

Housing, Communities and Local Government Committee

Oral evidence: Brexit and Local Government, HC 493

Monday 23 Jul 2018

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Members present: Mr Clive Betts (Chair); Bob Blackman; Helen Hayes; Mr Mark Prisk; Liz Twist.

Questions 72-114

Witnesses

I: Councillor Paul Carter, Leader, Kent County Council, Councillor Mark Crane, Board Member, District Councils Network, Councillor Keith Stevens, Vice-Chair, National Association of Local Councils and Councillor Ian Stewart, Deputy Leader, Cumbria County Council.

Examination of witnesses

Witnesses: Paul Carter, Mark Crane, Keith Stevens and Ian Stewart.

Chair: Good afternoon and welcome. We will start a few minutes early, if that's okay? I understand that Councillor Ian Stewart's train is delayed. We are not quite sure when he will get here. He is not delayed by a few minutes; it sounds like quite a long delay. We will start without him, and if he wants to make one or two additional comments at the end, we will allow that, time permitting.

Thank you very much for coming to our third evidence session on Brexit and local government. To start, I will ask Committee members to put on the record any interests that they may have relevant to the inquiry. I am a vice-president of the Local Government Association.

Helen Hayes: I employ a councillor in my staff team.

Liz Twist: I employ a councillor in my staff team.

Bob Blackman: I am also a vice-president of the Local Government Association.



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Q72 **Chair:** Okay. I thank our witnesses for coming. Could you say who you are and the organisation that you represent?

Councillor Carter: Paul Carter, leader of Kent County Council and chairman of the County Councils Network.

Councillor Crane: Mark Crane, leader of Selby District Council and representing the District Councils Network.

Councillor Stevens: Councillor Keith Stevens, a local parish councillor and chair of Wartling and Westham parish council, and a vice-chairman of the National Association of Local Councils.

Q73 **Chair:** Thank you all very much for coming to deal with what may become an increasingly important question in the coming months, but that probably has not captured as much attention as some other issues around Brexit. One concern expressed to us is that the Government have had some interest in some issues, and have maybe contacted the big cities and the metro mayors, but that the rest of local government has not been connected by the Government to Brexit and to any degree of negotiation or discussion. Is that a fair concern? Do you share it at this stage?

Councillor Carter: I think that could be said in some instances. Certainly, when devolution is discussed, any devolution proposals have very much been passported through the metropolitan areas at the expense of counties. However, there has generally been a realisation, as we get closer to 29 March, that all parts of local government need to be involved. Indeed, James Brokenshire recently set up a panel to link the Government with local government, not just through the LGA, involving me, as chairman of the County Councils Network. We meet frequently to make sure that we are as prepared as we possibly can be for all eventualities around Brexit, both in the short term and the longer term.

Councillor Crane: I am in danger of echoing Councillor Carter, but I certainly think we have had a step forward since James Brokenshire took over, without wishing to be negative about anybody else. I think that he has recognised the issues there, and the group that he set up with Councillor Carter and Councillor Fuller, who chairs the District Councils Network, is a positive step in the right direction.

Councillor Stevens: I share what my colleagues have said. I think the 10,000 parish and town councils across the country feel quite isolated at the moment, as to what's going on. We are talking more with local and county councils. Because of the financial challenges that county councils have at the moment, they are devolving some of their responsibilities and are starting to use the local parishes and town councils more. We feel that we need to be consulted more, gearing up with the counties, rather than gearing down.

Q74 **Chair:** Have you had any contact from the Government about Brexit and how it might impact on local government?



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Councillor Stevens: Very little. Just in meetings. There have been no specific discussions.

Councillor Carter: Can I just add, obviously Kent is in a slightly different position, being the gateway to mainland Europe? We have had a number of ongoing conversations with the Department for Transport and other Departments on some of the impact that, particularly, a no-deal conclusion would give, and we hope that we can move towards an agreement that gives as frictionless a border as possible. As leader of Kent County Council, I have been very much asking the awkward questions, to make sure that all the multi-agencies and Government Departments are working together to cover off all eventualities. In recent weeks, we have been making very good progress on that agenda.

Q75 **Chair:** You mentioned, Councillor Carter, the ministerial local government advisory board, which I think we all welcomed as a good step forward—to have a forum where local government can meet Ministers, and not just ex-CLG Ministers but Brexit Ministers, to discuss these issues. I think I noticed that the proposal was to meet every three months, or is that formally, with other ongoing meets? Because every three months did not sound like the sort of frequency you would need to get something as important as this moving, given the timescales involved.

Councillor Carter: I attended the first meeting at the LGA conference that James Brokenshire chaired, and I think the phrase used was “from every six weeks to three months”—I think those were the parameters. When the situation occurs we may need to meet more frequently than that—that was the line of approach.

Q76 **Chair:** You do not sense resistance—that it will only be every three months—because it seems that the issues will need more?

Councillor Carter: No, there is an essential need to meet—I think the general consensus and agreement was that we would arrange meetings at short notice if that was essentially needed.

Q77 **Mr Prisk:** Can I turn to the funding questions and the conversations that you have had, or have not had, with central Government? We understand that the Government are consulting—certainly that is the view of the Mayor of London—on the replacement for the existing structural funds, namely the Shared Prosperity Fund. Have you or in, the case of the parish councils, your members been consulted on that?

Councillor Stevens: Not that I am aware of.

Q78 **Mr Prisk:** Probably the wrong tier, but I understand. What about you, Councillor Crane and Councillor Carter?

Councillor Crane: The answer from us is that we have had some consultation from the Department, but if I am honest it has probably been latterly that we have had any discussions around that. We would certainly share your concerns about that fund going forward, because clearly it has significant impact on many areas, not least rural areas, which I represent.



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Councillor Carter: Of course, there is a slightly longer fuse on the Shared Prosperity Fund and, obviously, the LGA is working with Kevin Bentley, deputy leader of Essex County Council, sharing that programme of works. Really, local government is very much looking towards the LGA to arrive at some conclusions about how the application of any shared prosperity fund could be utilised from 2021 onwards, if I have got my dates right.

Q79 **Mr Prisk:** Given that to date a lot of this has been focused on urban centres and cities, from your individual perspectives what should the priorities be for this new fund and how do you want it run? There was, certainly with the previous fund, a wish to see it devolved more locally even than its predecessor. Indeed, I was one of the Ministers involved in some of those negotiations at the time. In your view, from your respective tiers, what do you think the priorities should be? Start with Councillor Crane in the middle perhaps.

Councillor Crane: From my point of view, what it is already doing is some good work. I do think that the rural areas have been slightly forgotten in the whole Brexit debate. We have a lot of issues there—maybe not the deprivation that you see in some of the bigger urban areas, but in particular we suffer with things like broadband, which is a very simple example. If you will, broadband has not been rolled out as well as we would have liked in rural areas, and, to some extent, that stops people opening businesses and creating wealth in some of those areas. If the finance were available there, it would be the sort of thing that we would be looking to use to make all our communities much more accessible and to give people greater opportunity to start up businesses in rural areas, rather than just in urban areas.

Councillor Stevens: I would agree that communities, not just through local parish and town councils, should be awarded more control of the decisions by community proofing—and also bringing in rural proofing—so that everyone can see what is happening. That is the best way. The more we can devolve down, the better the decisions at the end of the day.

Q80 **Mr Prisk:** Some of these are quite large and complex funds, so presumably you would need to do this on a collaborative basis with neighbouring parishes or town councils?

Councillor Stevens: With neighbouring parishes or through the National Association of Local Councils and the local county association—every county will also have a county association, where they work together on projects like transparency funding—so it is possible.

Councillor Carter: I agree that infrastructure funding generally has been very much city-centric, and it has underplayed the significance of the county economies in England, which produce somewhere around 47% of the country's GVA. That is generated in the counties, not in the city regions. Therefore, if we are to make the economy of this country grow and expand, we need our fair share of any additional money through the Shared Prosperity Fund—particularly for infrastructure funding, where particularly in the south-east of England we are taking housing growth and



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the investment in infrastructure seriously lags behind. Just look at public transport and the investment in London's public transport and then the investment in counties in bus services and rural transport: it has been pretty meagre.

- Q81 **Mr Prisk:** The origins of the old European fundings were very much about redistribution towards poorer regions. Do you feel that the Shared Prosperity Fund should be a little broader, given what you were just saying, Councillor Carter, about transport infrastructure and economic development? The origins of European regional funding were very much about helping significantly poorer parts of southern Italy or wherever, and obviously it has transformed in recent years. What is your take on that?

Councillor Carter: No, I agree—and on building roads in Spain that you drive down, and you do not see a car on for about three hours as you drive down the autoroutes. I very much agree with that. But that is the whole purpose of that LGA board under Kevin Bentley's chairmanship. The challenge is, if you end up getting 50% of the money currently distributed back to England for various packages of grants, which is match-funded, could we make much better use of that money, applying it sensibly, intelligently and fairly, to help increase prosperity—the clue is in the name—across the piece? My pitch on behalf of the County Councils Network is, do not forget the significant role that counties play in the economy of this country. We need proportionate investment—and, some would argue, catch-up investment—to get us to where we need to be.

- Q82 **Mr Prisk:** Can I move to another aspect of funding, the European Investment Bank? From our briefings and other evidence it is not quite clear how relevant it is to you. Starting with Councillor Crane, how relevant is the EIB to your local authorities? If it is, how much sight have you had of what those funds could mean for your areas?

Councillor Crane: As you will appreciate, there are significant sums of money in the European Investment Bank. Selby has got it via a more regional pot, and I am sure other districts across the country will be in a similar position. We are in two LEAs, for example, and we have accessed some money via those LEAs. That money has made a difference in some of the schemes we have seen within my district and others that are close by. The European Investment Bank has helped to pay for some of that infrastructure, and clearly, when we leave on 29 March, what we need from the Government is some clear demarcation of where we are headed and what will replace those funds.

I like to think that I am a realist. We give a lot of money to the EU at the moment, and this was not on any buses a year or two ago suggesting where we might spend it, but one of the things that we need is for the Government to set out clearly that where money has come from the EU—we paid in for those moneys in the first place—they have a clear line as to where those moneys will come from going forward. If they don't, we will have significant problems across the regions, across counties and across districts where there will be shortfalls of funding for some of the things



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that the Government are very keen on us doing. We are building a lot of houses in my district and in a number of other districts. If those moneys are not available, it will not be possible. We are also looking to create jobs and so on. Again, that money is being used there. We need to have a clear fund set up so that, when we exit the EU, that money will be replaced by other Government money. At the moment, as far as I am aware, we do not have such a clear line.

Q83 Mr Prisk: Councillor Stevens, from the parish and town council level, is the EIB relevant?

Councillor Stevens: Probably not directly, in so far as parish and town councils don't normally, as far as I am aware, get involved. But it's the knock-on effect: when the districts and counties cannot get the funding, they have to get funding elsewhere, and of course they turn to the communities to find where funds can be got hold of. That is one of the advantages of parish and town councils at the moment: if their community wants something, they can precept and raise the money, provided there is a valid purpose that can be explained to Government, because everyone watches percentages all the time, although in parish land they are quite small amounts. We can raise money to do things if it's wanted. That is why it is important to work with our colleagues at all levels of local government.

Q84 Mr Prisk: From the county point of view, Councillor Carter, the EIB will have been something that you and your members have engaged with. One of the concerns is whether, post Brexit, direct access through the current arrangements stops and what that would then mean from your point of view. What is your take on that? What do you want to see the Government do?

Councillor Carter: Obviously, the European Investment Bank has preferential interest rates. I can only speak on Kent; I am not sure what the picture is across the whole of the county council network. There are two substantive loans: one to the Port of Dover of about £75 million, from memory, to expand the western docks, and the other loan is to the University of Kent, for a similar amount, £75 million, to build an innovation centre for new business start-ups. They have applied the money intelligently to two very worthy and very good projects. As far as the counties are concerned, I am not aware of the extent—I imagine it is similar and proportional across the piece.

Mr Prisk: Any other comments on the EIB funding? No? Thank you.

Q85 Bob Blackman: Turning to the money that the Government are going to make available for contingency planning, they have said they will make available £3 billion for consideration of what is going to happen as we leave the European Union. We have heard from other witnesses that they have not seen a penny piece of that funding. Can I ask each of you whether any funding has come your way for this contingency planning? From the blank looks, I assume no.

Councillor Stevens: No, it hasn't. In fact, until fairly recently, we were unaware of this funding.



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Councillor Carter: The Ministry of Housing, Communities and Local Government did not bid for any of the £3 billion. Certainly on the transport front in Kent, we are now having a serious look at what additional resource Kent Police and other parts of local government—trading standards and others—may need to make sure that we are properly resourced to meet all eventualities. That is part of the contingency planning that is going on at the moment. Whether or not that money in the DFT will come out of the £3 billion pot, and whether the DFT bid for it, I don't know the answer to that question.

Councillor Crane: My understanding is that the DCLG, as it was at the time, didn't bid for any of the £3 billion, so, clearly, we haven't seen any of the £3 billion.

- Q86 **Bob Blackman:** Clearly, there is concern. In terms of a response, there hasn't been any. Are any discussions going on with HCLG or other Departments about acquiring some of that funding? Obviously, local government needs to prepare for eventualities as we leave the European Union. Councillor Stevens, I think you mentioned that you were not aware of this, but you are now.

Councillor Stevens: Yes, we are aware of it now, but there is also all the other funding one is looking at that needs to be replaced. I think that is the concern of communities: is the money going to come down to all levels of government?

- Q87 **Bob Blackman:** Replacing funding that was going from the British Government to the European Union and coming back again is clearly a concern.

Councillor Stevens: Very much so.

- Q88 **Bob Blackman:** Equally, planning for how that happens is an important part of the process of budgeting. Are there any other comments?

Councillor Carter: At the moment, Highways England are rushing through additional works on the M20 so that they can introduce a contraflow system to keep the M20 open in both directions and use the hard shoulder as part of the Operation Stack contingency plans, which will, hopefully, allow the strategic route network across Kent to be kept open at all times. Whether that money is coming out of the £3 billion from the Treasury and going to the Department for Transport and Highways England, I wouldn't have a clue, but I suspect it might be. Clearly, the aim of James Brokenshire's involvement in chairing the new board—the liaison between local and central Government—is to deliver joined-up central Government, so if issues are of significant importance, they will get raised at the highest level, and I imagine that, whether or not the money has been bid against, it will be found, to make sure we are as prepared as possible and have thought through all the necessary and essential contingencies that may need to be put in place.

- Q89 **Liz Twist:** I would like to ask about workforce issues. How would you see employment restrictions on European Union citizens affecting rural local authorities?



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Councillor Crane: Can I start? I represent the District Councils Network, and we have a lot of very rural areas; indeed, my own area is very rural. What we have found in recent years is that a large number of people from the European Union have come in and taken up some of what are, as you will appreciate, very much the lower paid jobs. If they were to be removed from the country—I understand that is not the current Government's thinking—that would give us a significant issue.

For example, food production in Selby is a very big employer of people, and the number of people working in that industry who have come from Europe in the last four or five years is very significant. The food production would be almost halted, I think, if we lost them. This also applies in agriculture; it also applies in the visitor economy. We see a very significant number of people who have come in from across Europe—particularly from eastern Europe, as you will appreciate—and are working in those industries. If we were to lose those people, their skill and particularly their willingness to work, that would have a very big impact on rural areas in particular, I think—perhaps more so than urban areas—so obviously we are hoping that the Government is taking that into account when it is drawing up its plans for 29 March next year and beyond. It is a very significant problem that we have across the piece, and I think the majority of district councils that we represent have exactly the same issue that Selby does.

Councillor Carter: To add to that, Kent obviously has a big agrarian economy and is big into both soft fruit—strawberries, raspberries, this, that and the other—and top fruit such as apples, pears and so on. Therefore, our dependency on overseas labour for seasonal workers is really quite substantial, and I know the soft fruit and top fruit farmers are very concerned about any changes there—concerned that recruiting to those posts would be difficult. In fact, Thanet Earth in Thanet is the largest producer of vegetables, in the largest greenhouse, I think, in mainland Europe, and probably 80% to 90% of the staff there are of eastern European origin. So it is of massive concern. Everybody is hoping that the SAW scheme will be introduced almost replicating what went before. Most of the farming community believe that to be a good way forward.

The other issue, of course, is in health and social care and particularly in social care, where probably 10% of our workforce is from Europe—

Q90 **Liz Twist:** That is for councils as employers?

Councillor Carter: For domiciliary care workers and residential care workers, as well, and indeed in the health economy more broadly. We are struggling to recruit consultants into many of our hospitals in east Kent. I think we are 265 GPs short of the average of what we should have in Kent to man the primary care facilities. So we need as many skilled health and social care workers as one can get, and any restriction in that supply could be very, very difficult.

Q91 **Liz Twist:** You said you are hoping for some kind of seasonal agricultural workers scheme, looking at the food production side of things. Have you



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had any discussion with Government about what you need to resolve this problem?

Councillor Carter: No, but it did come up in our first meeting in Birmingham with James Brokenshire. A colleague from Herefordshire made exactly the same point, which needs resolving, because we need to have certainty on this. I think the number of eastern European workers working in the fields has dropped by about 20% in the last 18 months to two years.

Q92 **Liz Twist:** So people are already moving on?

Councillor Carter: Well, there may be many reasons why—I'm not sure—but Brexit is necessarily part of that. Also, the average earnings in eastern Europe now are greater than they were two or three years ago. You have the currency fluctuations etc., which have made it more marginal to come to the UK for work.

Councillor Stevens: I think the rural communities are concerned. When we talk about rural communities, people automatically just think of farmers, but it is the farms and it is the knock-on effects on all the other agriculture-linked industries in that area. That is why we very much want to be involved in the decisions that are being made, with rural-proofing, so that, as I said before, everyone can see what is happening and make decisions based on the facts of the matter. It is a concern, though, and there is a lack of discussion coming down from above.

Q93 **Liz Twist:** We are approaching March 2019 very rapidly, so is this becoming an increasing concern for you?

Councillor Crane: Not necessarily increasing, other than that we are getting nearer to 29 March 2019. It's something that I think has been on our minds for a number of months now, and we've not heard anything to give us absolute assurance that things will be okay. As Councillor Carter says, we've seen a decrease in the number of people from eastern Europe in our area, and I'm sure those factors—slightly increased wages in eastern Europe, the reduced amount of pounds versus euros and so on—have had an impact on that, but also some people have perhaps left, not being certain what will happen following 29 March next year. So I think that all those things rounded up together have seen us lose some people back to eastern Europe, although we still retain a number of eastern European people who continue to pick fruit or vegetables from the field and, as I say, to work in the food business in the district.

Q94 **Liz Twist:** Thinking about post Brexit, some of the areas you have identified have skilled workers—particularly the social care and health care sector. How do you think, post Brexit, the skills gap could be addressed, looking to the future?

Councillor Carter: I am a great supporter of devolution of skills to significant areas of this country, where we can match the demands of both the public sector economy and the private sector economy more intelligently than you can do from Whitehall or Westminster, in making sure that funding—in particular, post-16 funding—is used in partnership



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with the business community to make sure that we have the right courses available in the right place to deliver the workforce that they need, and I mean both the public sector economy and the private sector economy. A one-size-fits-all skills funding regime doesn't necessarily hit the spot.

So, looking to the future, I would love to see, through LEPs or whatever, and with a bit of partnership between the business community and local government, that we make sure we have a fit-for-purpose skills agenda that, as I say, is relevant to the demand side, and hopefully more in line with the ambitions of young people.

Councillor Crane: Where I come from in Selby we have a college that has tailored courses towards things that we particularly need in the district. We had a shortage of bricklayers, so a couple of years ago it started a bricklaying course that was well attended. A number of people have passed through that course successfully and have found gainful employment—sometimes very gainful employment, to be honest with you. One of the strengths of that college has been that it has looked for areas in which skills are needed locally and regionally and has found courses tailored to that. I completely agree with Councillor Carter's point: the devolution of those budgets can only be a good thing, if we have colleges, universities etc. offering the right courses for our young people, to give them the skills to fill the gaps that we have heard about here today.

Councillor Stevens: I agree. NALC has produced a paper on ultra-localism, which we believe is the way to rebuild communities and local services. That is something that communities are going to have to sit down and work out, I think, within their own areas, with a labour shortage, if that comes about, or a skills shortage. I don't think a lot of this can be done from above; it has to be done from below and come up.

Q95 **Liz Twist:** It sounds like you are all in favour of devolving more control over the skills agenda to the local area.

Councillor Crane: Absolutely. I think Councillor Carter might have said this: one size does not fit all. What may work in Selby may not work in Kent, but we should each have the opportunity to say what does work in our locality.

Q96 **Liz Twist:** It sounds to me like that might take some time though—first, getting the devolution of those powers and, secondly, arranging the training. Do you think there is anything that can be done in the meantime to assist with filling those gaps?

Councillor Crane: The example I gave is one I would suggest a lot of other colleges and universities use, where they see a particular gap in the market and look to bring courses forward that will help our young people—not even just young people, but middle-aged people as well—to fill that gap. If it is possible for Selby College to do it, I am sure it is possible for other colleges, but, going forward, there needs to be better devolution of skills to the regions so that we can identify what skills are needed—in Yorkshire for me; in Kent for Councillor Carter—and find the courses and the people to do that in order to give our people gainful employment. I



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absolutely agree with you that it is a process, but it is a process we should be working on now, not in two or three years' time.

Councillor Carter: My answer would be that you have to manage immigration policy sensibly from around the world, to make sure that, hopefully with a growing economy, we allow the right people in to man the pumps and fill the right jobs—not just necessarily the high-level jobs, but a whole suite of jobs—otherwise the country will be in a big pickle. Therefore, how we go about that needs to be controlled sensibly and sensitively. You have full employment in this country at the moment, and if you have massive demands in social care, for example, and you cannot fairly seamlessly and quickly get the right visa applications passed and approved to deliver the necessary services, we are going to be in trouble. But I would use the words “controlled intelligently”.

- Q97 **Chair:** The devolution of skills is something that this Committee has recommended on a number of occasions. To go back to the possibility that there won't be as many workers from eastern Europe coming in after Brexit, one thing you haven't mentioned is why employers don't just start increasing pay to attract more people locally. I have a classic case in my constituency of a 2 Sisters food factory, Pennine Foods—coming back to the food-processing point—where, over recent years, the availability of agency-employed eastern European workers on temporary contracts has driven down the pay and conditions of long-term permanent employees, which is not fair. A reverse of that process might help get more local labour in. I don't know whether you have had the same experience, Councillor Crane, in your area.

Councillor Crane: We have had a degree of it, but maybe not as much as you have seen there. The other thing I would say is that, following the introduction of the minimum wage, some of that issue has been dealt with. We have seen an increase in the minimum wage. I am sure if you had some of the employers of Selby district in front of you, they would say that they are competing in certainly a national, if not a global, market and that the more they pay people, of course, the less competitive they would be. It would be the same, I guess, with fruit picking. We grow lots of carrots in Selby district, and it would be the same in picking carrots as well. There is a price above which they cannot get, and therefore they need to keep their costs down as far as they can, within reason.

Councillor Carter: And viability and affordability is a big issue. I would love to see domiciliary care workers and those working in residential care homes getting paid a lot more; but the Treasury says it hasn't got any money, and therefore we are teetering on the edge of market failure. The same principles would apply to business. In terms of some of the polytunnels, which mean you can pick strawberries in this country from about the end of February all the way to November, if you had to pay more for that unit cost, you would probably find that farmers would stop producing strawberries. Whether the world would be a better or worse-off place, I am not commenting on; but those are the economies, and the viability issue is a big one. Some businesses could afford to do exactly what you are describing, rather than have a fight to the lowest level; but,



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as you say, the living wage that is now paid by most employers has had a plus-inflationary increase to it.

Q98 **Chair:** On social care, we just recently, as a Joint Committee, produced a report recognising precisely those problems and saying that, in order to pay the workforce a proper wage, we need to raise more money. We suggested how that might be done as well.

Q99 **Helen Hayes:** I would like to ask about EU legislation and which pieces of EU legislation you are most concerned about, either because you are concerned that they might be eroded as a consequence of Brexit or because you believe that they should be amended or repealed as soon as possible.

Councillor Crane: Can I kick off with procurement? It is a real problem for councils. It is particularly a problem for district councils. We are between a bit of a rock and a hard place as to when we have to go out to tender. It takes us a long time to go out to tender, a long time for people to tender. There are only certain people allowed to tender. In my view it makes the tenders more expensive. One thing I would love to see the Government do is, when we exit the EU, change the rules around procurement and allow councils to be more flexible. One of the things I would love to do at times is employ local people to do work on behalf of the council; but I can't. Because of procurement legislation I have to go out and invite people from all over Europe to tender—and sometimes those tenders come in from further afield—and local people are put off by the rules. Frankly, I would love to see a relaxation there.

Councillor Carter: Procurement would be high on my list as well. The '02 arrangements and everything that goes with them do delay and make it lengthy and complex, and occasionally lead to some substantive challenges by mainland Europe-based organisations, for no other reason than being disruptive, in some cases.

Councillor Stevens: I think NALC shares the LGA comments wholeheartedly on this. As you say, local procurement would certainly be very popular in a lot of rural areas where you are not "allowed" to use local people to do local jobs because you have to follow rules and regulations.

Chair: Can I just welcome Councillor Stewart to the Committee?

Councillor Stewart: Apologies, Chair. In the north-west we are used to being messed around by Northern Rail. This time it was Virgin Trains.

Chair: We are just on the question about the top priorities for amending or repealing EU legislation, and the witnesses have just been talking about procurement laws.

Q100 **Helen Hayes:** I would just like to follow up on that by asking whether there are any areas in which you believe local government needs additional resources in order to cope with anticipated changes in



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legislation after Brexit.

Councillor Stewart: Right, I will pop in. Apologies for picking up late. I clearly heard you talking about procurement and, from that, state aid. Am I reasonably to assume that you have already talked about consumer protection and environmental protection?

Chair: No, we haven't yet.

Councillor Stewart: Where we need extra resources is probably in the environmental protection area. There is a lot going on, certainly in upper-tier authorities—I am looking to Paul for confirmation—and if more comes back, it will clearly require extra resources. I am sure we all want to be top of class, rather than have a drive to the bottom. If that is the case—I hope it is—local government will need greater resources to service that extra burden.

Q101 **Helen Hayes:** Does anyone else want to chip in on that?

Councillor Carter: I am frustrated—I am sure there are 101 good reasons, but I can't give you one.

Helen Hayes: Do drop us a note if anything springs to mind later.

Q102 **Bob Blackman:** I want to move on to the devolution of areas of responsibility. Councillor Stewart, before you arrived we had a question about the importance of devolving skills. That is now taken as read from the panel. What further powers would you like to see devolved to local government as we leave the European Union? This is a good opportunity to bid for them now.

Councillor Stewart: First and foremost, with the devolution agenda, which appears to have stalled, there is a degree of inconsistency. There are deals that have been made available to metropolitan areas. I am sure I am not alone on this table in having been delighted to see the requirement for a mayoral combined authority taken off the table—or should I say taken out of the manifesto? The first step has got to be consistency. I again make reference to Paul, because he is the chair of the County Councils Network; I am on the executive, as well as being here to represent the Cumbrian perspective. Balancing up the levelling of the playing field has got to be the first step before we start to think about what else comes from Europe. Otherwise, the step will be too great.

Q103 **Bob Blackman:** We are not all fans of metro mayors on this Committee. Are you therefore looking at devolving to counties or other institutions powers that have currently been devolved to metro mayors and such like?

Councillor Stewart: The phrase is, "That would be a start".

Bob Blackman: Thank you.

Councillor Crane: I will build on that, if I may, and say that I am also not a fan of metro mayors. We would like some of the powers they have. The other one I would give you immediately is that transport funding could be



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better devolved, at least to the regions. At the moment, there is a feeling in the region I represent that things are done to us, rather than with us. It would be good if some of those decisions were given to local people. I am sure there are a number of other pieces of legislation that the Government could introduce to give the regions more power that is currently in Westminster or Brussels. That is just a starting point, but transport would be my big plea.

Councillor Crane: I am not sure whether this is just Brexit related, or whether it is a general question.

Q104 **Bob Blackman:** It can be general. There are opportunities for further devolution.

Councillor Crane: I genuinely believe that local government should be better empowered—I am not talking about a takeover here—in health and social care integration and good primary care and community health. I deliberately leave out the acute hospital trusts. I believe that we could add enormous value if NHS colleagues were more open and transparent, and allowed us in to transfer some of the skillsets we have learned in the past eight, nine or 10 years—better commissioning, better procurement and better outcomes for our residents, which apply particularly to the delivery of preventive community health services—to primary care, social care and public health, as well as the use and utilisation of the best of the third sector and the voluntary sector. At the moment, there is enormous resistance from some parts of the health economy to open-book accounting and working together to make the best use of the national health service pound alongside the local government social care pound. I would love to see not just soft power but a little more influence in bringing people together to sit around the table. A duty to co-operate whatever for both parties would be a good start.

Q105 **Bob Blackman:** Yes. On a previous inquiry, a previous iteration of the Committee visited parts of your area in relation to the—

Councillor Carter: The opportunities are enormous.

Q106 **Bob Blackman:** Councillor Stevens, your organisation has referred to “ultra localism”. What is the benefit of that to the local community?

Councillor Stevens: It is that the local community is involved in the decisions that are made about what happens in their community, and they will help raise the funds. I do not want to go into issues like planning, but that is something that has to be looked at with our colleagues in the counties. Planning, licensing and other things like that could be looked at—and more so with housing. Yes, we do have neighbourhood plans, which are growing, but they could change at any time. I think people are keen to get things done in their own areas and are willing to come forward to do things, but that means all parties—not just the Government—and us working closer with the other two tiers of local government to get these things done.

Q107 **Chair:** What I have not seen from local government collectively is a list of



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all the things currently sitting with the EU that will be devolved to Westminster—Whitehall—by default that you, the local government family, think should then be devolved to local government. Greg Clark made it very clear at the beginning of this process, when he was Secretary of State, that that was what he wanted to see. Doesn't local government have to be knocking on the door and saying, "This is what we want to see after that process"?

Councillor Carter: Is this your starter for 10, Chair?

Chair: I am just asking: what does local government want? I have not seen a list from local government saying, "This is what we want to see devolved." I have not seen a list of things that are currently with the EU and will come to Westminster—Whitehall—that you want to see travel down the chain.

Councillor Carter: Good challenge.

Councillor Stewart: Waste. Trading standards. Pop those in for starters.

Q108 **Chair:** It would be helpful if you took that back to county councils, district councils and the LGA and had a think about it.

Councillor Carter: Yes. A lot of those things are already being delivered by local government. It is about how they could be—

Q109 **Chair:** Yes. Well, there may be parts of services as opposed to just additions to powers. It might be useful if you had a think about that.

Councillor Stewart: The big opportunity here is the UK Shared Prosperity Fund and how that is devolved, compared with how ERDF and ESIF funds have been managed by the managing authority. I trust that you are aware of the differences in the way those funds have been processed and adopted by CLG and DWP. DEFRA is on a completely different page. At least CLG and DWP have got together, with a joint programme management board, but even there they use different rates of exchange for the euro to the pound—absolute madness. There is an opportunity to overcome that with the UK Shared Prosperity Fund. An even bigger opportunity is for there to be greater engagement—I hate to say this—with the LEPs. That is the vehicle of choice, but the role of local authorities within the LEPs needs to be even stronger.

Q110 **Chair:** That is something the Committee has expressed in the past. Indeed, we have called for local government scrutiny to be extended to the LEPs as well. That is something we are still waiting for a Government response on.

Councillor Stewart: They are getting better, but—

Councillor Carter: When you look at the projects that are funded by ERDF money and various different packages, many of them were pretty obscure projects in the first place, and then you have to match-fund them. As I said before, if we ended up with half the money that is currently passported through grants from Europe back into the sphere of local



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government and divided it by two, we could make better use of it than some of the obscure and rather perverse projects that that funding has funded over the last 20 years.

Q111 Chair: I think we have got the message. It is not so much about the Shared Prosperity Fund but a shared understanding about how it should work. The Government have said that the Committee of the Regions will not be replaced on a similar basis, but there will be a body of some kind to enable local government to comment on and influence domestic legislation. Has that got anywhere in terms of being developed, or is it still an idea in the Minister's mind?

Councillor Carter: My knowledge is pretty limited, but the colleagues I know who have been on the Committee of Regions thoroughly enjoyed it. What they actually achieved through it I have no idea whatever.

Councillor Crane: I am not aware that the Government have taken that forward in any significant way.

Councillor Stevens: No.

Q112 Chair: Would you be concerned if the replacement was, as the Government suggest, not a statutory body, but simply would be there on a non-statutory basis? Is that of concern to you?

Councillor Carter: I honestly do not know enough about it—what they have achieved and what they get up to—to really comment on it.

Q113 Chair: You haven't enjoyed the hospitality then?

Councillor Carter: I have not.

Councillor Stewart: I have a note from one of the people who briefed me. If I can, I will be very happy to forward it to the Committee. I could tell you about the workforce problems in Cumbria, particularly with the tourism business and health and social care. I can send through a written response.

Q114 Chair: That is whether there is any restriction on the ability of EU workers to come to the area, is it?

Councillor Stewart: And the tourism implications for the Lake District.

Chair: I think that would be helpful if the Committee were to have that. Thank you all very much for coming this afternoon and giving evidence to us. The intention of the Committee is to have another session when we come back in the autumn and to pull those strands together in the report. If you have any other issues that you think are important to the Committee in this area that you want to brief us on, either immediately or over the next few months as things change, please do so. If you come back on the issue of the subjects that you would like to be devolved, that would be particularly helpful to the Committee.