillors and ensuring that they are seen as important people in their community, rather than the people who are simply implementing the dog-end of difficult government decisions, which can sometimes be how it feels.

The Chair: I can see that morale problem. I think several people around this table have been local councillors, myself included. It might have been in a different era and it might have been a bit easier for us, but I think we know and recognise the value of the work that local councillors do.

I thank you both very much indeed. It has been a really interesting and

extremely helpful session, and we will reflect on your advice and your answers at length.