



Greater Manchester  
All-Party  
Parliamentary Group



for London

## Further Devolution to Cities

*Joint meeting between Greater Manchester APPG and APPG for London*

16:00-17:00, Monday 20<sup>th</sup> November 2017

Macmillan Room, Portcullis House

### Non-Verbatim Minutes

#### ATTENDED BY:

Officers: **Lord Goddard of Stockport, Chris Green MP, Jim McMahon MP, Lucy Powell MP, Jonathan Reynolds MP, Catherine West MP**

Members: **Kate Green MP, Tony Lloyd MP, Jeff Smith MP, Lord Stunell**

Speakers: **Eamonn Boylan** (Chief Executive, GMCA), **Lord Jim O'Neill of Gatley** (House of Lords), **Cllr Claire Kober** (Council Leader, Haringey LBC), **Tony Travers** (LSE)

Other attendees: **David Arnold** (Unison), **Andrew Carter** (Centre for Cities), **Michael Chick** (Alzheimer's Society), **John Croxen** (CPRE London), **Joseph Dancey** (Endeavour Advisory), **Alan Ferns** (University of Manchester), **Patsy Hodson** (GMCVO), **Bruce Holborn** (British Legion), **Matthew Jaffa** (FSB), **David Lutton** (London First), **Charlotte Morris** (University of Salford), **Henri Murison** (Northern Powerhouse Partnership), **Simon Nokes** (GMCA), **Jason Prince** (TfGM), **Claire Rick** (Assura), **Alastair Smyth** (J. Murphy & Sons.), **James Stevens** (HBF), **Lee Sugden** (Salix Homes), **Katie Teasdale** (NHF), **Silkie Whitworth** (TUC), **Alastair Willis** (WYG Group), **Rebecca Young** (NCVO) and representatives from LCCI, GLA, Centre for London, City of London Corporation, LGA.

Apologies: **Afzal Khan MP, Bob Neill MP, Lisa Nandy MP**

In Attendance for the Secretariat: **Ross Cathcart** (DevoConnect), **Oliver Hatch** (APPG for London), **Gill Morris** (DevoConnect), **Sam Popper** (DevoConnect), **James Odling-Smee** (APPG for London)

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## 1. Welcome and introductions

**Lucy Powell MP**, Chair of the Greater Manchester APPG, welcomed those in attendance and introduced the panel: **Lord Jim O'Neill of Gatley**, **Cllr Claire Kober**, **Tony Travers** and **Eamonn Boylan**.

## 2. What Next for Devolution?

**Lord Jim O'Neill of Gatley**. *Former Treasury Minister and Northern Powerhouse Partnership board member*

- Began by saying that, as an outside voice, his perspective on the topic shouldn't be any more than advisory. In keeping with the spirit of devolution, the question of "what's next" must be answered by regional and local leaders.
- Lord O'Neill identified six pillars that will define the future of devolution across England:
  - Health – where Greater Manchester took on health devolution, many other regions have been scared to do so. If Greater Manchester model succeeds, it will instructive to other areas considering health devolution.
  - Transforming Cities Fund – will be key to Mayors realising transport priorities.
  - Transport for the North – local and parliamentary politicians need to argue for an empowered, strengthened TfN so it can deliver on what is needed to help the North.
  - Skills Devolution – Government needs to deliver on 2014 skills devolution promise and offer greater detail on what regions can do with the budget. At present, awareness among some councils and city-regions is low.
  - Very closely related to skills is Education. It is widely believed that the performance of the North is well below that of London and the South East. While on average this is true, there are lots of differences in the details. At primary education, the average performance is the same for example, and interestingly, it is in secondary schools, where the average performance of the North deteriorates absolutely, and relatively. And it is not across the board, it is- not surprisingly- in the most disadvantaged areas. The Northern Powerhouse Partnership is publishing a very important paper about what is needed in both education and skills in January 2018, which will include some policy options to change the underperformance.
  - Northern Metro Mayors – if they work together, opportunity for the three Northern Mayors to become a very strong lobbying voice for the North.

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**Tony Travers, Director of LSE London**

- Noted how London and Greater Manchester have pursued two different but wholly complimentary models of devolution; London built upon the reforms of 1986 and 2000 whereas Greater Manchester responded to the lack of regional devolution. Useful dialogue is created when ideas and experiences of devolution are shared.
- Brexit offers the opportunity for an intelligent, place-based industrial strategy; the impact of the departure from the EU and the series of trade-deals that replace it will vary greatly across the UK. No-one voted to leave to see greater powers go to Westminster. Localised Industrial Strategies provide an answer to this.
- Mayors need more power and freedom to make the case for local, place-based planning and housing policy
- Process of devolution is ongoing but it is episodic and lacking in clarity e.g. business rates devolution promised generally but not seemingly only restricted to existing pilots.
- Terms of the situation are clear – even if spluttering, English devolution remains essential. UK most centralised democracy, certainly in Western Europe; 95% gathered centrally (other 5% is capped) – fiscal devolution is the necessary next step.
- With Brexit presenting a massively increasing Whitehall's workload, the case needs to be made that devolution will benefit Westminster as much as anywhere else.

**Councillor Claire Kober, Leader, Haringey LBC; Chair, London Councils**

- Politicians and local leaders of all stripes need to spend more time on what unites London and Greater Manchester rather than divides us.
- Growth is not a zero-sum game – devolution has to deliver for all sections of society.
- Case for devolution is clear; Brexit can't mean politics as normal.
- While Greater Manchester and London are on the right side of the argument, they need to make a better case for it by involving and empowering core cities, key cities and towns.
- New business rate pilot in London due to happen next year; shows that the door on fiscal devolution is not closed.
- Need to make the case for further H&SC devolution, building on the new Memorandum of Understanding; demonstrating success and ability of GLA and LBCs through incremental gains.

**Eamonn Boylan, Chief Executive, Greater Manchester Combined Authority**

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- The current iteration of devolution is essential: previous sub-optimal previously demonstrate this.
- Devolution is not about more money but about better application of money. Quoted Richard Leese: ‘the best way to create postcode lottery is by doing the same things in different place’.
- Currently, Greater Manchester is a net importer - £6bn a year because of poorer economic performance post-recession. Aim of devolution is to rebalance this.
- Government needs to have a serious conversation on fiscal devolution; up to now, it has been disparate deals.
- Current challenge isn’t expanding on existing powers, it’s ensuring government devolves areas they agreed to in 2014. One of the limitations of the deal-based system.
- Place needs to be the way programmes of intervention are facilitated.

### 3. Q&A

During the following discussion, a number of questions and comments were made, they included the following subjects:

- Whether a ‘culture of devolution’ does exist in Westminster (**Tony Lloyd MP, Johnathan Reynolds MP**)
- Whether the North can achieve fiscal devolution – the current iteration of devolution has failed to address the relationship between treasury and locality (**Jim McMahon MP, Shadow Minister for Local Government and Devolution**)
- Whether the Greater Manchester Combined Authority was seeking to control public health spending at a GM rather than local level (**Chris Green MP**)
- Difficulty in devising system of fiscal devolution without significant transfer of infrastructure. One-third of business rates are gathered in London – need for city-regions to take responsibility for sharing in process of raising these taxes (**Lord Stunell**)
- Concern about taking control of social security in Greater Manchester and the transfer of infrastructure that this will entail. Lack of local accountability, Greater Manchester lacks an assembly-model as in London (**Kate Green MP**)
- The extent to which the voluntary sector has been involved in devolution (**Rebecca Young, NCVO**)
- What are the opportunities for Health and Social Care integration (**Michael Chick, Alzheimer’s Society**)
- Whether, following Grenfell, more devolution on housing and planning is necessary (**London University Housing Campaign**)

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The panellists responded to the above questions and comments as follows:

### **Tony Travers**

- When discussing fiscal devolution, important to note the extent to which the UK trails the rest of the EU in this area. Will in Westminster is essential to bring the agenda forward, city-region MPs need to have a role in this. Difficulty is that devolution is voting to break to break-up Whitehall establishment and recreate it in city-regions.
- Successive governments have struggled to produce rational policy on social care integration for decades. The only thing stopping the government nationalising social care is the enormous cost. Devolution provides a new solution but it needs to be radical.

### **Eamonn Boylan**

- There is a need for more open conversation between combined authority and parliament.
- GMCA has made clear from the earliest discussions that it does not want to pull powers from local authorities. Responsibility for health and social care devolution must be joint between combined authority and the Secretary of State for Health.
- While London's model of devolution has an elected assembly, GMCA were keen not to create new layers of government in Greater Manchester.
- GMCA has never asked for control of the regional DWP budget or control of social security funding – ask has always been to co-design DWP programmes in the city-region.

### **Councillor Claire Kober**

- Brexit is the real threat to city-regions. London property market is slowing (not a good sign of general health) and questions remain around the supply of skills.
- Need to make the case for greater inclusive growth – charity and civic sectors essential to this. There is a need for a common, open approach with VCS.
- Desire in London to see a greater sweep of property taxes – key to driving growth.

### **Lord Jim O'Neill of Gatley**

- In the last 18-24 months, Greater Manchester's and the North West's economies have been out-performing the national average.

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- Greater Manchester devolution is in its early days having only accelerated in the last three years; time is needed to build the correct relationships and infrastructure.
- Local authorities need to know why they are pursuing devolution – of the 44 applications that were made in the previous government, half failed because the local authorities involved didn't have a clear sense of how devolution would benefit their region.
- Voluntary and civic organisations essential to devolution discussion.
- The different devolutions for city-regions were unique and shaped by the different conversations they had with Westminster. Cambridgeshire and Peterborough's deal had a focus on social housing provision. Greater powers over housing are needed but Combined Authorities need to make this a priority ask.
- What's next for devolution? City-regions, London included, need to look to Greater Manchester for dynamism and innovation especially in regard to Health and Social Care Devolution

#### 4. Conclusion and thanks

**Lucy Powell MP**, Chair of the Greater Manchester APPG, concluded the meeting and thanked the speakers. She noted that MPs and others in London and Greater Manchester would explore how they could collaborate to seek further devolution to cities, including fiscal devolution. She also thanked DevoConnect and the APPG for London for arranging the meeting.

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