

Housing, Communities and Local Government Committee

Oral evidence: Brexit and local government, HC 493

Monday 19 March 2018

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Members present: Helen Hayes (Chair); Mike Amesbury; Jo Platt; Mary Robinson; Liz Twist.

Questions 52-71

Witnesses

I: Mayor Ben Houchen, Tees Valley Combined Authority; Mayor Andy Burnham, Greater Manchester Combined Authority; Len Duvall AM, Chair, EU Exit Working Group, London Assembly; and Mayor James Palmer, Cambridgeshire and Peterborough Combined Authority.

Examination of witnesses

Witnesses: Mayor Ben Houchen, Mayor Andy Burnham, Len Duvall and Mayor James Palmer

Chair: Good morning, everyone, and welcome to the Housing, Communities and Local Government Committee's second formal evidence session on our inquiry on Brexit and local government. We are delighted to be in Manchester for this evidence session. I would like to put on record the Committee's thanks to Professor Francesca Gains and her team in the Politics Department at the University of Manchester, who have facilitated us in being able to come to the university today to hold our evidence session here.

I have a short announcement about the microphones for the benefit of both members of the Committee and our witnesses. That is to say the microphones are not automated, so when you would like to speak, you need to use the button in front of you to switch it on and then, when you finish speaking, please try to remember to switch it off. I understand the technicians are able to manually override the microphone but, particularly for the witnesses, it is quite difficult for them to tell who is speaking in order to do that, so if you could try to remember about the microphones, that would be a great help to everybody.

First of all, can I invite members of the Committee to put on record any interests that we have that are relevant to this inquiry? I will start by saying that I employ a local councillor on my staff team in Parliament.

Mike Amesbury: I also employ a local councillor in my team.

Jo Platt: I employ two councillors in my constituency office.

Liz Twist: I employ a councillor in my team.

Q52 **Chair:** Thank you. Could I ask our witnesses this morning to introduce themselves, perhaps starting with Mr Palmer?

Mayor James Palmer: I am James Palmer. I was elected Mayor of Cambridgeshire and Peterborough in May of last year. Prior to this incredible opportunity I was district council leader, a milkman, a farmer, a property developer—anything that could come along that I could do.

Mayor Andy Burnham: Good morning. I am Andy Burnham, the Mayor of Greater Manchester, formerly the MP for Leigh, and it is good to see my more than worthy successor here today. I just want to say at the beginning it is great to see the Committee meeting here in Manchester today. It is very welcome that you have done that. Thank you.

Mayor Ben Houchen: Ben Houchen, Conservative Mayor of Tees Valley. Before that I was running my own business and also leader of the opposition on Stockton Council.



HOUSE OF COMMONS

Len Duvall: Len Duvall of the London Assembly. I chair the EU Exit Committee. Prior to joining the London Assembly in 2000, I was a leader of a London borough. I have been in elected politics since 1990.

Q53 **Chair:** Our first question this morning comes from me. We are one year away from the Government's established Brexit date. Do you think the voice of local government is being adequately heard in the Brexit negotiations?

Mayor Andy Burnham: No, not at all, is my answer to that question. What I think we are seeing is, if I can put it this way, the worst of Westminster politics. It feels to me so far to have been a debate full of grandstanding and big positions without any meaningful engagement on the reality, and as that date gets closer, that gets more serious.

Greater Manchester sends 58% of its exports to the European Union, so given that the UK averages 44%, if we are burning bridges with Europe, that could hit our area very hard indeed, so we urgently need to move on this. That is why, as I said at the beginning, I welcome the Committee coming here today. I hope the Committee's report might mark a change in the way this has been done so far.

At our request, we have had one meeting as mayors—I am talking as the three northern Metro Mayors. We had one meeting with the Brexit Secretary, last October. At that meeting it was suggested that there would be some follow-up with officials. The officials meeting group has met once, and we have just been told—it came through late last week—that there will be a meeting with the Parliamentary Under-Secretary in Cambridge in early April. This is not meaningful engagement, particularly given there is a Cabinet Committee for devolved Administrations, and I think even British overseas territories are represented on a committee looking at Brexit.

The Government needs to urgently involve the voice of the English regions in this whole debate, because, as we saw from the regional impact assessment that was leaked, it will have a differential impact on different parts of England, but some areas will be hit harder than others. At that meeting, we were told that there was no regional impact assessment, and then something was leaked, so it is both the lack of contact and the poor quality of what is being said to us that I find completely unacceptable.

I am told the Mayor of London meets the Brexit Secretary on a regular basis. It should not just be for London to have a voice. No disrespect to Len, but there should be equal access for all English regions into this discussion, and so far it has been woefully inadequate.

Q54 **Chair:** Thank you. James Palmer?

Mayor James Palmer: Yes, I would echo some of what Andy has said. The east—and I speak not just for Cambridgeshire but the east—has



HOUSE OF COMMONS

rarely had a voice in Government and has been usually overlooked by either hue.

I have been fortunate to meet on several occasions with Stewart Jackson, who is the secretary of David Davis. Stewart is from my patch, so I utilise that contact to put across things that are relevant to the economy where we are. Our economy is heavily reliant on the European immigrants and has been for some time, particularly in farming, but also in several other areas. Of course, the science and technology sector also relies heavily on the free movement of scientists across Europe, so I put points that are relevant to that. I have also spoken about the movement of samples across the European Union and the potential for a significant improvement to the hideously woeful common agricultural policy, which affects agriculture so negatively.

I would have liked to have seen more from Government, if I am absolutely honest. I do understand the technicalities and the issues around the discussions that they are having, and I understand that there has been some movement in the right direction in recent weeks. If I am honest, I would like to have more input if possible, and the meeting with Suella Fernandes I am sure will be something where we will also put those points—all of us—to her.

So I think there is more that the Government could do, but I have been able to get in the room and sit down and talk to Government as well, and I do have a contact that I have been utilising.

Mayor Ben Houchen: I think, probably conversely, I have had a very strong engagement, not just with DExEU but with the wider the Government, on what this could potentially mean for us. I have spoken to David Davis on numerous occasions; I have had multiple meetings with him. We were fortunate enough to have David Davis up to Teesport to give one of his major Brexit speeches that was setting out the transition that is hopefully going to be agreed in the coming days, if not in a week or so.

My officials maintain constant contact, not just with David but with the rest of his team—Stewart Jackson and Steve Baker, who has been hugely supportive of us and was also helpful when we were searching for further information around the free port plan that we are looking to extend once we leave the European Union.

CAWGEX is the name of the official group, which has only met once so far, so my understanding is the same as Andy's—I think it stands for the combined authority working group on exiting the European Union.

There has also been an offer from the Brexit Department directly, to come up and hold a summit on the chemical industry specifically, to try to garner information and an understanding of what the north-east chemical clusters might want or require from Brexit. A significant part of UK exports in chemicals come from Teesside, never mind just the north-



east, and there is a 60:40 split of those exports going to the European Union, with the 40% balance going to the rest of the country.

Also, we have had some direct involvement with Treasury more recently. I met with Liz Truss and Robert Jenrick, last week or the week before, and I met with Robert again last week, to talk about an official proposal we now have with the Government around the free port pilot post-Brexit and what that might mean, to manage some of the potential opportunities we have from Brexit once we do leave.

Obviously we have a huge champion in Greg Clark, who is Secretary of State for Business, who is a local Middlesbrough lad. He is a huge supporter of the region and he is helping us, across sectors, to understand what the potential impacts may or may not be.

Len Duvall: Of course, in London it is slightly different for us. The Mayor has established a plan immediately after Brexit, convening an expert panel to give him advice in terms of trying to influence Government, but also meeting the key sectors in London. We on the London Assembly primarily hold the Mayor to account. We want to influence what he says to Government, but we also have direct contacts with Government. We have had civil servants attend our scrutiny meetings, particularly on future grant regimes to replace of EU grants.

I think there was an opportunity that Government missed, in terms of a new settlement and relationships. If we think Brexit is going to create some challenges for our country, then the way to pull all the levers is not to ignore local government at every level. As much as it is about some of the regional aspects that you are talking about today, equally there are other local government units—unitary authorities and others—that have something to contribute, particularly around the skills agenda.

I think the Government missed the opportunity to establish a new relationship post-Brexit. They need to think carefully about that, if we are all in this together—if we can take that phrase—because they are delivery vehicles of policy and have an impact, both in the world of business and the communities they serve.

Chair: Mary, you have a supplementary question.

Q55 **Mary Robinson:** Just to explore this a little bit, there seems to be a variety of interactions between the Mayors and the Government. I am wondering, Andy, if I may ask you, Greater Manchester is a significant part of this whole jigsaw, yet you have just had that one meeting. I get the impression that you feel that the interaction is not quite the same as what everybody else seems to be talking about. Have you been proactively seeking this engagement?

Mayor Andy Burnham: Absolutely, Mary. The first meeting came about as a result of a question I asked in the House when I was still a Member. I was calling for Greater Manchester to have a seat at the table. To his credit, the Brexit Secretary in the House said he would convene a



meeting of mayors, which he did. That has been the only meeting. We wanted a regular series of meetings of the working group that Ben referred to and that has not happened. As I say, we were told there was no regional impact, and then it was leaked. It has not been satisfactory, given, as you say, the significance of these issues to our region.

If I could say so, I think the first answer to the Chair really revealed the issue. I am not debating—everyone has given you an absolutely accurate account—but the problem is there is differential engagement going on across the country. I will leave the Committee to surmise the reasons as to why that is happening. The point is it has to be structured and permanent. It cannot depend on whether or not you know someone in David Davis's team. It has to be an ongoing, structured, regular dialogue.

There is this meeting in Cambridge, but with the best will in the world, it is not easy for me to get notice of a meeting in Cambridge. We cannot really work like that, so I do not understand why there isn't a conference call with mayors and other local authority leaders on a regular basis, just so we can all take part and hear the latest thinking, and that just isn't happening at the moment, Mary.

Q56 Mary Robinson: Len touched briefly on the role of other parts of local government. Notwithstanding what you have said about the patchy picture as far as Metro Mayors are concerned, there have been some who have said that the engagement has focused too much on Metro Mayors and regional government, at the expense of the other parts of local government across the country. Do you have a perspective on that issue and would you like to elaborate a bit more?

Mayor Andy Burnham: That is very fair; sorry, I don't want to hog the floor here, but I would say that at least we are getting some voice. If you are the leader of Leeds or Newcastle City Council, or Sheffield, I guess they have not even had what we have had. The Government need to put this on a new footing now, as we go into the very serious part of these negotiations, and we need to understand the tradeoffs that are being considered.

In the end, it may come down to tradeoffs between different sectors in the economy. If there is an imperative to protect the financial services sector and the City of London, is the price being paid in a different sector? We need to understand the nature of those trade-offs, and I think you have to have some form of permanent body. As I say, the British Virgin Islands and the Cayman Islands are on a Cabinet Sub-committee. Why aren't the English regions?

Mayor James Palmer: I cannot answer on behalf of the leaders of councils around the rest of the country, because they wouldn't contact me about Brexit; I'm not sure that they would contact Government, so it is difficult to answer the question because there is no reality.



HOUSE OF COMMONS

Andy talked about the meeting in Cambridge being quite a way from Manchester, and I hear him, having got up in the middle of the night to get here this morning. I do think it is important that the mayors are there and take advantage of that meeting to make sure that their opinions are being heard. As I eluded to earlier, I cannot speak officially for the other areas in my region, but the economy around me is similar, and I do like to stand up for the east as much as possible. While I cannot officially shout out on behalf of Norfolk, Suffolk or Essex and so on, I will stand up for the local economy as much as I can, and I will utilise my position to do so.

Mayor Ben Houchen: There are a couple of points. I don't know what the LGA's position is on Brexit, nor what their level of engagement is, but the general local authority body, I imagine, is trying to rally itself around an LGA response and I am sure that Lord Porter and others are looking to do that. That is an assumption on my part, but I would assume that would be the natural thing for them to do.

I suppose one of the reasons that we are here today is that the Metro Mayor system, along with the GLA and Sadiq in London, is a much smaller group of people, so it is easier to directly converse with us. One of the problems I foresee with why we haven't had more meetings other than at an official level, which was the CAWGEX working group and at mayoral level, is that, when we come together as a collective, one of the things that was asked of us by the Brexit team was to have clear asks to talk about things.

The first meeting that took place was to talk about the replacement of European funding and a potential prosperity fund. That was a clear thing that we could discuss that we brought up with David Davis when we met him, and also the working group used that as a specific item for them to then drag in representatives from different Government Departments that were relevant to that topic.

One of the biggest problems that we have had so far, as a grouping of Metro Mayors, is that we have not come forward with a clear ask about what we want to discuss next as an agenda item. In the absence of that, what I have done is look at the Tees Valley and the wider north-east and say, "What are my clear asks?"—of Government, not just the Brexit team. That is why we are getting better engagement, because we want to have a very clear discussion about the chemicals sector. They are very keen to say, "Okay, we will set up a round table with you and NEPIC and Iain Wright,"—who is the new chief executive of that—"to look at what the chemicals sector might look like." The first one was about the prosperity fund, which they helped convene as well.

I think there is more work for us to do to give a clear narrative. Whether it is the north of England or the mayors as a collective, it is about what we need to do to facilitate what we want from Government. Rather than sitting down and saying, "We just want more engagement," we need to



HOUSE OF COMMONS

say on what level, what issues we want engagement on and what we want our voices to be heard on.

Len Duvall: It is right that the Metro Mayors—the regional part of the debate—is got right, but as you said earlier, the LGA has some role to play in this. When I said I think the Government missed a real opportunity, it is about the way that we work in this country and the way that central Government relates back to local government in all its forms. Andy and Ben are both right, in terms of what they are saying. I believe there is an attitudinal or a cultural problem in central Government about working and relating to those in local government in the widest sphere, if I can call it that, and I think they have not got this right.

As much as we on this side of the table might not have our asks right, it is clear that central Government haven't got their asks right. In terms of where local government can do some good, some of the work we have done in London is not just about London. Prior to the leaking of the Government issue, we produced the independent report by Cambridge Econometrics, which was not just about London. We actually did it for the rest of the country. Also, in London we went down to each individual London borough to enable boroughs to understand what the impact was likely to be.

So I think there are some issues about works and asks, and there is an issue about facilitating. Local government can facilitate people who are working at the sharp end to meet people like David Davis. I think that is what the Mayor has done and chosen to do in his meetings. He has not gone alone; he has taken people from various sectors.

The issue about the financial sector, I don't think it is a question of tradeoffs. It is an issue of understanding. One thing that we have found on Brexit is that we each understand our sectors differently now and the challenges they face. The issue about the financial sector, if it catches a cold in London, it catches a cold in Manchester and in Birmingham and everywhere else, so I think this is about facilitating some of that work to have to be seen. I think we can be more transparent, as we ask Government to be more transparent about the nature of that work, but on the whole we just missed—we do not have a constitution—a new settlement between us and the Government, in terms of going forward to meet the challenges of the future. We have not grasped that because of the complexities of Brexit.

Q57 **Mike Amesbury:** I will start with Mayor Burnham on this one. What are the consequences of insufficient dialogue between central Government and local government and, moving forward, how can central Government do things better? I am pretty sure you have a good idea of what you want to ask of central Government and press them on Brexit, so over to you first, Mayor Burnham.

Mayor Andy Burnham: It is an important question, because I think we are beginning to fear what that lack of engagement might mean, the



HOUSE OF COMMONS

closer we get to the point of departure. We are doing our own analysis. We have a Brexit monitor, so we track what it might mean for Greater Manchester. Obviously, when talk increases of “no deal”, that becomes quite worrying. It is not just about what is said in negotiations; it is how it is said, because if bridges are being burnt in Europe—the regional impact assessment showed it—it gets more serious, the more you are dependent on the EU for your exports.

As I said, Greater Manchester has a high number of exports so, alongside the West Midlands, I think we would be one of the areas that would be hardest hit, and the north-east, too. So it is too serious to leave it in this place. It has to be, as Len Duvall was just saying, moved to a new footing. At the moment we are not able to assess what is coming our way, and that is the really worrying thing about it. That is not a satisfactory position, is it? If businesses come to me saying, “What is the latest thinking? Where are they going on x issue or y?” we cannot answer them because we have not been given access to those talks.

My analysis of this is that Westminster is repeating, in its handling of Brexit, the same things that I would argue gave rise to Brexit. The Westminster-centric approach to life is all about what happens there as opposed to what is happening out in the real world. My feeling has long been that certain parts of the country felt abandoned by our political system and there was a sense that Westminster and Brussels combined worked better for some areas than it did for others. I think that sentiment came through at the referendum. The problem is we are just repeating that mistake now in our handling of Brexit. It would appear that some areas have a stronger voice in this process than others, and if we are not careful, that is going to fuel the same sense of unfairness that created the referendum result in the first place. That could become highly damaging to the country and the sense of one nation. That is why Len’s talk of a new settlement is pretty urgent, I would say.

The other thing I would say is the Government should be talking meaningfully with us about what can be taken back from Brussels and then devolved. If the plan is to take all this power back and then hoard it in Westminster, that again is going to be the wrong response to what I think the country was saying in the referendum 18 months ago. The difficult thing is that we are in the dark and, as I said, we were not told the facts when we met, because clearly a regional impact assessment has been done. At the very least that should be shared with our team, so that we can understand the assumptions that lie behind the figures that hit the public domain, early this year or late last year. Sorry, if it sounds negative. This isn’t point scoring; in the 18 months or so since the referendum or longer, despite repeated requests from Greater Manchester, there has been no serious arrangement put in place to ensure that our voice can be heard on an ongoing basis.

I take on board Ben Houchen’s point about, “Well, it’s up to you to get heard and you need to make the asks.” I do not think it can be like that,



HOUSE OF COMMONS

because then it is too random. It needs to be more structured, so that every area of England, alongside the devolved Administrations, has a permanent voice in this process.

Mayor James Palmer: We are not going to year zero in 2019. I do not see it that way at all. I think we will be in Brexit negotiations probably for the next—well, forever, because there will always be things that need to be changed with the trade deal that is struck with the European Union. I am confident that we will get a deal, by the way. I was not necessarily confident six or eight months ago, but I am pretty confident now. I believe that the deal that we get will be something that we can work seriously with.

When it comes to individual areas, my area is completely split: 70% of people in Cambridge and South Cambridgeshire voted to remain, and in the north it was exactly the opposite. Interestingly, as I mentioned earlier, both areas rely on immigrant trade. The difference is that some are scientists and some are low-paid workers, and I have to try to speak in one voice for both those groups of people. I am going to try to make sure that what is needed for my county gets across and is something that is heard by Government, and I am certainly trying to do that.

The other thing that as mayors we can do is to try and spread our wings and spread our links internationally. Clearly there will be deals that are done after Brexit with other parts of the world. It is up to mayors to begin to try to forge links with our international partners outside of Europe. Certainly in life science and technology is a key industry for me, and Cambridge already is a leader in Europe in life science and technology. Our international competitors are mainly from the States and the far east. It is up to us to make sure that we are working alongside them to cross-pollinate and get new trade in and forge new trade links that potentially the Government can come back on.

I know, having been out to Washington and spoken to mayors from all over the US, that they are absolutely desperate to get a deal done with us and they want to work more closely with us. So while this is a Brexit Committee, and while we are here to discuss Brexit, I don't think we can ignore the fact that there will be a deal done with Europe, in my opinion, and also, post-2019, there will be new trade deals forged across the rest of the world. It is up to the Government not just to continue Brexit negotiations past 2019, which of course they will, but to be absolutely ready to take on the opportunities that I can see, certainly from my patch, further afield than just the European Union. It is an exciting opportunity. I am not saying there aren't concerns around where we are, because clearly there are. It is a change from where we are. The status quo has changed. The people have spoken. I voted to remain, but the people spoke clearly to leave, and the status quo has changed, so I feel very strongly, as Metro Mayors, that we have the opportunity to spread our wings beyond just the European Union.



HOUSE OF COMMONS

Mayor Ben Houchen: I think there are a few points. Talking about devolution and Brexit within the same context is also quite a difficult thing, because devolution, by definition, is devolution of the powers from the centre—to, in our case, the regions—and obviously there is a subsidiarity issue once, we leave, with the powers that come back to the UK and where they should then lie. Beyond that, when you ask yourself, “What powers should lie with the regions?” My response to that is quite parochial: it depends on what my region requires.

I am sure Andy or anybody on the panel—James and Len—will correct me if I am wrong, but one of the things that we would want to have back, which is not necessarily a European issue, is to devolve planning powers for major energy projects to the regions. That affects me directly—I imagine it does not affect many other regions. There will be powers that lie with the European Union at the moment that will come back that should not then just be uniformly passed out, because actually there will be some powers I don’t want, require or need, but which, conversely, Andy or James, or the other Metro Mayors, Tim and Steve, might actually want, so we have to make sure that it is a tailored package for the devolved areas.

I am talking very parochially about the Metro Mayors, about what we actually need and want, because the needs of Manchester, Birmingham, London, Tees Valley and Newcastle are all extremely different. I would also say that, as the Mayor of Tees Valley, I like to think that I have a much better idea of what is important and what is going on in my area in central Government.

To address the impact assessment, according to the impact assessment the north-east was going to be the largest directly hit, with a reduced growth of 16% over a 15-year period. Putting to one side the fact that the people that put those impact assessments together cannot get anything right six months out, never mind 15 years out, there are some issues that those impact assessments did not take into account, quite serious issues. For example, we have a project that, while it is in North Yorkshire—Sirius Minerals, which is a £5 billion project and likely one of the largest private sector investments in the whole of Europe right now, from an Australian mining company, who are building a deep mine just outside of Whitby—most of the economic benefit will be felt in Teesport, because there is going to be a 27-kilometre tunnel that comes through Teesport. That is where it is going to be generated. There are going to be lots of factories— manufacturing, starch production, and so on—that comes out there. Those impact assessments do not take that into account. While this is an unverified stat, the stat that I have seen that came out of Sirius is that, once that is up and running, it could add up to more than 20% of GDP to the Tees Valley economy. Those impact assessments don’t take that into account.

We also have the first Mayoral Development Corporation to be established outside of London on the South Tees Development



HOUSE OF COMMONS

Corporation site, which covers the old steel works site. We are potentially looking, just as a first phase, at five, maximum six, individual projects to be announced over the next five years of more than £10 billion worth of private sector investment. Again, those impact assessments do not take that into account.

So I think we have to take with a pinch of salt what those impact assessments say. We sometimes have to look quite parochially and say, "We know what is going to happen in our area and we should be educating central Government about the private investment that is coming," and then tailor the things in the Tees Valley to what we want to see out of Brexit. But whatever happens in Brexit, there is that ongoing dialogue with Government about further devolution, so it is not a single stage. It is a multi-stage approach, in my opinion, not just of handing back those powers from Brussels, but in what form and in what timeline they are handed back to the regions.

Len Duvall: I am not sure that we should just ignore impact assessment studies, albeit that the history of them has been questionable, depending on your viewpoint. They are there to guide, and then I think you can replace "exciting times for the future" with "challenging times for our communities". In London, if the Government fail to listen, we have 1 million EU citizens, and we thought we had a sensible arrangement and then someone said something in Government that has thrown it up a little bit. We know there will be some sensible arrangement, but the impact of a number of those leaving, both for the public and private sector, is pretty challenging. To replace those, we need a skills agenda and the tools to do that. That cannot be done by central Government alone. We need to think of who the right people are to do that.

Then we need further clarity around the shared prosperity fund or whatever replacements there are. I think we really do. If ever there was an ask from the local government strategic mayors; I think the strategic mayors have to be in a position to be the deliverers of that, like London is for ERDF and ESF. That is why we need a relationship, but we do need to bring other local government players back into that conversation and, again, it cannot be the Government to decide that grant regime alone, because it hits a number of buttons and pushes. Remember, both the EU grants are the only grants that are business support grants, and the third sector training and support to small businesses is quite a key issue.

Then I think—I think Andy said it earlier—that whatever happens in this Brexit world, we need some sensible transitional arrangements to enable our businesses to continue trading until we understand what those deals are. We know they are complicated and they take time, but if we are speaking up for our communities—not just residential communities, but our business communities—we need to make sure we have a sensible arrangement around that. For us—and I do think for the country, for UK Plc—we need some reassurance about the financial sector, in terms of the tax bucks it delivers to the national economy. You have to have some



sensible arrangements on that. That is not arguing for some offshore, “Let’s go down to the lowest common denominator. That’s how we are going to beat the markets.” We need a to sensible conversation about the financial services back into the EU and what does that mean.

Lastly—this is always the missing bit, but it is probably just as important for local government at its various levels—is security arrangements. We forget that, and it is quite an important bit. Some work has been in the House of Lords. Your colleagues have done that work, which I think is something we should all be pressing for. I cannot see why it is part of the deal. It should not be, because it makes sense. It is not just about counter-terrorism. It is about policing serious crime across boundaries, and we need to get that bit right. If we get all those wrong in London, then we are in a very difficult situation, and I suspect that will rebound across the rest of the regions.

Now, in all those studies that have been done, London has some resilience and will cope with the worst-case scenarios a lot better than other regions. But there is still an impact, in terms of some of our sectors, and we need to rise to the challenge and think about how to try to minimise those issues.

Q58 Mary Robinson: Just one question that goes back to the previous question: just one year out now from the end of the negotiations, should you be banging on the door of Whitehall to get this engagement that you need?

Mayor Andy Burnham: Yes probably, and we are, Mary, but we are hoping that the Committee might do that too. I do not want to sound overly negative this morning, but the point is this is of enormous significance, isn’t it, to every single resident of Greater Manchester. We cannot just work in the old way, where we wait to hear from the powers that be down in Westminster. We have to be heard now, and not just heard, but heard properly and allowed to understand some of the difficult tradeoffs, as I said before. So yes, we have done that, but any support we can get in doing that.

Len raised the shared prosperity fund. That is a good example. Greater Manchester currently gets around £50 million a year from that. Obviously that then gets matched, either by private sources or Government nationally will match that funding, so it turns into £100 million a year. We need to know what the future is of that funding, what the shared prosperity fund is and what level of flexibility we will have over it. We have missed the spring statement—the spring statement has come and gone—so is it now the Budget when that will be confirmed? Well, at the latest, I would say, because we really need to know what the arrangements are, so we can begin to make some meaningful plans.

So yes, it could not be more urgent now. It is great that the Minister has offered us a meeting in Cambridge, but it does not feel good enough to me, meetings here and there. It does need to move to a very different



basis on which these things are now being discussed. Actually, I think partly what that committee should do is pick up precisely the point that Ben Houchen just made. Where is the scope for further devolution? I feel the answer to Brexit is much further, faster and deeper devolution across the country, so that areas can become more self-sufficient, can take more decisions for themselves and not always be beholden to a national policy that does not work for them.

This brings me to a real frustration that I feel at the moment. Whenever we try to engage with Government on issues that we feel are now urgent, such as skills—businesses are saying, “Brexit may have an impact on our workforce. We need to plan for that, and we need to get better at bringing people through the skills pipeline, so that we are not left with a shortage”—what we hear is this terrible phrase: that there is “no bandwidth” for anything but Brexit. So that is a real problem. Westminster is saying, “Brexit is so much of a preoccupation that we can’t make progress on domestic policy in the way that we normally would,” but then they are not freeing us up to do something on those issues.

For instance, the apprenticeship levy is having trouble bedding down. There is a big underspend in some of that money. We have asked for it to be devolved, so that we can use it and begin to work with our colleges to address some of these issues, and yet the DFE does not seem to share our sense of urgency. It is both the actual negotiations, but also engagement with the Government on what comes after and what powers are we going to have to do more for ourselves. Where is the funding coming from, in terms of the shared prosperity fund? It is that really broad waterfront. I would say we are still in the dark about a lot of it.

Q59 Liz Twist: I want to ask again about the dialogue issue. We talked in the last question about the argument about whether we push or whether we pull in dialogue with the Government. The consequences of not having that kind of consistent dialogue presumably are that we do not know what the Government are thinking and the Government do not know what you are thinking—although I think what you are saying is, “We’re making the arguments.” Is that a big disadvantage in this situation?

Mayor James Palmer: As I said earlier, I have been able to put across the concerns of businesses that have come to me. I have had that contact. Yes, there could always be a bit more, but I do feel that I am being listened to. I feel that Government have an understanding of the areas where I have raised awareness and the issues that are being faced by businesses in my patch. I do not think it is a deaf ear. Obviously my experience is slightly different to Andy’s. I do think potentially we could have had more. Our first meeting with a Government Minister as mayors is coming up. This probably could have been done sooner, and I think it should have been, but as I said earlier, I have been able to make those points and those contacts.



When it comes to the workforce that we have—we have a seasonal workers contract—it is imperative that there is something available for us. That is something that used to happen. Most of the seasonal workers that came over to work have certainly been doing that for many years, before Schengen arrived and there was free movement. Certainly we have to have a visa system for scientists to allow them to move around as freely as possible. These are representations that I have made to Government and that Government understand.

Even if we put the right schemes in place, sometimes other issues affect whether or not people come to the UK to work. Certainly there has been a drop-off in seasonal workers, or immigrant labour for the agricultural industry, over the last year or so. That is not because of insecurity over Brexit, although it has been reported that it is; it is because the pound dropped against the euro and they can make more money elsewhere. Clearly, if our economy is strong and the pound is high—it is going in the other direction now—that does make a difference. It is not always Brexit to blame for everything. There are other issues around this.

I think it is up to the mayors to put themselves forward, and I expect very much that we all are anyway, but I think we also have to use this contact that is coming up and make sure that we underline our points.

Q60 Liz Twist: If I could just follow up on that point, presumably, as well as you needing to tell the Government about your concerns, you need to hear what the Government are discussing and planning, so that you can receive that and make your plans accordingly as well.

Mayor James Palmer: Yes, although they are in negotiation. There are four of us sitting at the table here. Each of us have made different points that are pertinent to our patch. The Government could send me everything, but there would be a small amount that was pertinent to me. I think, yes, to a certain extent, but I think the Government have a job to do. You cannot have 100 people in a room while you are undertaking negotiations. You have to have a strict and strong line. You have to be strong on that and you have to make sure your position is right. The Government are clearly aware of where our strengths lies as an economy, and they are clearly aware of where we feel we have to be. What we have here is not, in my view, a Government that do not want to do a high quality deal with Europe. We have a European Union that is frightened—very frightened—of getting a good deal from the UK because of the impact it may have on other countries around Europe. This is the biggest risk here.

Because the UK has left, will the UK be the only country that leaves the EU? In my opinion it probably won't be, but that is dependent on the deal that the UK gets. If the UK gets an exceptional deal, that weakens the European Union as it stands.

Mayor Ben Houchen: I agree with Andy: I personally believe that the long-term solution to all this is further devolution. I think being an over-



HOUSE OF COMMONS

centralised country is never a good thing, but on the question of engagement and what we should do to engage with the Government, it depends on what level. Again, to use the parochial answer: do I need to convene a meeting of all local authorities or Metro Mayors to talk about the chemicals industry? Well, no: that is specific to my area, as there will be specifics in other people's areas that we should be engaging with the Government on.

At the next level up, there are things that I think are pertinent to the north of England, which are not necessarily pertinent or as heavily felt elsewhere. One of the things that we found that we all agreed on—actually, it is surprising how Andy, Steve and I agree on many important things for the north of England—was the prosperity fund. We all signed a joint letter on 9 November to Government stating that we needed a prosperity fund. We called for full replacement of those funds that we currently get from the European Union for a transition period of 15 years. My area benefits to the tune of £25 million a year.

So there are things at a northern level that we should caucus around and deliver, and then there are things at a national level, which is the skills agenda. All the mayors signed a joint letter informing Government that our position was that we needed to make sure that, for good quality skills, we needed people across the world to be able to access our world-class universities and to encourage people to come here as well. So it is about where you need to caucus at.

My position—it is a parochial one—is that we are the regional leaders of our areas, and it is for us to make a case to go to Government and say, "This is what is affecting my area," whether that is specifically the Tees Valley or the north of England. We can do that on a joint basis, but it is for us to tell the Government what we want. I think this is the whole point of devolution. We should be telling them what we want rather than them coming to us saying, "By the way, we are doing this." We can influence that, and I am finding, certainly in Tees Valley and with the things we have done with Andy Burnham and Steve Rotherham on the prosperity fund, that we are starting to see that. So for example, the letter that went in on the 9th about the prosperity fund, very shortly thereafter we got contacted by DExEU, who arranged a meeting that led to the first meeting of officials to talk about what that prosperity fund might look like.

So when we do make a joint ask, we get listened to. The question I have, and I suppose it is one that Andy, Steve and I need to go away for the north of England—and all mayors need to go away as a collective—is to say, "Where are the commonalities that we can write to Government and say, 'This is important to us?'," because on the evidence of it, when we have done that, we have had strong engagement.

Mayor Andy Burnham: To build on that point, partly this is up to us, to articulate very clearly what we want. Something I could have said in



HOUSE OF COMMONS

response to Mary is that we are looking at what we are calling a convention of the north later this year, alongside the Great Exhibition of the North, bringing together not just the mayors, but political leaders and business leaders from all parts of the north of England, because we feel we are at a critical juncture. There are big decisions being made this year that will have a bearing on the northern economy for the rest of this century, not just on Brexit, but on transport investments as well: the final decisions on HS2 and the East West Rail Link, Northern Powerhouse Rail/Crossrail for the North—it goes by different names. These are massive decisions and we have to get them right.

That is why we have spoken about bringing the north together, so that we can speak with one voice on Brexit, on transport, on skills and actually on a call for more devolution. Maybe that will give that profile to our call that I think you were touching on before, Mary. What this is flushing out, though, is the slightly unsatisfactory nature of our constitutional settlement at the moment and Len, again, was right to talk about this. Different parts of the country have differential access to the Whitehall system. The more established areas that have devolution—London, Wales, Northern Ireland and Scotland—clearly have well worked-out arrangements for how they engage with Government. The Metro Mayors are beginning to develop them, although they are not there yet, and other parts of the country have nothing at all.

It is really important that this is dealt with very quickly, otherwise, as I say, it is going to frustrate people that some areas get heard and others don't. I think this needs to be corrected sooner rather than later, otherwise it could leave a lingering sense of unfairness about the Brexit deal, and that would be highly damaging.

Just one last point, I hear what James and Ben are saying, and I agree with a large part of it. The trouble I have is that if the Government were speaking with one voice, it would not be so bad, but they are not. You get a more positive message from the Chancellor than you do from the Foreign Secretary or the Brexit Secretary. I certainly picked up alarm from businesses, the more that that rhetoric was being ramped up at times last year towards a no deal position. That is a very, very worrying scenario for a lot of businesses here. It is the feeling that there is a bit of game playing going on, or points scoring, or the rerunning of the referendum.

To answer your question, Liz, I think if those Ministers were regularly confronted with, "This is how your statements feel to people out there trying to carry on doing business with Europe," it might make them think twice before they make some of those statements. It is the absence of that conduit of information coming back to them that possibly makes them make bolder or provocative statements than they realistically should be doing, given the seriousness of these issues to the businesses that we represent.



HOUSE OF COMMONS

Mayor Ben Houchen: Sorry, do you mind if I just jump in? I think Andy's point really goes to the heart of what we are talking about here, which is very interesting, which is that we also have to be careful what we wish for. Devolution back to the regions and singing with a single voice about what we want—for example, for the north of England—is quite an interesting thing. The Tees Valley is a good working example of this because, for a lot of years, under the old RDA—we had One North East in Newcastle—the Tees Valley got ignored substantially. We got very little funding; it was very Newcastle-centric.

One of the reasons that we actually have a devolution deal is because the leaders in the south of the region realised that this was their opportunity to take hold and take control of their own destiny. If we are not too careful, if we caucus too much on a regional level or even a subnational level, like the northern region, one of the things that I know will be a concern for local leaders and residents in my area—and this is a testament to Manchester's success—is that we will be replacing a centralist London with Manchester and a lot of the decision-making will be made in the north-west, whereas I think we have a very good economic and community area in Tees Valley that makes sense. Where it makes sense to do so, we will work on a regional, subnational and national level with each other, but trying to replace central Government with another centralist bureaucracy means that the Tees Valley—or Newcastle, or Leeds, or Bradford, or whoever it might be—has a lesser voice than it does now. We have to be very careful about the balance of where power and responsibility actually lies.

Len Duvall: That is an interesting point, because I think that is one of about boundaries, isn't it? From my point of view, the old RDAs were very good in what they were trying to do, but maybe the boundaries made their regional focus slightly wrong.

Just in terms of adding—because I combine the two—I think that, a year out, business people, politicians, people on the ground at the sharp end would expect further progress and a direction of travel that we understand.

If I go back to the point about EU citizens, I think we are on the cusp of doing that. We have stopped talking about regional visas and what-not in London, because we think there is going to be a national scheme that is going to work and be simple, in terms of how it is going to be implemented and everybody knows where they stand. As I have said, we have over 1 million EU people. They did not just come here yesterday; they have been established in London for a number of years. We have had some very good scrutiny meetings on that.

In terms of the prosperity fund, I think it is important, because part of the conversation that needs to be had with central Government is that we also lose what we have had the benefit of in London. To take the European Investment Bank, some of the projects it has funded in the



past—just to paint you a picture—we borrowed from them at favourable rates, commercial rates as well, £1.4 billion towards station upgrades, £600 million towards Crossrail 1, £435 million towards the expansion of the London Overground service, which, if anyone follows the south-east, was a new way of providing a metro service for London and outside London, exposing the weakness of the current franchise system, and £623 million towards the extension of the Northern Line. That is going to be lost. In terms of some of those plans, it is beholden on Government not just to talk about the prosperity fund, but to think about where we are going to access that money and how will they enable those regional players to deliver some of that infrastructure that is quite needed.

We have only touched on this, but the LEP infrastructure is going to be very important. Again, in the new settlement, you would have thought that the Government might just want a review about what the LEPs had. We received evidence from Michael Heseltine, because we thought Michael Heseltine, in terms of his experience of introducing new grant regimes from the very early single regeneration budget and City Challenge, all the way through. Then we had Labour introduce their things. We thought it would be worth getting him through, and some of these aspects of regionalism are still not picked up by central Government and acknowledged and actually might help us in facing some of the challenges of the future. It is just a question of those.

One thing is certain. It is not just about who is in control and devolution, because I think devolution says you really have to strengthen your partnership working back at base. If I can be a voice for local government here, this is about remembering that, with the Metro Mayors—and I know it is slightly different in Manchester—it is making sure that partnership working, whether in the business sector or in local government, is very stable and can be built upon to deliver. I don't think Government actually value some of these institutions in the way that they should. If they did, we would not be discussing how we talk to each other, even though these are complex negotiations, and what the answers are. That is part of why I talked about the attitudinal, cultural aspect of government.

I say this, even though I am a Labour politician, I have the feeling of it being like that even when Labour was in Government, so it is not a party political point I am making. There is a problem about that future relationship—going back to Andy's point—which is why I think there needs to be a new settlement and new thinking, and more of the same definitely isn't going to work. In particular, if we carry on with the skills agenda that we have now—our lack of skills and investment in skills—then we are never going to meet some of the gaps that we face. That has to be the number one ask on the devolution agenda. I think strategic mayors are best placed to oversee that, working with other partners in delivering that.

Q61 Jo Platt: You have all alluded to the funding streams that come from the



HOUSE OF COMMONS

EU. I would like to go into that a bit further. How important are these to each city that you represent?

Mayor James Palmer: The north of my area is where we see the prosperity fund, particularly in areas around Fenland, where there is high employment, but very low wages and in-work poverty. The problem has been that the funding from the EU has not really changed it. Where the money has been sent from the EU, the direction it has been put in, the way it has been implemented, we have not seen a sea change at all. In actual fact, that money has not changed the fact that people in remote rural areas are still struggling, some of them, and they are still facing the same problems they were before significant millions of pounds were invested into those regions. Certainly a change the way the prosperity fund is invested, and certainly going through devolved mayors, would be a huge improvement.

A lot of the time, the money that was given had to be spent very quickly, and it led to short-term thinking and bad decision making. As I said, it has not actually solved the problem at all. There is an opportunity now, because of devolution, to do things different. We have heard the other speakers mention how the Government must take advantage of the devolved power that they have allowed to the six new Metro Mayors—it is the Government's decision to do so.

I would take a bit of a different view to Len. I would agree with him that local government have struggled under different colours of Government over the years, but I do feel for the first time that central Government can see that there is too much centralisation and they can see that investment in devolving power to Metro Mayors and combined authorities is a way forward. I think that Brexit is going to be a test of that and, absolutely, I believe that they should go further. Again, it is up to us, when we go for deal 2, 3 or 4, to make sure that we pressure Government to give more devolved power and to allow us to have more control and more investment over longer periods into our particular areas.

Q62 **Jo Platt:** Just to clarify one of those points, do you think it has not been well spent or it has not gone where it should be because it has been centralised?

Mayor James Palmer: Yes, I think both, absolutely. I think that it encouraged too much short-term thinking. Certainly the proof of the pudding is there, in that there is still rural poverty, there is still a disconnect. There is still an issue whereby people feel society has left them behind. We all believe pretty much the same when it comes to skills and education. All of these areas can be devolved from central Government and then you can begin to make a real difference. Throwing money on top of things is never really the problem; you have to get to the source of the problem.



HOUSE OF COMMONS

Certainly the issue in my patch is around people feeling disconnected because they are not fitting into the education system and they are not fitting into the five A to Cs and getting into university. Investing through schools and through the skills agenda, and giving them more opportunity in life—then we can begin to get people out of the poverty they are in, in my patch. It will be completely different in other people's patches. This is why devolution is so important.

I am moving away slightly from Brexit, but it is important the Government realise the ability they have to make significant improvements to people's opportunities in life through devolution, using Brexit as a tool to do that. I can put forward an education policy and a skills policy that is suitable for my county. Exactly the same policy would not necessarily be suitable for Andy's patch, but he could clearly do the same. The Government really have to take advantage of this. Of course, the other thing for the Government is they can blame us if things go wrong and take credit if things go right, which they are pretty good at anyway.

Our job as mayors is to get our hands dirty and to try to really change generational problems. We can do that. I really want to get on with it, to be honest with you. However, we are being held up by DFE and it is a massive issue. There will be opportunities in the future, when there is funding coming into our patches that we could spend in a better way than it has been spent in the past.

Mayor Andy Burnham: I just think this is the right question to ask, Jo, because a sense of unfairness about the way funding is allocated in this country was one of the contributory factors to Brexit. Your constituency, which I obviously know well, like many industrial communities saw its big industry go in the 1980s and 1990s. There was no meaningful help from the Westminster Government with the transition from the old economy to a new one. They were basically left to cope on their own. When Europe expanded to the east, other social issues then arose. No wonder they felt no one was listening to them, really, and no wonder, in my view, there was a high leave vote in those areas, because the system would not appear to have worked for them.

This has got to be a moment for the question of funding, and fairness about funding. We were all listening enviously when Len was reeling off some of those figures that we have just heard. It is a moment, through the shared prosperity fund, with that word "shared" at the start, to really demonstrate that, as the UK from hereon in, we are going to devolve as much as possible and give fairness, in terms of the amount of money that is at the disposal of different regions.

To answer your question, there are two separate issues on Europe: ESF and ERDF. We get about £50 million a year from that, which is matched, so it is about £100 million. In terms of the European Investment Bank, which is a separate facility, we had £450 million for Metrolink phase 3,



HOUSE OF COMMONS

and another £150 million borrowing facility that, among other things, helped fund the Leigh guided busway, you will be pleased to know.

What I would say, Chair, is that, over the years, areas that have felt a sense of unfairness in terms of central Government funding have used European funding to get access to funding in a way we often do not get through the UK system. As we enter this new phase, the moment has to be now for the Government to say, "Let's get this whole question of unfairness of resourcing and regional distribution of it on a better, more transparent footing than it has been in the past. Let's not use the Treasury test, which is about GVA, when it comes to approving transport projects or not, which projects will add most value to the economy." We need a fairer test that balances economic gain alongside social gain, otherwise large areas of the north will continue to lose out. There are big decisions looming on transport investment, as I said. Len has aspirations around Crossrail 2; we have our aspirations around Northern Powerhouse Rail. If the Government can fund both together, great. If they cannot, there does need to be a sense that we are responding to the challenge of Brexit by giving those areas that most need investment in their infrastructure the chance to build that infrastructure and to face up to what Brexit means. The time is now to do all of that.

Mayor Ben Houchen: When it comes to European structural funds, the Tees Valley is the second-largest recipient per head of population in the country. That equates to about £245 per head and £170 million between the 2014-20 spending round, so it is significant. On that basis, there is the ability for Government get a very quick win on helping to rebalance the economy and devolution by converting the money that in effect we are sending to Brussels, which comes back with strings, bells and whistles attached, and give it to us through the shared prosperity fund. That can easily come into our single spending pot for the devolved areas, so it increases our gainshare that we get on an annual basis. Ultimately, it is for the Government of the day to decide whether they want to increase it, maintain it or reduce it, which I suppose is democracy—it is the increase in the power we would have from having control completely over our own funds.

One of the big problems we have, even with the money we do get, which is substantial, is that it comes with so many strings attached. By definition, it then distorts the local economy, because you can only use it on certain things. If it was part of our single pot with, in effect, zero strings attached, it would be for the directly elected cabinet and mayors to decide what needs to be done with it.

We should be clear: there is already an assurance framework in place with Treasury and DCLG in relation to how we spend our single pot. It is not as if the Government and civil service would have to create a new framework for this; it would be as part of the assurance framework to make sure it was properly spent and that there were some checks and balances from central Government to make sure there wasn't a radical



mayor wanting to spend all their money on something ridiculous. The mechanism is there for it to be devolved directly. In effect, it is like leaving and maintaining alignment initially, and then it is for the Government of the day to stand on a manifesto and to decide if they want to increase funding to the regions via the single pots, keep them the same or reduce them. It is a quick win to be able to deliver those directly into the regions and to make sure they are replaced. It gives us more certainty that those moneys are going to be there in the next spending round, which makes us better able to forward plan. That is not just on business start-up and investment; the skills agenda is obviously a key part of that as well, and it helps us plan longer term for that.

Q63 Jo Platt: Can I follow up on that? Has there been adequate dialogue or discussions with regard to how this is going to work? You are saying there is an existing framework going forward into the shared prosperity fund. Has there been dialogue on how that will work?

Mayor Ben Houchen: The existing framework is obviously part of the devolution deal that the single pot and assurance framework is there to monitor, so that we are spending that money in an appropriate manner, for want of a better phrase, so the mechanism is there for that money to come straight across. That was the reason for the letter that Andy Burnham, Steve Rotherham and I sent on the 9th and was the reason for the officials meeting to talk through detail. We continue to follow up and put pressure on central Government to find out the detail of what that will look like. As yet, there has not been clarity as to what that will exactly look like. I am not entirely sure whether there is a commitment as yet to devolve those funds at the current level into the single pot where there are devolved regions, but that is obviously what we have been asking for in the north or England.

Len Duvall: We should not be talking about waiting to hear from the Government; they should be sitting alongside us, co-designing it to meet the needs in terms of where we are in the regions. I can see where Government is coming from, and I suspect a number of Government Departments will think it is their money for their schemes. One of the particular things I have is around the ESF and third-sector training at all levels—training back into business and training people for the world of work. If that falls by the board, because that Department is not sufficiently banging the table and saying, “We would like a piece of that,” then that will go. Transport will pick it up, because it will be seen that they do not have to provide that with the flexibility around the single pot.

We need greater clarity from Government. We also need to be included, not just in consultation, but in co-designing and being very clear about what we want these funds to do. I do not think they replace some of the big asks—ERDF probably does, but not ESF. I am worried about the infrastructure of the voluntary/third sector in the delivery of that. Do we value it? People have mixed views about it, but in terms of delivering value for money on some skills projects, they certainly carry their weight



HOUSE OF COMMONS

better than some statutory organisations. I am a pluralist in the sense of having a number of organisations. We ought to nurture this sector, otherwise it is going to go and would be hard to replace.

It really is clarity about what we want to see that fund deliver and what the bits are that we need to do.

Mayor Ben Houchen: The position I take on this as part of devolution is: just give us the money. Then, whether, Len, you want to spend it on skills, or transport or whatever, it is up to the directly elected people to decide, based on the framework, what they want in their local area.

The last thing I want to see is the moneys go back into central Government. As I understand it, the people who are looking at potentially developing the framework are the same people who manage the European funds and therefore will attach the same conditions and the same strings to the regions. That means it is not really devolution, because it is a centralised pot of money and, in effect, all we do is become the intermediary body for London-administered funds rather than Europe-administered funds.

Len Duvall: I agree with that, but to say that Government is going to give a sum of money over and say, "Over to you, Metro Mayors, to do as you want," is not really there. If we go back to the mission, in terms of some of the challenges we face on Brexit, I see that an element of that funding has to be delivered for skills. We cannot go back to what we have had over the last 40 years, of skills under-investment. We have been driven by that.

If one of the key issues was a fear of migration in some areas that may have voted that way, you need to address that. How do you position the home-grown—an unfortunate term—to take advantage of the smaller opportunities that I believe will arise from Brexit if we don't address that issue? The value of the pound is the only controlling mechanism on migration at the moment; it is not Government policy. Let's be honest: it's the value of the pound in our pocket. If there is a mass exodus in some sectors, how do we fill that gap? If you say that skills is one of the key bits, then part of that fund will go on skills, regardless of region, because it is a UK problem. It is not just a problem down in London; I suspect it is there in your region. That is the conversation we have to get into and understand. Grant regimes in the past have never really given it all over to you to decide what you want for the needs of your community. Laudable as it may be, that is not the case; central Government of whatever party just does not do that.

Mayor Andy Burnham: I want to echo what you have been hearing. I would not want the Committee to leave today without having got over to you the urgency of this skills issue. When we met in Birmingham as Metro Mayors recently, with Andy Street convening, if you closed your eyes you would not know whether it was a Conservative or a Labour mayor speaking.



HOUSE OF COMMONS

Chair: If I may interject, we have some questions on workforce issues coming up that will allow you talk about the skills agenda. If we could have your final comments on funding, Jo then has some follow-up questions and we will move on to skills in a second.

Mayor James Palmer: Very briefly on funding, when we were elected as Metro Mayors, business rate retention was on the agenda. That seems to have gone from the agenda. I think business rate retention would put us in a very strong position as individual mayors rather than the grant funding from the EU or other grant funding. It is allowing us then to make changes and to make differences where we need to, rather than have restricted grants. Post-Brexit, that would be absolutely the right way for us to go.

Q64 **Jo Platt:** The Government have promised to make £3 billion available to help with Brexit contingency. Have you been able to access any of this money as you plan for Brexit?

Mayor Andy Burnham: No. None of this funding, to my knowledge, has been allocated at either the Greater Manchester level or to any of our 10 councils, and—to return to this point—they are not sharing some of the planning analysis that is coming out. We are not getting either. Again, this is something that the Committee should take a look at. No, is the answer.

Len Duvall: We have the same. It has only been allocated to central Government Departments. That is why it is even more important that we understand what they are spending it on.

I have to say, the Ministry for local government—or whatever it calls itself this week—has not been allocated any to date. That may be a question this Committee might wish to ask of it, why it has not put in bids. There are a number of areas where they should be going into this pot, where they could make a valid case to say that their responsibilities deserve a bit.

If we lose some of the migrant labour in the construction industry, isn't local government and construction still there? What are they doing? Are they working with their partners in business? Discuss.

Q65 **Liz Twist:** On this question of the European funds, you have all described—Mr Palmer you described this in detail—why the strings attached to it do not necessarily represent long-term interests. You have all talked about devolving that money, although we do not know what the shared prosperity fund will look like. Are you confident there will be extra money devolved in place of these European funds for you to meet the needs of your communities?

Mayor James Palmer: I think so. I have to say, in my experience of almost one year, of being a mayor the Government have provided funds we have not had as a region before. I did just allude to business rate retention. That would be a very clear way for Government to give the



HOUSE OF COMMONS

freedom to the Metro Mayors to deliver on agendas in their patches. It would certainly be a significant amount of money that we could invest over the long term to improve our areas of deprivation.

Interestingly, the money clearly has not had the effect it was meant to have, because our most deprived areas are the ones who voted most strongly to leave the European Union. Clearly there is obviously scope for us to do better over the long term. As I said, I will be lobbying for business rate retention. That is key to us and will make a difference.

Mayor Andy Burnham: Obviously there is a lot of money to be found for the NHS first, isn't there, from the savings. So no, I am not as confident as James. My worry will be that the Government will say, "What is ERDF and ESF at the moment? It is £50 million a year for Greater Manchester. Right, we will give Greater Manchester £50 million a year." At that moment, that would take out their contributions matching ERDF and ESF, so that has to be watched. It needs to be at least the same level of spending that arises from the existence of those European funds, rather than the precise price tag of the European funds themselves.

Then there is the question of the lending facility that comes through the European Investment Bank. Are they going to negotiate for us to continue to have access? What is the nature of those arrangements? We are currently looking at another lending facility with regard to the extension of Metrolink into Trafford. We need to know on all of those fronts.

There is a risk that we may see a sleight of hand here. They will say they are matching ERDF and ESF, but they are not, because it is only half of what we get from those sources.

Mayor Ben Houchen: I would be very surprised if there was not. Very early on, only a few weeks after the election, the mayors were invited to London to meet with all the permanent secretaries. One of the things that came up with the Members was the shared prosperity fund and the response we got back was extremely positive.

In the devolved areas it would be very easy to administer through the current assurance framework, because it is already established. We need to keep an eye on, as Andy Burnham says, that the moneys flow through into the framework. All the indications we have had so far are that there will be a prosperity fund. The big question that we do not have an answer to—maybe the Government are not in a position as yet to give us the answer—is on the amount that each of us will get as a result.

Q66 **Chair:** Before we move on to workforce issues, can I press James Palmer and Ben Houchen a bit on that issue? You have variously talked about business rate retention and about money coming back from the EU. So far from the Government we have seen funding allocated in the autumn Budget and in the spring statement for Government expenditure for Brexit contingency. The Chancellor's own forecast last week was of very,



very flat levels of growth overall. When you consider all the funding your cities receive from the EU at the moment—in terms of research funding into Cambridge institutions and infrastructure investment—are you really confident, and if so where does the evidence come from, that the funding you currently receive will be replaced to the benefit of your area? I get the optimism, but where is the evidence for that? I do not think the Committee has received evidence to support what you are saying.

Mayor James Palmer: In the Budget the Government made available an extra £300 million in research funding for Cambridge. The conversations I have had with Government indicate to me they are certainly willing to continue to invest into life science and technology in our patch. Clearly that is one of the key points of the industrial strategy. I think the Government can understand entirely what Cambridge is currently bringing to the economy, and what Cambridge will bring to the economy post-Brexit and the opportunities for Cambridge to grow exponentially from where it is now, and consequently for other science and technology hubs that are relatively close to it to do so.

The evidence is there in the Budget. It has been clear and it has been obvious that they have put the funding forward. The evidence is there in the commitment that the Government have given in that particular area. My confidence is based on conversations I am having with Government, it is based on the evidence in the Budget, and is based on the strength of our economy and the ability of our particular part of the country to lead the UK economy post-2019.

Mayor Ben Houchen: The straight answer is that we have not had a written report—we have not had any black-and-white evidence of it—but in multiple discussions with David Davis, Steve Baker, Sajid Javid and Ministers within the DCLG, including the permanent secretary of DCLG, the noises are more optimistic. It is not really whether we are going to have a prosperity fund, but how it is structured and how much we therefore get. That is still the unknown.

Q67 **Jo Platt:** James, I am going to come back to something you said there. Obviously you were talking about the industrial strategy and the autumn Budget. Is there not a worry or concern that we are mixing the two? The prosperity fund is something separate. The industrial strategy has to be dealt with separately.

Mayor James Palmer: I have been very clear that the £300 million in the Budget for Cambridge was separate to the prosperity fund. What it showed was a commitment from Government to the sector that is so strong in our particular area. When I talked in detail about the prosperity fund, it was really about the areas in the north of the county that needed the investment because of the low-wage economy and the deprivation there.

I was trying to make a very clear difference between what the Government put forward in the Budget and the support the Government



HOUSE OF COMMONS

are showing to the life science sector, the technology sector and genomics in the south of the county, which they have confidence in and are obviously very happy, at the moment, to invest in.

Mayor Ben Houchen: If I could clarify my remark—I thought I was slightly wrong—in our draft second devolution deal for the Tees Valley, there is reference to the shared prosperity fund. The specific second devolution ask is about working with DCLG and central Government about how that will be applied and to what level. There is an inference there that there is going to be one, and what it will look like was really part of that second devolution deal.

Chair: We will move on to Mary's questions now, but I should note the time pressure on us, given the further arrangements for today.

Mary Robinson: I'm not sure whether we're blaming quick answers and quick questions.

Chair: I think we need a bit of both, if that's okay.

Mary Robinson: The importance of the workforce and skills was evidenced in your answers to the last set of questions we asked. If restrictions then are placed on the employment rights of EU citizens, what economic impact will have it for your local areas and communities generally, and for local areas across the country?

Mayor James Palmer: It is a significant issue for us, because we import people to work. As I mentioned earlier, both sides of the economy that we have in my patch—whether they be low-pay or high-pay jobs—have been reliant upon bringing people in from outside Cambridgeshire to work. We are in the very fortunate position of having more jobs than people, which is good and bad. It has caused, and kept, wages very low in the north of the county, where agriculture, transport logistics, engineering and so on are key. It is therefore a problem and a success to deal with.

This is why lots of the discussions I have had with Government so far have been based around the ability for people to come in on seasonal contracts to work. We have to nail that down. We used to do it and it is something we can do again. Equally, there is a concern around the life science sector about whether they can bring in as many scientists as we need to fill the economy. Cambridge is creating 44,000 jobs in the next 15 years, almost all of them in life science and technology. Clearly, even if I was to have my skills agenda up and running as perfectly as possible, it would still mean people would have to come in from elsewhere in the world to take advantage of those jobs. We have to make sure we have a simple visa system. We have to make sure that people are able to come in and work, not just from Europe but from anywhere in the world, in the sectors we need to fill. I have been engaging with Government on this. It is absolutely key to our economy.



We simply cannot fill considerable portions of our job needs just by people from within the UK. There is simply not the skills sector in Cambridge, or in the country, to fill all of those life science jobs that are coming. That is obvious to everybody. It has always been an economy that has not exported a lot in goods, but that exports an awful lots in people and imports a lot in people. Almost everybody who works in that technology and science area around our county has worked also in San Diego, San Francisco, Boston or Singapore. They cluster together for a reason; they take advantage of each other for a reason. If we are to continue to lead the world in genomics and to lead Europe in science and technology, we have to allow these people to move in and out and be part of our economy.

Mayor Andy Burnham: The Greater Manchester combined authority is publishing a paper, "Greater Manchester and Brexit", with figures on this, but I will give them to you quickly: 26,000 EU nationals working in distribution, hotels and restaurants; 14,000 in banking and finance; 13,000 EU nationals in manufacturing; and 12,000 EU nationals in public services, particularly health. Those are the Greater Manchester figures. If they reduce as a result of Brexit, that obviously creates the skills shortage, which I mentioned a moment ago, that people are getting worried about.

Here is the problem: just at the moment when we are looking at these skills shortages emerging relatively quickly, the national skills policy is faltering, particularly the apprenticeship levy. To be fair to the Government, they have done a lot in this space recently around technical education, and that is welcome. However, we are seeing a situation, from the research we have done—I know this is true for the Liverpool city region as well, because we have been collaborating with Steve Rotherham on this—there has been a drop of about a quarter in apprenticeship starts as a result of the introduction of the apprenticeship levy. That is too serious for us to just sit here, as we are hitting a potential skills shortage and we know things are going wrong. Out of all the things we have debated today, skills is the most urgent. It has traditionally been a second-order issue for Whitehall. It's always been, "Well, we'll get round to it," under Governments of all colours. It's now really urgent. It is absolutely top of the agenda from our point of view; businesses are demanding that that is the case.

But this gets to the nub of it. I said before that maybe Government Ministers were not always speaking with one voice. When you look at Government Departments, they are definitely not doing that on devolution. I will let other mayors speak for themselves, but from my point of view—and I think it is true for Steve as well—the Department for Education is the least supportive of what we are trying to do. It is actively delaying and frustrating. We were due to have devolution of the adult skills budget, which has been delayed. It's honestly not good enough. You cannot run a successful skills policy at a national level. Truthfully, the country has never done it. The status quo has never worked anyway,



HOUSE OF COMMONS

because we have a very poor and patchy technical education system in this country.

If that's not worked, the time has come to free us up and let us do something. At least give us the underspend on the apprenticeship levy. If you look at the combined underspend of organisations like Manchester United, Manchester City and the NHS, we have big levies being paid by large organisations, and that money is just sitting there. The fear is it is going to go back to the Treasury in a couple of years if it is left unspent. That just cannot make sense. The Committee could help shed some light here on a ridiculous situation. We are heading towards a brick wall on skills, and regions are not yet freed up to do something about it. In the Budget last year we were offered local skills panels—a piece of bureaucracy that I do not think any of us feel we particularly need. It felt like saying something for the sake of saying something. We need a much better response than that.

Mayor Ben Houchen: In the north-east, migration is fairly low anyway. I tend to split this into three categories—the third of which is crowbarred in. We do have a significant level of low-paid migrant work in the area, which we have certainly seen on the ground can have a suppression effect on wages, especially at the lower end of the market—40% of the Tees Valley economy at the minute is made up of low-paid service sector work. We do see on the ground that, certainly at an anecdotal level, migrant work is an additional factor suppressing those wages.

We do have an emerging sector, which is smaller but will hopefully be extremely significant, of highly-skilled workers from across the world, mostly from outside of the European Union—mostly from Korea and Japan—of research and development scientists working for companies like Fujifilm Diosynth, which is one of the largest employers of research and development scientists in the country. It finds it extremely difficult to attract talent to the UK—not necessarily just for access to the UK market, but there is also a perception issue of the area. There is a perception issue with basically anywhere outside of London, which is something we need to address.

We also have to be careful not to conflate the EU and Brexit with our skills issue. Last year the North East England Chamber of Commerce produced a report that showed the north-east is currently at technical full employment, in that there are more jobs available than there are people looking for work. People often would not think that of the north-east, given it has the second highest level of unemployment. There is clearly a local skills issue there that in the short term can certainly be filled with migrant labour, whether it is low paid or highly skilled.

However, there are a substantial number of people in our local communities who do not have the opportunities that others have afforded to them. The skills agenda is not working at all from a primary school, secondary school or technical level, or a higher-education level.



Something needs to be done about it. I echo not just Andy Burnham and James Palmer, but all of the mayors. We do need to see far more devolution of our education budget, and responsibilities and powers. I also have to echo that, certainly at an official level, the DFE is not our friend at the moment when it comes to the Metro Mayors getting more responsibility over that.

You cannot go into a meeting with business and not talk about skills; it is the No. 1 thing on their agenda. Often, it is not necessarily about inward migration from the European Union or outside. It is often about having people prepared for the new type of economy we are going to have. A huge number of people that we do have who are not UK citizens tend to be from the Asian subcontinent, and who feel that there will be a liberation of potentially further migration from the Asian subcontinent. They currently have many difficulties with bringing families, friends and other people who are qualified to work within their businesses.

Len Duvall: Setting the scene for us in London, our health service is twice as reliant on EU staff as the rest of the country. In the financial sector in London, it counts for 35% of our employment, and 12% of employees in the finance and insurance sector are born in the European area. While the figure is 13% of construction workers across the UK, in London and the south-east the proportion is 50%. In London, 25% of those construction sector workers are born in the EEA area. Andy mentioned hospitality, and it is the same there. In the UK, nearly a quarter of all hospitality jobs are carried out by people from the EU; in London it rises to 32%.

In terms of training, where the Metro Mayors are coming from is exactly right. We have planned devolvment of the further education sector, which is to be welcomed. However, we need more substantial devolvment in this sector. It is one of the Departments that are not quite on board.

If I go back to what I said, if you want to rise to the challenges of Brexit and how to keep ahead in these difficult times—who can guess what the future challenges are?—then we need to think differently about Brexit skills. It is best that is done at a regional level. Government have a role in that, but more of the same is not going to help in this sector. There are long-term consequences that we face from the past social policy issues in terms of a skills strategy—or the lack one. We have been tinkering with it, but we need to think differently post-Brexit.

Q68 **Mary Robinson:** How should this post-Brexit skills gap be addressed, then? You have mentioned a regional approach towards it. The Government have asked the Migration Advisory Committee to consider options to help to address this issue. Do you think it has effectively consulted on this, and what would you be saying to them?

Mayor James Palmer: This is something the other mayors have mentioned. We all have a clear idea of where we can go on this and how



HOUSE OF COMMONS

we need to make a difference. It is about devolving education powers to the mayors. I don't want to go down the route of how county councils used to be run, having a little bit of education. This is about devolving the ability to set the curriculum and the ability to invest in schools and make sure schools are judged in a different way.

Until we solve this problem within education—where the only way to be successful is to get five A to Cs to go to university and get a job—we will always have a skill shortage in the UK. There is a problem within schools—that university is seen as the only way to get higher-level training and higher-level jobs. Clearly we know there are people doing high-level apprenticeships, which is great and that is something we should absolutely be pushing on. However, at the moment the schools are judged on their five A to Cs. If you are a school that is not doing quite as well, perhaps you are getting 30% five A to Cs, but as a school you are investing into the skills agenda and sending the other 70% of your pupils through to do apprenticeships, then you have a different outlook for schools across the UK.

It is all very well for the Government to set a Westminster-based policy for the United Kingdom for education. However, the evidence before our eyes is that it does not matter what hue the Government is, a Westminster-based agenda for education does not work. I said this earlier, what Andy or Ben need in their patch is different to what I need in Cambridgeshire. I need to feed my economy with scientists, with agricultural workers, with agritech and with engineers. These are the people I need in my economy, yet my schools are not sending businesses the people they need. It is of absolutely no worth to my economy for them to go and do a media degree in Manchester or wherever, when I need people to be educated in a different way.

I also want to solve the problem of disaffection in society—I know we can't solve everything, but politicians are in the solutions business. If we have a problem with disaffection in society, and if that disaffection led partially to the Brexit vote, there is a damned good reason for that. If you are looking at other people who are getting opportunities, because their skill set is academic and your skill set may not be academic and you are feeling you have had a lack of investment as a person, then of course you will be disaffected. We cannot continue as a country to completely cut people out of society because they are told from the age of seven or eight the only way to success is through academia. Until we change that, we will continue to fail massive parts of our population, they will feel disaffected and they will be part of the low-wage economy or they will not even be part of society at all.

Mary Robinson: Thank you for that. Before you answer, could you keep it a bit briefer?

Mayor Andy Burnham: But I love his passion on this, because I agree—

Mary Robinson: Education does seem to a common theme, so there



may well be a lot of echoing—or not.

Mayor Andy Burnham: James's passion is something I share. Not only is education policy in our country over-centralised, but within that an obsession with the university route predominates. That has led to the situation that James describes. A lot of teenagers lose a sense of hope and purpose at secondary school because they cannot see where school is taking them if it is not on the UCAS route. That is a major part of our problem, in terms of having inequality and a divided society. Young people who want a technical education urgently need to be given something to aim for in the same way that university students have.

My answer, Mary, is that I have talked about the need for a UCAS-style system for apprenticeships in Greater Manchester. The real power of that is that it would allow businesses here to drive the education system in a way they have never been able to do. If they can say, "Here are our apprenticeships. These are the courses we want. These are the grades you will need to get to apply," then we can match young people with opportunity in a way that we cannot at the moment. That would also give real opportunities in the Greater Manchester labour market that will then shape what happens in schools. At the moment, I do not think teachers and parents are well placed to advise young people, because they cannot see the job opportunities that are out there. We hear of digital jobs in this city going unfilled because the pipeline is not delivering. We have ambitions around a green economy—we are having a green summit later this week, at which we will be talking about retrofitting properties. There is a new demand for skills coming through here that the system at the moment is not geared up to deliver.

I do not want to say a great deal more, because you can see where we are coming from. This issue has never been fixed at a national level. The best hope we have is to devolve it and let businesses in those regions and sub-regions drive the system. I come back to it: how can it make it sense to have all of that money sitting in the apprenticeship levy unspent, when it is money raised from Greater Manchester companies, and we are at a moment here when we urgently need to get on and do something about skills? If the Committee could find its way to recommend something in that space, that would be enormously helpful to us all.

Mary Robinson: I think voices have been heard there.

Mayor Ben Houchen: Briefly, what devolution gives you is it allows business to align with education on a regional level. We have a local industrial strategy. We have a strategic economic plan. We have priority sectors, where we know the areas we do well in and where they will grow. Having that conversation and being that convener with the education sector—while we do not have direct control at the moment, or potentially ever, we now have FE leaders who completely buy into our sector action plans, our strategic plans and the growing sectors. My FE leaders are coming to me and saying, "Don't worry about education



HOUSE OF COMMONS

anymore; just start producing the jobs, because we'll make sure they're ready." Middlesbrough College, the largest college in the Tees Valley, is getting a huge percentage of their kids doing STEM subjects. The issue now is having jobs available there. It is a really good example of where the combined authority and the mayor are able to set the strategy, get buy-in from education and then the onus is back on us to create the jobs.

Mayor Andy Burnham: Would you want all post-16 devolved?

Mayor Ben Houchen: Yes. I wouldn't want to speak for the mayors who are here, but I think, from the conversations we have, we would be looking to move to devolution of all post-16.

Mary Robinson: Is that a consensus?

Len Duvall: Yes, but can I just go back to the Migration Advisory Committee? It has only been asked to look at shortages. What we heard here is a much more ambitious skills agenda, fit for this country moving into the challenges post-Brexit. That is the bit it has not been asked to do. The Home Office is looking at potential shortages and what can be done if the supply of labour is restricted. It needs to have its terms of reference widened. It is done by the Home Secretary, looking from that particular point of view, rather than from a wider Government view about skills and whether this is an opportunity to look at the skills strategy now and change it, if we are to face up to those challenges in the future.

Q69 **Mary Robinson:** Have you been able to feed that back? This is about a consultation.

Len Duvall: We fed back. The mayor has written back to the Migration Advisory Committee outlining that very issue, saying, "Hold on, there're some wider issues here." We agree that post-16 needs to be devolved.

Mayor Andy Burnham: It was touched on before, Mary, but the Metro Mayors—at least five of us—met in Birmingham last month. It is fair to say you could not have differentiated who was speaking. I do not want to speak for Andy Street today, but he did say something similar. There were officials there from the DFE, from Treasury and from the Department you shadow. It has been fed back. What we are saying is that the usual Whitehall slow pace of doing things will not work here. It needs to be quicker.

Mary Robinson: They will hear the message.

Mayor Ben Houchen: We have also had nothing from the MAC or any engagement with them so far.

Q70 **Mary Robinson:** One last question to you: you spoke earlier about the importance of a free port. What are the advantages for Teesside from having a free port?

Mayor Ben Houchen: It would be revolutionary. It would create a massive step change for our area. It would re-shore manufacturing jobs



not seen in this country for many decades and it would allow us to set a more regionally-focused industrial strategy that sees the economy being rebalanced. It is an area, in part, that voted more heavily for Brexit than basically anywhere else in the country. This is a demonstrable benefit from Brexit that would see many thousands of jobs be created within the Tees Valley, especially with what we saw a couple of years ago around the closure of SSI steelworks. It would be significant to the point that if you have not already and you are not aware of it, I would suggest some light reading of Rishi Sunak's free port study from the Centre for Policy Studies, which is a good example of that. We have made a formal submission to Government, through the Treasury, to commission a joint study on using Teesport as a free port pilot post-Brexit, with a view, if it demonstrated success, to potentially rolling it out to other ports—or free zone areas, because it does not necessarily have to be specific to ports.

Q71 Chair: Thank you. A final question from Liz, and I would again emphasise the importance of brevity in your answers.

Liz Twist: My question is about the Committee of the Regions and what happens post-Brexit. The Secretary of State recently said the Government are exploring how the Committee of the Regions may be replicated in a non-statutory way domestically, "to enable local government to comment on and influence domestic legislation". What should such a body look like in the UK, and should it be statutory or non-statutory?

Mayor Ben Houchen: To me, it seems superfluous to requirements. We have other bodies that can deliver the same objectives, whether it be by the Metro Mayor cluster or the LGA. We work on a cross-regional basis as well. There are other more effective mechanisms to be able to deliver it, so whether we have one or not, it should certainly not be statutory, but I question whether the need for a replacement at all, given the other bodies that can fill that space anyway.

Mayor James Palmer: Given the fact that none of us jumped in immediately to support a body of the regions would give you an idea that it is not something I see any positive in or any need to go down that route. So, to use the brevity that has been asked for: "What he said."

Mayor Andy Burnham: We are all so delighted to get so much of this our chests, which is why we are talking at length.

I see more merit in it, if I am honest. Going back to the point about a new settlement, the idea this country is run on a slightly ad hoc series of arrangements, where some areas have access and some do not, is not healthy. It needs to be put on a much clearer footing. I feel, in the end, that is what created Brexit—this underlying sense that some people were not being heard and the country was being run in the interests of one area more than another.



HOUSE OF COMMONS

If we are to respond properly to Brexit, it is more devolution, as we are saying; giving us more control of funding that we used to get from Europe; certainly power over skills; and also an ongoing sense that, in this more federal structure, every area has its voice. I do not want Greater Manchester to be seen as the London of the north. I really don't want that. That is why we are talking of a convention of the north, because we want to ensure that even areas without mayors can link with us and we can help advocate for them as well at the same time.

I do feel that, in the long run, putting all of this on a clearer basis—in the same way the devolved Administrations have that regular access to Government—has to make sense. There is a risk that if devolution stops here, we are going to have a two-tier sense—that some areas with mayors have devolution and others do not. The Government have to crack on and give devolution to more places and then more power to those that already have mayors. The Committee of the Regions would be a good vehicle to oversee that process.

Len Duvall: We are not allowed to talk about “regions”—or that used to be the way in some ways. You have to see it in terms of the devolved settlement. It would be strange to bring Scottish local government to meet English local government to talk about the local government settlement, because a lot of that would be with the Scottish Parliament, in ways that it is not in terms of the UK government.

It needs to be thought through, and there does need to be a body. Are your being done to, or should we be aspiring to working with each other to develop policies for the future? Whether that is the Metro Mayors coming together on the regional bit, to get that right in terms of government policies, or whether it is England—I will have to check on where the Welsh Assembly is on this. We do a lot of work with our scrutiny bodies in Scotland, Wales and Northern Ireland—it's a bit difficult in Northern Ireland now because of the circumstances. We have shared most of our Brexit work. These are very good relationships that have developed. Government needs to get its relationship right.

I do not agree with Ben that it is superfluous. This is about, “Well, what is it?” It has to be business-like and has to be about that. Are we jointly trying to develop policies that work, or is it just going to come from central Government? This is a different challenge we are facing now and in the future, and we need that different relationship.

One issue you might be interested in is #LondonIsOpen, a campaign that the Mayor has done, which is quite successful. Post-Brexit we hear Government saying, “We're going to be good partners with Europe.” Local government should still be partners on its European issues, and the LGA is talking about how to establish those good practice arrangements with our partners on the European continent post-Brexit. We should be alive to that, because although we might working in different contexts and



HOUSE OF COMMONS

different structures, a lot of the problems they face are similar to ours, and we should be sharing good practice.

I used to be on the Council of Europe, in the Chamber of Regions, where they did topical work and also where some of the treaties were discussed. It is a slightly different body from a Committee of Regions, but good local government practitioners have an eye on what is going on in other countries and their work. There is a lot more that brings us together than divides us. Good officials that have experience of working outside their regions, or in different countries, are a good asset to any organisation or institution. Local government should be open as much as Government should be open in terms of its relationship, and we will keep these links going where possible.

Chair: That is a very good note to end on. Thank you to all of our witnesses for both the time you have given this morning and the evidence you have provided to our inquiry. You are, of course, very welcome to write to us with any points of detail you feel there was not time to explore today and we will feed that evidence into our inquiry as well. Thank you very much for coming today.