

**Devolution Working Group – 12 February 2015****Transcript of Agenda Item 3 – Devolution and Public Service Reform**

**Darren Johnson AM (Chair):** Item 3, our main item of business, Devolution and Public Service Reform.

Firstly, can we note the report and then can we welcome Sir Richard Leese, Chair of the Core Cities Group and Leader of Manchester City Council, and Harvey McGrath, Deputy Chair of the London Enterprise Panel.

Firstly, to kick off then, with the Greater Manchester Agreement. We are familiar with some of the powers that are being put forward; others we are less familiar with in this building. Can you just set out what the Government is proposing to devolve to you?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** There are really two sets of things within the devolution proposals. There are a fair number: transport, police, spatial planning and housing that mirror the powers that London already has at Greater London level; indeed, around transport the agreement talks quite specifically about powers similar to Transport for London (TfL) in that respect. Those are the powers that are largely around growth and economic development.

The other sets of powers we are talking about, which are a mixture of devolved powers and co-commissioning powers, are more aligned to what I would describe as the public service reform agenda. The element within that is that we have been invited to submit a business plan for the merging of health and social care and for running of that at a Greater Manchester level. We have agreed that from the end of the current work programme we will be a co-commissioner with the Department of Work and Pensions (DWP), of the work programme, or whatever succeeds it. Although within that I think we are currently the only local area that does commission any of the work programme at all. We commission a programme called Working Well. It operates under similar rules to a work programme, but it is aimed entirely that people who have already had two years of a work programme and are still no nearer to being in work than they were to start with. It is using troubled family type approaches to addressing important issues. That is currently a programme for 5,000 people. Again, part of the agreement is that we will increase that programme up to 50,000 people. That is people on the Employment and Support Allowance.

**Darren Johnson AM (Chair):** How much of this is actually new powers and new money and how much is it actually simply local authorities pooling resources and co-ordinating more?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Virtually none of it is new money. It is more us having control over the money rather than central Government having control over the money. Working Well is a good example of that. The funding pattern is different to other elements of the work programme, but it is essentially the work programme, the difference being it is commissioned by Greater Manchester Combined Authority, rather than being commissioned centrally by the DWP. The money is not new for that.

Similarly on the other areas, and actually one that goes into the growth column is business support where we will be able to commission all of what is currently business support, via our business growth, which already

exist. The apparatus already exist. We will take responsibility for apprenticeship grants. The phrasing of the agreement is that we will be able to redesign our further education system, which is both post-19 skills, but also non-school and sixth form and 16 to 19 skills as well. For us we thought it was a real breakthrough because that is the first time really the Department for Education has got seriously involved in this debate and discussion at all.

I said I was going to come and talk about the intervention. Another part of our agreement is around redesigning early years' model, and again a breakthrough there where the Department for Education and Education Ministers have previously resisted schools - and particularly the use of direct school grant being involved for preschool children. We are able to look at that as part of defining a new approach for early years as well. Those things are the things that are different.

**Darren Johnson AM (Chair):** Yes. The GLA was set up in 2000 and we have been pushing the devolution agenda for London for 15 years now. People may know where you have done extremely well to come along and get these new functions in addition to ours that we already have at City Hall. Are there any strings attached?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Yes, of course there are. Financial strings are risks. Included in an element of this, for example, around the Working Well programme there is a transfer of risk around that, which you have to accept. If you want the power you have to take the risk as well.

Clearly the element of fiscal devolution, which is principally around the 'earn back' scheme is very limited indeed. There is still a way to go on putting the money together with the spending of the money. We will have to deliver outcomes. If we are operating an apprenticeship programme then we will have to deliver the outcomes in terms of numbers of apprentices. What it gives us is the ability to do is support those apprentices into different job areas that better match the needs of our local economy. That is the real benefit for us, is that ability to change programmes so they meet local need.

**Darren Johnson AM (Chair):** Thank you.

**Caroline Pidgeon MBE AM:** As Darren said, you have obviously been very successful to get these additional powers coming your way. I read an article today where you are quoted as saying, "There is no point going to Department for Communities and Local Government (DCLG) about those things, you have to go to the Treasury" which would reflect why George Osborne [Chancellor of the Exchequer] was so personally associated with this. What arguments did you use? How were you able to secure these additional powers?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Just on the importance of Treasury and under the previous Government where you got very close to an agreement with a Cabinet Committee that was chaired by Liam Byrne [MP] as Chief Secretary of the Treasury. Again, you have talked about going back to 2000, we have been pushing the same arguments for a similar period of time. With the previous Government, again, we were only able to make significant progress in terms of devolutionary arguments when both the Chancellor and the Chief Secretary were actively engaged. I think that has been the same with the current Government. It is a fact that Danny Alexander MP [Chief Secretary to the Treasury] and, more recently, the Chancellor have got actively engaged in this process is what has been able to make the difference.

I think why we have been able to do that is by providing a very robust evidence base. There are a number of strands to that and there were two big pieces of work. One was the Manchester Independent Economic Review, which was published in 2009. That is a fairly comprehensive, independent, warts-and-all look at the Greater Manchester economy and what we needed to do in order to be able to improve economic performance to create more jobs short-, medium- and long-term. Interestingly, having asked a bunch of eminent economists to tell us about what we needed to do, their number one recommendation was to invest in early years. It surprised us slightly but actually made us start thinking about the connection between social policy and economic policy.

The second really substantial piece of work was done under the Whole Place Community Budget pilot and Greater Manchester, of the four pilot areas, was the only one that really had similar boundaries to its functional economic area. That led us to look into play space budgeting, public service reform and, particularly, again building other linkages between social policy and economic policy, where the principle linkages were worklessness. If you look at child poverty it is far greater in workers' families than it is in working families, so we started building those linkages there.

I think it is largely the evidence base and also around those demonstrating a capacity to deliver. Part of that capacity to deliver is through, what was the Manchester family of companies and it is now the Manchester growth companies, a range of agencies that we have in place that are able to practically deliver on the agenda we are putting forward. In particular we were able to demonstrate to the Chancellor of the Exchequer innovation, evidence and capacity to deliver.

**Caroline Pidgeon MBE AM:** That was very helpful. One of the key areas that is from Government is around skills budget and also looking at the further education (FE) structure and the interesting stuff you said about the 16 - 19 and 19-plus. How is that all going to work in practice, do you think?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** That is a really good question. We are in the early stages. The agreement is that we reshape further education by 2017. There is not an expectation that that is going to happen overnight, because it is an enormous task. The total spend we are talking about, in just those elements of skills funding for Greater Manchester, is about £300 million a year. The total income, clearly, of the further education sector is significantly greater than that because it will include other work they do, including of course the work programme itself. There is something like over 1,000 providers of skills training in Greater Manchester, so it is a very, very complex position. I suspect in London it will be even significantly greater than that even.

We have a major piece of work to do, first of all in mapping the entirety of the current provision, of doing the labour market and skills analysis, updating that that we will underpin the shape of further education going forward. Then on the basis of that designing what we think further education needs to look like to be able to deliver against that model. The agreement was signed in November 2014. That is a major piece of work and it will take some time.

**Caroline Pidgeon MBE AM:** Thank you.

**Andrew Boff AM:** Part of that survey, the Manchester Independent Economic Review, was to identify some areas of concern for Manchester, and that was the high levels of economic inactivity and high levels of welfare dependency. Do you think that the agreement you have reached with the Government will help you tackle that, and how?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** I think it will help us tackle that, yes. Clearly in order to be able to tackle that we do need to be able to maintain economic growth. We do need to be able to create more jobs, which we are doing at the moment – and we are doing at a reasonable rate. The big issue then is how we connect a very large subset of the population, on relatively low skills, quite often with severe health problems, to the jobs we are creating.

As we have developed our thinking about the public service reform side of this, it is really focussed down on to two areas of activity. One is the integration of health and social care. Part of that for health is health recognising that work is a health outcome and it should be part of what they need to be delivering. The other is something that we now give the very exciting title of ‘Complex Dependency’ into employment. That really is about being able to put together skills, work programme, health, criminal justice system, in a wraparound way around those families that are in need of support or intervention, in a similar way that we have done successfully with troubled families, to be able to move those families along the route into employment.

What I think we are clear about, is that it is only by that integration of public services that we are going to be able to successfully do that. Although the delivery of that will be at a neighbourhood level, it will not be done at Greater Manchester level, the commissioning of that has to be at the same level as the commissioning of the economic programmes.

**Andrew Boff AM:** You have almost anticipated my next question, which you have alluded to quite helpfully, about the integration of health and social care. To what extent is agglomerating that amongst all the authorities of the Greater Manchester area, how does that help over and above integrating it a local authority level?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** If you only integrate at a local authority level, the one thing that you cannot tackle effectively is the role of the acute sector within the overall health and social care framework. Certainly in Greater Manchester none of our hospitals operate purely on local authority boundaries. The further you move up the chain of tertiary care the less that they do that. Outside some of the more obscure and rare elements of tertiary care we can probably commission something like 99% of health within the Greater Manchester boundary, but not within local authority boundaries.

**Andrew Boff AM:** Thank you very much.

**Len Duvall AM:** Could you just tell us a bit about your thinking on fiscal devolution? In terms of the stance now, is there still an ambition for you to pursue that, or are you not? We are not quite sure from the records whether that is still an ambition for yourself in terms of taking control of some of that revenue spend.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** No. Fiscal devolution is still an ambition. The Core Cities Group is still supporting the Greater London Authority (GLA) and London Councils in the campaign for fiscal devolution on the basis of the London Finance Commission Report. I would accept the conclusions of the Community and Local Government (CLG) Select Committee and their report on fiscal devolution last year, where they argued that, first of all, fiscal devolution was right. What they cited was that the economy of London is bigger than that of Scotland, Wales and Northern Ireland put together. The idea that London should have less control over its financial affairs becomes increasingly untenable. A slightly different comparison, but the economy of Greater Manchester is bigger than that of Wales. Again it is equally untenable that we should have less control. Therefore we continue to pursue that.

I would recognise that fiscal devolution, by and large, is quite difficult to do because of, again, for some of the reasons that the CLG Select Committee identified, particularly issues of proportionality and equalisation. If we really want to get it right, we are asking to redesign the national tax system but I think we ought to do that, but just recognise it is probably going to take ten years to work through that. In the short term we still continue to campaign for full localisation of business rates and other property taxes along the lines of the London Finance Commission.

That also goes with another aspect of devolution. There always has to be a balance between local and national. Some elements of devolution will always be that a devolved system is a better way and a more efficient and effective way of determining nationally determined outcomes. We accept that entirely but there are other things that should be purely within the local domain.

Our local transport infrastructure, the building of Metrolink extensions, which is 60% funded locally anyway, the idea that we should have to go to central Government to ask for permission and money to do that is wrong. Equally, something else, how many libraries we have. I know libraries are very, very sensitive, but it should not be a matter for national Government to tell us. There are some things that ought to be genuinely local. There is a lot of work to develop a balance between those. Ultimately you cannot have devolution as it is at the moment, largely with the exception of London because there is a statutory basis to it, and there will be for a lot of Greater Manchester's devolution as well.

You cannot have devolution and the whim of a minister because if devolution is at the whim of the minister it can be taken away at the whim of a minister as well. I think physical devolution is part of a requirement for a new constitutional settlement. We have a real opportunity coming out of the fact that there has to be a new Scottish constitutional settlement to work through, well what does that mean for the rest of the United Kingdom?

**Len Duvall AM:** Thank you. If we can just turn now to the checks and balances. The Government stated that the new Mayor and Cabinet will be able to account by the Greater Manchester Scrutiny Pool, which you have established and has been doing some work. Obviously with the new powers is there going to be a review of how that works in terms of is it a bigger workload or is it continuing the same? What resources are you thinking of allocating to it?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** I think you must have got hold of an early copy of the agreement, Len, because we scrapped the scrutiny from the GM Scrutiny Board in that agreement we actually never signed.

**Len Duvall AM:** You did? Oh right.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** What is said is that that role will be played by the Greater Manchester Combined Authority (GMCA) itself.

**Len Duvall AM:** The Cabinet?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Yes. There is still a Scrutiny Panel. The essence of the Greater Manchester Government's model is that the GMCA, which has been in existence for three and a half years, gives us the ability to do things at metropolitan level, but within a one-tier structure. I say a one-tier structure because it is a combined authority. Although it is a

statutory local authority it is the property, it is in the ownership of the ten district councils. It is not separate to it.

The model we have adopted is that for the elected Mayor, which we will have from 2017, legislation-permitting, will become the 11th member of the GMCA. The elected Mayor will bring the transport and policing powers with them, in particular, and their accountability will be for strategic planning. The strategic plan will require unanimous support from the GMCA. On all of the public service reform issues the elected Mayor will have one vote in 11. In those specific powers, transport, housing and police, that the elected Mayor will bring with them, is both their plans and budgets can be changed and amended by a two-thirds majority of the GMCA. Therefore there are different sets of checks and balances. We have a stronger power and that is why, referring back, but we have the power to amend as well at different levels.

It also means, because the elected Mayor will be the 11th member of the GMCA, although there will be that element of direct accountability there, it allows us to maintain that one-tier structure.

**Andrew Boff AM:** Just for clarity, if you do not mind, you mean amend the budget, not reject the budget?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Amend the budget.

**Andrew Boff AM:** You would be able to put another line of expenditure in the budget as well?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Yes.

**Andrew Boff AM:** OK.

**Len Duvall AM:** Can I just come up on the planning issues? The Greater Manchester plan in essence will be obviously the consultation, the engagement with the public is really in *de facto* the Mayor and those councils going out to the public and then making a decision on it? Or is it just going to the Mayor's plan and the councils will be -- how would that work?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** To start where we are now. Within Greater Manchester we have already developed a Greater Manchester spatial plan. We have already agreed that although that would not be a statutory plan, under the old regime, that we are going to go through the whole of the consultation process for a statutory plan, so it at least have status as being planning guidance when it came to development control. That really came out of some very practical issues, particularly around housing, but also an effective way of us collectively meeting our duty to co-operate. This is work that is already underway. In the new system, yes, it will be the responsibility of the Mayor to present the statutory plan to the GMCA and it will require unanimous support but it will not be coming out of a vacuum, it will be coming out of work that is already undertaken.

**Darren Johnson AM (Chair):** What about the actual scrutiny function? I understand what you are saying about the checks and balances in the cabinet structure, but is there a scrutiny structure that is separate from that? Could you say a little bit about that?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** There is. The scrutiny functions existed for probably about six or seven years. It was prior to the establishment of the GMCA, which was almost four years ago. Before that the operator was a joint committee of local authorities

and we established a scrutiny function at that time. What we have is a panel of three members from each of the district councils, who are selected on a council basis on a proportional basis. In terms of political parties it is a mixed grouping and it is that panel that exercises the scrutiny function on the GMCA currently. That has been in place for a number of years. We are reviewing it and its effectiveness as part of taking forward the new governance arrangements for when we do have an elected Mayor.

**Darren Johnson AM (Chair):** They in themselves will not have any veto powers or anything that would remain with the cabinet, will it?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** No. They will not have veto powers and they will operate, and do operate, in very much the way scrutiny operates within an individual local authority. Yes, they will be able to make recommendations to the Cabinet but they will not have veto or reference powers.

**Andrew Boff AM:** On that point. People I know in the Greater Manchester area tell me that this agreement will work because, despite all the battles we get into at the time of election, actually Greater Manchester is quite a consensual place despite the fact that I know it is predominantly a Labour area. Even in those areas that are not Labour there is a general agreement about the future of Manchester. Do you think this model would work in an area of the country where there were greater disagreements? Political cultures are different depending on which part of the country you are.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** That is true. First of all, it is worth understanding where Greater Manchester has been political as we have gone through this journey. Bearing in mind, our GMCA order was published for consultation under the last Government and agreed under the current Government. At the time of the 2010 General Election of the ten local authorities five were Labour-led, one was a minority administration, three were Liberal Democrat led and two were Conservative led. The only reason we succeeded in getting the GMCA order confirmed was because the Conservative and Liberal Democrat authorities went and actively lobbied their Government and said, "We want this". If we had not had the all-party approach we would never have got there.

Building consensus across geographies and across party politics is hard work and the only way it can be done is we spend a lot of time talking to each other - we work hard at it because we think the objectives are worth it for what we get out of it.

The other four combined authorities so far are all Labour, which does not necessarily, if you read the press, make their politics any easier being all Labour. It will be very interesting in terms of the question that you have asked, two that are coming very rapidly down the track are Derbyshire and Nottinghamshire. Derbyshire is position where you have Derby, an area around Derby, relatively urban, a largely rural county elsewhere. You have a unitary authority Derby, a county authority and nine district authorities, four or five of those are Conservative and the other Labour. You have complicated geography, you have probably Derby itself in that area very much the same economic area as Nottingham. North-east Derbyshire very much Sheffield, High Peak very much part of Greater Manchester. You have very complicated geography and I think we are going to learn a lot of lessons about how you do combinations. One thing that I am absolutely certain about is that the only future for public service reform is through a combination of form or another. I think Derbyshire in particular will tell us a lot about how you do that in less well-defined geographies than that of either London or Greater Manchester.

**Darren Johnson AM (Chair):** Bearing in mind you looked at London while you were involved in the negotiations in putting the agreement together in Greater Manchester, what do you think are the main lessons you took on board from the experience in London and what would you not like to repeat in Manchester?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** What I will start with is, I occasionally get the dates wrong but it is a speech that the Chancellor of the Exchequer made in Manchester and I think it is probably June of 2014, where he was saying that all of the metropolitan areas outside London we should all have London-style Mayors. We had to take a little bit of time to explain to the Chancellor what was wrong with London-style Mayors and why we needed something else completely. That is the big question really. It is that difference between two-tier and one-tier structures. The biggest single difference is you can do the economic stuff with a two-tier structure; I do not think you can do the public service reform stuff unless you find a way of, as Derbyshire are doing, getting over the boundaries and creating a single-tier structure and being able to do that. The argument regarding combined authorities is: combined authorities allow you to do effectively reorganisation without the cost or pain of reorganisation.

**Len Duvall AM (Deputy Chair):** Does that not beg the question that ultimately it is about reorganisation and how it will come about? There will be reviews in London of combined authorities that boroughs, “You are too small to operate some of your services and you need to combine to deliver to better effect”, not just in terms of some of the strategic issues but also some of the service reforms. Does not combined authorities in terms of the direction of travel indicate that? I do take your point. I think it is quite important that you get the result without some extra cost, but logically that is where it would go.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** No, I do not think so. Again, the Greater Manchester Agreement is very explicit that the only powers that go to the Mayor and the GMCA from this come from central government, it takes no powers from local government whatsoever. Each district retains its own powers. With each district, for example around strategic highways, we by and large agree that we will merge our operations for running strategic highways. We bring the Highways Agency into that as well. That is a voluntary agreement we have come to because it made sense. We are very, very clear that within Greater Manchester different places have their own local identity. Maintaining a local democracy within those areas is an important part of being able to take the whole conurbation forward.

**Caroline Pidgeon MBE AM:** May I just pick up a few things on what you have said? I understand you did not want the mayoral model that we have in London. Have you have looked at the Assembly at all, particularly if you are reviewing the scrutiny work?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** We did not particularly look at the Assembly. I will say a bit about the governance model that we have adopted. Probably about 15 months ago, when we had been in existence for about two and a half years as a combined authority, we initiated a governance review anyway, before we got into the discussions that lead to last year’s agreement. As we were doing the governance review about halfway through last year we recognised that we were doing a governance review that was based around whether we were fit for purpose for those functions we were currently carrying out, when we really ought to be doing a review about whether we were fit for purpose for the functions we wanted to carry out. We turned the focus of that review around completely. We all came to the conclusion that if we were going to succeed in getting serious devolution that we did not have sufficient political capacity or officer capacity at Greater Manchester level in order to be able to take that on.



**Darren Johnson AM (Chair):** Now you have got it how prepared are you for the new functions, and what preparations are you making there?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Some of the new powers do not come on stream until 2017 so we have time to build up capacity. For others, largely because of the existence of the Manchester Growth Company, we already have existing capacity to deliver. Business support, for example, we already have a well-developed business growth operation that is able to take on those functions.

**Darren Johnson AM (Chair):** For the other functions you have got two years to prepare?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Yes, not two years to prepare but not all of it is instant. In terms of health and social care, we already have a Health and Wellbeing Board at the Greater Manchester level. The 12 Clinical Commissioning Groups (CCGs) already have a functioning organisation at the Greater Manchester level. Quite a lot of the building blocks are in place.

**Andrew Boff AM:** These are all by consensus with those bodies?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Yes, they are all by consensus. We are always talking about putting it on a different basis. We first went to the Government formally in 2006 to ask for what is now the GMCA, but for our voluntary arrangements to be put onto a strategy basis. It took us five years to get to where we wanted to be.

Coming back to your question, I do not think we have looked at the GLA model largely because we have always taken a view that we ought to have, within Greater Manchester, an evolutionary approach that works from where we are. It is built on the ownership of what happens at a Greater Manchester level by the ten geographical areas within. I do not think a GLA model would quite fit with that.

**Caroline Pidgeon MBE AM:** One of the things you were saying is on certain things, I think it was the spatial plan and other things, you would need unanimous support of all the leaders, who are like a cabinet or whatever. Is there not a slight weakness there? You could end up with the boroughs, your councils, having a certain view and being local, rather than strategic. That then being a huge challenge to whoever is Mayor, where this plan has got to satisfy every single little bit of every single borough and therefore it will actually be watered down?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** I do not think so. Again, this comes down to being able to demonstrate capacity. We have been able to maintain that capacity even though political control of councils has changed. In some cases leadership has changed. Trafford has had three leaders over this period of time, previously all stepping down on a voluntary basis so there have not been coups; Stockport had a coup. These things have changed and we have managed to maintain that consensus. We have been able to demonstrate a willingness to take very big decisions. An example of a big decision that we took, which I suppose does pertain to London, was we decided we would buy one of your airports [Stansted]. We were able to take decisions on that sort of scale.

**Darren Johnson AM (Chair):** What about expectation management? Once you have elections for a directly elected Mayor they will be making all sorts of manifesto promises, yet in reality then they will be subject to veto by the leaders of the ten local authorities. Have you thought through the political dynamics of that?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** It would be a bit like national government, would it not? They do that. I do not think we have thought wholly through those.

**Darren Johnson AM (Chair):** Often in London mayoral elections we will have mayoral candidates who do make pledges, and get elected on pledges, which a number of the boroughs vehemently oppose. That is life.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Again, on a lot of things we do not have an absolute -- the ability to reject mayoral plans is two-thirds majority so it cannot be done easily. One of the things we have done, again on a consensual basis and really going back to 2001 now with the first Greater Manchester Strategy, is to work in a very strategic way. It is a strategy that is not purely the strategy of the ten councils. It is the strategy of the Local Enterprise Partnership (LEP), it is the strategy of Greater Manchester Chamber of Commerce and Industry, it is the strategy of health bodies and so on, that we have a consensual strategy that goes across the whole of the stakeholders. For any mayoral candidate their platform is always going to have to be about how they are going to deliver that consensual strategy. They will be bound within that. It would be pretty idiotic to think that they cannot operate within that consensual strategy.

**Caroline Pidgeon MBE AM:** In terms of fiscal devolution which you touched on, you have obviously talked to the Treasury hugely in terms of getting your agreement for Manchester. Have you talked to them about fiscal devolution maybe with your Core Cities hat on? Is there any movement there, particularly as sometimes politicians can be persuaded but the officials find a way to say no?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** We have had discussions. It is probably worth saying that in the agreement we did get last year we got pretty much everything we asked for. The one thing we did not get was any engagement within the welfare spend. That was put off limits so we did not get everything we wanted.

We have been having discussions about fiscal devolution in terms of business rates, stamp duty, about us having greater power over council tax, so the ability to re-band, re-value and all the other things that we ought to be able to do. We have been having those discussions. I do not think we are in a position where Treasury officials are yet ready to support all those sorts of proposals. I do think there is probably a slightly far more positive discussion around those things than there might have been a couple of years ago. There is a recognition on both sides that this stuff is not easy, but I think there is actually quite a meaningful discussion about them now.

**Caroline Pidgeon MBE AM:** That is really good. My final thing really is more with your Core Cities hat on. You stress that Manchester has got the capacity; I am hearing today lots more than I had been aware of. You have got the infrastructure in place to take on these powers. Do you think all the other great cities are at that stage, or do you think with this idea of devolution we have to go at a more staggered pace? London could take on more and Manchester could, but some of the other great cities will need to take a bit longer.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** One of the fascinating things over the last 12 months has been a broad recognition in local government that we are no longer, or should not be, in a world of one size fits all and one speed, because one speed is always the speed of the slowest. The idea that there will be trailblazers or pathfinders in some of these is now broadly accepted. The general view in local government now is that if any place can get through the door that is fine, because once somebody has gone through the door other places can. That is very much the approach within Core

Cities, where the other cities were very, very supportive of us doing the Greater Manchester deal. Less than 12 months ago, four of the other core cities formed combined authorities. For three of them it is within their metropolitan area. Again, the north-east adopted a different geography; that is Durham and Northumberland as well as what was the Tyne and Wear area.

We have clearly gone beyond the boundaries of England. In Glasgow their city deal was based on the metropolitan area, not just the city of Glasgow. It is interesting in this world of devolution that the city deal was done with the United Kingdom Government initially but not with the Scottish. Scotland is more centralised than England, it is a shock to all of us. Wales similarly. Cardiff, again, would love to establish a combination within their metropolitan area. They have the added complication that their metropolitan area is half the economy of Wales so there are issues around that. Of course, Cardiff and Newport have entered into a strategic alliance with Bristol as well. This reflects different geographies and different stages of development.

Birmingham is still being held up by the unwillingness of Solihull to engage. Birmingham and the Black Country have agreed a basis of going forward. Solihull at the moment say they will not make a decision until after the general election.

There is an acceptance there. It is different speeds. We all learn from each other. To a certain extent the Greater Manchester deal has now set the benchmark to which all of them will aspire and will, quite rightly, push until they get there.

**Andrew Boff AM:** I am very aware we are right up to the time you have to go. Are you absolutely confident that the GMCA has the capacity to both audit and interrogate the standing plans of the Mayor? What makes you be so confident that they are?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** One thing that would give me some confidence is that we already do it. Transport, we are already the Transport Authority so we are responsible for the spend. The big spend is capital spend. We have a reasonably significant capital programme for transport. The GMCA acts as the Police and Crime Panel. We hold the Police and Crime Commissioner to account. We have had a process of, actually through leaders, scrutinising fire, police and transport budgets for a number of years.

**Andrew Boff AM:** Forgive me, but the Scrutiny Panel met only nine times in one year?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** This is talking about leaders not the Scrutiny Panel.

**Andrew Boff AM:** All right, and how often do they meet?

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** We meet when we need to. We use our professional staff to scrutinise those budgets. It is the case that even prior to current arrangements the Police Authority, the Fire and Civil Defence Authority, the Transport Authority, and the Waste Authority did not set pre-sets or levies that were not approved by the GMCA. Influence is often as strong as power in some of these things. Some of it we have been doing for a while. Our officers and our treasurer are used to that act of examining in detail the accounts of the various bits that make up Greater Manchester.

**Darren Johnson AM (Chair):** Thank you. I am going to have to end it there so you have time to get to your next engagement. Thank you very much, Sir Richard.

**Jennette Arnold OBE AM:** Thank you very much.

**Darren Johnson AM (Chair):** Although London has a very different set-up in terms of governance structure there are things we can learn from the Greater Manchester Agreement. Thank you for coming along.

**Sir Richard Leese (Chair of the Core Cities Group and Leader of Manchester City Council):** Pleasure.

**Darren Johnson AM (Chair):** We will turn to the London Growth Deal. Before we move on to that, Harvey McGrath, is there any comment you would like to reflect on regarding what you have heard regarding Manchester?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Just to say I think much of what we have heard from [Sir] Richard Leese actually you are going to hear again when we talk about the London issues, in terms of the direction of travel towards devolution or at least joint working. The themes I think will resonate with our discussion for this next section.

**Darren Johnson AM (Chair):** Thank you. We will move on then to the next session. Firstly, from me, what progress is being made on the Growth Deal for London?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** There have been two rounds of the Growth Deal, the most recent of which was announced inside the last month. The process, as I think you will know, involves bidding-in by each of the 39 Local Enterprise Partnerships around England into government for funding out of the pool for funds that the Government has earmarked for “devolution” to the regions through the LEPs. That process resulted for London in a settlement which provides for a fairly significant block of funding for FE college capital spend. In the first round that was about £120 million and in the second round it was another £38 million. Therefore £150 million or so is available to London to refurbish and restructure, if you like, the physical plant that underpins the provision of further education in the capital.

What we have done, as you will be aware I think, is in turn put out a request for bids, in effect, from providers. The first round of that has happened. They are being evaluated. The second round, given the additional funding, will now follow. What we are looking for there is an approach from providers which shows some responsiveness to the needs of the labour market in London, shows some creativity about how the facilities might be used. It is not just a question of repairing old buildings. We are looking for an ability to do something that can add value. That process is in train, and more of that to report back once the evaluation has been completed.

**Darren Johnson AM (Chair):** In terms of these funding streams, what sort of streams are there? What central Government control is still being retained?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, I said “devolution” in inverted commas because the reality is that although these funds have been earmarked and awarded under the Growth Deal, in fact what is required is a case-by-case granular approval by central government of the spend under these. There is a process which is what is happening in Manchester; it is not unique to London. There is a clear desire to make sure that there is value for money from the spend and not yet, from the point of view of government, a willingness to let go of those strains.

**Darren Johnson AM (Chair):** So it is the opposite end of the scale from fiscal devolution in terms of the devolution --

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** It is. It is part of the process. As the evidence base for effective spend improves, whether it be Manchester or London with the Growth Deal, then one would expect to see that be released or become a bit more flexible. That is the major slug of the Growth Deal. Importantly, there are --

**Darren Johnson AM (Chair):** Exactly the same system is in place for Greater Manchester?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, although I think that in Greater Manchester obviously the significant elements of the Growth Deal relate to transport and housing which are delegations, in effect, that London already has. It is different from Manchester. Therefore the funding mix will be very, very different and not have the bias towards skills and employment that the London Growth Deal settlement has.

**Len Duvall AM (Deputy Chair):** Just remind us what the key weaknesses are in the way the skill system supports business at present? Paint us the picture of why the present system is not working and why this approach could deliver a different outcome.

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Essentially the system is not effectively providing skills which are required by employers. It is doing much of that, but it is not doing enough of it. It has improved but it has further to go. The reasons behind that ineffectiveness actually are twofold.

One is that the economy changes quite dramatically. Who would have anticipated the success of Tech City, and therefore the real requirement for digital skills and programming skills in the way that we now see? There is a digital skill shortage, as we know. The system is taking time to be responsive to that. Part of it is institutional responsiveness which is inherent. We can do something about that.

The second issue is that there is an absence of information flow to make this market work more effectively. If you run the clock back to the previous structure, where we had learning and skills councils and we had, as some of you will recall, a Learning and Skills Council (LSC) for London which had a regional remit, which had a budget and which would allocate funds to providers. The LSC was very prescriptive. It told the colleges what they should provide by way of curriculum and qualification and then it funded only those. This Government, I think correctly, found that that only reinforced that institutional lag that I have talked about and created a significant mismatch. It pulled back from a regionalisation through learning and skills councils to the Skills Funding Agency which sits nationally and holds the chequebook. It hopes that demand from learners will drive the provision that the colleges will then lay on.

I think that is the right direction of travel, but the problem with it is that there is insufficient information available about the economic outcomes from this course or that course, the provision that is on offer. The market therefore operates inefficiently. One of the things that we have been doing is working with the Skills Funding Agency to agree a data sharing protocol because they hold all the relevant information in terms of the journey of the learner, the Individual Learner Record as it is called. Until very recently we did not have access to that so you could not make an informed judgement about where the gaps were and where the inefficiencies were. We now have a protocol where that data is shared with London at the LEP level and GLA level, and indeed at the borough level. It is an important step to start to address the deficiency in this marketplace which

is understanding what the outcomes were. That was not transparent. That, in a way, to me is as significant as getting the chequebook or the element of the chequebook as it relates to London. Driving down that path of creating the transparency of what happens, and then changing the mind-sets to where you can start to commission for outcomes is clearly where we want to take that.

**Len Duvall AM (Deputy Chair):** How long will it take us to get there is the right devolution is taking place? If we are on a journey, and this first phase is about that information, where will we be in two years?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** We are pushing on a partly open door here actually because the framework that I have just described is one that is recognised as the logical way to take this forward. What we want to do is to put together a resource of a skills inquiry to take that framework that I have just described it and apply it to the London context, and out of that evidence base go back and push hard on the door again. My sense is that I think that is likely, in a couple of years, to yield the kind of position that [Sir] Richard Leese described seeing Manchester in, which is a situation where at the very minimum Manchester and London will co-commission, if not directly drive, the funding streams against provision.

**Len Duvall AM (Deputy Chair):** There is a two year timescale probably, or should we be looking for accelerators to speed that up? Can it be sped up or does it take that amount of time?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** I do not think it necessarily --

**Len Duvall AM (Deputy Chair):** Sorry, have we got that amount of time? Have Londoners got it, those who need to get into some of that work that you identify?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** There is an urgency to it and I think it should not take two years. It can happen sooner than that.

**Darren Johnson AM (Chair):** Do we need legislation for any of this to really make it work, or is it simply a matter of negotiating with government?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** I do not believe you need legislation. I think it is a question of better tailoring national policy to London's needs. It is policy specification and delivery at a local level that is the key.

**Darren Johnson AM (Chair):** In terms of gradually gaining more day-to-day financial control, that lends itself to this process if legislation is not involved?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Correct.

**Len Duvall AM (Deputy Chair):** Just to paint a further picture. We can talk about tiers, I talk about spheres of operation where there is a shared agenda. There is a borough role here. Is there a London-wide strategic role? Can it go straight to the boroughs or what are we talking about? What sort of devolution do we need in terms of checks and balances, and who holds the ring at that? What is the picture around that?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** If we look at the FE space, I think you do need a pan-London role. The reason for that is that, to use a bit of jargon, the journey to learn is inevitably cross-borough so you cannot look at provision narrowly on a borough basis or within a borough boundary. You need to look at the state across the capital. Therefore you need to have a process which has taken an

inventory or mapped the requirements, and mapped where the provision will be. Then you do, however, take that down to a sub-regional level within London. That is an ongoing discussion.

**Caroline Pidgeon MBE AM:** Have you had discussions with the FE sector in London? How responsive are they to the idea that the skills funding could come down to a London level, or potentially it could be a sub-regional level that might be more appropriate? How are they feeling about that? Are they confident and think it could work, and want to work with you on it, or are they, “Hang on a minute, we are going to argue against this”?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** There has been active engagement with the sector through the Association of Colleges. We have representation on the Working Group for Skills and Employment from the sector, and indeed on the main panel of the London Enterprise Panel (LEP). There is a reasonable alignment here, which is the sense they want to make the system work better too. Whilst there are inevitably stresses and strains in here, because the process I have described does mean saying to some they are under-performers or they need to change the way in which they are performing, by and large there is an alignment between the colleges and the LEP in this thinking.

**Caroline Pidgeon MBE AM:** We have got a few merges of colleges and things as well --

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** There are.

**Caroline Pidgeon MBE AM:** -- and a lot of them are not that stable.

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Because they have gone from a position when, in effect, if they did what the LSC asked them to do their business model was viable. In this demand-led environment what they are discovering is that you may not have the number of learners you planned for and you have an open net structure and therefore you have a need for rationalisation. That is what is leading to merges.

**Caroline Pidgeon MBE AM:** Do you see that if you did have this funding come down and you would be helping to invest not only capital, I think you talked about, but also in the revenue streams of the FE sector you could direct them to look at, for example, construction jobs. We desperately need the skills in London for all these massive projects. Do you see that you would be able to influence that far more than at the moment as it comes down from central Government?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, I think we would be able to influence it more. It is, of course, only one part of the puzzle here. There is a key role for business and for employers, not least in the construction sector by the way, to recognise that they need to think a little bit longer forward in terms of the way in which they plan their recruitment and they plan the training of people who work for them. Business engagement is an important part of addressing this disconnect that we have talked about early in the skills system between provision and the economic value of that provision. We need to hear from business what they need. We need to have their commitment to both initial training and a progression within work. The construction industry, for lots of understandable reasons, tends to be a spot hirer of workers because they have got projects and they have a shortage. We need to build the pipeline of qualified people for what is, in London and the South East as the London Chamber of Commerce and Industry report that came out a couple of months ago demonstrated, a huge gap. There are literally thousands and thousands of jobs that need to be filled and there are not qualified individuals here to fill them. That is a classic opportunity to bring to bear

alignment. We are pushing forward on that. Business is important in that. Business engagement is a key element in making the system work better.

**Len Duvall AM (Deputy Chair):** There is a powerful case for intervention around that FE sector. I can see that. You have made the argument for that. Is there not a case for the LEP to have some involvement in or sharing of some of the issues around the university sector in London?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Indeed.

**Len Duvall AM (Deputy Chair):** The logical step is to look at, maybe once we have solved the FE sector or start to influence from a business point of view, the higher education and university sector. Is that on the agenda? Should that not be part of a London offer around devolution and starting that debate? Has the LEP ever, apart from these issues, been asked for its views about what other things that maybe we should ask from government that could be done more appropriately working within a government framework but being passed strategically to you or to either sub-regional or borough level once you have --

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Absolutely. The LEP's remit is jobs and growth. It is the economic development agenda for London. If you have not seen it we published this last month, the economic development agenda for London out to 2036 to make it coterminous with the London Plan. I would be happy to direct you to it if you have not seen it. What that looks are three clusters of priorities. The first is what we need to do to keep London open for business as the global business and talent hub. The second cluster is around the economic base of London, and doing what we need to do to help diversify that, support the technical, creative, digital, life sciences sector alongside of the financial and business services. The third cluster of issues is around what we need to do to make London work as a city. That gets to infrastructure, obviously. It gets to housing, which is a big issue. It also gets to human capital because a city that works is an inclusive city and it addresses those pockets of structural non-participation in the success of London as a capital.

Within that framework clearly you will find a strong call for fiscal devolution for all the reasons that we discussed earlier. You will also find a call for devolution of decision making or policy tailoring across those agenda items. The LEP is active across that space.

When I think about the employment and skills agenda, and it was interesting to hear [Sir] Richard [Leese] talk about early years, I actually think you do need to look at the journey to work. That means looking at education, primary, secondary and pre-school. It means looking at what happens at 16 or 18 in terms of higher education (HE), in terms of FE. It does mean, absolutely from the point of view of economic development, looking at what you should be doing better to address those long-term non-participants in London's economy. There is a very clear - and it is very much on our agenda - overlap between DWPs' remit nationally and the outworking of their policies in London where, again, we have made very clear the point, and made it in the Growth Deal, that we do not think it works on the basis of one size fits all and that in London there are better ways to address some of that embedded unemployment.

To the point about working with boroughs, under the Growth Deal we have a £10 million allocation earmarked to support a programme which, by the sound of it, is something that is also happening in Manchester which is to look at a cohort of 4,000 individuals for whom the work programme has failed, so for two years in the programme they have not got employment. That has been taken forward by the central London boroughs, under the umbrella of Central London Forward, specifically as a pathfinder, kicking off now. I think it is a very good model for the way in which we address the two-tier issue in London and engage with the people frankly



who, on the ground, know what the issues are on a borough by borough basis. Similarly in west London, working with the West London Alliance, which is the sub-regional grouping of boroughs. We are funding and piloting a programme specifically to look at individuals who have mental health issues which are the prime reason they are not in employment. Again, that is ground breaking and again that is being driven by the boroughs, but funded and commissioned, in effect, by the GLA through the LEP. Those have arisen directly out of the position that we have sought to take opposition to.

**Darren Johnson AM (Chair):** Another thing that was mentioned in the joint lobbying letter from the Mayor and Jules Pipe (Chair, London Councils) was London Careers Service. How important is that? Are you doing any work on it?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, absolutely and it is critical. Back to the lack of information point, thinking about the journey through school to work, you need navigation to do that effectively, especially in a fast changing economy. The reality is that although state schools under a Government policy have responsibility for the provision of careers advice it is very poorly done. Those are not my words, those are Office for Standards in Education, Children's Services and Skills' (Ofsted's) words. They are the Select Committee on Education's words.

**Andrew Boff AM:** I am glad you said that because I have never seen the point of the Career Service quite frankly.

**Darren Johnson AM (Chair):** It is why you ended up here!

**Andrew Boff AM:** It is so ineffective. It is so ineffective. I do not understand why we are pouring money into it. Sorry, I just --

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** The answer is that absolutely it is on the radar. One of the projects that is currently underway is a consultation to shape up what would be a careers offer for London which, again, is a question frankly of both data and connecting the dots. It is badly needed because, particularly in a situation where the traditional route of "leave school, go to full-time university for three or four years and you are done" is not working. Strengthening vocational pathways and teenagers have the ability to understand what those options are and why they are relevant. It is absolutely fundamental and it is not happening enough and it --

**Darren Johnson AM (Chair):** Presumably that would be making a lot of use of existing capacity anyway in terms of apprenticeships, training and so on, but just linking that up more directly with schools?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Correct. Again, providing the means for a pupil to navigate through the system which is not straightforward.

**Caroline Pidgeon MBE AM:** I do want to pick up something that Harvey was saying. You were talking if we have all this devolved about being able to tackle some of the issues of non-participants in the London economy and you gave some examples, mental health, long-term unemployed. Is there anything around government funding about supporting women back into work in terms of childcare? In London that is such a huge barrier, the cost of childcare. We know in London I think it is more London do not return to work than in other parts of the country, and part of that is the cost of childcare. Is there something around that that could devolved from government to then allow London, as a region, to be able to support those people, predominately women?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** There possibly is. We have not looked at that area, just as we have not looked at the early years set of issues to which this relates.

**Caroline Pidgeon MBE AM:** Yes.

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** My own view is that absolutely we should be doing a lot more in that early years area. All the evidence suggests that the life chances of a child are heavily influenced by what happens in that pre-school phase of their life. There is a lot more that should be done to address that. It is not the LEP's remit so we have not looked at that area, but from my vantage from a policy point of view I think there is a lot to be done there.

**Caroline Pidgeon MBE AM:** It is a LEP remit in terms of women back into work rather than perhaps the early years but it does both?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** In that sense, absolutely right, yes. That would fall --

**Caroline Pidgeon MBE AM:** That is not something you have looked at the moment but it is something more devolution could help with, potentially?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** I believe so, yes.

**Caroline Pidgeon MBE AM:** Thank you.

**Andrew Boff AM:** Can the LEP, as it is currently constituted, operate effectively to deliver more devolved programmes while also keeping the boroughs on board, that is sub-regional programmes if you like?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Resourcing is an issue frankly. The funding that we have as the LEP from government is heavily capital. There is very little revenue funding, and therefore very little incremental available resource to support the programmes of work we have been engaged in. Obviously we have support from the GLA by way of secretariat and officer support on a policy area basis. Some of what we are talking about doing here is reasonably ambitious. One of my repeated requests of government, both in the Growth Deal bids and otherwise, is if you want these entities called Local Enterprise Partnerships to be more effective across the piece you have to give them a little bit more revenue funding to support a capacity to deliver these.

The second point on the boroughs, London Councils obviously sit on the LEP. We have had extensive discussions with London Councils about the relationship between the LEP and the boroughs as opposed to London Councils. I have spent personally a fair amount of time out in the boroughs with the sub-regional groupings talking about the LEP agenda, hearing their views and engaging with them. There is no question that the mechanisms for the feedback from the boroughs needs work. It is there and it is good in places but continual improvement is called for. As the example of Central London Forward shows, and the West London Alliance, this is a living thing. The most important and significant thing is that we have got a common view of the fact that delivery takes place at the borough level. We may, for some of these policy streams, need to look at issues on a pan-London basis but delivery takes place on a street level and that is ultimately a borough responsibility. Stitching together in a way that makes it work more effectively is what the LEP's remit is about in this context.

**Andrew Boff AM:** Effectively these sub-regional arrangements are kind of sub-LEPs are they not, really? They are taking on a lot of the functions of a LEP but at a more local level, a more focused and granular level, is that not the case?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, in some sense that is correct. Of course, depending where they are the make-up is quite different.

**Andrew Boff AM:** Yes.

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Central London obviously is very different from down in south east or south west. That is fine, by the way, that they have some of the functions that the LEP does.

**Andrew Boff AM:** LEP members have regularly appeared before the Assembly's Economy Committee. Are you comfortable with that level of oversight?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes.

**Andrew Boff AM:** You alluded to something earlier that was not a LEP responsibility; nowadays it seems there is nothing that is not a LEP responsibility. You seem to be able to comment on housing, pre-school education, it is all-embracing. How would you feel about increased scrutiny as a result of increased work?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** That would be a logical consequence of increased responsibility, so no new issue in principle.

**Andrew Boff AM:** There is no issue with that?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** No.

**Andrew Boff AM:** That is very good. Also, I would like to test you a little about not just the London LEP but London's economy cannot be detached from the wider economy of the South East. How do you see communication between the Local Enterprise Partnerships? There are seven in the South East approximating about £1.1 trillion worth of the economy. What do you see as the way in which you would communicate between the Local Enterprise Partnerships and whether or not there is any appetite for increasing communication between them?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** It is a very fundamental point because London's economic area does not actually stop at the political administrative boundary. You just need to look at journey to work commuter maps to see that. We do need to have a basis to have a wider view of the South East which embraces those areas around London that are in some very significant functional economic sense part of London. There is communication, and to some extent co-ordination, with the contiguous Local Enterprise Partnerships. The best, most developed, example would be something called the London Stansted Cambridge Consortium, which is bit of a mouthful. It is looking at the corridor that runs up towards Cambridge and beyond and basically says, "What is it that we should be doing collaboratively to address the issues that that very significant economic functional area has?" Amongst other things that has led to £25 million being allocated out of what was the Growing Places Fund, the first slug of money that the LEP got from government, to improve the rail links north-south through that corridor because it quickly emerges that transport is a key

issue and that improving access to Stansted and Cambridge helps actually north London on the way. That is a fairly vibrant and effective basis for co-ordination of, in that case, three LEPs because it also embraces the Cambridge and Peterborough Local Enterprise Partnership.

Secondly, there is - and if there were not I suppose someone would create one - something called the LEP Network which is a body that seeks to pull together the chairs of the LEPs across London. I sit on that body for London and that brings me into contact with the chairs and the lead officers of the other LEPs. It is a forum for sharing best practice and sharing experiences.

Thirdly, in terms of this document that I waved at you earlier, the economic development agenda, we have had very active engagement from the contiguous LEPs around London in this and would seek to build on that.

How we take all that forward is a topic for further discussion and agreement. I am not sure we --

**Andrew Boff AM:** It sounds like it is something you would be in favour of happening?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Definitely. By the way, in terms of housing and transport, if we are going to join this up in the right way then you have to look beyond. That is therefore going to be on the agenda.

**Andrew Boff AM:** You anticipated my next question very well which was would housing be on the agenda when talking to the wider South East? Obviously it would so thank you for that. Thank you, Chair.

**Caroline Pidgeon MBE AM:** In terms of transport, would you support greater devolution in terms of, for example, taking over some of the train lines, the metro lines? London Overground has taken over a few, but taking over some of the South Eastern and some of the South West Trains and others around London so that TfL and the Mayor have effectively control over those lines rather than a range of train operating companies?

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** Yes, absolutely. It flows directly from the point we have just discussed. It is a functional economic area. The integration of transport, housing and other resources is critical. Having control, in this case, over that rail network is fundamental, so yes.

**Caroline Pidgeon MBE AM:** Good, thank you.

**Darren Johnson AM (Chair):** Good, any other questions from Members? Thank you very much for coming along. It has given us plenty to think about in terms of how we push forward the devolution agenda.

**Harvey McGrath (Deputy Chair, London Enterprise Panel):** My pleasure. Thank you very much.

**Darren Johnson AM (Chair):** Thank you for your time today. Thank you.