



Political and Constitutional Reform Committee

Oral evidence: [The work of the Deputy Prime Minister 2014](#), HC 464

Tuesday 9 September 2014

Ordered by the House of Commons to be published on 9 September 2014.

[Watch the meeting](#) (this session starts about half way through the recording)

Members present: Mr Graham Allen (Chair); Mr Christopher Chope; Mark Durkan; Fabian Hamilton; Chris Ruane; Mr Andrew Turner

Questions 1 – 58

Witnesses: **Rt Hon Nick Clegg MP**, Deputy Prime Minister, **Rt Hon Greg Clark MP**, Minister for Universities, Science and Cities, Cabinet Office, and **Mr Sam Gyimah MP**, Minister for the Constitution, Cabinet Office, gave evidence.

Q1 Chair: Nick, do you want to say anything to start us off? We are in the middle of tumultuous events of potential change in the constitution, brought about by a specific event rather than some long-term planning.

Mr Clegg: Yes. First, as I suspect this might be our last annual meeting we have together before the election, I just want to thank you and your Committee for all the work you have done, the work we have done together and the cajoling and criticism and commentary that you have quite rightly provided of what we have done in Government.

You are right to say that of course all eyes are on the Scottish referendum campaign. I think for the purposes of this Committee, what might be worth emphasising at this stage is that future constitutional change is not just going to be confined to further devolution of powers to Scotland, as I very much hope will happen following a decision, which I fervently hope will happen, by the Scottish people to remain part of the United Kingdom. My own view is that we should not do anything that will stop that from proceeding along the timetable the three main parties have set out over the last 24 hours, but equally we must not imagine that that is the only major bit of constitutional change that will occur in that case in the early stages of the next Parliament. I think it will signal a much wider rewiring of the governance and constitutional arrangements in the country as a whole, particularly governance within England, which remains an unusually over-centralised country.

I think of the focus on the wider constitutional settlement, particularly those aspects of our governance that have had less attention devoted to them than powers being devolved to Wales,

which obviously has its own process, the Silk 2 Commission and so on. Obviously there is further devolution of significant new powers to Scotland, and we have the ongoing debate about new powers, for instance, in our corporation tax in Northern Ireland. The big missing bit of that jigsaw—you, Chairman, have been a leading proponent of this for a long period of time—has been to also explore how we can decentralise the way that the British state works within England. While I do not think we need to be unduly neat and expect it all happens Christmas-like at the same time, we should not imagine we are on a journey where you can devolve more powers to Scotland but not have a wider reflection on how governance works.

For those like myself, and I think many people here, who believe that power is best administered in the most devolved and decentralised manner possible, it is a great opportunity; I think there is going to be a fantastic opportunity in the next Parliament. For people who do not like constitutional debates, I think they might have to turn away in the next Parliament, because I think the next Parliament will be of huge constitutional significance, starting of course with this significant transfer of very considerable further powers to Holyrood, but, as I say, I think that will signal a wider debate on how we can rewire and decentralise the British state.

Q2 Chair: Could you very briefly list the key additional powers in this super-devo max that we are going to hear about in the next couple of days?

Mr Clegg: I think the first important thing to say is that while each party has its own separate views, the Conservative Party have put forward the report drafted by Lord Strathclyde, which is highly significant because it represented a very significant break—but Greg can speak more expertly than I can on that—from the previous position that the Conservative Party have adopted towards further devolution of powers. It was, in my view, an absolute breath of fresh air because it said that very significant new income tax powers and powers over welfare and borrowing should be included. The Labour Party also produced a report in very similar territory and, as you know, Ming Campbell has produced two reports on what my party, the Liberal Democrats, have long hailed as home rule, first campaigned upon by Gladstone in the 1880s and still a live issue today, which again very much focused on tax, welfare, borrowing.

I do not think it is for the three parties to then draw a diagram and say, “This is where we agree. This is the template. Take it or leave it.” As Gordon Brown quite rightly emphasised yesterday, while everyone wants to move as quickly as possible, it has to include a wider discussion from civic society and from people across and beyond—

Q3 Chair: Deputy Prime Minister, doesn't there have to be a set of almost lowest common denominators, where there can be an agreement, this week, otherwise Scottish voters may not feel that they are buying something substantial? Doesn't there have to be an outline of this package?

Mr Clegg: Those are available already because, as I say, all three parties have talked about further powers of taxation, further powers over welfare and over borrowing.

Q4 Chair: Are there any of those things that you have mentioned that cannot be devolved in England?

Mr Clegg: That is an interesting question. I agree—I think this is something that you have been very articulate about—that if you want to decentralise and devolve power, in some shape or form that has to involve control over money. Decentralisation and devolution without money can sometimes be a somewhat hollow concept, and that is why, though it is not often commented upon, my own view is that one of the most significant acts of decentralisation that our coalition

Government has presided over is the radical decentralisation of control over business rates. A lot of people think it is rather technical and boring.

Q5 Chair: We are in a wholly different league now, though, Deputy Prime Minister. We are in the middle of a set of negotiations, and people in England may well say, “This is great for Scotland, and it is so good we can apply it to other parts of the United Kingdom.” At this moment, if we do not do that, won’t people be forgiven for thinking this is an expedient to deal with the problem in Scotland, rather than a belief in the principle of devolution that should apply to all the nations of the United Kingdom?

Mr Clegg: First, there is nothing expedient about it, because these ideas about where further devolution of power to Scotland will go have been cogitated upon and discussed and debated and published over a long period of time. There is nothing last minute about the reports that my party and the Conservative and Labour parties have produced. Ed Miliband, as leader of the Labour Party, David Cameron as leader of the Conservative Party, myself as leader of the Liberal Democrats, all issued a joint statement—I think it was on 5 August—that this was the direction we wanted to go, so the announcements that have been made over the last 24 hours are in a sense only the final instalments of the mechanics by which you enact a number of commitments that have been in the pipeline for some period of time.

But the wider point you make was exactly what I said at the outset. I do not think anyone should imagine that we can embark upon a new chapter of very significant devolution of further powers to Scotland without having or quite rightly welcoming a wider debate about how to decentralise power more generally across the United Kingdom. Do I think every single blueprint for every single part of the United Kingdom should apply to another? No, I do not. It does not at the moment. The Calman process led to a particular settlement in Scotland, which is now going to be built upon. The two Silk Commissions, have led to a number of further steps towards devolution within Wales.

We know, for instance, that in Northern Ireland the main focus, but not the exclusive focus, of new powers is on control over corporation tax because of the very atypical challenges facing the Northern Irish economy adjacent to the economy of the Republic of Ireland. I think we should welcome the kind of cornucopia of ideas about further devolution and decentralisation as a matter of principle but not be too fixated about applying carbon-copy solutions to each part of the United Kingdom.

Q6 Chair: But you have been in this area long enough, Nick, to know that the establishment has a way of swimming back over as soon as an immediate problem is dealt with, and that unless you seize this moment over literally the next week and link English, Welsh and Northern Irish devolution to the breakthrough in Scotland, it is perfectly possible—and your and my experience sprays it on our eyeballs—that this will suddenly be shuffled off. We have dealt with the Scottish difficulty. They won a great package, and I would love to see it in my city and my region and my part of the United Kingdom, but unless we talk about it this week, it could disappear as quickly as it seemed to appear over the last four days.

Mr Clegg: You talk about spraying on eyeballs—extremely painful-sounding experience—but using a more well-worn phrase, I certainly have the scars on my back about the tendency for vested interests in the British establishment to thwart what I would consider to be both reasonable and in the long run inevitable political change. I completely accept your characterisation of the tendency for sort of forcing the British establishment to thwart change, but as I said at the outset, I think we are way beyond that now. I think we are way beyond that for two reasons. First, change is now guaranteed in terms of a significant new devolution of powers to Scotland in the event that

Scotland decides, as I hope it will, to remain part of the United Kingdom. That is now an irreversible process, partly because of the entirely legitimate links that you and I have drawn between that and the kind of wider debate about how we, as I put it, rewire and decentralise power as much as we can, not only to Scotland but other parts of the United Kingdom, not least in England. Also, I think you should judge Greg, Sam, myself and this Government by our actions. We have not been slouches when it comes to decentralisation. I referred earlier to the biggest act of fiscal decentralisation. It might not go as far as you or even I want, but it was nonetheless a very big step that was not taken before in terms of the decentralisation of the control over business rates, the City Deals, the Local Growth Deals, the referendum in Wales and Scotland—*[Interruption.]* No, but it is worth listing—

Q7 Chair: This is of a completely different magnitude—

Mr Clegg: No, no, no.

Chair: —the opportunity that is arising over this week. I commend you and congratulate you again, as I have done from this chair, on the superb breakthrough work that you and Greg Clark have done, but this is a different opportunity.

Let me tell you one thing I saw this morning on TV. I saw Willie Rennie, Johann Lamont and Ruth Davidson literally shoulder to shoulder, putting a point of view on behalf of the All Union Party in Scotland. I will be very convinced, and so will others who believe in the modernisation of our democracy, if over the next week you, David Cameron and Ed Miliband can bring yourselves to do exactly the same thing about devolution for the union, not just devolution for Scotland. Is that even a remote possibility? Is that being discussed? I asked the three leaders to do that, privately. Is that even being discussed as a possibility over the next week?

Mr Clegg: I am not sure if a photo opportunity, everyone standing shoulder to shoulder, has been the focus of this.

Q8 Chair: It is highly symbolic that the three party leaders can put aside their partisanship and do that.

Mr Clegg: With respect, I know you have a sort of—

Chair: Then it becomes credible in the eyes of everybody in the union and that demolishes this fallacy that it is just an expedient to square off a problem in Scotland.

Mr Clegg: Okay. I know you have a fixed idea about how to symbolise that commitment through a photo opportunity. I would argue that that commitment is there and does not necessarily need to be illustrated in a photograph and I will tell you why. First, two of the three main parties in government, as I said, have done unprecedented things, and I would just urge you—the only slight correction to what you said I think is to somewhat slightly belittle some of the steps we have taken

Chair: No, no, absolutely not.

Mr Clegg: No, but this is very important. The referendum in Wales was an unprecedented step; the Scotland Act was the biggest act of fiscal devolution in 300 years; the devolution of business rates; the City Deals; the warm welcome given to the Silk Commission; the fact that we have now, as three parties, all come together and said that there needs to be a new chapter, a new beginning, of further devolution towards Scotland. That all, it seems to me, comes together to create an unstoppable momentum towards further change. As I said at the outset, I do not want any other

debates or considerations to stand in the way of the momentum towards or the fulfilment of the decisions that we have said will now take place as far as Scotland is concerned, but equally I think—and I cannot be more clear or blunt or candid in my own political assessment—that this will also open up a new chapter towards decentralisation.

Q9 Chair: I have one final question, Deputy Prime Minister. Whichever way it goes, left or right, yes or no, at the referendum, there will be some damage done to all the participants; there will be a little bit of bruising. Is one of the ways to renew the vows in our democracy to begin that process of starting an effective written constitution of the sort that my Committee has put before Government in the last six weeks?

Mr Clegg: I have been a life-long supporter of a written constitution. While I admire the ingenuity and sort of messiness of the British non-written constitution, and it is remarkably supple and flexible in the way it operates, as you know my personal view is that in the long run a written constitution makes more sense. But do I think that between now and the next general election, in addition to the very urgent and substantive process that we have all entered into now to grant far greater devolved powers to Scotland, there is going to be some eureka moment on a written constitution? No, I do not, candidly. Do I think each party needs to reflect, not least for their own manifestos, how you capture these very significant constitutional forces that are now at play? Of course, but you can do that in any number of ways. Some are advocates of bringing it all together in a written constitution, such as yourself; others believe it should be marshalled through some convention; others believe it can be done in a different way. While I have a preference, I am slightly more agnostic about the means, but quite adamant about the ends, and the ends should be—and that is where you need absolute clarity from all the parties, and it is right to demand it—a radically decentralised British state across the United Kingdom.

Chair: Greg?

Greg Clark: I am grateful, Chair. Just a very brief point. On your shoulder to shoulder point, I think there is a danger that we do underplay the change in direction that we have effected through the reforms of this Parliament. Mr Hamilton is a Leeds MP. The leader of Leeds, Keith Wakefield, has said that the City Deal that we concluded with Leeds was a new era in the relationship between central and local government. The leader of Manchester has praised the progress that we have made. The reason I mention them is that they are both led by Labour politicians and I have not had the slightest difficulty in working on this agenda with our opponents in other matters, and that has characterised this. I think at the national level, we have our reforms and we see some echo in them in what Lord Adonis has put forward. It partly a tribute to what this Committee has done over the years, which is to push us in this direction. This is the direction in which policy is now going, and I think that is an achievement.

Q10 Chair: One last point from me, which is that two years ago we did a document about a constitutional convention. That is one we have made earlier. It is now becoming ever more relevant. Would you have another look at that, and tell us whether in fact—yes or no next Thursday—there is room now for a constitutional convention?

Mr Clegg: I can only repeat what I said earlier, which is that I think the most important building block to put in place is an unambiguous political commitment, not only the one we now have, to further devolution of the power to Scotland, but to the wider need to renew decentralised governance in this country. While I understand the proprietorial sense of ownership and pride that you may feel in that particular vehicle, there are different vehicles by which you can pursue that same end. I think if we are clear and unambiguous, by the time the country goes to the polls next

May, that is going to be the direction of travel that everybody supports, and it is certainly something we have worked on together as two quite separate parties in this coalition. That has been quite a good test bed, quite a good laboratory test that it is possible. I think agreeing subsequently the means by which we should do that becomes much more straightforward.

Chair: We have both been in politics long enough to know that this next week is a time when you can do something—that after a referendum, looking back, it will have disappeared.

Q11 Mark Durkan: In the end phase of the last Parliament, the three main parties here scrambled to make significant reforms and changes in relation to the expenses system to meet a serious crisis in the public mood. In the end phase now of this Parliament, normal Prime Minister's Questions are being suspended tomorrow; the three leaders are going off—not to appear shoulder to shoulder—to Scotland, as I understand, on a three men in a boat exercise to offer the sort of super-sized devo-max that you now appear to agree on. But in both cases what we have is a situation where the parties were seen to differ and dither on issues that they always said all along they agreed in principle, only then to scramble reform. Is that not bad for the reputation of politics if reform is only addressed under those sorts of heated exigencies?

Mr Clegg: I do not accept the characterisation this has all been sort of cobbled together at the last minute, otherwise why was it the case that in early August Ed Miliband, David Cameron and myself made the breakthrough statement—that was the breakthrough statement—and we all came together and signed the same set of words saying, “There will be an irreversible process of further devolution to Scotland”? We have been talking a lot about ends and means already and people are conflating ends and means. The announcement that has been made over the last 24 hours is all about the means by which you deliver a commitment that was already made in early August, and that in turn was preceded by a considerable amount of work from all the main parties—the Strathclyde report, the Ming Campbell report, the report from the Labour Party—on what the substance of that means according to those separate parties. I just do not accept this characterisation. I understand it is convenient for some people—I would not dare suggest that you have any reason to do it—to describe it as a panic move. If you look at the background to it and the chronology of it, I do not think anyone can remotely suggest that this is a panic move.

Q12 Chair: I do not think it was about panic, but it was about Scotland rather than devolution, with Scotland first—

Mr Clegg: We so happen to be having a referendum in Scotland on 18 September. That is a rather incontrovertible fact and so quite what—

Chair: But it is an opportunity to talk about other wider issues.

Mr Clegg: That is exactly what I have done.

Chair: Forgive me, Mark, I am interrupting.

Q13 Mark Durkan: I think for most people it would seem like very significant reforms, with implications for elsewhere, are now being scrambled on the back of opinion polls, in the style of your mobile provider might then start to concoct all sorts of offers to you to better the offer of somebody else that you are thinking of going to. That is how in the circumstances it appears, and I do not wish to go into the detail of it in relation to the Scottish question or anything else. It is just the problem that arises when this place does reform on that sort of scrambled basis and appears to only do it on that sort

of scrambled basis. It is not the only thing where parties here say they agree on all sorts of things and they agree in principle, but they never agree actual proposals.

Mr Clegg: As I say, I disagree with the characterisation of what sort of crystallised as cross-party agreement on how to deliver on earlier commitments, but where I do agree with you strongly—and I share your frustration—is at the tendency for the Westminster establishment to only focus on the urgent or the controversial. I will give you a classic example: party funding. Party funding reform will have to happen and it will happen—I can predict it now—in the eye of the storm. I am lost for words now at the resistance—I am sorry to make a slightly partisan point—because the facts show that the two larger parties again and again and again and again, when invited to enter into a meaningful reform of party funding, do not do so, but it will happen. By the way, no party is blemish-free on this, none at all. No one can be holier than thou, but surely we do not need any more reminding that the way that we fund parties in this country is simply unsustainable. As you know, I convened the cross-party talks, which went on for months, and once again the normal stand-off ensued, which led to no breakthrough being made. But it will have to happen, because I just do not think in this day and age—. I am sorry to bring up our old friend, House of Lords reform, that is an anachronism that one day will have to change, of course it will.

By the way, I think it might have some relevance to the increasing sort of federalisation of governance in Britain, because having an elected second chamber with representatives from the different constituent parts of the United Kingdom would be a very healthy development over time. That will happen. Again, it will happen, no doubt, when there is some great controversy or when there is some great sort of scandal, and I just wish—and I agree with you on that—that on occasion we would be able to proceed with political reform in a more considered fashion rather than in the heat of controversy. But I have to say I think that what the three parties have set out in terms of a process for further devolution of powers to Scotland is much more deliberate than you have suggested.

Q14 Mark Durkan: I will not press you much further on the House of Lords reform or party funding, which I was going to ask about and you have rightly come on to them, but they are both examples of where the parties all say they agree in principle on something, and yet when it comes down to it, they all have their separate proposals and it is like a penalty shoot-out where nobody scores. These issues may be addressed some day. You do not seem to be anticipating them as likely to even come through in the next Parliament.

Mr Clegg: Speaking for myself, I will just constantly try. All I am saying is that having seen for myself over the last four years that you can have—just to dwell for a little minute on those two issues. We convened cross-party talks on both party funding and House of Lords—totally inconclusive; went on for months. We drew on independent reports or reports from previous governments: in the case of party funding, the recommendations from Sir Christopher Kelly’s recommendations, and in the case of the House of Lords, a succession of all-party recommendations on reform. Everybody had a commitment to make the changes in their manifestos. Everybody said, “Yes, we are going to negotiate in good faith,” and yet both floundered for different reasons, but the purported reasons had one thing, which is that it affected the way in which power was administered in the British political establishment at the moment to change these kind of things, because how people are represented in the legislature and how money is distributed across the political system are the very arteries of how power is articulated in this country. Eventually those kind of vested interests have to accept change in those areas as well.

Q15 Mark Durkan: As the Deputy Prime Minister in this Government, you have attached a lot of importance to political and constitutional reform in this Parliament. Apart from things like City Deals, which I do not regard as political and constitutional—although I am a fan of them, I am jealous of them and want them in Northern Ireland—when somebody in future looks at the political and constitutional furniture, where are they going to see “Nick Clegg was here first”?

Mr Clegg: I think we have done a number of very significant things. The Fixed-term Parliaments Bill, as your Committee’s report has rightly pointed out, is of great constitutional significance, in many ways greater constitutional significance than I think many people even appreciated at the time. It has completely changed how Government can work, it has completely changed how politics operate. We do not have this farcical sort of cat and mouse guessing game between the Prime Minister of the day and the British public about when an election is held. Individual voter registration is one of the bigger changes, and I pay tribute to Greg and others, who have done a fantastic job. I think we are now, at last count, at 1.5 million people who have signed up to individual voter registration online—a total transformation of the way that voters interact with the state in terms of exercising their right. We have the very significant constitutional change in terms of succession to the throne. I would not park City Deals and Local Enterprise Partnerships into a different silo, because it is absolutely core to the constitutional mission of decentralisation. So we have the Lobbying Bill, we are shortly to publish—this is Sam’s domain—the Recall Bill, so there are significant changes there.

Some of the big set piece changes that we have already alluded to—House of Lords reform and party funding reform—did not materialise. Of course I was disappointed that the referendum that was held on electoral reform did not have a different result, but at least we held that referendum on that major constitutional issue. That is a pretty full agenda.

Q16 Fabian Hamilton: Let us go back to the House of Lords for a minute. You told the Lords Constitution Committee recently that coalition government had rejuvenated collective decision-making. I wonder if you think that this has had a positive impact and, if so, how do you think you could maintain it under single-party government?

Mr Clegg: I do because, of course, so much of the commentary about the coalition Government, particularly the left and the right and partisan commentary, is about the differences and the bits and all that. In terms of government, of course sometimes there are rows, disputes and arguments, but because you have two parties and you cannot get things done unless those two parties agree, you have to have greater collective discussion. You cannot have sofa government, you cannot have stuff made up on the hoof by one or two people in the privacy of their own offices. That is why committees that I chair in government—for instance, the home affairs committee—and committees that Greg and Sam and I operate in together, such as the growth committee and a number of others, are real collective decision-making bodies, where these differences of opinion are thrashed out and a collective view is arrived at.

I cannot really help you about what will happen in future governments because I do not know what will be the composition of future governments, but I hope single-party governments will be encouraged by civil servants in Whitehall who have experienced a lot of this collective machinery that we have operated effectively in this coalition Government and I hope they will be persuaded to maintain them.

Q17 Fabian Hamilton: Let me come back to the coalition Government. Do you think there should be a clearer set of rules for setting aside collective responsibility? For example, last Friday when we voted on Andrew George’s Bill on relieving certain classes of people from the bedroom tax,

I noticed that Simon Hughes, who I think voted for the Bill, was sitting next to his colleagues in Government on the front bench who had voted against it, being members of the Conservative Party. Is that perfectly acceptable? Do we now reject this idea of collective responsibility in Government?

Mr Clegg: It is not unprecedented. On another Private Member's Bill on the European Union referendum, for instance, a Conservative Private Member's Bill, you have Conservative Ministers who voted enthusiastically for government legislation setting out a trigger for a new referendum now voting in direct contradiction of that Government Bill by supporting a Private Member's Bill. It is not without precedent that the two Coalition parties decide, for a whole host of factors, that they want to support their own Private Member's Bill even though they move beyond previous agreements or decisions by the Government. You have to be open with each other about that. The Prime Minister has been perfectly open with me that the Conservative Party had a position on what should trigger a referendum on the European Union in their own manifesto, which we then enacted in legislation. The party—it was perfectly free to do so—has now changed its mind. My party, having looked at the evidence of the independent reports produced on the practical application of the removal of the spare bedroom subsidy felt that an amendment needs to be made such that you apply it to new tenants but you do not apply it to existing tenants in the social rented sector who do not have an opportunity to downsize to a smaller property. I think both parties are perfectly entitled to do that in a reasoned and logical way, as long as we are open with each other.

Can I stress this final point? I think those two Private Member's Bills, the boundaries vote and Leveson, and then the business about Mr de Bois' amendment on knife crime, are about the only instances where there has been a recognition that the parties need to agree to disagree. If you put it in that perspective, given the extraordinarily radical and controversial things we have done, it is not at all remarkable. It is not where we disagree or decided to set aside collective agreement, it is where we have managed to maintain collective agreement for the sake of the country.

Q18 Fabian Hamilton: But setting aside collective responsibility in government is acceptable when it is a Private Member's Bill but not when it is a matter of government policy, presumably?

Mr Clegg: Sorry?

Fabian Hamilton: If a Minister in one of the coalition parties, perhaps your party, being the smaller of the two, fundamentally disagreed with something the Government was doing, they could not maintain their position as a member of that government. So the idea of collective responsibility in government still persists, doesn't it?

Mr Clegg: Of course the principle of collective responsibility—namely that you thrash things out in government in the way that I have described and then adhere to a collective agreement—is an important principle, but let's not be theological about this. The coalition agreement anticipated, quite understandably, that if you have a government composed of two different parties with different viewpoints, different heritages, different values, different policies, you just have to be open about the fact that you will not be able to agree on something—for instance on votes on nuclear power. We said in the coalition agreement, "We are going to now tell everybody we will agree to disagree." As I said, I have explained that, for instance, on the European referendum issue, the Conservative Party over time changed its mind and departed from what was government policy. They are free to do so, and I think we need to be mature and grown-up about it and nonetheless remember that what remains remarkable about this coalition Government is that despite all the dire predictions—I remember breathless, daily predictions at the time when the Government was formed—that it would not even manage six months, let alone five years, we have confounded those expectations and those predictions over and over again.

Q19 Fabian Hamilton: Will collective responsibility get more difficult as we approach the general election or is the coalition agreement still the guiding principle here? You do not anticipate any problems as we get closer to the general election?

Mr Clegg: In one sense, it is all much more straightforward, because we know what the remaining legislative business is that confronts the Government, so to that extent we have announced in the Queen's Speech a collectively agreed set of Bills. My own view is that there are lots and lots of people coming up with evermore exotic explanations about how they think this Government should somehow sort of bifurcate before the election. I do not know what you find in Leeds, but I find in my own constituency in Sheffield normal people who are not in day-to-day politics get it immediately, which is, "Okay, you are two separate parties. You will obviously govern together as a government until the finishing line, but that is not going to stop you from setting out different views of the future." I spent a lot of the summer talking about some of the new manifesto policies that my party is working up. Everyone gets that, and I personally see it in a much more pragmatic light than some of the more breathless predictions that somehow we will not be able to cross the finishing line in a sensible way.

Q20 Fabian Hamilton: But the danger is you both get the blame for the unpopularity of the Government or certain Government policies. But anyway, I will not take that any further.

Has the Cabinet Manual been of any assistance to you throughout this coalition in terms of collective responsibility?

Mr Clegg: Sure.

Q21 Fabian Hamilton: Can I move on to something you just mentioned earlier, Deputy Prime Minister, and that is the Recall Bill? You said it will be published soon. Do we have a date? Do we know when it is going to be published?

Mr Clegg: On the Recall Bill, can I ask Sam to answer?

Fabian Hamilton: Okay. Sam?

Mr Gyimah: The intention of the Government is to introduce the Bill shortly, as we said in the Queen's Speech, and we thank the Committee for the hard work you put into pre-legislative scrutiny. A significant number of the recommendations that you made have been accepted and will be reflected through the Bill.

Q22 Fabian Hamilton: That was my next question: how will this Bill differ from the 2011 draft Bill? As you know, our report on the draft Bill recommended that, "Wrongdoing in the context of recall constitutes a breach of the code of conduct for MPs". Will the final Bill restrict wrongdoing to a breach of the code of conduct for MPs, do you think?

Mr Gyimah: Without sort of prefacing the introduction of the Bill itself, there are two triggers: one is an MP being found convicted in a court and the other is being found guilty of wrongdoing by the House consequently on the code of conduct of MPs, that is right.

Q23 Fabian Hamilton: I wanted to talk about devolution. I think we have explored that fairly fully, but there is just one question, if I may, Chair, that I would like to ask you on the devolution issue. Does the Government intend to reply to the McKay Commission report?

Mr Clegg: I think the McKay Commission report was an excellent report, but I do not think it is a surprise to say that if this was a simple issue, the so-called West Lothian question, I suspect it would have been dealt with by many previous parliaments and governments.

Fabian Hamilton: But that is why McKay was commissioned to do that.

Mr Clegg: Sure. No, absolutely, and we obviously continue to look at it very carefully, and particularly in view of the certainty now that there will be further devolution of powers to Scotland in the very near future, it remains a very live issue.

Q24 Fabian Hamilton: So McKay is not too out of date then?

Mr Clegg: No. It is a really important contribution to the debate about an ever more devolved United Kingdom and what implications that has for the way in that this place operates.

Fabian Hamilton: Thank you very much.

Q25 Chair: DPM, you know that this Committee is in the middle of a public consultation on the need or not for a written constitution. What is your view on that?

Mr Clegg: What is my view on the public consultation? I think it is excellent that there is public consultation, and I have expressed my own personal views about the long-term virtues of it. As I say, returning to our earlier theme or refrain, I think there is a first order debate about what kind of decentralisation is envisaged in a new constitutionally rewired United Kingdom in the years ahead, and that in a sense is a kind of important first order question. Adjacent to that is the issue about what vehicle you use to deliver any new constitutional settlements, and until you can answer the first, I sometimes think that there is a risk of putting the cart before the horse by dwelling on the latter.

Q26 Mr Chope: Can I follow up on the McKay Commission? You said in a written answer one year ago that the Government would respond to the McKay Commission in autumn 2013. What has happened?

Mr Clegg: I do not think it is any secret that it is an extremely difficult issue, and it is an issue that of course is brought into sharper relief because of the debate surrounding the referendum in Scotland on 18 September, and indeed some of the recent guarantees of further devolved powers to Scotland. I am not for one moment suggesting that anyone in Government thinks this issue is going to go away, but nor are we pretending that it is straightforward to provide a definitive answer right at this stage, however useful and expert the McKay report is.

Q27 Mr Chope: But doesn't this go more deeply into the issue of trust? You have told us, you told the House of Commons, that you would give a response in the autumn of last year and we took you at your word. You did not give us a response and it is quite clear from what you are saying today we are not going to get a response. At a time when we are in a constitutional crisis greater than any others I have seen in our lifetime in the United Kingdom, surely it is incumbent upon you as the

Deputy Prime Minister to keep to your word. If you tell the House you are going to come forward with a response in the autumn of 2013, surely you should do so, and if you cannot do so, you should come to the House and explain that you apologise for not being able to do so and then give the reasons why.

Mr Clegg: I have sought to give the reasons why we do not think it is quite a straightforward reply.

Mr Chope: A year later now?

Mr Clegg: No, I think both Greg and myself on separate occasions have been quite open about the fact that if this was some sort of easy join-the-dots exercise we could have done it overnight, but it is not. There is a very good reason why the West Lothian question has eluded parliament after parliament after parliament; it is extremely complex. Let us remember what the McKay Commission sought to examine. It sought to examine what a more devolved United Kingdom means for the operation of decisions taken in this House. For me, it is flamingly obvious that when we are in the midst of a major constitutional debate about whether the United Kingdom is going to exist at all in its present form, never mind what further powers are going to then be devolved, that it is far from—. I find it an extraordinary sort of breach of trust. It is just being entirely sensible that one cannot, in that sort of period of huge constitutional fluidity, imagine that you can suddenly pluck out one fixed point on an issue that has eluded people for generations.

If you believe, Mr Chope, that it is quite as straightforward as that, then I would be very intrigued to hear from you what you think the solution is, when we do not yet know whether Scotland is going to remain part of the United Kingdom and when we only now have the clear, unambiguous agreement that a further process of very significant devolution will take place in Scotland in the event, as I very much hope, that Scotland remains part of the UK.

Q28 Mr Chope: I will tell you, part of my solution would be to trust Parliament more and to engage Members of Parliament in your decision-making about constitutional issues, which takes me on to the issue of tomorrow. I understand that you and the other two party leaders are going to go to Scotland tomorrow to present your ideas about devo-max—in other words to try to make a last-minute plea to the people of Scotland to vote to stay in the Union. Why are you rushing at this at the last minute, or has this already been planned years ago?

Mr Clegg: I do not think there is anything last-minute about the fact that myself, as leader of the Liberal Democrats, the Prime Minister as Prime Minister and leader of the Conservative Party and Ed Miliband, as leader of the Labour Party, have an interest in playing our part in seeking to make the case for the continuation of the United Kingdom. It is something that I believe fervently with every fibre of my being. One of the reasons I am so proud to be British is because I rejoice in the kind of way in which we can as a country do things together but also revel in each other's differences. That sort of unity through diversity, which I think makes us the tolerant, ingenious country that we are, is of course not possible if the constituent parts of the United Kingdom are going to start turning their backs on each other. Mindful though I am that at the end of the day it is Scottish voices and Scottish people who will have the vote and will play the principal part in this debate, I think it would be dereliction of duty if we did not, as political leaders, seek to play at least a role in making the case for the country that we love.

Q29 Mr Chope: But it is not just political leaders. Surely the House of Commons has a role here. Why, for example, are we not having a statement today on this issue of devo-max and enabling members of the House of Commons representing English, Welsh and Northern Irish constituents to ask questions to indicate their support and so on? We aren't we doing that?

Mr Clegg: There is a rather precise reason for that. It is because the agreement that has been set out is an agreement between the three parties. It is not a Government announcement. We are, of course, in a period of purdah, in that the Government is prohibited, and you, as someone who is quite rightly punctilious about these issues, I think would be horrified if we were to break those purdah roles. The Government cannot take decisions that break that purdah principle in the run-up to the referendum. What we have arrived at is an agreement between the three political parties as political parties, so we cannot make and we are not in a position to make and nor should we make, given the existence of these purdah rules, an announcement from the dispatch box on behalf of the Government.

Q30 Mr Chope: Why didn't you make an announcement before the purdah rules came into force?

Mr Clegg: We did. We made an announcement as three party leaders, in keeping with what I have just said, on 5 August.

Q31 Mr Chope: That was after the debate. Well, it was before the second televised debate.

Mr Clegg: When was the first one?

Mr Chope: Anyway, in the second televised debate, Alistair Darling was asked what extra powers will come to Scotland in the event of there being a no vote, and he was unable to answer that question. Many people say that his failure to be able to answer that question precisely is one of the reasons why the yes campaign had new momentum. Going back, why weren't we able to say before all that something rather more than just something vague? Why couldn't we say something more precise?

Mr Clegg: Forgive me, I will repeat what I said earlier. I think, at the risk of putting carts before horses, we did set out, each of the individual parties, a long time ago what the substantive new powers would be that in the view of each separate party should be devolved to Scotland. I enumerated earlier that all parties, if to differing degrees, are now of the view that tax powers, powers over welfare and borrowing powers should be devolved to Scotland. That was all, by the way, in the public domain, fully announced with lesser or greater degrees of fanfare by each individual party according to the individual reports they produced—the Strathclyde report for the Conservatives, the Ming Campbell Commission for the Liberal Democrats and the report from the Labour Party—well before those television debates and nothing has been added to that on the substance. All we have filled in over the last 24 hours is the timetable and process by which everyone can be assured that what the three party leaders said on 5 August will happen. That is what has occurred over the last 24 hours.

Q32 Mr Chope: In that case, why did you go along with the Government decision back in 2012 that there should not be a question on the referendum ballot paper relating to devo-max or additional powers for Scotland, devolved powers for Scotland, on the basis that to provide such a question would give the people who voted no a consolation prize and it was regarded as being something that should not be on offer? Now it seems as though this consolation prize, which the Government rejected three years ago, is very much on offer.

Mr Clegg: No, that entirely misrepresents the issue. The issue is when you have a referendum, which is an unusual thing to do, it is very important that there is clarity and certainty about what the choice is. You cannot make decisions about how you devolve further powers to Scotland within the United Kingdom until you first take a decision that Scotland is going to remain part of the United

Kingdom. Having a multiple choice series of questions that mix and match these different issues would be, in my view, getting things the wrong way around. You cannot have the debate, you cannot take the decisions, which is what we have now set the timetable out for, about what further powers to devolve to Scotland until 1 April, where a decision has been taken that Scotland will remain part of the United Kingdom. That is the issue that will be settled, I hope, in favour of Scotland remaining part of the United Kingdom on 18 September.

We have now said the next day, 19 September, will see the beginning of a process that in fairly short order will lead to further powers being devolved to Scotland, but that is the right chronology. You first have to decide—or rather the people have to decide—that Scotland is going to remain part of the United Kingdom, otherwise it seems to me you are mixing apples and pears.

Q33 Mr Chope: Do you agree that you and the Prime Minister have been far too complacent about all this? That is why, when asked by the House of Lords Constitution Committee in April this year, “What if there is a yes vote?” you said, “We are not spending any time planning for what might happen. Obviously we would respect it if the Scottish people were to vote for independence, but we are spending no time in Government whatever in planning for that eventuality because we are arguing forcefully and collectively for Scotland’s continued place within the United Kingdom and we are not planning for an eventuality which we hope will not arise.” Wasn’t that incredibly complacent? I hope the recent NATO summit was not operating on the basis that we were not looking at what would happen if Russia invaded the Baltics. If we have that same attitude that we are not planning for any eventualities, what is the point of having forward planning in government?

Mr Clegg: Mr Chope, I do not know what you do in the middle of a general election campaign when you are fighting hard for every vote in your constituency. My experience, having fought countless elections and fought in countless campaigns, is what you do in a campaign is you campaign. You do not spend all your time assuming that you are going to be defeated. You campaign for what you believe in, you stand up for what you believe in, you articulate what you believe in and you seek to persuade other people. That is exactly what this Government is doing and I think that is exactly what this Government should be doing, because all of us, from whatever party, believe passionately that we are stronger, we are safer and more prosperous and more secure when we work together across the United Kingdom rather than apart.

By the way, I am sure if there was evidence—which of course there is not because it is not happening—that in fact Government Ministers were spending all their time beavering away in offices in Whitehall rather than out on the campaign trail planning for an outcome they do not want, you would be first to criticise us for not being out on the campaign trail campaigning for the things that we want. I think it is a good old-fashioned principle: if you believe in something and it is at stake and you are in the final stages of a campaign, focus on the job at hand, and that is precisely what we are doing.

Q34 Mr Chope: So you do not have any contingency plans in the event of a yes vote?

Mr Clegg: No. We are not working on contingency plans because we are fighting with every means that we can for what we believe in, which is the continuation of a very successful family of nations.

Mr Chope: Let us hope that in spite of the shambolic way in which it has been run by the Government, we succeed in keeping the United Kingdom together. I go along with you on that.

Q35 Chair: We hear, Deputy Prime Minister, that some colleagues are being told by their Whips to give their holiday plans or vacation recess plans over the conference periods so that they can

be on call for a possible vote or debate in respect of action. I do not know whether that is true or not, because obviously I am the last person they would want in the House anyway.

Mr Clegg: I am sure that is not true, Mr Chairman.

Chair: However, it does lead us to the possibility there could be conflict, and the House may be required to express some sort of view about conflict. You will know that since the Iraq war, and certainly since the formation of this Select Committee, we have, I think, been incredibly generous in trying to figure out a form of words that involves the House of Commons in conflict decisions—not a veto, not, “You must come to the House of Commons before declaring any action” but a very extended process involving four reports from this Select Committee to try to find a way to bring the legislature in our democracy into this sort of decision-making, even if it is post-op, even if it is after the event has happened. Can we even imagine, Deputy Prime Minister, before the next general election that the Government can sort out its internal differences, which I understand get blocked in the Ministry of Defence, and treat Parliament with some respect and involve us in this most serious possible decision that any Member in this room can ever be involved in?

Mr Clegg: First things first is that it is, in my view, unimaginable that a deliberate, planned decision on behalf of the United Kingdom for the British Government to enter into military conflict or enter into a wider coalition that takes military action elsewhere in the world involving British military forces is not preceded by a debate and vote in Parliament. As the Prime Minister rightly stated yesterday, and before that I think last week, of course, as I think this Committee has recognised, there may in theory be exceptions where overnight a military operation needs to be conducted to rescue a hostage or for humanitarian reasons.

Chair: Of course.

Mr Clegg: I think everybody accepts there will be some circumstances in which the Government—

Chair: We put forward half a dozen different formulations to ensure that happens.

Mr Clegg: I wanted to come to that, yes. I think the good news is everybody agrees on the substance, which is that the convention, the principle that it is this House that debates and votes and consents to British military forces being committed elsewhere in the world is the standing convention that will be adhered to at all times, other than those exceptions where any reasonable thinking person sees that there are overnight emergencies that require a military response. That is the good news. I think everybody accepts that.

The bit that is eluding everybody, including, I have to be open with you, the coalition Government, is how you translate that, how you give effect, how you express that rationale. There is a range of opinions. As you know, three or four years ago the then Foreign Secretary said that it should be translated into legislation. Others have said it should be a resolution of the House. The House of Lords Select Committee, as you know, examined this and came out against formalisation of this convention because of the—

Q36 Chair: If you wait long enough, Deputy Prime Minister, you are bound to find somebody that is against it, but 95%—

Mr Clegg: No, no, no. That is unfair. That is unfair.

Chair: —of the people in the House and in Whitehall departments know that we can crack this one, and you know there is an obstacle. We have a wonderful thing where the former Prime Minister has come up with a timetable on devolution for Scotland in rapid succession. Can you give this Committee some sort of timetable or even an inkling as to when you can get the Whitehall act together

from your Cabinet Office role, a supervisory, over-arching role, and give us a form of words that involves the duly elected legislature in the most important decision any of us will take?

Mr Clegg: I get the point, Chairman.

Q37 Chair: You do not get the point, Deputy Prime Minister. We have been trying to talk to you about for four years and you do not get the point.

Mr Clegg: No, no. That is, if I may say so, uncharacteristically unfair, because I have always been open about my own view. There is this range of views, ranging from the original commitment that the then Foreign Secretary made through to the counsel that we received from the very august Select Committee in the House of Lords that we should not formalise it; of course there is a range of views, and as you know, I am on the more formal end. I have always been inclined to think that we should formalise this as fully as possible. We have already accepted—I think it was Greg Clark who first confirmed this—that the recommendations should be reflected in the Cabinet Manual, when next revised, is something we will act upon. So we have already committed to reflect this convention in the Cabinet Manual, but I am not going to pretend to you that this difference of opinion between those people like myself, who think we should explore either a resolution of the House or possibly something even more formal to transcribe this convention into a fixed rule, is countered by those who, for perfectly sincere and sincerely-held views feel that—and that is the view of the House of Lords Select Committee—is unwise, and we have not therefore arrived at an agreement.

But I cannot stress enough, first, as Greg Clark has confirmed—and you might want to add to this—we will take the steps to reflect this change in the Cabinet Manual when that is next revised, so we will do that. Secondly, no one is disputing the principle and the convention, which is a huge change, by the way, from the debate where it was before, for instance the Iraq invasion. I think everybody agrees on what it is.

Chair: Can I briefly just ask Greg Clark to comment on that?

Greg Clark: Thank you. I have been trying to catch your eye, Mr Chairman, to make that point. We have reflected very seriously on the report, and the fact that it has not been possible to make a formal response just yet has not stopped us from making that commitment on the Cabinet Manual to reference the Syria vote. I think it was a question from Mr Hamilton earlier: the Cabinet Manual is a very important document for Ministers in the coalition, so that is a significant step forward while the consideration of the other recommendations continues.

Q38 Chair: I hope that we can bring this to a conclusion—

Mr Clegg: So do I.

Chair: —before the end of this fixed-term Parliament, because otherwise we will be vetoing the will of most of the people who are involved in this for another five years.

Q39 Fabian Hamilton: Can I move on to something perhaps less exciting? Local government. Greg Clark, you mentioned earlier about the City Deal with Leeds and the enormous praise that my good friend Councillor Keith Wakefield, leader of Leeds City Council, had for the deal that was struck with Leeds and the Government, but in previous evidence sessions we have talked about the significance of the City Deals programme. Do any of you have any ideas as to how it could be built on in the next Parliament and beyond? Do you see City Deals as the answer to decentralisation? Is that the way forward?

Greg Clark: I am grateful for your question. I think it is, as I said earlier, not a major step forward; it is a change in direction. For the best part of 100 years, this place and the capital have been sucking power away from great cities like Leeds. We have reversed that, and the fact that, I think newly in this Parliament, embracing all parties, the debate is now as you have described, how we can go further, in what ways we can go further, is a significant achievement. The key to it, in my view, is that the proposals should come from the cities themselves. My strong conclusion from my dealings with each of the cities over the last few years is that I think the machinery of central government tends, perhaps inevitably, to bracket them together, to assume that you have the same needs, and the key thing is to give greater independence and greater assertiveness to the cities. That is what we have done already. I want to go further and I am on the record as pushing us that way, and I have been grateful for the further push that this Committee has given us.

Q40 Fabian Hamilton: But let me put this to you: in spite of the success of the City Deals, it is still this Parliament and central government giving something to the great cities like Leeds, Manchester, Birmingham. It is not theirs by right. Other countries, France for example, which was always regarded as being very over-centralised, has a decentralised constitution where there is a boundary between local government and central government and the powers that each has for revenue-raising and for operation of services. Is that not the next stage, some kind of constitutional settlement that says, "It is yours by right to spend or raise this money on the services you and your elected councillors think fit, and not to be dictated by central government."?

Greg Clark: It is a good point, and the Deputy Prime Minister has mentioned the areas in which we have done that through the entitlement, as of right, to retain business rates, so there are things that we have done. Let me explain why I thought that the approach we have taken, city by city, rather than a constitutional or deliberate constitutional change, has not been the right thing, and it is for this reason: whenever previous attempts have been made to decentralise power in that way, one of the objections that has always come from Whitehall is to say, "This is fine for this particular city. We are pretty confident that they have the experience and the scale to be able to take them on, but are we going to give the same powers and responsibilities to places that may not have demonstrated the experience of exercising powers like that?" In some cases they may not have expressed an appetite to do so, and that has always led, in my view, to a timidity. You have had a lowest common denominator, a very sort of meagre level of decentralisation.

The breakthrough that we have achieved—we mentioned Leeds, but take Manchester. Greater Manchester is undoubtedly an immensely capable city, well led by councillors from all parties working together for the interests of that authority. It has the scale, it has the maturity to be able to take on substantial powers. I want to give more powers to Manchester and do not want to be held back by only being able to devolve those powers that might be suitable at the moment for some other place. What I want, and what is happening, is for all of these other cities to see what Manchester—and for that matter, Leeds—can do and can get and to organise themselves to be capable of taking on those powers. A particular example is having a combined authority. Greater Manchester formed a combined authority whereby they pooled the sovereignty of the different councils. Leeds, I am glad to say, and the West Yorkshire authorities, have now followed suit. That makes them capable of taking on more of the powers that Manchester has had. I have done it in a pragmatic way, we have all proceeded in a pragmatic way, but for the same end that I think we share, which is to get powers out of here into the hands of the leaders of the cities.

Q41 Fabian Hamilton: The Heseltine review called for all growth funds to be put into a single pot, which he valued at £49 billion over the 2010 to 2014 period for which local government are to bid. Have you moved towards that at all, and isn't that just the same idea that, "We control the funds and you can bid for them"? I love your reaction to this idea of competitive bidding, because it

seems to me if there is a need, there is a need, and what you are saying is, “Your need is greater than somebody else’s need.” That does not mean to say the person with the lesser perceived need does not have that need or the organisation or city.

Greg Clark: No, I think the principle that we have taken is that if you can demonstrate that you can make use of money that has been held centrally better, then you should get on and do it. That was the approach that Michael Heseltine recommended; he recommended a competitive approach. He has been advising the Deputy Prime Minister and me on the negotiations with each of these cities. In July this year, we allocated £6 billion, which is a substantial sum by any measure. My ambition, and I am sure it is the Deputy Prime Minister’s ambition, is to increase the size of that, and the case for being able to do that is helped by the success. I think what has particularly impressed our colleagues across Whitehall—I do not think it breaches the collective responsibility doctrine to raise a sceptical eyebrow about this—is when they saw what the cities had put forward, they recognised that the scale, the ambition, the leverage of local private sector funds that is available surpassed their expectations. The sceptics have been converted into greater enthusiasm, into believers.

Q42 Chair: Greg, you will know that there is an opportunity now for your agenda, which I know you have pushed incredibly hard over many years and in many different briefs, and I hope I have paid full tribute to that tremendous work that you have done. With the situation in Scotland, there is now an opportunity to break out of some of that constraint that I know occasionally I have certainly felt, and possibly maybe you have felt too. There is an enormous coalition now of people who want to go further on English local government, so there is the Mayor of London and Professor Tony Travers; there is the Core Cities, Sir Richard Leese and his team; there is the RSA report by Jim O’Neill just a couple of days ago; there are innumerable reports by this Committee and by Clive Betts’ Local Government Select Committee, too. Is there not now an opportunity, even in the next week or so or in a fairly short timeframe, to help to realise some of the enormous ambition that there is out there in local government by taking a step further and talking about how we would really devolve democratic and financial power, perhaps through having income tax assignment for England?

Greg Clark: Chairman, I am grateful for what you have said, and it is very helpful to have had your support for this agenda, because one of the things that we do want to demonstrate is that this is not a reversal, so the fact that I think politicians of all parties and chairmen of important committees such as yours are behind it sends a very important and clear message out.

All I would say, and perhaps it is a slightly self-regarding thing to say, I have been banging on about this for many years. I published a book in 2003 calling for this. From the beginning of the Government, as you have said, I have hung on deliberately, with the Prime Minister’s consent, to this portfolio through different government departments. I have always wanted to do it and I think we are making progress here, and I was struck when Mr Durkan said that from across the water in Northern Ireland he looks—perhaps I paraphrase him—enviously at the City Deals. We have been able to conduct, perfectly amicably, a City Deal with the city of Glasgow. They recognised that being part of the family of UK cities has been very important. So the approach, as I described to Mr Hamilton, is not quite the constitutional approach that I know you favour and I have great respect for that. My experience has been to do it city by city, policy by policy. I feel we have made more progress than previous governments have.

Q43 Chair: But if an opportunity comes up in the next week where all parties can combine on putting a tremendous leap forward on this agenda, I am sure you will not be standing in their way.

Greg Clark: I am always very keen for people of all parties to recognise what we have achieved and to continue in that vein.

Mr Clegg: Can I just add that Greg and I, if from different parties, are completely at one on this and I share his pride in how we have managed to shift the dial in a significant way in a more decentralised direction. I remain of the view that the most significant thing that can happen in the next week is that we all repeat exactly what we have been saying to each other right here, which is there is an incontrovertible link between the constitutional changes that are now going to happen in Scotland in the event that Scotland, as I hope, remains part of the United Kingdom and a wider rewiring of what remains an unduly centralised British state, particularly in its governance in England. I think if we just say that that is something that needs to be fixed and you develop the kind of critical mass of political opinion across parties that that is recognised as something that need to be fixed, that is already a huge step forward.

Q44 Chair: From the macro to the micro, if I may, Greg, the Local Enterprise Partnerships, through their Growth Deal, have bid for a lot of money from central Government and that money is coming forward through approval of those programmes that have been put in, but there is a technical problem in that much of the funding is capital, so you can drive a motorway through a big city and get it funded, but if you want to, let us say, pay for two or three community workers to build community infrastructure in a deprived community, you cannot get that at the moment, because that is regarded as revenue, which currently is not part of the Growth Deal. Is that something that gives you some concern? I am sorry to spring a very technical question on you. Is that something that you can try to iron out perhaps with the Treasury? Feel free, if you wish, to write rather than give an off the cuff answer to that.

Greg Clark: I am happy to answer, Chairman. I will be very open about it. We have said that the Local Growth Fund is going to be at least £2 billion a year for at least six years. But you are absolutely right: since this was put together, subsequent to the last spending review, it was taking money from different departments and it was possible to do so for capital but not revenue. I am very open with this Committee that I want, as we discharge the commitment, to make it at least that amount, to include some revenue in this for precisely the purpose that you mentioned. I hope that the success of the City Deals and the Growth Deals will persuade my colleagues that this money is well spent put in the hands of Local Enterprise Partnerships through these deals, so you can get more bang for the buck than if you sit on it in Whitehall and insist on deploying it all centrally.

Chair: Perhaps the DPM could put this on his, “To have a word with George” list to allow revenue spending as well as capital spending from the growth plans.

Q45 Mr Turner: My real concern is that places like the Isle of Wight, or most of Somerset, or for that matter Cornwall or Devon or Dorset or Wiltshire, do not appear in the so-called City Deals because they are not cities and they are not dealt with. When can we share?

Greg Clark: I am delighted to say, Mr Turner, you now can. The experience I—

Mr Turner: But you are suggesting that we hand over our few powers in the Isle of Wight to Southampton.

Greg Clark: I am not, but to answer the first question first, you are absolutely right, when we conducted the City Deals, they were widely seen to be successful, and when I went to conferences in local government, I was sometimes literally chased down the corridor by the leaders of our great counties and districts saying, “We can contribute in much the same way.” The decision was taken in response to Lord Heseltine’s report to make the funds available to Local Enterprise Partnerships,

and the Isle of Wight is part of the Solent Local Enterprise Partnership. It is for them to put forward their propositions to Government and to negotiate, but the Isle of Wight is part of that and it cannot proceed without the Isle of Wight being part of those discussions.

Q46 Mr Turner: It is perfectly possible for them to disregard the Isle of Wight, just as they disregard New Forest, because they are aiming, it seems to me and people on the island, that money for big towns rather than non-cities.

Greg Clark: That should not be the case, and in particular for the rural areas. Some of the components of this round of successful Growth Deals have a very substantial investment in rural growth, which extend to the island. I am very happy to meet with you, Mr Turner, and your council colleagues. The island makes an incredibly important contribution to the regional economy of the south, as well as to the nation, and it is very important that the strengths that are there and the possibilities are fully reflected in the deals.

Q47 Mr Turner: Thank you. When you spoke to the Lords Constitution Committee, Deputy Prime Minister, you said that the move to fixed-term Parliaments was a radical constitutional change, the implications of which are still being understood and absorbed. Can you give us your assessment of how this first fixed-term Parliament has gone so far?

Mr Clegg: I think it is innovation that has proved its worth, because it means that at a time when the central mission of this Government has been to restore stability to what was a deeply damaged economy after the catastrophe in 2008, it has been indispensable that we have been able to do that repair job, controversial and sometimes downright unpopular though aspects of it have been, without everyone constantly peering over their shoulder worrying whether there is going to be a general election next Tuesday. In other words, I think it has afforded us the space and the certainty and the political stability, without which providing a greater sense of confidence and optimism in the future of our economy is not possible.

I cannot stress enough how kind of unusual we are as a country, given how damaged we were back in 2008, that we have not been blighted by the turbulence of lots of political instability at Government level in that crucial phase, during which we need to focus on repairing and rescuing the economy. Many other economies that were engulfed by that catastrophe in 2008 have found it much more difficult to sort of climb out of the trenches, precisely because they then are subsequently blighted by a lot of political turmoil, second-guessing election upon election that is still in the way of the economic repair job.

I think for the short term—more than short term—because of the kind of once in a generation need to repair the terrible damage done to our economy, it has proved to be extremely valuable, but beyond I just think it allows governments and parliaments to act more sensibly and rationally if they know what period of time they have to embark upon reforms. I think it minimises needless political instability and politicking and allows governments to discharge the mandate that they have secured from the British people.

Q48 Mr Turner: So am I right in saying that you first of all felt it was an emergency almost, and we had to put up with five years, but now it seems you have decided that there is a fixed term indefinitely?

Mr Clegg: Absolutely, of course. It is both. They are not mutually exclusive. Of course I would not say that we are putting up with this Government. I think this Government has done remarkable

things to help rescue the country from the economic turmoil that we inherited in 2010, and I think history will judge us very kindly for having done so. It has not been an easy job, but it is one that someone needed to do in order to give future generations a greater sense of economic opportunity than otherwise would have been the case. So in that sense, the immediate task of this Parliament and this Government has been helped by fixed term, but at the same time as, I stress, the removing of the almost ludicrous tendency for previous governments and parliaments to be blighted by a guessing game between the Prime Minister of the day and the British people, where elections were increasingly considered to be a sort of personal plaything of the Prime Minister in office.

I think it is very good that has been removed and I think it is excellent that we should. I would have thought you as a proud parliamentarian would think it is a good thing. We have clipped the wings of the Executive and we have clipped the wings of the Prime Minister of the day so that he or she is unable to, just by personal fiat, decide when an election is held in this country. I think it has restored a greater sense of balance between the legislature and the Executive as a result.

Q49 Mr Turner: What would the impact be if a future government decided to repeal the Parliaments Act?

Mr Clegg: I think it would be a very retrograde step.

Q50 Chris Ruane: The Electoral Commission announced in July that there are 7.5 million missing off the electoral register. It welcomed this, because it had flatlined over the past four years. It also said that the completeness and accuracy over the next five years of the register should stay as it is, it should not deteriorate, so they want that 7.5 million to stay in place over the next five years. At the last election, the Electoral Commission targeted just 1.8% of this 7.5 million people to get them back on the register in the run-up to the campaign. Can I ask Greg and Nick, do you think that the Electoral Commission has shown a lack of ambition towards registration, a lack of prioritisation towards registration and how many and what proportion of the 7.5 million unregistered voters should be registered by 2019? Is this document good enough?

Greg Clark: I think, Mr Ruane, the answer is as many as possible. I think we all share the ambition. It goes from the remit of this Committee to everything we do as parliamentarians. All of us in our positions try to get people registered on the electoral register and then to vote, ideally for us. I think we should leave no stone unturned at getting every one of those people who is not there on there. I cannot give you a number for a target, because I think we should be looking for every one of them, but I have always taken the advice of this Committee and its members to keep the scrutiny and indeed the pressure on everyone involved in the electoral registration system to keep their sights high.

Q51 Chris Ruane: Not a specific number, but a trend: the Commission says it should not deteriorate, it should not get worse than 7.5 million. Do you think it should get better? Do you think that should be a stated aim of this document that registration should get better?

Greg Clark: I would like it to get better, Mr Ruane, but we have set up the Electoral Commission to have the day-to-day expertise and with the electoral registration officers to consider the discharge of that, so I am sure you will, when you talk in this Committee to the Chairman of the Commission, ask her about that number. But the thrust of your question is that we should get everyone that we can on the register and I agree with that.

Q52 Chris Ruane: Should it be a stated aim?

Greg Clark: I think that one of the aims of the Commission should be to get people who are not registered to be on the register.

Q53 Chris Ruane: For the next five years, it is not; it is so it does not deteriorate, so it stays at 7.5 million and I think that needs looking at by the department. Nick.

Mr Clegg: No, I obviously entirely agree with Greg, but I do not think we should be satisfied with more people being off the register than is absolutely the bare minimum that is tolerable, and 7.5 million is a lot of people off the register. Part of the point of the way that we have designed individual voter registration, not least the mass migration of people from one set of databases on to the individual voter registration database, plus the fact that we have seen some striking early success with 1.5 million people registering online, is our genuine hope that it will increase overall registration levels, not just sort of tread water and coast at present levels.

Q54 Chris Ruane: Coming back to this document, it says in here, “Completeness should not deteriorate”. Do you think that should be altered to, “Completeness should be improved”?

Mr Clegg: It is not for me or any Government Minister to dictate to the Electoral Commission how it writes its documents.

Chris Ruane: But you can have an opinion.

Mr Clegg: No, my opinion and all of our opinions is to be ambitious for the fullest scale of registration possible, and clearly every voter who is unregistered, we should be seeking to make efforts to register them.

Q55 Chris Ruane: Is “completeness does not deteriorate” ambitious?

Mr Clegg: Clearly, if we are where we are now, we want to do better in the future.

Chris Ruane: That is not what it says.

Mr Clegg: Since I have not read the report, that is why I am slightly umming and erring, because I do not quite know what the context is in that sentence that you have cited, but the principle is that we should always be striving to register more people. Individual voter registration is an important change by which voters are registered and a means by which we think more people can be registered. It is clearly and has always been one of the stated aims for this change to individual voter registration, as it was of course by the then Labour Government when they first unveiled the plan towards individual voter registration. I think your concerns with that document—

Q56 Chris Ruane: And the performance of the Electoral Commission and EROs over the past 13 years under the Labour and the coalition Government.

Mr Clegg: I do not know. I get the impression that Sam and Greg may be closer to it than I am. I get the impression there has been a real step change in terms of emphasis of everybody concerned—Government, local authorities, EROs, the Electoral Commission—in focusing on raising levels of registration, accompanying, or accompanied by, the shift to individual voter registration.

Q57 Chris Ruane: But they have not improved over the past four years, and according to this document, they do not expect to over the next five years. I think this is—

Mr Clegg: I hope in five years' time we find we have improved.

Q58 Chair: One very quick final one, Deputy Prime Minister, to take both of us back to a relatively painful period, which is boundary commissions and boundary redrawings. Are you aware of the academic work done by Professor Ron Johnson, where he says if we just move the current variance on the quota—in other words, a Member of Parliament should represent a given number of electors, and it can be 5% either side of the number at the moment—at 8% variance there would be relatively little dislocation and pain in terms of people's constituencies being dismembered and remembered, if I can put it that way, or reconstituted? Are you aware of that work and does it overcome some of the scars on your back and possibly lead you to think there might be a way to sort this out before 2020 that does not entail a lot of agony?

Mr Clegg: Sure. Yes, I am aware. Lord Tyler, as you know, who was involved with initiating the report in the first place, drew it to my attention. As you say, my understanding of the central proposals was that quite a lot of the misgivings under the existing provisions that natural communities are artificially split and that new constituencies are drawn or new boundaries are drawn almost without any regard to social and natural boundaries between communities could be solved or could be alleviated by, first, allowing for the splitting of wards, which is allowed under the current legislation but only under very exceptional circumstances and, secondly, by expanding this margin of error either side of the magic 60,000 figure by—I think they said—8% or 9% rather than 5%. I think that is the kind of pragmatic sensible approach. It is worth recording that the next boundary review, as set out in the law, will take place in 2018 and I think it is important that we look at ways of making sure that we do not just end up with a repeat of all of the controversy of last time, but also in a pragmatic spirit seek to deliver boundary reviews—boundary reviews must happen—in a way that does not lead to irrational decisions in that communities are needlessly split up when there is no reason other than the mathematical rigidity of the current formula determining that they should be split up in that way. I think if we can build on that advice from those independent academics, that may be one way forward.

Chair: We have detained you a very long time, but I hope you will agree, DPM, it is a very important moment—

Mr Clegg: Indeed.

Chair: —in our political lives and the lives of the country and perhaps especially Scotland, so I hope you will feel it was worth the tour de force that yourself, Greg and Sam have treated us to today. Thank you so much.

Mr Clegg: Thank you very much.