



Political and Constitutional Reform Committee

Oral evidence: [The future of devolution after the referendum](#), HC 700

Thursday 6 November 2014

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Written evidence from witnesses:

- [Unlock Democracy](#)
- [Electoral Reform Society](#)
- [Local Government Association](#)
- [Essex County Council](#)

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Members present: Mr Graham Allen (Chair); Mr Jeremy Browne; Mr Christopher Chope; Mark Durkan; Paul Flynn; Fabian Hamilton; David Morris; Robert Neill; Mr Andrew Turner

Questions 91 – 142

Witnesses: **Alex Runswick**, Director, Unlock Democracy, **Katie Ghose**, Chief Executive, Electoral Reform Society, and **Stephen Brooks**, Director, Electoral Reform Society Cymru, gave evidence.

Q91 Chair: Welcome to this sitting of the Political and Constitutional Reform Committee. We are looking at questions around the future of devolution after the Scottish referendum. Would anyone like to say anything by way of a general introduction, or would you like to jump straight into questions?

Katie Ghose: I would like to make just a brief couple of points.

Chair: Please, Katie, go ahead.

Katie Ghose: I think there are two lessons from the Scottish independence referendum that are particularly relevant to your inquiry. The first is that when people are given a real meaningful say over the future shape of their country, they will turn up and make their voices heard in millions. The second is that feelings about Westminster politics was the single biggest reason given as to why people voted yes; in other words, there is a lasting distrust of politics as usual, and we know that is not just the case in Scotland.

Our main message to this inquiry is that we now have a chance to shape the future of the UK and to decide where power lies. There is consensus among the parties that more powers should be devolved—and I think it is interesting that cross-party consensus has been growing—but quite a lot of disagreement about exactly how to do it. We feel that if we learn the lessons truly from the Scottish independence referendum, we have to learn how to involve citizens every step of the way. The process for determining how power should be devolved, and how far, needs to be led by citizens, and the only way you get lasting, legitimate democratic renewal is by bringing citizens and politicians together to deliberate, discuss and to make decisions.

Q92 Chair: Alex, are you happy with that?

Alex Runswick: I would add that I think this is a really important moment for the UK, not just in terms of the individual outcomes of how we devolve power, but in terms of how we make constitutional change. We have had this very long process in Scotland. We are now beginning to have a UK process and, as Katie said, it is important that we take this opportunity to review not just the individual reforms, but how we make constitutional change, and the public need to be proactively involved in that process. That is why this inquiry is quite so important.

Stephen Brooks: Lastly, I would add that from the Welsh perspective the need to make sure that any conversation is UK-wide. I think there is a fear that there are almost three sets of conversations going on: between Whitehall and Scotland; between Whitehall and Northern Ireland; and between Whitehall and Wales. From our perspective, we are quite keen that there is a single conversation.

Q93 Mr Browne: Good morning, everyone. Let us leave Scotland to one side for the moment, because they are all going to get on with the variation on devo-max that they have been promised by the leaders, the vow and everything else—or not. That is a separate discussion. Let us assume that that is all going to happen as discussed during the referendum campaign in Scotland. Where does that leave the rest of the UK as a whole, and perhaps specifically, given that it is the biggest bit—even though I accept what you are trying to say—England? Let us say all this vow is implemented in full. Where does that leave the rest of us? What should happen here? It is a big, general question.

Alex Runswick: One of the exciting things about the Scottish referendum was how it has started to ignite a conversation around the UK about not just the Union, but where we want power to lie within England. I think one of the things that we have to recognise is that there are very different conversations in different parts of the country. There is one kind of debate in Yorkshire or in the north-west, and even about the idea of a north region. There is also a conversation that has been going on a long time in Cornwall that is very different to what might be going on in Sussex or Kent. I think one of the things that we have to recognise is that although England is the biggest chunk of the Union, within itself England is not unified in how it wants to move forward or what stage of that kind of conversation it is at. We have to recognise that there is going to have to be some kind of variable devolution in England.

Q94 Mr Browne: If it were, we could wrap it all up by 10.10 am and go and have a cup of coffee, but I suppose you could say the same in Scotland. I do not know Scotland as well as England, but perhaps people in the Shetland Islands have a different view from people in the centre of Glasgow, but anyway. Given that people in Cornwall have a different sense of what devolution might mean compared with people in Kent, to use your example, or the north-east or other regions, what do we do about it? Do we have devolution on demand, meaning the Cornish can get on with doing their own thing, but people in Devon do not, or do we have the sort of city regions? Where does that leave people who live in rural parts of the country, or do we try to have some uniformity, which some people in Cornwall might feel does not go far enough in Cornwall and others in Kent might feel is excessive? Guide us.

Alex Runswick: Unlock Democracy's policy is in favour of a form of devolution on demand but, more fundamentally than that, we need to take a step back from individual proposals. There are lots and lots of ideas about how you can decentralise power, but my concern is that the people who have never been involved in that conversation are the people of England. That is why we think that there needs to be a constitutional convention, and that politicians and the public have to be involved in deciding whether they want it or not.

Q95 Mr Browne: I am in favour of involving everyone, but I am an MP in Somerset. Let us say we have a city region based around Bristol, although as I understand it everybody who lives on the peripheries of Bristol makes a great point of saying that they do not have anything to do with Bristol. But let us say for the sake of argument that that all happens and let us say that Cornwall, to the west of me, also gets on with it. There are big implications. We are sitting having debates in the House of Commons. Are the Bristol and Cornish MPs excluded from those debates on the basis that the issue that we are discussing has been devolved to Bristol and Cornwall, but the Devon and Somerset MPs are not excluded from that debate because of devolution on demand and we have decided not to demand it in Devon and Somerset?

Katie Ghose: You are making a very powerful case for giving citizens and politicians the breathing space to come together to determine these issues. If you look at the experience of top-down imposition of democratic innovations—police and crime commissioners being an example—they can end up not taking hold at all because you have not bothered to ask people in the first place, “Where do you want power to lie?” and to have that conversation. In a sense, Jeremy, you are saying, “If we do some top-down stuff and we make some decisions, where does that leave everyone?” What we are probably saying is this is what you are describing and the many decisions that could be made about where power lies. There has just been some interesting new polling on that with the public showing quite nuanced positions when you ask them, “Do you want these issues to be decided at the English level, the regional or a local level?” People have quite different views when you ask them about benefits or refuse collection.

I think people have the appetite and the ability to engage in those questions, so that is why we are advocating a process where some of the questions that you are raising could be determined, rather than politicians saying, “Okay, let's just do some devolution now.” I think it would be disastrous if you just impose devolution without asking how it should be democratically done within that.

Q96 Mr Browne: In a way, I have the ball rolling for the benefit of the Committee, but I agree that it is going to involve people. Everyone should have a conversation, everyone should be invited to contribute and it should be cross-party and so on, but quite often politicians or Governments do not necessarily embark on that process without having some sort of sense of what the destination might be. Presumably people belong to your organisation not just because they think there is merit in having conversations, but because they have some view about the destination. For example, there is neatness in regionalism, but a lot of people do not identify with the region, so there are problems and pros and cons with each method, but you do not seem to be at all enthusiastic about punting a few out as preferable options to the others. You seem to be keen to have a debate, but not to contribute to it.

Katie Ghose: Quite reasonably, for a start, we do not know precisely what powers will be devolved from Westminster to Scotland; I do not know about Unlock Democracy. At the moment the electoral reform started, we do not have a blueprint for exactly how powers should be devolved from Westminster to the regions, neighbourhoods and localities of England. There are different ways of doing it, but we do not have a blueprint for that. What we are arguing strongly for is some kind of a process. We completely support the idea of quite radical and meaningful devolution, not

only of powers, but the budgetary and financial stuff to go with it. We feel very strongly about that as our position, but we cannot today present you with an absolute blueprint for how we think that should be done because we are arguing for a citizen-led process to help to make those decisions.

Alex Runswick: Unlock Democracy has called for there to be an enabling Act for English devolution with a menu of powers similar to those initially given to the Welsh Assembly that local authorities or groups of local authorities could call down. There are different ways of doing it—we are not saying that this is the only way of doing it—but the important thing for us is that we think that the process should be bottom-up, and it has to be about communities calling down powers rather than being told, “This is the unit that you will have and these are the powers that unit will have,” because we saw with the attempt at directly-elected regional government in the north-east that model does not work.

Q97 Mark Durkan: The apparent agreement between the three main GB parties on the prospectus for Scotland in the event of a no vote came very late in the campaign. I know at the time they all agreed they really meant it; they do not now agree what they meant. I am not going to ask you the “how now Brown vow” question, but the settlement that is supposed to be based on that is being negotiated to an extremely tight timetable so that a draft Bill can be published and scrutinised before the next Westminster election. Whether it has implications far beyond Scotland, it is not clear that the negotiations are touching places far beyond Scotland in that direct way. What do you think of the feasibility of that timetable, not just in political and constitutional terms, but in terms of a process that might best achieve constitutional change that has public engagement, never mind actual public support?

Katie Ghose: I think that proceeding at high speed with next to no input from citizens is the worst way to carry out constitutional change. What we have been doing as ERS Scotland is trying to press working with a whole range of civil society and other groups in Scotland to press for there to be some sort of citizen involvement. We understand and appreciate the political reality, and that both the Smith and the Hague processes have been given a difficult job to do and next to no time to do it, but what we have been pressing for is for citizens to have some sort of involvement in the consultation, and then a role in testing or exploring any recommendations that may come out of that committee. I think it is anyone’s guess as to whether political agreement can be achieved, but I would say it is the very worst way to carry out constitutional change and quite wrong to look at these things in separation.

The other thing I would say about Scotland is that we did an exciting programme of work over 18 months called Democracy Max in Scotland, which was a citizens’ inquiry. We took the time to ask people, “What is your vision of democracy in 2050?” and what came up very strongly was a lot of people feel as remote from the Scottish Parliament as they do from Westminster, and there was a very big cry for local democracy. We are now working to take forward some exciting ideas about how we could strengthen local democracy. I think probably our shared passion is that it is the local devolution—the local democracy—that is as important as looking at how you devolve powers from the centre to national assemblies and Parliaments, and then beyond.

Alex Runswick: I think that, from a public engagement point of view, the time scale of this process is a nightmare. It is exceptionally short. If you think in terms of the submissions, although they have done quite well at managing to get people to submit ideas in a very short time frame—I think they had three weeks between when the final documents were published and the deadline, to give you an idea—it used to be standard procedure that any Government consultation on any measure had a 12-week statutory consultation period. There is one in London at the moment about a cycle super-highway that is getting over two months, but I think the idea that the future of Scotland and the powers can be three weeks, and that the public can have a meaningful role in that, is quite

concerning. It is good that they have ideas in from the public at the moment, but it is now almost going into kind of a black box phase where people have put ideas in, there are going to be some kind of negotiations between the parties and something is going to come out, but it is not clear how any of the public engagement up until this point is going to feed into that process and how it is going to be meaningful in terms of the outcome. One of the real challenges when you are doing public engagement is that if people put something in and they invest in a process, they need to feel that their input has been meaningful. I do not mean that they necessarily get what they want, because we cannot all get what we want, but they need to feel that they had a role in the process. I am not clear at the moment how that issue is going to be resolved.

Q98 Mark Durkan: Obviously you both want the public involved in the current discussions. You seem to be unclear as to how well this commission can allow for that. Is that just an issue of the time scale, or is it because of just the limited political structure around it? Have you any suggestions, given that time scale, for at least enhancing the appearance of public engagement?

Alex Runswick: I think the time scale is one of the biggest challenges. It is not their only challenge, as you have outlined. I suppose what they can do is to be very clear about what the different processes are and what the time scales are, and if there are opportunities for the public to get involved. I am not clear. I do not see at the moment that there are probably any more opportunities for the public to get involved, but I may well be wrong on that. As an outsider, it looks to me as if it is now going into a very much more traditional political negotiation and that any kind of public engagement has ceased, but perhaps that is an erroneous perception on my part. But given the political realities and the fact that the vow was made, there is a time scale and it is important that people are seen to be delivering on that. The best the Smith commission can do is to be clear about what is going on when, where the public can get involved, if there are other opportunities, and what they can influence.

Q99 Mark Durkan: If there has to be an outcome in terms of a draft Bill before the election and that outcome has come about without the quality of public engagement that you would both recommend, what future do you see beyond that for public involvement in the decisions that will have to be taken about the constitutional future of the UK and its different parts?

Katie Ghose: I mentioned before that ERS Scotland is involved with a whole range of groups in trying to get more citizen involvement in this process. I think there is potential for there to be some sort of citizen involvement, even within a short time scale—whether it is as the deliberations are going on or whether it is at the end—to test and explore the conclusions of that committee before legislation begins to make its way through the processes. What we also want is for both the Smith process and the Hague process to make a strong recommendation that there is a UK-wide constitutional convention that would exactly then have the breathing space to explore and take forward the issues that we have described. As I said, we appreciate the political reality and the short time scales, but what a great signal that would send if those two committees in tandem made that strong recommendation and, if necessary, perhaps included the relevant clauses in the draft legislation, so that pre-election there was a strong commitment that a constitutional convention was the will of the parties.

Q100 Mark Durkan: You would say then that the proposals that would come in the form of a draft Bill, and any other issues arising from other devolved areas and indeed the non-devolved areas, should all be on appro, subject to the constitutional convention?

Katie Ghose: Absolutely. I guess we are perhaps now getting on to look at what a constitutional convention is, but there are some very real questions, which Jeremy has identified, about where power lies, and the English question with the different levels at which power should lie. These are real questions that do need determining, so there would be a real convention with a purpose. I do not think it should be a convention that that is a kitchen sink and has everything in it, but there are some very concrete questions that could be determined by that convention. I think it would be a strong signal if the Smith and Hague processes said, “Yes, we would like to see this.”

Q101 Chair: Just to follow up briefly and, in a sense, to be devil’s advocate, you said the three parties are committed to some form of devolution—further devolution—but there are a lot of people who are not, not least in Whitehall, who may think, “The world as it is run at the moment is absolutely fine, thank you.” In going for a constitutional convention, isn’t there a danger of missing the moment and missing the momentum, and that perhaps rather like the north-east regional referendum, if you leave four years between a referendum on these issues, you find the steam goes out of it and issues are contested at the referendum other than the one you first thought would be contested? Aren’t you in a sense playing into the hands of those people who just want this to defer and deflect so that the problems go away in good old British fashion?

Alex Runswick: I am sure that you are right that there are people who would like to use something like a constitutional convention to say, “These are all the issues I do not want to have to deal with in the next five years. Go away and consider them.” I think one of the ways you handle that is that you have quite a tightly defined agenda for what the constitutional convention considers so that it is not absolutely everything to do with the governance of the UK, but has quite a defined agenda at the outset, with options for the convention to expand that if it feels that is necessary. Also, you have to be quite clear in public about what the time scales and the outcomes are so that it is not just, “We are going to set up this body and it will report back at some point,” but, “It will report back at this point, it will then go to a referendum and it will then report back to Parliament,” setting out what is going to happen at each stage and that being a commitment. We have seen with other constitutional conventions and citizens’ assemblies around the world that that is what makes it work—when there is a clear sense of what the outcomes are going to be.

Katie Ghose: I would just add to that that obviously we understand that the UK Government and other Governments are pressing ahead with a devolution agenda, so we need to be realistic and appreciative of that. If a convention was set up after the general election, its starting point would be, “This is the current constitutional devolution settlement,” and the convention would then take the issues from there. I do not think that any of us are particularly advocating or suggesting that somehow everything stops now. If the UK Government wanted to, I think that they could rapidly set up a constitutional convention pretty much now and get that going, and that would be a fantastic thing to do. That may not happen, so if it was to happen after an election, it would obviously have to start with wherever we were in terms of where powers had been devolved. That would have to be the starting point.

Q102 Mr Turner: Why do you regard it as necessary that people who live outside England are involved in English devolution?

Katie Ghose: I think it is quite complex when you look at how the different citizens would relate to each other.

Mr Turner: Of course, but if it was in Scotland.

Katie Ghose: One of the models that could be explored would be to have an English convention that brought together English citizens and explored issues of where power lies within England. At the same time, you might have processes going on in Wales and in Northern Ireland and in Scotland as well, talking about the double devolution, if you like. I think then that what would be exciting and quite ambitious would be to have a UK-wide conversation on the matters that it is for UK citizens with politicians to look at, for example regarding the shape and role of an elected second chamber, or there might be other matters where it would be good for citizens to come together. The other model might be for English citizens and the English aspect of the convention to take evidence or testimony from citizens from other areas where they have had more experience, as in Wales and Scotland, of having a democratic debate. This is something that we have been looking at. Again, we do not have a blueprint; it is quite tricky and we have been exploring how to do it.

Q103 Mr Turner: Do you accept that it is not necessary that an English devolution system would require people from other countries to be involved?

Stephen Brooks: I think it is a question of at what level that involvement would be. There are clearly questions that England needs to answer that perhaps it has not spent a huge amount of time considering in the same way that other parts of the United Kingdom have. It sometimes feels like Wales endlessly spends time reflecting on the devolution settlements and the powers between Cardiff Bay and Westminster. But in terms of Wales' involvement with the conversation that goes on in England, I think that there are clearly issues that relate to both nations that do need to be considered in the round. For example, the West Lothian question and the subject of English votes for English laws touches on another question for Wales, which is about the model of devolution and whether we move from the conferred powers model, which is the current settlement, towards the reserved powers model, which is kind of looking into what goes on in Scotland. From the Welsh perspective, it is not black and white about what is an English issue and what is a Welsh issue. There are a whole host of grey areas that fall down. I think Wales would very keen to talk to any kind of process in England that was considering English votes for English laws, for example.

Again, from a Welsh perspective, there are other questions that I think it is important that England should consider, but that might not necessarily be apparent at first look when considering the governance of England. Again, one of the anomalies that has been highlighted in Wales is what is kind of cheekily called the Bridgend question. The First Minister raised this as an issue—his constituency is Bridgend—in response to the West Lothian question, but put simply, when it comes to the UK delegation and the Council of Ministers, it is always the UK Secretary of State who is the lead Minister for the UK delegation, even if that subject is on a devolved area like agriculture. There are questions there about what the UK line is. The matter that might be debated in Brussels, for example, might be a completely devolved issue in Scotland, Northern Ireland and Wales, but it may well be that England speaks on behalf of the United Kingdom without consulting the other constituent parts. That is another issue where I think Wales would want to have a conversation with the process.

Q104 Mr Turner: It sounds to me as if you are stretching a bit. Those are clearly issues, but they are not major issues. The major issue as far as England is concerned is when we get devolution—not only to England, but below the England level, although we have to go first to England before going beyond England.

Alex Runswick: I think you are absolutely right that there are questions about England that need to be addressed by the people of England and, as Katie said, one model of doing that is by having an English convention that then feeds into a UK convention. But we also have to bear in mind, as we all know, that England is the largest constituent part of the United Kingdom and so decisions that England makes also impact on everyone else. If we want to move forward in terms of a Union, then

we need to be able to have those conversations together as well as separately. I think there is a strong case for England starting its debate early because, as Stephen has already indicated, we have not had those kinds of conversations, while Scotland, Wales and Northern Ireland have already, in some cases, begun, and in some cases gone quite a long way. But we need to make sure that the English conversation does feed back into a wider UK conversation as well.

Katie Ghose: One of the benefits of a convention is that its participants can take evidence from testimony, and have submissions made to them online and offline. It may be that when English citizens are looking at these very concrete questions of where power should lie locally and how much power and control they want to hold in their hands at a local level, there would be useful testimony to take from Wales, Scotland or Northern Ireland in terms of how local democracy works there.

Mr Turner: Sorry, I have used up my three, haven't I?

Chair: Yes. Please come back, Andrew, but let me move on to David. For those who have joined us recently, we are talking about the role of devolution after the referendum in Scotland and where we go next on that.

Q105 David Morris: Unlock Democracy and the Electoral Reform Society, among others, have called for a constitutional convention to be convened to look at how devolution should proceed across the UK. Why do you believe a constitutional convention is necessary, and what form should any constitutional convention take?

Alex Runswick: In terms of why a constitutional convention is necessary, I think in part it is because of the culture of how that political change tends to happen in the UK, which is very much top down, particularly when you look at the relationship between central and local government. Central Government can and has abolished entire tiers of local government and imposed a different structure without any reference to what the people in those communities want, so partly it is about addressing how we do constitutional change in the UK. Also it is about the fact that there are lots of different ideas about how we should decentralise power within England and within the UK more generally, but the one group of people who have never really had significant input into that debate are the people of the United Kingdom. I think that rather than going for a kind of piecemeal approach to constitutional change, it would be good to have that deliberative discussion, and for people and politicians to come together to be able to explore the different ideas, look at how they want to move forward and recognise that that will probably be different in different parts of the country.

Katie Ghose: I would just supplement that by saying that I do not think politicians can or should resolve these issues on their own. I think they and the citizens need the breathing space to deliberate over what are difficult, complex issues. There is an interesting example from Ireland, where although it was more citizens than politicians, it was a combination—a mixed model, if you like. Some of the lessons from there, and from other places as well, show that there is real power and value in deliberation, and in having the buy-in from both the citizens and the politicians, and that that gives you a better chance of a lasting and legitimate settlement.

Q106 David Morris: How do you see the output of the convention taking shape? How would the process evolve itself to a stage where we could say we have this equilibrium now to take forward to put before the relevant bodies?

Katie Ghose: I think what is important is that at the outset of the convention the binding nature of it will be made clear. There are different ways of doing that. There can be parliamentary involvement

and there can be referendums on certain issues to have absolute resolution, so there are different ways of doing that. It has to be rather governed by what the issues and the questions are, so it is not a one size fits all, but there are plenty of examples internationally of how you can make sure you have that confidence and that it will not just go into thin air but there will be resolution of these issues.

Q107 Fabian Hamilton: The Electoral Reform Society and Unlock Democracy have called for the majority of participants in the convention to be “Randomly selected from the population in a way that represents the UK as a whole”. I wondered how you would suggest that that is possible. Would you model it on the jury system, for example, or is there another system that might be better at selecting people randomly?

Alex Runswick: The methodology that has been used in other citizens’ assemblies principally, but also in other conventions, is that people are selected randomly from the electoral register more than is necessary for the actual assembly, but they are then invited to talk about what the process will be. You are asking people to give us a significant amount of their time to contribute to this process, so they learn about what it will be and then decide if they are willing to put themselves forward, and on that basis they are selected. For example, the British Columbia Citizens’ Assembly also reviewed it to check the gender balance and ethnic balance of participants as well. One of the issues for a UK constitutional convention is whether or not you weight it for representatives from England, Wales, Northern Ireland and Scotland. Obviously you could in theory end up with a situation where you have a predominantly English constitutional convention with token representatives, which would not be what we would be calling for.

Q108 Fabian Hamilton: I was going to say random is good, but to a certain extent is there not some self-selection, because a lot of people will just say, “I am not interested. I do not want to do this”?

Alex Runswick: But I do not believe you should force somebody into being a part of a deliberative process. That would be counter-productive.

Fabian Hamilton: No, you cannot, but I am wondering how random “random” is.

Alex Runswick: Certainly the experience from countries that have done it is that you do get a very wide range of backgrounds and experiences in the convention. It is not just that you are going to have a convention that is ERS and Unlock Democracy members. One of the positive things about the citizens’ assembly model is that people felt very proud to be part of the process, and a key element of it was that they represented the process back to their communities. They held public meetings in their regions, going around the region explaining what the citizens’ assembly was doing and what they had learned from it, but also, more importantly, hearing from other people about what they wanted the citizens’ assembly to do. There was a real sense of pride in the participation in the assembly, which is why in British Columbia, for example, when the referendum failed the threshold, the members of the assembly kept the campaign going. They kept it going not just because of their commitment to the particular outcome, but because they were proud of the process that they had been through.

Q109 Fabian Hamilton: Perhaps Katie and Stephen would answer this, but let me put it to you that countries or regions like British Columbia have a much less dense and sparser population that is perhaps more community-focused. I wonder whether you are going to get that sense of engagement in some of the more densely populated parts of England, Scotland, Wales and Northern Ireland, or

whether you are just going to get cynicism. Surely the other factor is how far the media are willing to help and assist, or if they are just very cynical, as usual.

Katie Ghose: I think you have raised some vital challenges. One of the reasons we have been exploring the idea of a test run, with convention pilots in cities or communities—perhaps two in England and an additional one in Wales—is exactly for the reasons you have said. Some of the examples internationally such as Iceland or Ireland are fairly small, reasonably homogenous communities. We are looking at a completely different ball game in the UK, so we think it would be exciting and valuable to do some test runs exactly to capture some of those lessons and to help us to pave the way then for a UK-wide constitutional convention to be able to cope with the demands that you have set out. I do not think there is anything that is insurmountable, but what we need to do is to take the best of what has worked from the other examples of assemblies and convention processes, and then to come up with our model for England and wider UK.

Q110 Fabian Hamilton: That is good, but how will you deal with media cynicism?

Stephen Brooks: David Farrell came over to Cardiff to explain how the Irish constitutional convention worked, and what struck me was how local media were involved with the convention's work. The convention was held around different parts of Ireland, and it was almost like a trailing around, with local media getting involved when the convention was in town. Differing levels of interest were given to the different questions that were being considered, so there were some questions that did engage a wide group of people, with things like radio phone-ins, people writing letters to newspapers and so on. There were other things that were perhaps more technical aspects of the constitution that did not engage the local media, but it seemed like there was genuine media interest in engaging in the process.

Q111 Fabian Hamilton: But there is surely a difference between a country of 5 million or so people and 54 million people in England alone. I have just been to Iceland, where they had a similar exercise, and there are only 330,000 people in the whole of Iceland, so of course they are going to engage more, and the media will be far less cynical because of that engagement. With 54 million, are you confident you can get the same level of engagement and lack of cynicism?

Stephen Brooks: There is the example of Scotland where the referendum turnout was 83% and registration rates were 97%. You are right that there are particular issues for the United Kingdom and very particular issues for England but, as we say, I do not think they are insurmountable and Scotland shows that.

Katie Ghose: One of the things we have been doing in exploring the convention pilots is starting at the grass roots levels, so starting in a city or community. What you would do then is talk to the local media and these people, and make them part of the shaping of the process—what are the issues they want to explore? For me that is key.

Fabian Hamilton: That is helpful, thank you.

Q112 Paul Flynn: Can we look at the role of legislation? There is a Bill going through Parliament at the moment called the Social Action, Responsibility and Heroism Bill that is likely to become a landmark in relation to futility. It was generously described by Dominic Grieve as “utter tosh”. In view of that and the way in which so much legislation runs into the sand and goes nowhere, we published a report looking at the prospect for codifying the relationship between national and local government.

Do you think that legislation would be an adequate way of doing that, or do we need a written constitution or a code of conduct?

Alex Runswick: Speaking on behalf of Unlock Democracy and our predecessor organisation, Charter 88, we have been campaigning for a written constitution since 1988. So, yes, we do think that there should be a written constitution that sets out where power lies within the United Kingdom, what our rights and freedoms are and what the Government can and cannot do in our name, but that is quite a big step from where we are now, and I think there are ways that we can entrench specific parts of our constitutional settlement that are not necessarily a full written constitution. I do not think it is that either we have a full written constitution or we have nothing. For example, we would absolutely support the independent local government code that has already been proposed by this Committee. We would also look to the model of New Zealand, where they have entrenched specific clauses of specific pieces of legislation so that Parliament absolutely has the right to change those, but there are specific mechanisms that they have to go through to do that.

Stephen Brooks: It is legally possible to abolish the National Assembly in this place, but politically it would be incredibly difficult to do that just in terms of the relationship between the National Assembly and this place. But I think the symbolism of entrenching it in law and codifying it in some way, whether that is by saying the National Assembly cannot be abolished unless there is a referendum in Wales, for example, is the right thing to do.

Q113 Paul Flynn: Do you think that the slumbering giant of English nationalism, which has been illustrated by Mr Andrew Turner next to me, having been aroused into a new rage, will inevitably lead to a slippery slope towards the break-up of the United Kingdom?

Stephen Brooks: There are definitely conversations within the Welsh media and within Welsh civil society, and increasingly among the Welsh population. I think people are starting to engage with this subject a lot more. People in Wales are looking across the border—looking east—and thinking about what England does. You only have to tune into Radio Wales to listen to some of the phone-ins about whether, if Scotland were to go independent and leave the United Kingdom at some future point, Wales should do so as well. I do not necessarily think it is a slippery slope, but I think that Wales would be very keen for England—for the politicians of England and for the people of England—not necessarily to catch up, but to urgently engage in what the future governance of England should be.

Q114 Paul Flynn: But the existence of a strong English nationalism railing tooth and claw, and militant and active, would increase, one presumes, nationalism in Ireland, Scotland and Wales, which would lead to an intensification on nationalism everywhere and the Balkanisation of the United Kingdom. Isn't that likely in the future, particularly when the Scottish referendum result was determined by a vow made under duress at the terror of Scotland going independent?

Stephen Brooks: Opinions polls differ in terms of Welsh support for independence and both sides of the debate will claim their side is on the up. I do not yet see there is any kind of surge in nationalism in Wales as a result of the conversation that is going on in England, but I think increasingly the political class are asking the “what if” questions in terms of England—“What if the United Kingdom is unsustainable in its current form, and what if the reform is made and the Union ends in some form? Where does that leave Wales?”—and of course questions around the United Kingdom's membership of the European Union. I would not necessarily take a position on this, but one of the things that is discussed in Wales is if there were a referendum across the United Kingdom on its membership of the EU, and if Wales was to vote to stay in the EU but England

were to vote to leave, obviously just the size of the population in England would outweigh the population in Wales, but that does then open up questions about Wales' view of and place in the Union. I am not a man to make predictions, but I definitely think there are questions and what ifs being asked.

Paul Flynn: Again, I am grateful to you. Thank you.

Q115 Mr Browne: I worry that you might be placing excessive faith in the desire of the electorate to engage in protracted detailed conversations about constitutional reform. I accept that there was a lot of interest in Scotland, but then it was a pretty straightforward proposition that people were being invited to be interested in. Anyone can understand, "Do you want your country to be an independent country or not?" Maybe the greater parallel is the referendum we had earlier—the one on AV. That is significant, as it may well affect who governs the country in six months' time, yet I cannot, with all honesty, even though it was initiated mainly by my party, claim that there was a fervour of interest in my constituency to discuss that subject. Britain leaving the European Union seems to be quite clear—people get that—but if it is about whether we should go to single-tier unitary local authorities in my area with more power to determine financing of buses or whatever, are we going to have thousands of people coming to these meetings? Isn't there a bit more onus on the politicians to believe in something, rather than just sort of contract out this whole process to people wanting to come to the public meetings?

Alex Runswick: We already are having large numbers of the public engaging in those kind of debates, but it is not in the way that you are framing the debate. It is not about if we are talking about a single-tier authority. It is not in a legislative framework, but there are very large meetings around the country of people who want more say over what goes on in their community. They are probably not talking about it in terms of exactly what level of transport they have, but they know what they want to achieve and they know that power feels remote and that there are decisions that they want to be able to take about their communities that they cannot. They want to have a conversation about whether or not they work with their neighbouring council, or whether they get together as a northern region or whether they get together as Yorkshire. The Scottish referendum has begun—but only begun—a real debate within England about where power should lie, and it is not about English votes for English laws and it is not about mechanisms, but it is about people wanting more say in their community. If you talk to them about what they want to be able to do at a grass-roots level, they are there and they are leading the politicians on those kinds of issues, but they are not framing it in the way that you just were.

To use your analogy of whether this is another AV referendum, I think the difference with the AV referendum was that people could not see what the difference was going to be for them—it might mean that their MP got over 50%, but was it actually going to change the nature of the Government? It did not feel like a big enough change for what they were being asked to do, whereas what they are looking at now, when people are coming together in different areas, is not saying, "This is the mechanism we have; do we want it?" They are saying, "These are the powers that we want; how do we get them?"

Katie Ghose: I agree with everything Alex said. I think it is absurd to suggest that there is no appetite for engagement before people have been given that opportunity.

Q116 Mr Browne: I did not say there is none. I am just a bit nervous about when politicians become ideology-free zones and say, "We will take our lead from online petitions," or whatever it might be, and you say, "Sure, but what do you believe? What do you think would be a good solution? Let's have a general election where one party believes one thing and another party believes something different and I can even choose which one to vote for."

Katie Ghose: A convention is not a contracting out of decision-making. It is a new way of doing politics where you bring citizens and politicians together, not forgetting that politicians are also citizens who live, breathe and work in communities of their own. You bring them together to deliberate on issues. Alex is completely right—it is about getting the question right. Of course you would not go to your town hall and say, “Come along for a discussion about one tier, two tier or three tier.” You would have a conversation about, “Where do you want power to lie? What is going on in your life and how do you feel about the community you are in?”—whether it is Portsmouth or Sheffield—“How do you feel about where power lies?” That would be the starting point. What we do know from other kind of deliberative processes is that if you get the process right and you start off with something that is meaningful and matters to people, they are then very able to deal with quite technical issues further down the line. As you are doing now, taking evidence from us, if citizens have the chance to take evidence from others and become experts, they are then able to take on board technical stuff as well.

Q117 Mr Turner: Following up on the last question, could you give us some examples with numbers of people involved, where they are meeting and what they are doing? I am sure these things are happening on the Isle of Wight, but I am not sure they are happening anywhere else because I am not anywhere else. It would be very helpful if that information was available.

It is suggested that I want to ask what my view is on the issue of English votes for English laws, which I would rather call English and Welsh votes for English and Welsh laws, because some of those are Welsh and some are English, and some are both. What is your view on the idea of, to put it briefly, English votes for English laws?

Katie Ghose: As you have just outlined, laws don’t come labelled English-only or Welsh-only. For that reason, and other reasons as well, I don’t think there is a perfect solution to the question of voting power on legislation. I thought that some of the McKay proposals were a reasonable starting point—English consent for English laws, if you like—although of course they will need to be revisited, depending on how the Scottish powers debate is resolved.

Stephen Brooks: To go back to the model of devolution that we have in Wales to identify what are English votes for English laws and what are English and Welsh votes for English and Welsh laws, there was an opportunity in the Wales Bill that is currently in the other place to shift the model of devolution and to go to a reserved powers model. The Government, while supportive, said, “Not at this moment. It is not for this Bill”. The problem we have now, which I think is a complicating factor when trying to answer this question, is that there is a whole host of grey areas about what are English and Welsh single subjects and what are separated subjects. The Government of Wales Act lists a whole host of conferred powers on the National Assembly and it also lists a number of exemptions that the National Assembly cannot legislate on, but there are issues that fall between two stools and it is not always easy to understand what is permissible in terms of the legislation in the National Assembly and what is not. We have seen quite a few pieces of Welsh legislation end up in the UK Supreme Court.

If Parliament were moving to tidy up the English votes for English laws question, I would encourage Parliament also to look again very quickly at the reserved powers model for Wales, because I think you cannot tackle one without tackling the other.

Alex Runswick: For me, the issue of English votes for English laws is more a problem of perception than reality. We have already outlined a number of technical reasons why it is very difficult actually to do it in practice. There is also the issue that if you start to move down that road of trying to define English legislation and have not just a forum that allows English MPs to discuss

issues, but some kind of veto or determining factor, you do potentially set up an English Parliament. People may want to set up an English Parliament, and that is a different conversation to have, but I think we need to be clear about the possible outcomes. Often when you look at public attitudes to things like English votes for English laws, they like it because it seems quite simple and quite fair, but then when you look in more detail about outcomes of what happens with it, it is not actually what they intended. So I think that when we are making those kinds of steps we need to be very clear about what we are trying to achieve.

One of the problems is that we talk about the English question when there are in fact many English questions. Some are around culture, identity, nationalism and the idea of parity between the nations, and some are around where power lies and the fact that there has not been any devolution within England when there has with Scotland, Wales and Northern Ireland. We need to be clear about which bits we are trying to address with different mechanisms on what the impact of that might be.

Stephen Brooks: A very quick point about funding. Even if it was an English-only issue, there might be Barnett funding consequential for Wales. The question needs to be asked of whether Welsh Members of Parliament should be part of that decision. Should money come to Wales from a vote that is purely from English MPs?

Q118 Mr Turner: I don't feel very much helped, I must say. You said there are some examples. Please give me examples. I can understand what one is saying about education. Education is administered by the Department for Education and it is basically an English matter. I know there are some bits at the sides, but basically it is an English matter. Why should it not be English people who vote on that?

Alex Runswick: What I was saying in terms of perception and reality was that my understanding is that since 1997 there have actually been only two votes that have not effectively been English votes on English laws.

Q119 Mr Turner: Of course if you bundle up the whole Bill, any Government could pop something in that you can't devolve or you have not devolved, but what I am saying is that there is a basic right whereby 80% of decisions are made here in England by English people. It is just that they don't vote on it and I believe that would be possible. You are saying what?

Alex Runswick: I am saying that I think that, from a parliamentary point of view, it would be very difficult to do, partly in identifying exactly which bits are England-only and don't have any spending implications for the rest of the United Kingdom.

Q120 Mr Turner: Sorry, are you saying that we should not be given the right to rule ourselves at an England level because there are some bits that affect Scotland? What has actually happened is that Scotland starts by taking so much money and then we have to sort it out with whatever is left because they have this right to—

Chair: This has to be the last response on this question.

Alex Runswick: I think there are practical difficulties with making—

Mr Turner: What are they? I would like to know examples. So far I am getting plenty of information but no examples.

Alex Runswick: There are issues around, for example, if you have a different political make-up for English MPs than you do—

Mr Turner: That is only democratic, isn't it?

Alex Runswick: It is, but then how you balance that within it being the Government of the United Kingdom? There is also the point I raised about whether you are, in effect, creating an English Parliament, and is that what we want to do?

Q121 Mr Turner: We have been discussing this since 1999 in the Conservative party, so why haven't we got this far?

Alex Runswick: From my point of view, the significant problem with governance in England is not how votes are taken at a Westminster level. It is where power lies within England and the fact that too much is done at Westminster and not enough is done outside that.

Chair: Andrew, I think you have your point on the record—I think people are clear about that—but I don't think the witnesses are now contributing anything further to your question. If the witnesses want to write, having considered Mr Turner's questions in greater detail, he and we would find that helpful.

Q122 Mark Durkan: It was always said that every time the English thought they had a solution to the Irish question, the Irish changed the question. It seems to me that the English are changing the questions quite a bit these days.

In terms of your concept of a constitutional convention, maybe part of the problem is that this discussion has tended to focus on only the issue of devolution in its various forms or tiers, which I imagine would not be what you would envisage as being the sole focus of a constitutional convention. How would you see any outcome of the convention being translated or ratified? The significant difference with the Irish constitutional convention was that everybody knew that any recommendations were going to have to go to referendum, not just even in a block, and that was a significant condition and realism factor there. How do you see the outcome being translated and how would that condition people's engagement in and with the convention?

Katie Ghose: We definitely see that referendums are an option to carry through and achieve implementation. It is just that you can't pre-empt exactly how to ensure the binding nature of a convention before you know exactly what the agenda list is going to be. Referendums would be one way in which convention proposals could be taken forward and finally resolved.

Stephen Brooks: When a constitutional change happens in Wales, there is always a debate about what would be the mandate to achieve such a change. It seems to me that sometimes it is a referendum, although that is the one that people are least keen on. Another appears to be whether there is cross-party agreement, and that seems to be relatively uncontroversial with the Welsh public. The halfway house appears to be having some kind of democratic mandate—putting it in manifestos and standing on it, and coming back with a mandate to legislate on it.

Q123 Chair: I think you are very clear that you want a constitutional convention. What is not clear to me is the time line of how that happens and what you would expect of politicians who would need to pass an Act, probably, in order to do this. I think that is a pretty serious question you may need to consider further.

There is another question I have, which is the content. You have been very generous that people in the public domain will, to an extent, set the agenda here, but I think a number of colleagues, Andrew and Jeremy, in a sense want a sharper agenda from those people who are pressing the case for a constitutional convention. For example, there is the English votes-English laws question. Is that part of a constitutional convention or is that just something Parliament can do? Is there stuff we can get on with already? I think there needs to be a view. At the current moment politicians are not coming forward with a very clear agenda so there needs to be a view from outside. Is independent local government the vehicle for devolution in England? Should income tax assignment spread from Scotland—and now on offer to Wales—to England? Am I being helpful in teeing that up in a couple of minutes?

Katie Ghose: Shall I do timing? We are very clear on timing. Where there is a will there is a way. If the UK Government wished, right now they could set up a UK-wide constitutional convention with a model that meant that English citizens could determine some issues on their own, and Welsh, Northern Irish, Scots could be part of it. If they wanted to they could do that and we would welcome that. If that does not happen, we would like to see the Smith and Hague commissions make a strong recommendation for a convention to happen and to strongly signal that, perhaps by including in some draft legislation a paving mechanism for a convention to happen. We want the political parties to commit in manifestos to set up a convention as soon as is practical after the general election, so I think we are very clear on timing.

The reason why I mentioned the convention pilot is not just because of our passion, but because, with our practical heads on, we as organisations are now getting on with bringing all kinds of actors together in society, outside the formal government space, just to get on and set up test convention pilots. We will share all of those lessons with any Government or political party that wants to get on with the business of a formal convention. I think we are very clear on timing.

Alex Runswick: I would just add that we have lots of evidence from around the world on how you can make this model work. It is perfectly possible that you can have citizen-led decision making with a clear agenda, a defined agenda and a defined timescale, and with a clear outcome, and it can be a very positive process. You are right that we need to be specific about how we are going to do that, but it is absolutely possible and we have lots of evidence to pick up on from around the world.

Chair: As Mark whispered to me after I asked the question, this Committee will also have a view on time lines and agendas, so there will be more grist added to the mill.

Katie, Alex, Stephen, thank you so much for your time this morning. It was a very interesting session. We are going to report very swiftly on this because we want to be part of the decision-making process. The intention is that we will get our report out hopefully before Christmas so that we can help the process along. Thank you so much.

Examination of Witnesses

Witnesses: **Councillor David Sparks OBE**, Chair, Local Government Association, **Mark Rogers**, Chief Executive, Birmingham City Council, and **Councillor David Finch**, Leader, Essex County Council, gave evidence.

Q124 Chair: Welcome, David, David and Mark. It is good to see you all again. Thank you so much for sparing your very precious time to talk to the Committee this morning. Did you want to say anything by way of kick-off, or shall we jump straight into the questions?

Councillor Sparks: If I could, especially after listening to the previous session. It seems to me as the Chairman of the Local Government Association, and as the leader of a major council in the

West Midlands in Dudley, that there are three points that we need to take into account in relation to local government post the Scottish referendum.

The first one that we have identified, in discussions with the other local authority associations representing the Scottish, Welsh and Northern Irish local authorities, is that there is a common issue in terms of devolution. Our view is that we should aim for devolution through councils to communities. The paradox of devolution at the moment is that you could argue that Scotland and Wales are more centralist as a result of devolution than England. Devolution down to Edinburgh to the Scottish Parliament, and also the Welsh Assembly in Cardiff, has not necessarily meant devolution down to communities in those countries.

The second point is that in the light of the experience of reorganisations and so on in the past and the regional vote in the north-east, our view is that there is a ready-made solution in England for devolution, and that is down to local authorities, albeit combinations of local authorities, but it does not necessarily need to have another tier of government.

The third and I think most important point is that our view is that it should not be a one-model fits all type solution. In relation to England, there has to be a varied approach in particular so that we are also looking at rural as well as urban areas. It is not just about city regions; it is also about the rest of England.

Councillor Finch: I believe that the Scottish referendum has awoken the sleeping giant of England and I don't think we are going to go back to the complacency there has been in England in the future. Clearly we welcome the devolution settlement for Greater Manchester. This is the start, not the limit, of the empowerment of local government. Our counties—I speak mainly for the counties—recognise there are other bodies; there are the cities, districts and boroughs. Counties cover nearly 50% of the population of England and have the largest rate of private sector job creation in the country. Devolution is an opportunity to revitalise our democracy and could help to unlock economic growth, as both Lord Heseltine and Lord Adonis have recognised. If we believe that people in cities such as Manchester, Chelmsford and Southend have the ability and the power to control their affairs, why not the counties, quite frankly. Why would we want to disenfranchise young people in Essex? Why would we want to make businesses second class when those counties are very able and very powerful groups of people?

I have had to find savings within Essex over the last five years of nearly £0.5 billion. I have 73 libraries and 10 mobile libraries still open and active. Every one of our services is operating with greater efficiency than they used to, and I maintain that we have the ability within the county structure to deliver savings and improvements to deliver the austerity programme that the Government need delivering. I believe that if the spend of £13 billion within Essex was reordered with greater devolution of powers, we would see a more effective structure and more effective operation, and we would see that the money that was being spent was reduced and services improved.

Mark Rogers: Chief executives are, of course, interested in the next phase of the West Lothian question discussion, but not if it is just about a reinvention of centralised power. We welcome the added impetus to devolution, but it is not new, as I am sure your Committee knows. If it just leads to a re-engineering of the parliamentary system, a really big opportunity is lost—and I would say disastrously lost. Councils have many imperatives, but the economic growth one is at the top of our list. Even though we have other things in my city, in particular, none the less growth is there. We want to support the rebalancing of the economy. We want to see our people and places thrive, so we think that both the Government now, and all political parties, need to recognise what is becoming a received wisdom, which is that apparently after only Albania we are the most centralised democracy in the world.

Cities, city regions and county regions, to pick up the earlier point, all need to benefit from decentralisation. It is not just about cities, although I would argue—I am from Birmingham—that there is plenty of evidence to suggest that if cities are not at the heart of this, we are missing a really big trick. There is an analogy here for us. If they are the economic engines—I am sorry if this makes you cringe—I suspect we are probably fossil-fuelled at the moment, whereas we should be jet-powered. I hope that that does not offend the environmentalists in the room.

Local government has some asks, which I hope you will get into later, but we have them in partnership with other councils and with local enterprise partnerships as well. We need greater control over the economic strategies for our people and places because I think it is accepted—usually, but not universally—that power is best discharged at the local level and that local people know best about their places. We feel that we should have much greater control over council tax and business rates, and some ability either to raise new taxes or to make levies, and that is in particular because we do not have sufficient leverage over putting infrastructure in and we are not able to accelerate housing programmes in the way that we need to. We also believe that along with those asks we have offers. We accept that our strategies need to be robust and stress tested. We accept that there needs to be a strength of governance that persuades local people as well as others that we will govern well and make good decisions. Probably crucially, we need to prove delivery. We need to show that we have or will have a track record.

I wanted to mention Michael Heseltine as well. Shortly after the publication of his *No stone unturned* report, the greater Birmingham area was the test bed for the Heseltine project. That project had one key characteristic that I think has been insufficiently recognised and developed: the local growth team, and that what you need in your local area is the councils and the other partners, and you also need the regional and national agencies to play in, but that vitally you need Whitehall officials and probably even a Westminster sponsor who is there not to check your homework, but to help you deliver the successes in your local area.

Q125 Chair: There has been a tremendous growth of interest in all local government about devolution, particularly post-Scotland: LGA, county councils, SOLACE, the Mayor of London, the Core Cities Group, ResPublica, IPPR, Policy Exchange. There is a burgeoning of interest in this field that is wonderful at one level, but Whitehall is a quite simple beast. It likes to have one proposal that it can think for or against on. Is there a convergence of all those interesting ideas within local government so that there will be one offer to Whitehall and one offer on behalf of local government to the political leaders as they write their manifestos?

Councillor Finch: I believe that there is. I believe that the uniformity around the county councils and all local government is that there is greater ability within the business rate system to be able to vary those business rates. I believe that the skills funding should be devolved uniformly across the country and not be centrally controlled by the Government. There are things such as the single person's discount, which has a perverse effect. If you are buying a house as a single person in Chelmsford, as an example, there is £500,000; you get a 25% discount because you are a single person. There will be a number of areas such as NNDR, local council tax and business rates that I think we can all agree are important areas where we can flex them, but with a degree of recognition that in some areas they can be flexed less or more.

Councillor Sparks: I think that the common factor as far as I am concerned is the economic unit. The emergence of combined authorities—they could be called city regions or whatever—around travel to work areas and other economic markets is the model that will be adopted. In some cases it will be—as is the case with Mark's authority and my authority—Dudley and Birmingham, and the black country and some other west midlands authorities, probably as a combined authority, but in some areas, say for example Cornwall, it could be just based on the county council area. Our view

is that it does need to take into account two things: the communities and the economic reality of that particular area.

One of the major drivers is not necessarily a referendum result; it is the need for areas to be able to compete internationally. If our cities, for example, are to compete with Frankfurt and so on, they need to be reorganised so that they relate to the areas for which they produce the employment. A third of my population in Dudley probably works in Birmingham or elsewhere in the west midlands. Therefore, if I am to ensure that people in Dudley have a fair crack, I have to have the west midlands being competitive.

The final point is that this is not just our view. This is the view of the private sector. I am a director of the Black Country LEP. The chairs and directors of the Black Country LEP and the Greater Birmingham and Solihull LEP have put pressure on the local authorities to organise ourselves in a way that we can compete with or be on the same level as Greater Manchester because they recognise in their world that if you are not competitive, you do not prosper.

Mark Rogers: You can oversimplify these things. If we overlay the right governance on the right travel to work geographies, that should be what we offer. The ask in return is the single pot so that you have all the money that you need to meet the priorities in that sensible, functional economic area.

Q126 Mark Durkan: It seems from what you have been saying that the consequences of the Scottish referendum are essentially for yourselves providing a new backlight to bring out issues and concerns around devolution from Whitehall and Westminster, and I notice you have used the term Whitehall more than Westminster so far in relation to some of these questions. Given that there seems to be some understanding around what sort of powers may now be part of the new tranche of devolution to Scotland, how far do you see those same powers necessarily having to be parcelled for other parts of the UK and particularly within England? How is it done? From the context of Northern Ireland, I see some people proposing that Scotland will get most or all of their revenue from gas and oil. On paper, Northern Ireland could be given that same revenue resource, but it would mean nothing to us unless we start fracking or something like that. In terms of English local government and devolution, has anybody looked at the econometrics as to how viable some of these revenue powers would be in different local government formats and catchments?

Councillor Sparks: Our considered position on this is as follows. First of all, we have produced a document called *The first 100 days of the next government*, not in relation to the referendum. The document is signed up to by all the four party groupings at the LGA and it is deliberately designed to provide a framework for local government for all of the parties as they produce their manifestos for the next election. The relevance of that to your question is that in that document there are proposals in terms of fiscal devolution that are costed, with an appendix.

In relation to the referendum, our considered opinion on this, again—I emphasise this is all of the four political groupings—is that we argue that there should be a constitutional convention. Part of the remit of that constitutional convention would be to examine everything that is offered to Scotland and/or Wales and/or Northern Ireland in relation to England. It might be that some is inappropriate, but equally it could be that some of the powers that may be devolved could be devolved down in England when that is desired. Again, our view is that it could be different so that what would be devolved in Greater Manchester might not necessarily be applicable to the west midlands. Equally, it might not be applicable to a coastal town. We are only interested in doing something that actually works and brings added value to what we already have.

Councillor Finch: To answer in part Mr Durkan's question about the referendum waking England up, I think there has been a long-standing frustration within the county councils and local

government generally that we seem to be in a financial straitjacket. As we already know, we are the most regulated and controlled of all the western economies with 73% of all the funding coming through central Government, whereas in France it is 35% and in Germany it is 19%. It is time for that devolution. I do think there is a common platform where there is greater fiscal devolution involving council tax, NNDR, air passenger duty, increased powers in relation to skills, which I emphasise again, and increased incentives that could be offered as part of the core offer to local government.

Q127 Mark Durkan: If you sense Whitehall resistance to that, do you see within that resistance possible reservations on the part of national parties who might be concerned about all the issues and conundrums that would arise, given that they have had difficulty coping with some of the conundrums and anomalies that devolution to date has brought?

Councillor Finch: I think where power rests there is always a reluctance to give up some of that power. That is a fact of life—a characteristic of the human being. But we do need to recognise the opportunity to unleash the power of local government, which actually has delivered significant savings to the Government—over 40% has been delivered from local government in the austerity programme—and therefore we should go further and encourage devolving more powers. I am not suggesting it should be something that is suddenly uniformly across the entire scope of England, but I do think, as we have started with cities, that we ought to be following through very quickly with some limited powers being devolved so that comfort from Government can be obtained that we are all doing the right things—that we are generating more jobs and more businesses, that we are increasing the total tax take and that we are putting people into employment so they can live better lives.

Q128 Mr Turner: Can I read this question? “The vote on Scottish independence has been taken as a clear indication of the demand for greater devolution to Scotland. Is there the same public demand for greater decentralisation of powers to England and in England?”

Councillor Finch: I believe the answer is yes. The evidence that I have seen in terms of public interest, media interest and the number of people that I have talked to all say uniformly the same thing: greater devolution to local authorities within England would improve the quality of life within England and improve prosperity within England as well.

Councillor Sparks: There are two answers on that one really. First of all, the LGA has commissioned polling over a period of time by MORI, which has shown—I think this is the latest statistic—that 79% of people trusted their council, whereas only 11% trusted central Government. It was followed up by other answers that substantiated the view that people wanted to have more local control over their services, hence our focus on communities.

On a more anecdotal level, my own experience has been that, as Councillor Finch has stated, the referendum had the effect of a slow-burning fuse, and that as the referendum gained acceleration, for want of a better expression, people in England began to think, “Why aren’t we being asked a question on this?” Plus in the street you get people arguing about, “If we were in Scotland we would get this, if we were in Wales we would get that,” and so on, so I think it has captured the public imagination. The degree of interest in the media now is indicative of that, and you can’t put the top back on this particular bottle. Yes, there is a demand in England for devolution down to communities.

Mark Rogers: I think the key phrase from the quote that you have just read out is “in England”, which probably plays back to my original comments anyway. I belong to the Core Cities Group.

For some considerable period of time, that group and others have very clearly demonstrated that there is an “in England” devolution question, which I suspect for many of us is more important than the “for England” question, because we are looking for devolution to our cities and our county regions. We are less looking to see a debate that may simply recentralise in a new and imaginative way powers that are already held in Westminster.

Q129 Mr Turner: Am I right in regarding it as more important to get devolution to towns and rural areas than to England?

Councillor Sparks: If you are talking about England as a single entity, yes, that is entirely the thrust of our view—you need a varied solution within England.

Q130 Mr Turner: That means that we would not have that level of devolution in England because people in Wales, Scotland and Northern Ireland would have a say about how things in England are devolved.

Councillor Sparks: Our response on that is that we would aim to have more devolution in England, Scotland and Wales. That is the point about the focus on communities because the devolved assemblies have not necessarily led to devolution down to communities.

Mark Rogers: If it is possible to resolve the West Lothian question, fine—good luck to you. I shall watch as an interested citizen. I am much more concerned to deliver things that I know to be tangible and possible. All our cities perform below the national average for delivering jobs and growth, in complete contrast to our European and international competitors. That is, frankly, an unacceptable situation, and I suspect that how that plays out in cities also plays out in towns and counties as well. Although Mark has now gone, the golden thread of devolution from Scotland for me is the one of fiscal devolution to city regions and county regions. I watch Westminster with interest. I do have views, but I am a local government chief executive and I understand how our cities could be much more powerful in generating prosperity, and therefore well-being, for the communities that we serve.

Q131 Fabian Hamilton: Gentlemen, your various written submissions to this Committee outline several areas where there should be greater devolution of powers and financing to local authorities. I did 10 years on Leeds city council, so I am well aware of this. You include health, social care, housing and transport as areas that were once the province of local government. What do you think are the adverse effects of not devolving those particular functions at present to local government?

Councillor Sparks: I think that you are talking about probably a spectrum. At one end of the spectrum is value for money; you don’t get the best value for money. We have shown this, as we have demonstrated that when we have collaborated with central Government on a more localised approach, it has invariably led to savings. The other end of the spectrum is that the quality of services tends not to be the same because you get a blanket national approach that does not lead to the same quality that people want in their individual communities. For example, we are currently working with the Government, as we have done on numerous occasions, through DWP on job creation and so on. When you are talking about using local agencies, you are quite often able to reach, for example, those who are long-term unemployed more easily and more effectively than if it is just some national programme.

Q132 Fabian Hamilton: The Government would argue that savings for bulk purchase are greater than if you devolve to local authorities and each local authority does it differently. Are you convinced that local government can make the savings and provide a more efficient service than a regionally or nationally-provided service?

Councillor Sparks: We have a commission chaired by Darra Singh that is about to report on the very topic of the finances of local government so that we are quite confident on this. But the fundamental point is that we are not necessarily talking, in the context of devolution, about individual local authorities. We are talking about combinations of local authorities where you would be able to get the economies of scale.

Councillor Finch: To add to my colleague's comments there, if I think about the programme that we have run on transformation within Essex over the last five years, as I said earlier, we have saved nearly £0.5 billion and we still have to do another £237 million by 2016-17. Of that £0.5 billion, over £180 million came from us doing better procurement, negotiating better, and doing better and smarter deals. I suspect that the argument about a national procurement body that oversees procurements and uses that as the vehicle to get better prices is flawed in the context that it is only as good as the people who are doing the negotiation. If you sharpen the people you have locally, you can still get better deals than you get nationally.

Councillor Sparks: If we do not have some form of devolution on the lines that we are suggesting, the biggest disadvantage—the biggest loss—would be that there would be much less chance of getting over the silo mentality that you have in Whitehall. What we are talking about is not the traditional view of local government that existed, say, 10 years ago. We are talking about local government in the 21st century where you have more and more emphasis on common budgets and community budgets, where the public sector budget as a whole is more localised, and where there is a specific brief to overcome departmental boundaries. Our experience is based on numerous pathfinders or pilots that we have done over the years across the board in terms of our activities with central Government. We feel that it is only by a localised approach that you can break out of Whitehall and the Whitehall silos, and you get better value for money.

Councillor Finch: Under the national scheme for affording funds to cities that want to deal with youth unemployment, places like Brighton and Oxford could bid for those funds, but Essex county council could not bid for them and yet I have one of the most deprived areas in the country in Tendring, which is the Jaywick area. The perversity there is that there is money for youth unemployment that I can't bid for because I am not a city.

Mark Rogers: The economies of scale from bulking up procurement are well understood, but there are some other policy areas that you have to bear in mind, which is that we are very interested in personalisation, and we know that bulking up often contradicts the personalisation agenda. The best example that I am aware of at the moment is the Work programme, where on the whole somewhere between 11% and 12% of people remain in the programme and complete it and potentially enter some form of sustainable employment, although the pilot areas—I think Liverpool was one of them—could get up to 35% to 40% retention in the programme. So you buy this thing at bulk nationally, send it down the tubes to us locally and you get a 90% attrition rate. If you break it down and have a regional or sub-regional level of delivery of a bulk-procured programme, you get four times the results because what you deal with is the personalisation element.

Q133 Fabian Hamilton: But as we have already said, we are one of the most over-centralised nations in Europe, if not in the world. We all know that, especially those of us who have served in local government.

Councillor Sparks, in the written evidence we have received from the LGA, you call for a sharing out of tax and spending between the four countries of the union that needs to be put on to a new, sustainable and fair basis. Could you explain a bit more as to how you think this would look in reality?

Councillor Sparks: Our approach to the Barnett formula is that it is symptomatic of a problem that we have in this country—and probably a problem across the board in other countries—of how you address need while at the same time maintaining and enhancing local independence. We don't think that we have that right. We don't think that the Barnett formula addresses it at all because you end up with a situation where, for example, people who are in need in Dudley are just as in need as people in Dundee or Dolgethin, but the resources are not allocated on a fair basis. There is an injustice that needs to be sorted out.

My view is that the way we do that if we are trying to get a solution—this has now been recognised by our colleagues in Scotland, Wales and Northern Ireland—is that we try to find whether we can come up with a better formula that gives a fairer distribution. What we are suggesting is that this is one of the things that could be examined by a constitutional convention. If not, there should be an independent expert body set up to have a look at, in a transparent way, how we can better allocate resources on those lines. If you have the input from Wales, Scotland, Northern Ireland and England, you are more likely to come up with a method of distributing resources that is better and that cements the United Kingdom in a better way.

Q134 Chair: Would that include the Scottish example of income tax assignment?

Councillor Sparks: Yes. Our view on that is there is a lot of scope for imaginative thinking in relation to fiscal devolution within England, Wales and Scotland. It might very well be the case that the principle of fiscal devolution to England may apply in different ways, as I said earlier on, because different places have different resource bases, but you would then end up with a situation of an allocation of resources that was more defensible and sensible, and something that would result in a better country.

Q135 Fabian Hamilton: Do you think the problem is that Whitehall and this Parliament don't trust elected councillors in the regions and the cities of the United Kingdom? Is that the issue, or maybe they feel challenged by the fact that you have a perhaps closer proximity to the electorate in local authorities?

Councillor Sparks: We are more experienced in getting value for money. Our record has shown this, in a perverse way as a result of austerity. The reality is—it has been recognised by numerous independent institutions and studies—that we are the most efficient part of the public sector. Whether we are trusted or not is beside the issue. The fact of the matter is that our record speaks for itself.

Q136 Fabian Hamilton: That has obviously not convinced Whitehall up to now, has it?

Councillor Sparks: We are working on it.

Fabian Hamilton: I am on your side on this.

Councillor Sparks: I am hardly likely to slag off the people I am going to go and try to persuade.

Q137 Chair: A brief comment from David and Mark on the question of income tax assignment and whether that is one of the options. If Scotland has got it, is it good enough for England too, or are we not capable of handling that?

Councillor Finch: I think we are capable of handling that. It is an opportunity that needs to be explored, but in taking the programme or the vehicle of devolution forward, we have to do it in a way that makes Government, the centre, more comfortable. As David has said, we need to continue to prove to Government that we are very capable of delivering significant change and significant savings as well.

Mark Rogers: I would like to explore it, but I would like to explore something else first, which is the point about business rates. I think there is much more opportunity much more quickly, with the appropriate checks and balances between different places in the country, to use business rates in a much more constructive manner than we presently do.

To stray very briefly into political territory, I think local government faces the conundrum or even the dilemma of on the one hand locally elected, locally determined stuff but we are not always consistently excellent across every single area of local government. What Westminster and Whitehall are able to do is to say, “You argue your case very nicely, thank you very much, to the people who have elected you, and you have appointed officials like me, but you are not consistent in your delivery”. I think there is an element of hypocrisy in that, and that is what is holding back the trusting relationship of either elected members or officers. The small number of people who don’t do what they should do always seem to manage to hold back the rest. You experience that in Westminster and we experience that out in Birmingham.

Chair: That was a very helpful exchange, but it was a long one, and it meant that Bob, who has been very patient, has had to wait so long to make his point.

Q138 Robert Neill: That is very useful, and apologies for missing the beginning of the session. If I can follow up the point, I am very sympathetic to where you are all coming from. Would it chime with your experience that, if anything, central Government are much less willing to break down silos than local government? Is one of those reasons perhaps that many of the civil servants who advise Ministers have significantly less experience of actual service delivery than local government officers? Am I right, and how might we seek to rectify some of that?

Councillor Sparks: As a leading local government officer, I will let Mark pick up on that.

Mark Rogers: I agree with the premise, and it goes back to my earlier point about local growth teams. Sorry, I think you were not here when I said that. There is an opportunity to create a new way of working in local areas that would give civil servants—and Ministers, actually—the experience, if they have not previously had it, of how things operate at our end and vice versa. I absolutely agree with you, it is almost in plain view for us that we don’t say it anymore; Whitehall appears really siloed. We struggle with our own but we have more success.

I think what we actually need to do, especially when we are talking about the economy for example, is to take forward the Heseltine thinking of creating teams that have in them people from Whitehall and Westminster fighting the same fight, championing the same priorities and delivering on them, and then all of you get the necessary experience of the inner workings of local government, the national agencies, Whitehall or Westminster. I am quite interested in a blended model—one that is led locally, I have to say, and still politically led, and also with the private sector alongside, that brings in civil servants. In greater Birmingham we have had that experience. We have had temporary secondees from BIS working on growth agendas with us and we have had ministerial sponsorships. We probably think that Greg Clark is a West Midlands MP, when

obviously he is not. That kind of thing works really well if you also have the local powerhouse to drive the strategy and delivery.

Q139 Robert Neill: I wanted to raise a couple of short financial points. When we talk about devolution to county and city regions, I suspect that what you are saying—it is worth stressing—is that we are not talking necessarily about the old Government office-type regions that we had before. It could be a very different beast both physically and in terms of organisation.

Councillor Sparks: That is definitely what we are not talking about, you are absolutely right. As I said right at the beginning, before you were here, one of our crucial points is that we feel that when you are talking about devolving down to communities through councils, you are more likely to get a reflection of what England actually is. The regional administrative boundaries are completely arbitrary. If you look at the history of them, you find that they were dreamt up by civil servants in 1945 and have no relevance other than what it was to those civil servants at the time.

Councillor Finch: I think that the confidence of civil servants in Whitehall in local government would grow immeasurably if they actually served time in local government.

Q140 Mr Browne: If your analysis is true that the public have so much more faith in local government than they do in national politics, why do you think that so many more people vote in national elections than they do in local elections?

Councillor Sparks: Because when we propose to close a school, a library or anything like that, we get more people turning up to the meeting than vote in the general election.

Q141 Mr Browne: So when we get turnouts of only 35%, which is quite typical for a local election—I don't know if that is typical in your areas; it varies in some parts of the country to others—are the two thirds of the public who are not sufficiently interested to go and vote for their local councillors just stupid? Is it that they don't realise that this is where all the action is taking place? Is this where the people who really know what is going on reside and they are just neglectful of their duties?

Councillor Sparks: No. It is just that the reality of local democracy needs to take into account the total picture, and the total picture is that there is involvement by people in community activity and community politics across the board, but it is not always expressed by them going to the ballot box. That is why my view is that it is particularly important that we constantly focus on communities. We are not talking about councils per se.

Q142 Mr Browne: I am just trying to make the conversation a bit more interesting, but it seems to me that if huge amounts of power are to be vested in local councils, it is only right that there is confidence across the board that the public think that those councils can and should exercise that power. At the moment, that seems to me to be a bit more ambivalent. I am standing down at the election in six months' time, but several local councillors have put their hats in the ring to succeed me. I don't understand why they are going in the wrong direction. Why aren't they staying where the action is and where the power should reside in the bit of the apparatus that people have confidence in, rather than coming to this hollowed-out, defunct institution that we are sitting in today?

Councillor Sparks: That is a matter for them but, as I said at the beginning, our polling—

Chair: Can we suspend the session?

