



Communities and Local Government Committee

The Committee met at Manchester Town Hall

Oral evidence: The Government's Cities and Local Government Devolution Bill, HC 369

Monday 26 October 2015

Ordered by the House of Commons to be published on 26 October 2015.

[This session was not recorded or webcast]

Evidence from witnesses:

Members present: Mr Clive Betts (Chair); Jo Cox; Helen Hayes; Kevin Hollinrake; Julian Knight; David Mackintosh; Angela Rayner; Mary Robinson; Alison Thewliss.

Questions 53 – 98

Witnesses: **Tony Lloyd**, Interim Mayor, Greater Manchester Combined Authority, **Sue Derbyshire**, Vice-Chair, Greater Manchester Combined Authority, and Leader, Stockport Metropolitan Borough Council, and **Kieran Quinn**, Leader, Tameside Metropolitan Borough Council (Finance and Investment).

Q53 Chair: Good morning, everyone, and thank you for coming. We have a very good audience today, which is not always the case when we have our meetings down in London so it is great to see so many people from Manchester here. This is our second evidence session as the Communities and Local Government Select Committee into our inquiry into the Cities and Local Government Devolution Bill. We are very pleased to be in Greater Manchester today and thank Greater Manchester as a whole and, in particular, Manchester City Council for the arrangements they have made on our behalf.

Before we begin with our questions of witnesses, what we do first of all as a Committee is to put on record any interests that we have that may be thought to influence our considerations of these matters. I am a

vice-president of the Local Government Association. That is something that I do, so I put that on the record. Now, have any of my colleagues got things they would like to put on the record as well?

Helen Hayes: I am Helen Hayes. Just for the information of those present, I am the Member of Parliament for Dulwich and West Norwood in south London, originally from the north-west of England. I would like to put on the record that I am also a councillor in the London borough of Southwark and I employ a councillor in my parliamentary team.

David Mackintosh: David Mackintosh. Just to put on the record that I am also a Northamptonshire county councillor.

Angela Rayner: Hi, Angela Rayner, just to put on the record that I employ a councillor and I am a member of Unite and UNISON.

Q54 Chair: Okay, right, on we go then to our witnesses. Thank you very much for coming. To begin with, perhaps you could each say who you are and the organisation that you are representing today.

Sue Derbyshire: I am Councillor Sue Derbyshire and I lead Stockport Council. In terms of the Greater Manchester Combined Authority, I am one of the Vice Chairs and I lead on the Planning and Housing Commission and the Low Carbon Hub, so environment stuff generally.

Kieran Quinn: I am Councillor Kieran Quinn. I am the leader of Tameside Council on the Environment Authority. I oversee investment and finance. I am also the Chair of the *Greater Manchester Pension Fund, the largest UK Local Government Pension Scheme*.

Tony Lloyd: I am Tony Lloyd. I am the Interim Mayor, Greater Manchester, and the Police Crime Commissioner Head. Again for the record, I lead on the Public Sector Reform Agenda across Greater Manchester.

Q55 Chair: Right. The first question I would like to put to the three of you—I suppose it is quite an easy starter for 10 at the beginning—relates to the devolution process in Greater Manchester, which has probably been ahead of the game in terms of anywhere else in the country. You have been working together for a long time at local council level. Is what we are seeing now any real difference to what has happened in the past, or is this a step change forward that takes you a lot further on from where you were at before?

Tony Lloyd: Yes, the facts are—are you Mr Betts for these purposes or—

Chair: Tony, I think we have known each other for quite a long time, so just call me what you feel like calling me.

Tony Lloyd: Yes, I think this is a significant change. To an extent the very close workings of the 10 local authorities across Greater Manchester has been developmental and has been incremental over the years. I think that almost by its nature, partly because of the range of responsibilities that we will transfer across—health for example and Children’s Services—and partly because of the scale of the financial transfer into Greater Manchester, there is a need to recognise and consider a very different process. It is a big challenge but it would be wrong simply to say this is a small step. It is a big one and an important one.

Kieran Quinn: I echo part of what Tony said there. The reality is, though, the basic day-to-day work hasn’t changed. How the 10 local authorities work together—as you quite rightly said, Chair, at the start—has a long history and for us in truth it is giving us more power to carry out how we as GM operate. We have already had significant say over a whole range of investment levers over the years and for us this is a natural next step, so yes it is significant in what is being asked of us.

I think we can separate obviously what we cover in the public domain and obviously what our asks to the CSR are. Clearly, they are the significant next stage of devolution but in terms of the structures of our Greater Manchester Combined Authority, which had the associated Greater Manchester authorities preceding it, are they able to combine working collaboratively to ensure the best for the GM conurbation? Then in that sense that is work as normal.

Sue Derbyshire: I don’t really think I have much to add to that. It is a big step. It is a bit like we have had years of working together and we are going through a vast, quick change, but it is built on what we already have, so it is a fast evolutionary step I would say.

Q56 Chair: I know much of this is down to negotiations behind the scenes but did you get everything you wanted from the devolution deal, or are there things that you feel a bit frustrated about because you could have delivered better services if only the Government were prepared to go a little bit further and accept what you really wanted instead of what you actually got?

Tony Lloyd: In a sense, Clive, I think the way we would answer it is this: look, because, as Kieran, Sue and myself have already said, there

is a major transfer, so there does need to be a recognition of how quickly we bed things in. It will be a shift in terms of the way things are organised. If you look at the enormous amount of work that is being done between the 10 local authorities and the different components of health, if you recognise that there are 12 CCGs in this area—I think there are 14 different trusts of one kind or another—beginning to develop a different process of working, it is a huge transfer of organisational work so we do recognise that we have to bed in those kind of changes. However, should we be going further in the long run? Yes, of course we should.

I will give you some examples, if I may, of one thing that is bound to be a source of frustration. Take, for example, some of the work that we are doing around the criminal justice system. If we are to keep people out of prison because we can find better ways of getting people to address reoffending, the benefit at the moment will fall to the Ministry of Justice and there is no process by which that money is transferred, unless the Ministry of Justice agrees they will transfer some to incentivise us. There is a very strong argument that we ought to be looking at how we have the control over that sort of funding. I can think of lots of different examples, by the way. We want to be in a position where we have the capacity to have a single budgetary process at local level, where we can make the decisions at local level, the interest on £2.8 million at Greater Manchester, and on that basis we can deliver the sort of more intelligent design that produces something that is better in financial terms but actually better in service delivery terms, so we can go further.

Kieran Quinn: I don't think there is any secret that our ambitions were much larger than the initial deal itself but, as I said in my first answer, I think we can separate what happened at the end of 2013 and obviously what is being seen to be delivered for the CSR. I think that is more likely to start to meet the ambitions that are the demand of the Greater Manchester 10 leaders. I think we are on public record as saying that there is £27 billion of public spending in Greater Manchester. Greater Manchester has a long history of delivering public services. We feel that we are more than capable of delivering for that. We are starting to see through the budget some fiscal levers. The rest of the UK is getting those. I think the Chancellor has been very clever in as much as he has managed to bully, cajole or persuade lots of his other ministerial colleagues to give up some of their powers, so we might see some more powers.

We would like to see some more fiscal powers so—as Tony quite clearly says—if we take this just as a switch you put on and off then we didn't get the powers we want. This is absolutely part of the process. The

process started some 18 months ago and, as far as we are concerned, the next steps are on the way but our ultimate aim is to have not just public control of public spend but also some of the softer powers that some Ministers have.

For me there are issues around education, educational standards and educational attainment. Clearly it would be right, as GM moves forward, to look at how we—through perhaps an Education Commissioner—would look at that. So, as a process of how the Government devolves power, then I am quite clear that we are up for as many powers as possible to integrate to Greater Manchester but it is a good start.

Sue Derbyshire: It is always difficult going third, isn't it? Yes, I think we are probably coming forward with asks over the next few years and building it up because that is the way we have built up the AGMA and you cannot do everything at once. I think Kieran is right, though, that education is perhaps the most frustrating area if there was a frustration area. We are genuinely a low skilled economy. We have a lot of people long-term unemployed or people who are locked in to very low skilled jobs, so the ability to help people to improve their qualifications, to work with schools so that we are not spending a lot of the post-2016 budget on English and Maths. After 11/12 years of schooling they are coming out without level 2 English and Maths, and a lot of budget is going there.

That is an area we are really interested in working more closely with the education sector because it is crucial to enabling people to take advantage of the growth that we hope to create in the area.

Q57 Helen Hayes: We had a very interesting evidence session this morning, a discussion with members of the public. Quite a lot of frustration was expressed about the lack of opportunity for members of the public to participate in conversation around the devolution deal and, even in quite a lot of cases, to understand the detail and to get hold of the documents that set out where that detail is. Could you tell us a little bit more about how the deal was negotiated, please?

Kieran Quinn: First of all, I think we could act on some of those concerns. We don't live in a vacuum but, as far as we are concerned, people talk about how come Manchester voted against the mayor and got a mayor. I think we should separate the fact that the vast majority of the conurbation have not had any referenda at all regarding this matter but the simple view initially was that of: as long as it is not taking powers away from local people, it is bringing new powers to local people, and there is a strong robust governance around that, then clearly that was always our starting point.

Like any negotiation we started with two documents and you would have to ask where they are because, in truth, it was the desire of Government to see devolution. Clearly there is a lot of politics around that, as I said before, with the Chancellor. Clearly they knew of our desire for us to have more powers and there was at least nine months of to-ing and fro-ing from civil servants, the whole range, draft documents, so for us it was a case of trying to make sure that all the asks of Greater Manchester were seen upfront. I accept fully there could have been more transparency. We would not dispute that but the reality was I think the deal on offer was too good for GM. Our job now is to make sure, as we go forward, that we as a devolved body are as open and transparent as AGMA has been for many, many years. We have had public sessions and we will continue to have public sessions.

But the reality was the deal that was on the table clearly involved an elected mayor but it also involved a lot of negotiations elsewhere and, clearly, I think the Treasury's view was that it wanted a deal signed before we could move into a more public domain. I think that is our job now, as members of the devolved body, to make sure we continue to have that public transparency and all sorts of questions can challenge us.

Sue Derbyshire: If I could come in there. Yes, clearly quite a lot of the confidentiality was not necessarily just on our side. The Treasury was going into new territory as well and there were a lot of negotiations. From our point of view, I think it is that we have a Greater Manchester strategy, which was apparently only consulted on over 12 weeks—although it felt like it went on for a lot longer because it took a long time to build that up—which is about growth and reform. It was clearly stated within it that we would like to have, we wanted to have, a lot more powers coming back down from central government operated locally and that was consulted on. Now, many people might feel, "Well, it is pie in the sky. We won't get it" but it's not that it wasn't on there and it is clearly our stated aim in advance.

I feel that many of the things that we are getting the powers to do—and it is more a decentralisation at this stage—are powers that most of our electorate think we can already do. They think it is our job to be interested in their skills. They think it is our job to help them to get into employment, to help their children to get into employment. They think it is our job to help businesses. They think it is our job to have a strategic view about transport. They think we already have many of the powers that we are just beginning to get through this. They are additions to us.

So if you were to do a referendum to say, "Do you want another body" I think people would say "No". If you did a referendum to say, "Do you

think your local authority should be allowed to do this”—and much of the delivery is through the local authorities and we need to work on our communications at that level as well—they would say, “Well, don’t they already do that?” I think there is some confusion about exactly what we are getting the powers to do and the way we do it and there is a very, very big communication and scrutiny job to do here in Greater Manchester.

Kieran Quinn: Can I just check, as we have done, we need to always remember the timing of this? It was part of the Scottish referendum. There was a whole range of UK-wide politics around this as well, so we need to understand that, if you are giving it to the 10 leaders to approach it, we would approach it in a far different way because we have a very long record of being open and transparent but, as I say, it was about negotiations, ensuring that ultimately for us we got a deal that we could sell to the public under, as I say, huge amounts of GM politics as well.

Q58 Helen Hayes: To summarise, so that we can be very clear, what have been and, going forward, what are the opportunities for members of the public across the Greater Manchester area to be involved in the conversation about devolution?

Sue Derbyshire: I think as we go forward there will be a number of different ones but one of the things we are doing is we are working on trying to make ourselves more transparent, webcasting the meetings, which obviously allows far more people to have access. A significant improvement to the rather poor webpage that we already have. I don’t think anyone has gone live but they are a significant improvement.

One of the things that Tony has agreed to have on our agenda is about scrutiny. We do have Greater Manchester scrutiny. We have looked at that but my feeling is, particularly, that much of the delivery is at local council level, so a lot of that communication and a lot of that engagement and scrutiny should be at our local council levels. We still need to do work on that as to how we integrate that into the local programmes but I think a lot of it will be for people within Stockport, will be Stockport, for people within Tameside, Tameside and so on for the others because that is where we are working with the individuals. That is where we are working with the communities. But it is a work in progress.

Tony Lloyd: Clearly, whether it is controversial or not, Kieran made the point before that, while we have never had the consideration of what governance looks like in Greater Manchester outside the existing structure, if you accept that we are taking on a very different framework from here on in, we need to put democratic accountability

into that, which is why the argument arises about the elected mayor across Greater Manchester. Now that is two years off. The public does want to be involved between now and that point and I think that is absolutely right and proper. So, Sue's point is absolutely right that we have to entrench the scrutiny process. We have to increase the scrutiny process to make sure that those who are making decisions, in the name of the 2.8 million people across Greater Manchester, are going to be seen to be doing that.

Now, one of the decisions we have made is that we will start web streaming, for example, the meetings of the combined authority. That is important because I don't know how many people will want to watch but, nevertheless, it isn't that people do, it is they can do if they feel the need to and that is an important democratic change. It means that one of the commitments I have given to attend local authorities, not so much to actually attend local authority meetings but the 10 local authorities that I, in the role I have over the next 21 months, whatever it is, will appear before the 10 councils on a regular basis to be scrutinised publicly by the members of those councils and, ditto, both Sue and Kieran, for example, as portfolio holders. Sue is leading Stockport Council but if the Traffic Council wanted her to appear to talk to specifically about housing or specifically with her low carbon agenda then the expectation is that Sue would appear in those terms. We recognise that with increasing complexity and also with the point that many people in the public feel that they don't understand what is going on, they feel they have not been told, we have to open up this process. The advantage of a hearing like this today is that to an extent it gives us the opportunity to explain some of those processes. But we have had to seek more and more of them. They are on specific subjects, but also around constitutionality of the process as well.

Q59 Helen Hayes: In relation to the negotiation, the adoption of a directly elected mayor for Manchester there is a little bit of controversy around that locally, given the result of the previous referendum within Manchester City. Was the adoption of a directly elected mayor a trade-off in return for more powers, and in your negotiations were there any other options for city-wide governance which were discussed and rejected? How did that negotiation go?

Tony Lloyd: First of all, the point has already made that while there is a belief that we had a referendum across Greater Manchester, there wasn't. There were two referenda in Greater Manchester: one in Manchester, which rejected the concept of a city mayor, the one in Salford that brought in the city mayor. What I would say because I

voted in the referendum in Manchester, and voted against a city mayor because we have a long, established then functioning local authority set up on traditional local council lines, an elected council and all those things that go with that. What there isn't is anything that runs parallel. We have a referred democratic system at the moment in Greater Manchester where the public elects councillors, the councillors elect the council lead and the council lead becomes a member of the combined authority.

Now, you can I suppose put forward a case that the decisions are highly technical, but once you want the public to be involved in those then you do have to make a change. I suppose the options for Greater Manchester would be to revert to the former Greater Manchester Council and, Clive, you will remember the South Yorkshire Council and so on. Even though I did vote against it in Parliament, it was not the greatest experiment in democratic government. What we have now I hope and certainly into the future—and just in passing it is very different from the London model, which was brought without a referendum I have to point out, but one of the differences is that in Greater Manchester the connection between the mayoral system and the 10 local authorities is absolutely integral.

This is not a separation of powers as you had in London between the London mayor and the London boroughs. This is an integral marker then leading on to the elected mayor, for example, where the mayor has direct executive powers, transport say or policing say, the 10 local authority leaders will be able to go forward in detail on mayoral activities, which prevents excess by that individual. That is important. Where some of the areas of activity are not mayoral executive functions they will be voted at 11 and insofar as they ever are voted, whenever the mayor would want voting taking place, that will be a straightforward, simple majority. So the mayor does not have this freedom to act.

Bizarrely I have far more power—and I think it is wrong just in passing—as a Police and Crime Commissioner to spend money foolishly or to sack and appoint people foolishly than the elected mayor will have when we come to that point, absolutely even in exercising policing powers. It is a very different model of local government. In fact if you reject the Greater Manchester Council as too big, too remote, then say, as in London, very few people will challenge next year the concept that there is a mayoral contest taking place there. We learn from that model and I think improve on it for the Greater Manchester context. I am not trying to redesign London governance but for Greater Manchester what we will have is there will be the council figure to the public, someone

who can be voted for and can be got rid of, if the vote makes that decision, but the powers of the mayoral figure will be translated through the 10 local authorities with the 10 local authorities, will not be about taking power from the local authorities but exercising that collective power in a way that gives the local authorities collectively the power to constrain and that is important.

Kieran Quinn: Tony is right regarding the two most recent ones in Salford and Manchester but I think about 2008 Bury also had, under the current legislation but the previous Government, a referendum for an elected mayor and they said no to that as well. So the principles are there to do that, it is about taking powers off local authorities and I think that is cross-party some of the frustrations around how that gets operated. I know you have Joanne in later on. There was no referendum in Liverpool for the elected mayor in Liverpool, so in reality it is what people feel is the best form of governance.

You ask whether or not it was a trade-off. There is a belief out there that there were 10—I think they were called—barons dragged kicking and screaming regarding the elected mayor. I think we can say we are far more subtle than that and we have been negotiating stuff for many, many years. It was made clear at the start what the Government's one line in the sand was and that was the elected mayor. As much as that in itself we knew had issues, it was about what was transferred and also was it a one-off transfer or was it a process. I am not going to pretend that I was very surprised. We knew we had started a process. The health deal issue stuff came within, what, three or four months and that did come as a surprise. I think that speed shocked a few people and hopefully the CSR in five or six weeks' time will add to that. So in the end it became a trade off because naturally I have been on public record as not supporting the principle of an elected mayor because, as I say, it is about taking powers away. But I am more than happy to take powers away from Westminster. You talked before about transparency, and whatever weaknesses we may have in Greater Manchester and certainly they are there, our governance review had started in advance of any of these. Actually, devolution has slowed down our process of governance to make sure that what we now are governing is far stronger and robust based on the powers that are now being transferred down to us. I fundamentally and the 10 GM leaders, including the interim mayor, do believe intuitively that more decisions locally are better decisions and how we govern that, how we make that transparent is a task that we have but it is fundamental to how we are going to move forward.

Sue Derbyshire: Just to add, yes, there was a conversation about it that we had. We recognised that a combined authority, if it was going to get more powers, would have to be accountable back. We wanted to build on and keep what we had. The executive mayor model, while there is an election for an individual that puts an enormous amount of power in the hands of that individual with very little that you could do if that individual does not exercise it wisely, and we saw that with perhaps the Police Commissioner issue in South Yorkshire.

So I think the conversation is really about the model. We knew that the Treasury wanted the leader of the combined authority to become the mayor. The phrase “mayor” covers a lot of different tax things. I think our conversation was about whether that would be an executive mayor model. What we have come up with is not an executive mayor model. It is a co-ordinated leadership model. I don’t like to think about vetoes but I think it carries on with the AGMA approach that we build a consensus, so the mayor is required to build a consensus for the budget, for the transport, for the planning and for all other things generally, recognising that it is the local authorities who deliver and have to deal with that. So I think it is more balanced and nuanced than in London. Had it been the London model, you know, London model and nothing else on the table, we would have had a much more difficult decision to have made.

Q60 Chair: One quick point there, but if there had been another model on the table that did not have an elected mayor at all you would have taken that, would you?

Kieran Quinn: Yes.

Sue Derbyshire: Yes.

Kieran Quinn: Absolutely, yes.

Chair: Two quick supplementaries before we move on.

Q61 Kevin Hollinrake: A very quick question to Kieran. I think you are on record as saying there is significant opinion that Greater Manchester needs its own Boris or Ken. Is that opinion public opinion or an opinion within the combined authorities?

Kieran Quinn: It is clearly the public who has just read it out. I think if you asked them individually, a lot of leaders would have the same view. There is a frustration in Greater Manchester. If you look at us economically we are the second negative growth in the UK. There is no doubt about that. The Manchester independent economic review some seven or eight years ago showed how we are economically but what

more we need to do. The difficulty is—and this has been a Manchester issue, it is a Newcastle issue, it is a Scottish, it is a non-London issue—whereas a London or a south-east leader can just pop along literally down the road and get hold of the Minister or get hold of a civil servant somewhere and start the process, we need something that is going to start to shake that tree a bit more. We have a lot of that. We have a lot of individuals but because of the way that Greater Manchester operates, as Sue says, there are 10 loud voices in Greater Manchester and so, ultimately, there has to be a co-ordinated voice. There has to be a go-to voice for Greater Manchester in very simplistic terms.

Going back to the Chair's question about would we take another form of governance, we would have done but ultimately that still would have produced a leader. That still would have produced a single voice for Greater Manchester because we have to compete with Ken and Boris and, obviously, whoever the London population choose next year I think it is important. It also an international state. Manchester is an international conurbation and when you have international conversations—as I say, I chair the Greater Manchester Pension Fund, which does a huge amount of work. I am a single voice around that. When investors come in, when foreign ministers come in, to have a single person and a single place to go to makes the governance far better, makes the outcomes far more deliverable, and I believe will create an opportunity for Manchester to take its place where it should be.

Q62 Kevin Hollinrake: I know you believe that, I am not saying I do not believe it, but that was the combined authority's opinion rather than the wider public.

Kieran Quinn: *The Manchester Evening News* is a local paper for the area. They have been campaigning for many years on exactly this type of issue. Is it the conversation down the pub, the Dog and Duck? Possibly not. I doubt very much if it is. But if you were to ask individual Mancunians whether or not they believe there should be a single voice for Greater Manchester I think the vast majority would say yes, especially if it was a voice that was going to bring additional resources. I do not want to feel partisan. There are very challenging times for Greater Manchester at this present moment in time.

We have said before we are not hiding behind any issue regarding transparency but I do believe that that single voice is required. How they got there was to the Government's desire to have an elected mayor. I have already accepted that perhaps some of us might have

chosen a different model but I am relaxed about the model we have. I think it is going to bring massive change for Greater Manchester.

Q63 Julian Knight: I just want to pick up on one point there that the three of you mentioned. Effectively the statement as to devolution, that we need more devolution to help out at the time. Do you envisage that Government's structures and scrutiny are largely involved as well during that time? If so, which direction?

Sue Derbyshire: Inevitably they will have to. One of the things we are looking at is our capacity at leadership level and officer level, what needs to be done at GM level and what can be. I think all of the leaders feel that the most that can be delivered through councils the better. It is double devolution. The GM is about negotiation. But there are things such as the investment, housing growth fund, strategic planning, that will be done at GM level. So we will need to develop that.

As I said before, scrutiny is something that we need to, both internally within the councils but then externally to the public, be answerable for what we do at the various levels. That will grow.

Health is a completely different area again. I do not think the mayor is even mentioned in the memorandum of understanding. It is not an executive role for the mayor, it is the CCGs, the GPs who have no public accountability directly. Then NHS England, which is also a non-elected body, working together, but the councils are the elected part of that so I am hoping that we can improve the accountability of what happens in those areas by bringing that in. But it is evolutionary. That is how we feel in Greater Manchester and that is how we would want to continue.

Q64 Julian Knight: Turning to the here and now: how would people know who is responsible for the services that they receive; the mayor or the combined authority?

Tony Lloyd: I missed the beginning.

Q65 Julian Knight: How will the public know who is responsible for the services that they will be receiving? Is it the mayor or the combined authority?

Tony Lloyd: Relative to your previous question, we do need to have and we are in the process of trying to have that conversation across Greater Manchester so people can understand whether they agree or disagree with the division of functions, and that is important.

The point to make at the moment is the role I have as interim mayor is obviously entirely constrained by what the 10 local authority leaders decide to empower me with. It is not entirely that I simply chair a meeting once when the people get together, but I cannot act in those areas where the local authorities are empowered unless they empower me to act in that way. Because we have—perhaps I did not describe fully—a Cabinet system of responsibility so that the portfolios across the conurbation are divided up among the 10 leaders. In a way at the moment the division between the combined authority and the interim mayor role is very small. Obviously when the mayor is elected then that will change because the mayor will have some functions that directly transfer through that with the constraints I described before in terms of the capacity of the 10 local authorities to work with. The point Sue made is she will continue to work on that conceptual model of government.

That is important because while the differences of function does matter, the differences of function will only matter if we saw the mayor opposed to the 10 local authorities and the structure we have should go a considerable way to preventing that.

In direct answer though, clearly we have the period of some months leading up to the election of a mayor where we have to get across to the public what the impact of the mayor will be so the public can make their decision on how they want to vote. That is an important issue for us. That comes down to the whole issue of any scrutiny but also accountability.

Kieran Quinn: Again, what is evolutionary? AGMA previously had public sessions that the public can come along to; the combined authority adopted that model in 2011. There is no leader that does not accept that public oversight and public scrutiny is an essential part of what we do. As I said in the answer before, we have already started that process of change and the roles that each individual portfolio has, they are on the web and, as Sue pointed out, we have had to improve and modernise the work to make it much more reflective about the changes that are taking place. But part of the reason we are waiting until the new year for most of the new governance to start are the expectations out of what is going to come out in November, and that has been part of the difficulty. You are trying to create a much more open and transparent governance model with changes taking place as you are trying to produce that. You might create a model today that is fit for today but in six weeks' time may need some model change as well. So we are trying to be flexible, nimble-footed, but the basic premise of doing things openly and transparently has been part of AGMA for the 20-plus years AGMA has existed.

Sue Derbyshire: Just to add slightly more directly. First, in my area we have the low carbon implementation plan, which is out for

consultation across GM now and I am expecting the next stage of the Greater Manchester strategic framework to be out for consultation early in November, subject to the annual meeting. But in terms of direct services, most of those will be delivered at the local level. For instance Working Well was negotiated at the GM level. The increased numbers of complex families being supported were negotiated at the GM level but delivered at the local level, so I would expect that to be reported through the local councils, through the scrutiny, through those councils, so that people would look to their local council for those services. A lot of the justice work, the local Safer Partnerships. So a lot of it will be delivered at the local level—at a council level or smaller locality level—and I would expect the local councils to be the first line of where people go to ask what is going on, criticise and expect answers. So that is who is going to be accountable.

Q66 Julian Knight: In the earlier public open session—the Q and A for the public—there was a feeling from people within the northern part of Manchester, effectively this is a devolution that focuses on the city centre, Trafford Park, Salford Quays. What has been done for the deprived part of Greater Manchester? How are they going to benefit from this devolution?

Tony Lloyd: There are several answers. I do not think that is the way we want to go even in terms of economic development but the Greater Manchester devolution deal is now taking us way beyond if you want the things the combined authority did ask, which were things like, for example, the development of the Metrolink system was partly an investment in the economic infrastructure of the conurbation. If you look at the map of the metro system and where we go, it goes way beyond and included the city centre, because that is inevitable. It goes way beyond.

The scale in change, if you look, for example, about—as Sue just mentioned—Working Well. If we are involved in the skills agenda and we would be looking in particularly getting people who have not been able to access employment in the past into work, that affects every part of the conurbation. It affects the city of Manchester, as it happens, but it most certainly does not affect the north and every other part of the conurbation.

If you look at the devolution of health; the devolution of health affects every man, woman and child across the conurbation. But even in terms of economic structures and strategies it is one of the things—in fact I had a conversation with the head of paid service for Greater Manchester’s northern arm link about how we begin to approach the differences that

apply across the conurbation, and there are clearly differences. The Salford conurbation is relatively affluent and that is something to weigh as we move across. We have to make sure there is delivery across the whole of that conurbation and it is consistent with the Greater Manchester economic planning function but we cannot leave out the opportunities that deliver economic benefits to every part of Greater Manchester; that collective responsibility.

Kieran Quinn: To start by saying I represent a borough in the north-east so I understand absolutely and that has been a challenge for us since before this devolution deal and will continue to be. How we make Manchester a much more equal and balanced conurbation is one of the biggest challenges that we have. That is why I said at the start, much more fiscal tools in government would be helpful so we can share in the growth.

Metrolink is a good example. We have an extension to the airports from five or six years ago now, which is not just about connectivity for travel, it is also connectivity for work and for employment. Airport City is one of the largest investments. It is one of Government's enterprise zones. How we make sure that our connectivity works, to make sure that someone from Rochdale, Bolton, Bury, Oldham or Tameside can access work there is important to us and they are exactly the sort of challenges we had under the previous AGMA and will continue to have but we can have much more levers of power as to how we can make that work far better, and that is a fundamental. For us, yes, collective people to work with.

We can talk about the Working Well programme. We talked about powers. Some more release of the DWP powers around these issues would be very helpful in Greater Manchester. We have a record, whether it is a Future Jobs Fund or other Government programmes of delivering the sorts of economic packages that help people who find it hard to get into work to get into work. So there is no part of the conurbation that we would want to be left behind but it is not a switch where suddenly there is going to be economic balance between the north and south or the east and west of the conurbation. That is going to take decades for us and that is why we want the powers to make sure that we can focus on the needs of Greater Manchester as a whole rather than allow certain parts of it to become overheated.

Q67 Julian Knight: Just on fiscal matters, which you have just touched on. Just the "Earn Back" scheme as set out in City Deal 2012, and for business rate of potential. Has that put Greater Manchester on a

better financial footing and what else would you look to see being devolved in terms of fiscal powers?

Kieran Quinn: The answer is yes, it has, but it is very small and very limited and clearly we would want to see a lot more. There is also a huge amount of complexity. Again one of the powers is, within a fiscal envelope power, how we can perhaps be more innovative around some of those issues as well. I said earlier the Chancellor has been very clever. He has managed to get lots of powers from other departments. We would like to see perhaps more Treasury powers but what they are, who they are, how they would operate clearly would be part of our next steps going forward. But, yes, they are helpful as much as they are allowing us the ability to create some additional income that we can then invest in and on our priorities.

The investment fund that I oversee, a lot of that has been predicated on a revolving fund where the interest earned from the loans that we make and from the decisions that we take come back into the pot, so it then gives us freedom to invest much more, be it through business growth, working with business finance or making investment for future decisions around jobs. That is the freedom that we are looking for. A lot of those are still contained in Parliament and as part of the next steps, the evolution of this, much more fiscal levers will be required. But do we have a specific list here and now? No, we do not. I go back to the point these are such things that we, as a combined authority, will be much happier to start talking publicly about. The area that I oversee, because of the work that it has, has not yet had that broader public scrutiny. It would be important to have that so that we can understand from the members of the public what is it they want us to see. But it has benefited us in a small way.

Tony Lloyd: If I can just add a couple of things. Transfer of business rates clearly operates across the country not just in Greater Manchester. In quite a differential way there will be some very big winners and some of the London boroughs, Westminster, will gain enormously and others will gain not a lot. There cannot be a situation where central government foregoes its ability towards its duty to operators, perhaps an equalising process. It would be intolerable if we were not to see that from their point; I would just like to place that on the record.

The other point I would make is that—and your Committee most certainly looked at this—Britain is still fairly unusual in the very small ability of our local authorities generally to have access to their own resources if you compare to most other parts of western Europe and certainly North America. We are unusual in the very low proportion of

spend that is generated locally. So this places local government in a very dependent position along with central government. While I have made the point a moment ago about the need for central government still to maintain that redistributionary role, nevertheless the people of Greater Manchester will have got to a point in the future to have the capacity to increase its ability to determine the revenue raising. But that has to be a conversation with the people of Greater Manchester. It cannot be something that is just imposed. Within that—this is purely personal—is if we are forced to rely on the very limited number of revenue sources, the council's business range for example, it does leave us very exposed to the impact of any one of those. As with central government, we would be in a plurality of revenue raising systems if we were to make the alternative plan for those fiscal powers.

Chair: We are going to have to move on now to health.

Q68 Mary Robinson: During the public evidence session we had earlier some quite strong themes came through. They were about transparency, accountability, around health care too. But ultimately a lot of it is: what does it mean to us the lack of understanding about what this does mean to the people and their lives? As joint working on health issues began in 2007 would you be able to tell me what difference a patient would see in their treatment now as a result of this health devolution?

Sue Derbyshire: Of course the health devolution—and it is not devolution, we are still part of the National Health Service, I need to make that clear—did not start in 2007. We have had sample budgets across GM in some places—Stockport for instance—for some time, and we are using the same legislation within GM. There is no primary legislation as regards GM. It is coming out of the Healthier Together, the idea that the centralised system has produced not uniform results across the country. GM has some of the worst health outcomes anywhere in the country, so it is about can we do better locally, and the answer is it would be very difficult to do worse unfortunately for people. But it is about working together.

What we are looking towards is much more integrated working. A terrible phrase, bed-blocking, people being shuffled between social care and hospitals; quite often elderly people but sometimes others with long-term chronic conditions. It is about the emphasis on local delivery of prevention services within communities but then the highly specialised units that are necessary. It is all very well to wish for a general hospital that will deliver everything to the same standard but we know that that is not true. All our hospitals are very good on certain things. They all have areas where they are not so good. There are treatments that need to be—

they are highly specialist and a general surgeon is not necessarily going to be able to do it, so it is about being in the right place at the right time for treatment. That is what Healthier Together was about and that is what we want to continue on. That people get the treatment in the right place.

Now that is not always—and this is quite a difficult message for people—on their doorsteps. But nobody with a diagnosis in Greater Manchester of cancer would turn down going to Christie's because it was a bit further away. So people do recognise that in some areas and we need to build on that relationship, but that means we need to have the proper transport links for people to get there. But it is about having a much more joined up—and data comes into that. It gets quite technical but when a patient does present they are being able to access the records, which would say while they are presenting saying this there are these issues that are known about because some people are starting from scratch. When my husband went into A and E I think they filled in the same form three times and they each started with a blank form because nobody in the NHS within that hospital appeared to trust anybody else to be able to fill in a form rather than an iterative process, and that is what we want to go towards.

Tony Lloyd: Can I give a very specific example? One of the things we did within Greater Manchester was to put money through the policing budget into mental health services because it made sense to work together and it needed somebody to make the decision that they are prepared to risk their budget. Could we do that for ever on the basis that the policing budget supports mental health services? The answer is no if we still have these as separate central government departmental funding streams because the risk would be too big. Even if it is a more intelligent way of running the service we could not guarantee to run it in the future if there were not that degree of certainty. If we have a devolved system we can begin to give that kind of certainty about running structures in the future. That is one very specific example. It means in this case when the police pick somebody up tonight in the centre of Manchester, when the issues primarily are ones around mental health, we can get this individual into early mental health treatment, which is good for that individual. It is good for the public in terms of policing because you have the police officers who are not operating as unofficial and not properly trained carers. It is win-win but that certainly tells you it does require us having control of the total funding. As Sue pointed out, we are not taking over the NHS but by agreeing that we can work together and redesign service delivery around a human being the funding then does not become a barrier, it is seen in terms of patient.

Q69 Mary Robinson: We are expecting patients to see a real difference in their healthcare provision. Looking at the adult health and social care responsibilities, the challenges there are huge. Will this devolution leave you in a good place in order to meet those challenges?

Kieran Quinn: Integrated care, you are right, is absolutely the biggest challenge facing any local authority. I will repeat the challenge to our budgets has become more and more severe. A fairer settlement would help. Until then it is about us having an oversight of how some of those budgets are distributed. So you asked the question about a patient, a clinical decision will still be taken by the right clinicians in the right way at the right time and no one is changing that. It is about having the levers of power. For me, in Tameside, this memorandum of understanding is devolved to 10 locality plans so it is not just a single devolution. The important thing is how we make the patient journey far more reasonable for the patient themselves and for us it is about instead of a hospital being a place—most of the hospital challenge, especially at Tameside, is about access to A and E. The expensive part of health care. If we could find a much more integrated way where there is much more community services—delivered by the same hospital, by the way—then not only will it save money on the public purse, it will absolutely deliver a far better service for the individual themselves and for the individual's families, and that is what we are trying to do. That will create a far more balanced approach, but the hole is still a huge hole.

In Tameside the health economy without integration still has a gap of about £70 million. With integrated approach, which we are again about 12 months off from delivering, will have a gap of about £40 million. So it does not in any way fill the massive hole that we have financially but it will give better outcomes, and it will also allow us to start to make some significant changes. Talking about transparency, in NHS England there are no public officials that you can challenge that are in there making those decisions. At least from April next year when we move to shadow form and move on it will be taken in a public session. We can start to see how we can make the changes to health much more worthy of the population we serve.

Q70 David Mackintosh: You have talked a bit about scrutiny. The leader of Oldham Council was reported as saying at the Labour Party Conference event that scrutiny of Greater Manchester is fairly messy. Is it and how would you like to see it shaped?

Sue Derbyshire: Do you want to speak for Jim? I am not speaking for Jim now. Possibly because Stockport is the one that has been banging

on about scrutiny rather than more—Tony is probably fed up with it, but that does not bother me. It is probably—messy might be the wrong thing. We have for a combined authority quite a strong scrutiny model but not strong enough for what we are going forward with. Across GM we have a scrutiny committee that is very well informed but not necessarily empowered to be proactive. We need to change that. We got north-west employers to have a look at cross scrutiny and there are a lot of recommendations that we are working out. I think they had an away day where they did invite some Stockport people in addition because we had been talking about how we integrated with our local scrutiny. It is a work in progress.

As we do more there is more to scrutinise and we need to build that in and we need to find ways of doing that. I personally believe that we need to be able to do that at the local council levels, not just rely on the GM scrutiny levels. For instance, I would expect the Greater Manchester strategic framework to be discussed in each of the 10 boroughs, and that to be fed back as well as it having gone to the GM scrutiny. But you are right, it is a work in progress. We are moving quite rapidly. We are trying to do it and those things can look messy.

Tony Lloyd: Just briefly. Just to the question you posed, to repeat something that we said before that ideally the politicians at Greater Manchester level, whether it is Kieran's, Sue's portfolio or myself as a portfolio holder of interim mayor, we have to be present to be accountable. Yes, to the Greater Manchester scrutiny but also through the 10 local authorities, to the people of those local authority areas because Sue's point is right; in the end the democratic elected local councillors are the voice of their sub-local communities. That is the best way of us getting across the message about what is being done in people's names rather than having the necessary challenge that we need.

So my expectation is that I will have to be available to the 10 local authorities, that each of the 10 portfolios will be there within the 10 local authorities, where that is appropriate. It could well be, for example, in a particular local authority they may want to have their own scrutiny structures to look at the different portfolios. They could be examining Kieran on the use of the Greater Manchester Pension Fund, for example. Now whether they do that as collective scrutiny in a local authority—whether they do that by giving specialist competence is up to the local authority—we do need to examine and entrench the capacity to range because partly the range of things involved is much greater than it was before. We need to reflect that range in the way scrutiny is done.

Chair: I am sorry, we have lots more and I am sure we would like to push on but we are constrained for time. We have two more panels so thank you very much indeed for coming in to give evidence to us. There are some exciting times ahead in Greater Manchester, and we wish you every success with them. Clearly you recognise there is still a lot more to be done and you will continue with the public engagement. So thank you very much.

Witnesses: **Professor Karel Williams**, University of Manchester, and **David Fernandez-Arias**, Greater Manchester Referendum Campaign for Democratic Devolution.

Q71 Chair: Thank you very much for coming to give evidence to our Select Committee Inquiry. You are very welcome. Perhaps to begin with you can say who you are and the organisation that you represent.

Professor Williams: Karel Williams, Professor at the University of Manchester, industrial and regional policy expert, worked on devolution, most recently a report on alternative policies for Wales.

David Fernandez-Arias: David Fernandez-Arias. I come here to contribute from the Greater Manchester Referendum Campaign for Democratic Devolution and also involved with 38 Degrees Manchester.

Chair: Thank you very much for coming.

Q72 Kevin Hollinrake: Kevin Hollinrake, Member of Parliament for Thirsk and Malton in North Yorkshire. We had a public session earlier that talked about some of the opaque nature of the devolution settlement; locked negotiations behind closed doors, a lack of engagement. You have also heard the combined authority's evidence. Which version do you agree with?

Professor Williams: They are both true. Wait a second. Hang on a second. There we are, yes. Okay, fine. They are both true. Clearly the local political elites get on very well with each other and have their project that they are in communication with the Treasury on. Clearly also there is a lot of perplexity among the general public about what is going on and one could add that among independent experts like myself there is also a good deal of perplexity because it is not at all clear that they have an economic strategy that is adequate to their worthy objectives.

David Fernandez-Arias: There is a common aim surely of informed and engaged citizens and civic society working together with trusted public servants. The issue we have, and probably if I give you a quote it will give you a sense of why that common aim is a long, long way away, and I will quote, "These back room deals have been described as a revolution in government by George Osborne and potentially the greatest act of devolution in the history of the NHS since 1948" by Simon Stevens, Chief Executive of NHS England. Yet we have had no public awareness, no public consultation, no democratic engagement, no scrutiny, no impact assessment. Our basic democratic rights are being denied. They are being treated as an irrelevance or an afterthought or an inconvenience or an obstacle to their fast-tracked and imposed plans and this approach is dangerous and unacceptable. It is poisoning the reservoir of our collective goodwill and it is throttling our potential. So, we now need joint action to improve the health of our local democracy as a top priority, which involves proper protections and informed consent for real democratic devolution that is fit for the 21st century. These deals have failed us so far. We have our citizens deliberately kept in the dark and excluded and their almost total lack of trust in the dealmakers.

Q73 Kevin Hollinrake: How can we make devolution a more democratic process to benefit the whole of the city?

Professor Williams: I think to begin with you have to have a much broader based discussion than we have had about the problems of the city. This is a divided city. The satellite industrial towns in the North, Oldham and suchlike, have seen the failure of their industrial bases with no compensation. The centre has a different set of accelerators, which are to do with the second city, which means the universities, the hospitals, the BBC and commercially-led property redevelopment. At the back of AGMA's mind the devolution deal is somehow or other the idea that these can be brought together through investment in skills and infrastructure but this has never engaged the practicalities of the situation.

Let me give you one example. Suppose, for example, that I was coming in this morning from Oldham to take up a 15 to 20 hour a week job, part-time, in the retail economy in the central city. That is the kind of job we have created. It would on the Metro take me 30 minutes, which is wonderful, and would cost me £5.40, which means that for the first hour and a half of a part-time shift I would be working to cover the fare.

This kind of thing is quite basic to the whole issue but it has never been registered by New Economy and I think there needs to be some fundamental discussion of what the motors of economic regeneration are, what the limits of regeneration are and what needs to be done to solve many of the problems that have been barely addressed at all, particularly the provision of social housing in what is a low-paid, part-time city. The issue of what to do about some of the policy areas that are major tests of our civilisation, particularly adult care, which has been dealt with as though it is an adjunct to making health services work, and the question of how we look after our old people is one of the tests of our civilisation.

David Fernandez-Arias: In the interests of time we don't have enough to go into more of the diagnosis. You asked what the treatment plan might be for what I would describe as a very dodgy state of affairs. The treatment meets the diagnosis so you have to take some of that as given. It does require a pause, although that is not even remotely in the minds of those involved. It requires full, frank, honest engagement. It requires an explanation. It requires listening. It requires making changes, again, not in the minds of those involved. It requires informed consent, and following that path, that is what will release that collective energy, the energy of collective goodwill that will propel this into the place we want it to go. There are three very specific mechanisms to help with that.

One of them is the obvious, which is what folk have been calling for. If this is devolution where is our referendum? That is again not on the cards. It has been flatly rejected but that demand stays as the most obvious symbol of the fact that this is totally undemocratic. That stays; a referendum.

Number two, the Greater Manchester Strategic Priorities, there are 17 of them I only very recently found out, which most folk again don't even know exist. Seventeen of them; there is not a single one of those that is about investing and improving the health of our local democracy. That is something simple that can and should happen. A petition went out just over the weekend, just to test this, out there in Greater Manchester with the help of 38 Degrees Manchester. Over the weekend there are over 2,500 people who agree that is a very simple, great thing to do, local democracy front and centre. There is a whole bunch of answers that confirm what we are saying that I can pass on to those interested in the Committee afterwards.

The strategic priorities need a change so they cover social, environmental, economic and democratic. Right now they are

dominated by a very narrow and shallow economic agenda that we fear will take us backwards, not forwards because of the omission of those others. The third very specific item is—no, sorry, I have covered that, the democracy piece. Yes, that is fine.

Q74 Chair: Given the political world we live in and Government has a policy and agenda between the Treasury and they are offering Greater Manchester a package. Should Manchester have said, “No, it is not the ideal package we want. We need more consultation with our people. Mr Osborne, sorry, but we are going to spend two or three years thinking about this”?

Professor Williams: The short answer is absolutely not because this is an opportunity, an opening to unsettle things that have not been good for the laggard regions, so it is an opportunity. But we should not get ahead of ourselves about what is on the table, what has been offered and what can be achieved. Take a very simple example. We have had the devolutionary powers with almost no devolution of borrowing power. Can you think of trying to sell a used company, a struggling company, and your proposition is that you can have the company but you can’t have the balance sheet? You can’t have any borrowing power. It is utterly nonsensical.

Meanwhile the self-important people who sit at the front of the table in Manchester say, “Thank you very much for what we have”. They are not looking at what powers would you need. Of course we should accept what is on the table but at the same time this needs to be set up as an argument about what more needs to be done. For example, in social care, adult care and social housing you need borrowing powers for social infrastructure, which has been no priority at all for AGMA or Manchester City Council.

David Fernandez-Arias: A lot depends on your judgment about the likely real world results of what this journey will bring. A metaphor will be most helpful in this situation. In our NHS our basic right is no decisions about us without us, for obvious reasons. Yet it is like we have all been herded at speed into a mass clinical field trial for mandatory live experimentation. “Trust us; we know best”. The precautionary principle doesn’t apply and there is no need for informed consent.

I would ask the question the other way. Are we really expected to take it on trust that George Osborne, Simon Stevens, Howard Bernstein, Richard Leese in their cosy backroom laboratory have discovered this new wonder drug prescription for our health and that George’s

marvellous medicine absolutely must be immediately injected into us for our own good without our first knowing exactly what it contains, how it is supposed to work, what the side effects are and whether we like it or not?

Q75 Chair: Going back to the question, then, what would you do? You would say to the Government, "Go away. We want two or three years to work out what we really want to think about here"?

David Fernandez-Arias: If a real doctor tried this approach they would quite rightly be stopped, struck off and jailed, so the answer I am giving you is if you believe and you trust those dealmakers, if you believe that what they are doing is a good thing then of course you would say, "Yes". If you believe that is not then you would say, "No, thank you. I want to know more about this before you inject this into me", so it depends on your belief on those doing the deal.

Q76 Chair: There are two slightly different answers there. Karel's is saying yes, you should take what is there, you look at whether it is really sufficient and take it further. We heard evidence before that Manchester leaders are saying, "We realise we have only gone part of the way and there are deficiencies". Should there now be a bigger conversation involving a lot more people about where the next stage goes to in terms of things like fiscal devolution and borrowing, which was raised by previous witnesses?

Professor Williams: Absolutely. I think there needs to be an opening out of discussion and other counts of broadening as well. One of the things that concerns me about Manchester is an absolutely dire monoculture of researching expertise, and here I am interested because I work in Wales and my last report was written for the Federation of Small Business Wales. Wales TUC commissions research from people like the New Economics Foundation. In Wales there is a kind of national argument with people pitching in different kinds of bits of research, different kinds of expertise from different kinds of approaches, left, right, radical conservative, and I think that is healthy. One of the things we lack in Manchester is a healthy, diverse research culture, research commissioning culture as well as the kind of lay public engagement that David is concerned with.

Q77 Chair: Just finally to David, if Manchester leaders turn around and say you can have a referendum will you be satisfied?

David Fernandez-Arias: It is a good start, isn't it, to ask people what they think about this, but a referendum in and of itself is a point of

decision. You can't just give folk a point of decision without doing the work leading up to that decision so the real prize is, as I mentioned in the journey, gathering that collective energy, the goodwill of the 2.8 million people in Greater Manchester. How you treat people matters. It matters in their willingness to participate and to engage. If they believe that they are being disrespected, if they believe they are being excluded, if they believe they are being treated as the little people, why on earth would they want to help in these things? They clearly wouldn't.

Q78 Jo Cox: Just assuming this does go ahead by 2020 could you just say a little bit more on what you think the risks to the residents of Greater Manchester are from the deal as it is currently?

Professor Williams: I think the main risk is that things will be much the same in 2020 as they are now. The central problem is that the political classes locally have sold us the idea that our problems are fixable. Our problems are deeply embedded and intractable. If you take the standard measure of GVA per capita this isn't simply a Manchester problem. Across the whole of the north-west or the north-east it is roughly 50% of GVA per capita output levels in London. The gap is unclosable.

I explained earlier the stuff locally about getting people to travel to work in the centre encounters pragmatic problems. It requires therefore a fundamental rethink of the objectives of policy, what is attainable and what can be achieved and I suspect that this would have to be much more focused on social objectives in a middle income area than on some kind of fantasy of closing the gap with London, which would in due course probably only accentuate the differences between the centre and the periphery of Manchester. If you look at Manchester, for example, it is very clear is that the centre partly exists as London does for a non-Brit population; 25% of the residents of central Manchester are foreign born. I think we have to think more socially about inclusion and less about the fantasy of closing the economic gap with London.

Chair: We are going to close at that point because we have to go on to the next set of witnesses. Thank you very much indeed for coming. You have given us a very different perspective of the devolution processes and how they might work here. Thank you very much indeed.

Witnesses: **Joe Anderson**, Mayor of Liverpool, **Joanne Roney**, Chief Executive, Wakefield Council, West Yorkshire Combined Authority, and **Chris Murray**, Director, Core Cities.

Q79 Chair: We move on now to our third and final group of witnesses. Thank you very much indeed for coming and again if you just go through and say who you are and the organisation you represent today.

Joe Anderson: Joe Anderson, the elected Mayor of Liverpool.

Joanne Roney: I am Joanne Roney. I am the chief executive of Wakefield Council and I am here representing Leeds City Region.

Chris Murray: I am Chris Murray. I am director of the Core Cities Group central unit.

Chair: I am going to pass over to Angela Rayner to begin the questions.

Q80 Angela Rayner: We talk about the Core Cities and both Liverpool and Leeds are Core Cities and we have seen recently how devolution has evolved within the Greater Manchester region. Do you want the deal that Greater Manchester has? What do you think of the deal?

Joe Anderson: We want a deal but not necessarily the same as what Manchester has. I think there are strengths and weaknesses across the whole of the Core Cities and others who wish to negotiate a deal with Government and they are all different. Liverpool has its unique selling points, its strengths within industry, within its own economy and we have to negotiate a deal that is best suited for us. I guess that is the same for each of the Core Cities who are negotiating deals, to negotiate one that is bespoke to them, that supports their strengths and their opportunities.

Joanne Roney: I suppose I am lucky enough to represent an area that is not a Core City but works alongside a Core City, Leeds, that we are very clear that through city deals or any other arrangements they would work to a wider benefit. I think we were well placed to develop what type of a deal we wanted in Leeds City Region from an early start and, as the Mayor of Liverpool says, we are all different places. Greater Manchester is a monocentric area. Leeds City Region is very different and we are very clear that we need a deal for our area that will meet the needs and the challenges that we have.

Oral evidence: The Government's Cities and Local Government Devolution Bill, HC

Chris Murray: I think in some ways it is helpful to see the GM deal as a good starting point but not as something that is prescriptive and the nature of devolution is that it is seeking to solve different problems in different places so needs to have that kind of flexibility built into it. Those are largely issues of principle. They are not just about economic growth. They are indeed absolutely including that and productivity. They are also about issues of the sustainability of public services and economic inclusion, and that is something uppermost in the minds of the Core Cities as they seek to implement their deals.

But it is not unusual that the principles underpinning the deals would be very similar across each of the cities and would focus on things that you need, the levers of power and responsibility that you need over things like skills in the labour market, housing, finance and so on, so there will be similarities just because of the nature of cities.

Q81 Angela Rayner: Thank you. Based upon the answer to that question, bearing in mind that each Core City may have similarities of framework but the difference is how you address that, do you think the Bill as it stands will enable cities to realise their devolution aspirations?

Joe Anderson: As it stands, no, but it is a start and it is a process we are engaged in. Clearly as you travel the world you will see that this country is the most over-centralised country in terms of allowing local government to determine its own future. I heard one of the two speakers before talking about there is no economic strategy. My economic strategy and objective is quite simple; to sustain my city for the future, to enable it to go forward and to protect it. Panacea this is not, but it gives us a starting block.

For me, as far as I am concerned, our archaic form of government in this country needs changing. It needs changing dramatically. You only have to look at third world countries that are engaged in elective accountability and I hear people talk about no democratic rights or protests. The reality is you give the vote to the people. That is the democratic structure that I support and like and at the end of the day it is up to the people to decide. As I said, the deal that we are engaged in now, and don't forget supported by all progressives in all parties in the Local Government Act 2003, the Labour Government talked about an elected mayor or a leader in cabinet, so as far as I am concerned this is a process that we should engage in.

Local government is the most efficient arm of government. Let us not forget that. In my city we are building houses, new schools, creating jobs and I want to be able to do more. I can't solve all the problems

that the Government faces in terms of what it says about wanting to rebalance the economy. But what I want and what I do know is that at the heart of this process is the engagement to devolve powers and funding, take them away from people who have never seen the skies over my city and give them to the people that know what is best to do with those powers and that is why we are engaged in it.

Joanne Roney: I would agree it is a start but from the Leeds City Region's perspective we still have some complexities that the Bill, as it is currently drafted, does not completely work for us and those are some of the challenges around geography and the way in which we want to constitute the devolution deal in our area. I think we are very clear on our ambitions and we are very clear on the fact that we want to deliver 62,000 extra jobs, we want to bring in savings of over £600 million on benefits and turn the region into a UK plc contributor rather than a drain on UK plc. The ambition has been very clear but as it is currently drafted and the position we are currently in I am not sure it goes far enough for us to meet the challenges and the ambitions that we want. That is not to say that we won't carry on negotiating and hope to get there.

Chris Murray: The Bill helps to realise the current deals and the ambition that is on the table within those, but key elements of the wider devolution agenda are clearly not included in that and it does feel sometimes as if part of the narrative, the broader narrative on different speeds and models of devolution in different places, is missing from the Bill at the moment and you can see that around the debate that has happened in both Houses on that.

Multi-year budgets are, I would say, absolutely critical to delivering even the deals that are on the table now. That is more an issue of a comprehensive spending review perhaps than the Bill but it is absolutely what will help to power this. Why should big cities with budgets the size of FTSE 100 companies not have the same clarity over their budgets over the period of Parliament as a Government Department? That clearly to me does not seem right and it does not allow invest to save models to operate, which will help cities to get out of the financial position they are in.

The second point is the devolution we are seeing at the moment is functional and not fiscal by and large. It is the devolution of functions and services and powers and some of the resources that go with that, which is great but it doesn't touch on Mayor Anderson's point about real, local financial autonomy, which is a massive gap between this country and pretty much any other developed country in the world. We

can go into the figures on that but we retain a fraction of the tax base here. It is about 5%. In North America it is about 50%. In the rest of Europe it is six times what it is here. Even with business rate retention that will only go up to about 8% or 9% of the total tax base retained in this country.

That is a bit of a burning platform in some respects with the devolution to Scotland and Wales to those Parliaments, which Core Cities have welcomed. But that creates a similar situation to the one that existed in Northern Ireland when the Republic dropped corporation tax so significantly that it impacted massively on business in Northern Ireland. I am not suggesting those Governments are intending to do that but there is clearly an issue of asymmetry that Government at some point will need to address in some way and city regions are perhaps part of the solution to that.

Just one final point is that borrowing powers were mentioned and there are a number of borrowing caps in place. I think that is probably more correctly the issue, that borrowing caps are an issue because local government has pretty broad borrowing powers but as the treasuries of the Core Cities constantly remind me it is not borrowing money that is the problem. It is paying it back, and they can't pay it back because they don't have revenue streams in local control. If they did then they would be able to undertake wider borrowing.

Q82 Alison Thewliss: Thank you. Just taking forward that point, you were talking about symmetry that is at the cities' base. Do you feel the cities with less economic potential and greater social needs are to be put at a disadvantage unless it is negotiating deals one by one and how do they resolve that?

Chris Murray: Thank you. I think this is a really important question. It is one that is very much on the minds of the Core Cities. First, I would say, you know this anyway, it is important to remember that big cities also have big social problems and this is a kind of urban feature internationally. There is a big gap between the total tax take and the total public spend across most of the Core Cities in total around our city regions. That is about £53 billion a year and a lot of the work we are trying to do on devolution is designed to try to close that gap. It is not just the productivity gap. It is about financial self-sustainability. It is really critical that we maintain a system that has resource equalisation and resource redistribution within it, particularly within the local government finance system as things change, so that other places are not simply left behind in that respect.

I don't think the way in which deals are being done at the moment necessarily advantages or disadvantages other places in that respect, it is more an issue of capacity, perhaps at a local level but also at the national level to get deals done, to understand how to construct a deal at the local level and then to implement it. That does make you wonder whether there is room for some kind of national or sub-national programme of capacity building to help those other places understand and maybe Core Cities could be part of that—other people who have been part of that deal-making process—to help those other places build that capacity and take advantage as well.

Joe Anderson: Can I just make a contribution to that because it is a fundamental question that dominates the debate about those left behind? It is important to remember that what this is not is new money from central government. We are still going to have to deal with the cuts, it is just that we will be able to deal with them better than the Whitehall mandarin telling us what we have to do. It was important with the health debates and the discussion and even welfare to work, it comes back to my point, we know better what is in our area than Whitehall mandarins. It costs between £400 and £500 a night to keep somebody in hospital.

If we create more elderly people's accommodation and we build more, we use our borrowing strengths to do that, we pay the living wage, we pay people to do the job, then we can create more ability to look after those people within our area. It is a way of creating jobs, it is a way of change and it is saving that £400, £500 a week and only pay £200 a week to look after someone in accommodation. It is the same as welfare to work, if any MP can tell me that Jobcentre Plus and welfare to work is a fantastic model for the rest of world—frankly it is an abysmal failure, that needs to be scrutinised. This is where we talk about scrutiny. The fact is local government can do that better because either way the skills are going to develop in my area. Whether it is across in Sefton that neighbours Liverpool or whether it is Huyton that neighbours Liverpool, I am aware of skills opportunities there and we need to have the ability to develop those skills, using the money that is already available to incentivise people to take on those jobs. It is a question of doing things differently.

Those areas, those cities, second-tier cities who are not going to get any funding—you have to remember one thing, we are not getting extra funding, what we are getting is the ability to do things ourselves. It means, in essence, the simple, simple message that we have the

ability to manage the cuts. We still have to get the cuts judged. Osborne isn't saying to me, "Joe, you take that bid for your city region and we are not going to implement the cuts" whether we like it or whether we don't we have to face them.

Joanne Roney: The only thing I would add to that as well is if you look at the analysis from the city deals that have already been done and taking Chris's point about capacity that exists, there is an awful lot of real evidence now that shows exactly that point that we have, through city deals, introduced new ways of working around the needs or the welfare to work programmes, or troubled families or a whole raft of other initiatives that can demonstrate that with devolved funding and more flexibility we can get faster results for less money.

Q83 Alison Thewliss: It is interesting and good to hear that there is a change in practice, rather than just being, "Okay, here you go, here is some more cash" and on you go. Some of the members of the public who were here earlier on reflected on just how hasty things appeared to be, and being a councillor in Glasgow as well at the time of the city deal announcement, that seemed quite hasty at that time as well. Just to talk further about capacity, did you feel there was enough time and enough skill base within your own local areas to prepare a devolution bid that was robust enough and forward looking enough within your own organisations?

Joe Anderson: There is always an argument to have for more time and capacity is an issue. We have lost just over 3,000 members of staff, so there is a capacity issue. There is an issue of more time, there is no question. But what we have here is a deal, if you don't want it you don't have to have it, it is a deal. What I believe—and irrespective of what political party—is this is an issue that progressives in all parties should adhere to because there is devolving powers down. What that enables us to do is to do things better at the local level with accountability. For me, when people talk about this as another level of bureaucracy, that is nonsense. The scrutiny will be in place by an elected mayor in the Cabinet. I didn't hear anybody arguing that the combined authority leaders should have been elected by the people of Greater Manchester, for instance, or of greater Liverpool.

They didn't argue that point, there will be scrutiny in place. The bottom line is the accountability aspect is people will be able to go out and vote for it. People have been voted into positions now to negotiate and that is what has happened. It is a question at the centre of this being an evolving process. Do I believe that the Liverpool City Region will get more out of the process in the future? Yes, because we are not signing

anything on adult health and social care yet because I want to make that is the right deal for Liverpool. The other things we will sign because it needs to go to the comprehensive spending review. Yes, we would like more time. Yes, we would like more capacity but we live in a world that doing nothing for me is not an option.

Joanne Roney: The timing over the summer was difficult. It was difficult for logistical reasons to consult and to get everybody in the room but I don't think that was necessarily a problem in the sense that a number of cities and areas have been working together on the strategic ambition and asks through city deals and other arrangements for quite a while. The truth is, we already have our evidence base, we already know what we need to do. It was a challenge but I take the point that we got a deal proposal of 27 asks together that were evidence based, that are very clear, they are very public, they are out there as a start place for consultation, so it was achievable.

Chris Murray: Yes, not much to add to that, although we are where we are in terms of that process and it might be useful to have a moment to reflect on the detail of that going forward and whether, just as one example, we might take a moderate approach to using the deals that are being done now, say, for example, on skills or housing and understand how that works systemically within Whitehall and across its agencies and within local government. Seeing if we can bank that as a model, so you are not starting everything from scratch every time when you come to negotiate and deliver future deals.

Q84 Alison Thewliss: I just wanted mainly to ask you, Joanne, you mentioned earlier about the Bill not quite covering exactly what you would require of it, I wondered if part of that was to with your geography and who you are working with. Can you just tell us a wee bit more about that and the difficulties in negotiating? Who was involved and who was not?

Joanne Roney: I am conscious of how much time we have to discuss these but to cut to the chase on it, the proposals from Leeds City Region have been a set of devolution asks around the footprint that coattails for the LEP area because we already have a strategic economic plan and already have arrangements to work in that way. The combined authority, however, is currently created for West Yorkshire only where other authorities are allowed to be associates. We are hoping that the Cities Bill might go some way to tidy that up, so a number of district councils can become full members of the devolution ask, it still requires the consent of county councils under Leeds, of course, causing the problem in that not all of the councils currently are

agreeing to sign up to the Leeds City Region proposal, some having put in submissions for alternative proposals. Each of those are through negotiation and in the process now to be decided upon but the dominant approach has been, from a West Yorkshire perspective, to deliver the strategic economic plan with the support of the LEP and to stick with the footprint that we already have clear economic evaluation for.

Q85 Chair: Have West Yorkshire have an ask on this or Leeds City Region because you mentioned it is mainly the West Yorkshire authorities plus, exactly the same problem, as you will be aware from your previous job, is there in the Sheffield City Region where you have the non-Met districts who may want to be part of this devolution process but the counties have a veto contained in the Bill? Do Leeds have a view about this?

Joanne Roney: The reason I am here and none of the leaders are here today is that they are currently down with the Minister and still in negotiation on that point. I am not sure it would be right for me to say what exactly it is that we are asking for through those negotiations, other than to say the current wording of the Bill says that all councils have to consent to part of their council being included in it. We are either asking for greater flexibility around that, so that local authorities could come together in whatever economic arrangement suits them, with a very clear set of outcomes clearly identified for that or to enable them to carry on becoming associates in the way that it is currently working now.

Q86 Jo Cox: Yes, just to Joe and Joanne, just on a capacity point, do you think that the Government and you have the capacity to negotiate bespoke deals? Do you think that is on the table or is there no flexibility? Chris, you touched on the capacity, the sub-national capacity building, watching the time line, how urgent is that?

Joe Anderson: On the issue of our asks, yes, we have the capacity, simply because what we thought as well was pooling people together in terms of the chief executives, the deputy directors and a generation of different people across the whole six boroughs, so we have done that and there has been a contribution. We have also used the universities as well, for instance, we listen to them about meetings with people. Yes, it is fair to say that we have had the capacity to do that. What I meant by capacity is around how we move forward after the deal. How we pull this together and we deliver that. That is something that is a little bit woolly, a little bit vague because clearly we are going to need

more people, for instance, to deliver across the piece, rather than in one specific area. That will give us some challenges but I am sure we can overcome them. In fairness, there is an element within the deal that allows for extra capacity to be brought in, so we can use that.

Q87 Jo Cox: What about the Treasury, do you think they have capacity to negotiate with you a bespoke deal?

Joe Anderson: I think you should have a session with the Chancellor and a few other people to ask that question. But I guess they will struggle because if you look at the number of deals that are being negotiated and the cuts that are being administered there, I guess that they will struggle. But, in fairness and in honesty, I don't think we have found that to be a major problem. It might have taken us a bit longer but I don't think it has been a major problem.

Joanne Roney: I would agree with the point that Chris made earlier about certain deals have similar aspects to them and so there can be quite a lot of learning and going on to recreate the wheel every time, when some of us have already secured certain—for example, under the city dealing and city vision we already have a learn-back arrangement for transport infrastructure, that is a model that could be rolled out. We already have learning around employment and skills and influencing worklessness with the work programme, that could be rolled out. Within the local government side there is quite a lot of capacity there in terms of learning lessons and working together. I do think if we talk about 30 deals being negotiated with Treasury and a number of those having some degree of fiscal devolution attached to them in various models then there will be a challenge to try to capture this. As Mayor Anderson said, that is a question back to Government around their capacity to deal with all of those.

Chris Murray: Yes, in terms of places that are outside the first round of deals, that would depend on the timeline that the Government envisages for the next phase of this. But I would say that it is better to start sooner rather than later on that and building that capacity and understanding what it has taken in terms of capacity within those cities that have led the deal-making process and within Whitehall. Just being sensible about that and trying to shift from what—for a variety of reasons, and one seems to have accepted this, to an extent—Government has instituted as a competitive process to one that becomes about shared endeavour in terms of delivering the deals because once it is agreed then, it seems to me, there is less need for a competitive element and we are all then working together to deliver similar things across cities.

What we have done to try to facilitate that is set up policy hubs across each of the cities in different thematic policy areas—Liverpool leads on housing, Leeds on skills and employment—just to share resource and to share thinking and that, we can see, could move toward helping with implementing the deals as well. It may be worth thinking about some kind of collective vehicle here as well that enshrines the deals once they are done, almost like an MoU with Government that copperbottoms the deals. Cities haven't said it so far but their experience has been that even once the deal is signed, getting it through the system can still take an awful lot of work, the two are not the same thing.

From that build up this shared process, so we all know we are working together to the same outcomes, think about whether we need any programme of capacity building for other places and think about moving people in and out of Whitehall and in and out of cities to work on these things as well, so we are not just sat in cities trying to do it and sat in Whitehall. But there is a programme maybe of secondments, certainly of some movement and understanding the different environments that we are working in. Once you have done that you can then go back to this idea of having a modular approach, which isn't the same everywhere but the basics are done, you are not having to start that from scratch every time.

Q88 Jo Cox: Very helpful, thank you. Just one last question from me, we talked a lot about scrutiny and democracy in terms of the Manchester deal this morning, what are you doing to make sure that the people of Liverpool and the people of Leeds City Region know what you are doing, that you have the support that they have an opportunity to input? What have you done and what are you doing?

Joe Anderson: We have put our asks online; we have a dedicated website for that. The combined authority has had three sessions where we have debated this, the public could attend and some did. We are embarking on some more discussions with other political parties as well across the whole piece. We have been open with the asks and where we are at. We cannot be more transparent than that. Over the combined authority there is a direct scrutiny select committee. There will be one for the restructuring and the new arrangements where in the main, even though Labour dominates that, I, for instance, have given up a place to other political parties to be there because it is important. Scrutiny is important for people to see because there is nothing to be afraid of.

Joanne Roney: A very similar process in that the asks have been made very public. There is extensive consultation taking place, not only

in individual areas but across the whole of Yorkshire, there are various different geography models being discussed and talked about. An important point to make also is the consultation with partners because clearly, as well as the individual local authorities and the individual communities understanding why we are asking for devolution and what we are asking for and what we hope to achieve from it, it is important to involve partners in that discussion as well, and businesses.

The full extent of devolution, discussion and consultation will take place once we have a deal in the Leeds City Region. At the moment we are talking about the principles, the geography, the outcomes of what we want to see and, of course, the question of the borough will be made separate and an individual decision in Leeds City Region. There were three referendums in Leeds, Bradford and Wakefield, all of which rejected a mayor previously on a 31% turnout and a 60% vote against a mayor. Clearly, once a deal is done and a mayoral model is being proposed Leeds City Region would want to do very bespoke consultation and further engagement around that model.

Q89 Chair: Just following briefly and move on to the issue of the mayor, if I went out with a roving mic into the streets of Liverpool or Wakefield today and asked, "What do you think of the devolution deal the combined authority has done?" The first question back might be, "What devolution deal?" and the second question might be, "What is a combined authority?" That is what we were getting from some members of the public in Manchester earlier, Manchester is probably ahead of the game, saying, "We don't know what is happening." Is this the real challenge? For all you are trying to do consultation, is the reality it got to be brushing the surface?

Joe Anderson: You could probably ask that question of councillors and they wouldn't know. The public, in some sense, are confused by it. If, at the end of the day—and I am saying this with the greatest respect—you walk into Knowsley in the Liverpool city of Leeds and said, "Where are you from?" They will say Liverpool. It is the same as Bootle and Sefton, they will say, "Where are you from?" Because people don't recognise that boundary, all is they want is people to do a good job and get on with doing it. There is a confusion and the bottom line is a lot of people didn't know about combined authorities or what combined authorities was, other than the simple idea that it was joint working, it was working together and they don't see that as a problem. They see that as a good thing and if we can share services, if we can do things, if we do things differently, then they are up for that.

Joanne Roney: I would clearly echo that. I very much doubt that the public would resonate with a combined authority or Leeds City Region, an organisation or name like that but I do think people would engage with the outcomes that are trying to be achieved, so a better integrated transport system, decisions being taken locally around where best to improve our transport, locally determined work programmes to get people back in employment and housing decisions taken faster, as we do locally, to provide more housing. The outcomes people would identify and not necessarily the organisations.

Q90 David Mackintosh: We have heard a lot today about governance and scrutiny and I just wondered what type of scrutiny system you are proposing.

Joe Anderson: Exactly what I have just said before, we would see scrutiny as being a huge part of any process where decisions are made, where they can be seen, where they can be accessible. We have an arrangement now under the combined authority where there is a scrutiny select and that would apply to any new arrangement. What central governments are not doing is saying to any combined group of authorities that want to follow a new Government arrangement, we are going to tell you what to do. It is entirely up to us to put together and that might be that we negotiate a two-thirds majority needed or a single result or whatever. This is about drawing powers away from Westminster, not from each other.

Q91 David Mackintosh: But specifically on the idea of an elected member, is the Leeds City Region going to put one in place?

Joanne Roney: Part of the devolution discussions taking place today will be about whether—you will find this is the phrase that the leaders are using—the prize is worth going for a regional mayor, given through a referendum that has already rejected a mayoral model. Our leaders are very clear in saying the devolution asks for Leeds City Region's politicians to take it back for a mayoral model would need to be significant. They would certainly need to be above that which we already have with a city deal and the combined authorities. The big difference being that we are in negotiation asking for additional precept raising powers, fiscal devolution, as opposed to being that model that we already have under a city deal. The answer to the question is, yes, if we can resolve the geography issue and we can get a deal that is worth having.

Q92 David Mackintosh: Mr Murray, the Government has talked a lot about having elected mayors for cities, the question is what will happen to those cities that cannot find it possible to bring about an elected mayor?

Chris Murray: At the moment it seems fairly clear in terms of Government policy that they would get a different kind of deal, that is the stated position, as I understand it. There are two issues though that would need to be then considered in the light of that. The first is that if somewhere can demonstrate that they can do more for the economy, that they can provide better public services and save money as a result, then it would seem not to be in the interests either of that place or the nation to stop them from doing that because they did not have a particular style of governance. The second is that if a place is on a journey toward a position where they may end up with a directly elected mayor, then it would seem sensible for Government to help to encourage that, if that was its position, by allowing them to understand where staging posts might be on that journey and that local people could see some of the benefits of devolution from an early form of deal, which may in fact be less than a deal further down the line.

Joe Anderson: Can I just, with your permission, add to that, just briefly? It is just to say the way it is being described by me but equally by Government is it is this point about drawing powers from Whitehall, not from each other. What the Government is saying, if you are taking responsibility from a Whitehall Minister, a Minister responsible for a Department, and you are taking those resources and those powers, they want an elected accountability to be responsible for that. That is what it has been described to us as.

Q93 David Mackintosh: Perhaps you could tell us about what you see are the benefits from Liverpool having an elected mayor and what the benefits will be or what the difference would be with a city region-wide mayor?

Joe Anderson: Okay. The benefits for Liverpool is that we were the first mover on the city deals, we were the first city to do a city deal. In the constitution of the Local Government Act you can either have an elected mayor and Cabinet or a leader and Cabinet model. The city deal was given to us first and we negotiated what I believe to be an excellent city deal, in terms of it gives us the ability to build new schools, new houses, mayor investment zones, enterprise zones and also mayoral investment funds that we can use to create jobs.

We negotiated that and what I have always believed, separately from all of that, is that when I talked earlier on about governance in modern

cities, in third-world cities, there is that direct accountability, there is that visual aspect of a mayor, somebody that businesses know who they can deal with directly and know that if you say something it will happen. People, equally, can hold me to account in an election. I am up for election in May. The promises and the manifesto that I stood on, if I haven't delivered, they can get rid of me. It is not incumbent on a few councillors who may be split within their own party deciding who is going to be mayor, it is elected by the people. I was elected, stood against the 11 candidates and there were four candidates that stood on the basis that they would retain it back to the old model, they got less than 5% of the vote, I got 60% of the vote from a 30% turnout. The opportunity for people to vote against the mayor if they didn't want it was there.

Mayors have been given a bad press and that is the point before about people saying that that vote was won elsewhere. That was because people were talking about brown envelopes, about corruption, that system can happen in the old system too. As long as there is a direct accountability through the people to decide who represents them, then I am happy with that. I want to suggest that if you ask the people of Liverpool whether it has been a good thing, the vast majority of people would say it has because they know who leads the city, who makes the decisions, who is accountable, who is responsible and who leads the city on economic investment, on regeneration and speaking on behalf of the city.

Q94 David Mackintosh: What would the difference be between a city-wide region mayor?

Joe Anderson: Exactly the same. When I go abroad, for instance, I am promoting Liverpool. I am promoting the Liverpool city region anyway. I try to encourage investments. I talk about the opportunities in Knowsley and Sefton and Wirral and I will try to bring in investments, but it means that same position. Sometimes in local government and the same with Departments or whatever, there is this sense of I look after ourselves. Somebody said before about the north of Manchester not being able to benefit from what is going on and the growth in Manchester City. That has got to change and the way to do that is by championing it, we are better together in simple terms. There are 1.5 million people across Liverpool City Region. Liverpool probably accounts for about 70% or 75% of GDP. My son works at Knowsley, I used to work in Sefton. I am not particularly bothered where the jobs are created, as long as they are created within the city region. It is that voice, it is that single voice that is speaking for the whole of the city

region. It is important and it is what happens elsewhere in the world and it is what happens in London and if it is good enough for London it is good enough for greater Liverpool.

Q95 Kevin Hollinrake: Just a question on cities and rural areas, where does devolution to cities leave rural areas that might be on the fringe of these cities, particularly in a bid that might suck in some more provincial cities, should I say? I represent a rural constituency in north Yorkshire.

Chris Murray: This is a perennial question about not only devolution but economic development as a whole at national level, making sure that places are not left out. Largely, rural areas around cities are part of the offer of that city and that city region. Here, in Greater Manchester, you would see a lot of the outlying villages, the surrounding countryside and so on, as part of what the wider Greater Manchester offer is and not separate from that. There are reasons to think very carefully about how we do additional things for rural areas to help support them, as well as the devolution deals that are happening to cities. Ultimately, they are going to be different, they will contain different kinds of packages of support and there is some complexity to that, absolutely. I would say that is not a reason not to do devolution to cities, it is a reason to think carefully and think hard about how we help rural areas, this passes out a wider offer as well.

Joanne Roney: I would agree with that, that rural economies are different and we have a set of measures to support rural economies in their own right. But the reason that there are a number of district councils who want to be part of the Leeds City Region devolution asks and are part of the existing city deal are that the transport linkages are incredibly important and need to be seen as part of a wider footprint and connectivity. The work we have done so far on broadband, on housing and the pooling of business rates to support tourism have all been to the benefit of areas, on outlying areas to the main core urban cities. There is a strong argument for them wanting to be part of a devolution deal, maybe not on every single ask, which is why the flexibility of the geography and the flexibility of the arrangements for people to come in and say they want it.

Q96 Kevin Hollinrake: You could make the exact same points for more rural areas and why would you not include those areas in the bid therefore?

Joanne Roney: The areas that are in the existing Leeds City Region bids are those that were covered by the original LEP area in the

strategic economic plan. What we are saying is, under the Bill the ability to have additional areas joined as associates for different issues will help us to have a greater set of devolution asks than is currently asked for. The Greater Yorkshire model, which is just every authority becoming covered by a devolution deal, the reason that is being not accepted is that the argument is that that is not a single functional economic entity and also it is bound to be too unworkable. We have gone for a Leeds City Region footprint that has got a known economic argument and rationale to it. But if we can get the geography and the governance of the geography right the devolution asks will make a big difference and other areas will benefit through association.

Joe Anderson: It is a good question and it is one that needs addressing because what we don't want is where, in isolation, people are left out. Clearly, as I have said, in our LEP and in our combined authority we have other areas that have joined, even though they are not legally in an entity part of that: Warrington, for instance, or Lancashire. What I would say and I mentioned it at the outset was that this is an evolving process and if they see where we can engage in that, and I certainly wouldn't feel restricted but at the moment Government does. We have to get on with those boundaries, but I see absolutely no reason why we shouldn't work together and join up together, if that is what they would want to do.

Q97 Kevin Hollinrake: Finally, just to Joe, are you going to end up with two mayors in Liverpool, a city region mayor and a city mayor?

Joe Anderson: In the same way the council took the decision to elect an elected mayor, it would be up to them whether they would revert back to that. At the end of the day it would be difficult to have an elected mayor of the city region of Liverpool and the city of Liverpool? It is confusing to have an elected mayor of Liverpool and an elected mayor of Liverpool City Region—

Q98 Chair: So you have more discussion to have about governance arrangements in the light of any deal?

Joe Anderson: I would envisage that once, and if, that agreement is accepted that Liverpool would revisit that.

Chair: Okay. Thank you very much indeed for coming to give evidence to us today. That is helpful to get a perspective of other areas and other regions looking forward on the devolution arrangements. Thank you very much.

That brings us to the end of our public proceedings today and I want to thank all the witnesses and also the many people in the audience who stayed with us to listen to the evidence sessions and, of course, to the Manchester City Council.