

ALL-PARTY PARLIAMENTARY GROUP
FOR DISTRICT COUNCILS

MINUTES OF PROCEEDINGS

at a

PARLIAMENTARY HEARING

held in

Committee Room 20, Houses of Parliament, London, SW1A 0PW

on

Tuesday 28 March 2017

Before:

Mark Pawsey MP, in the Chair
Baroness Bakewell of Hardington Mandeville
Professor Colin Copus, De Montfort University
Matthew Hamilton, District Council's Network
Nigel Mills MP

(From the Shorthand Notes of:
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Witnesses: CLLR NEIL CLARKE MBE, Chairman, District Councils Network (DCN); and SANDRA DINNEEN, Chair, DCN Chief Executive Group.

THE CHAIRMAN: Ladies and gentlemen, can I welcome you all to the fourth and final evidence session of the All-Party Parliamentary Group for District Councils and our inquiry into devolution and collaboration within the roles performed by district councils.

We have already held three evidence sessions and we are operating in a select committee style and method. Our first meeting was on collaboration between councils, that is, councils between one another. We held a second session on collaboration between councils and other bodies, particularly health and with other tiers of local government. We had quite an interesting session, a few weeks ago now, on international comparisons so that we were able to look at what happens in other countries around Europe. One of the things that often struck me when I was a local councillor was that we often spend ages trying to solve a problem ourselves without looking at what might have happened elsewhere, so I was quite keen on that as an exercise.

This is our final session when we are really going to be focusing on the Government's devolution agenda. Just to put the inquiry in perspective, following this session, we will draw up a report with some ideas for some recommendations, and we are going to present that in a report on 24 May to a reception here in Parliament when the Secretary of State, Sajid Javid, has been invited to come along and respond to the report. We are being very much assisted by Colin Copus and his team from De Montfort University's Local Government Unit, and they will now be under lots of pressure to get the report pulled together in order that we can get it to the Secretary of State in time for him and his officials to have a good read of it and come back to us with some feedback and some thoughts on what we might be saying.

This is the final stage in that process which will complete on 24 May. As I say, we are going to run it in a select committee style, and we have two separate panels today. We are joined on the inquiry team by Nigel Mills, who is the Conservative MP for Amber Valley, and Baroness Bakewell, who is a Lib Dem member of the House of Lords. Our first panel is Cllr Neil Clarke and Sandra Dinneen from the District Councils Network, so what we will be doing is inviting both Neil and Sandra to give us an introduction to the District Councils Network. I do hope that, in your introduction, you might just clarify for me the term 'double devolution', which I have had in several of the briefs and I was struggling a little bit with the principle, so perhaps, Neil and Sandra, if you can cover that for us, that would be great.

CLLR NEIL CLARKE: One of life's little mysteries! Thank you, Chairman, very much indeed and thanks for the opportunity of inviting us to come and talk to you. Perhaps just for the benefit of the panel, I am Neil Clarke and I am Leader of Rushcliffe Borough Council, which is the Trent Bridge Cricket Ground area, but I am here today wearing my hat as Chairman of the District Councils Network. Sandra is the Chair of the Chief Executives Group, which is all part of the District Councils Network and it comprises the districts' chief execs.

Perhaps I could just say a word so that the panel is aware of what the District Councils Network is. We are part of the Local Government Association family, so we are a special interest group within the LGA, which represents all the district councils in the country, all 201 of them, so we represent their interests to government and, obviously, we like to communicate with the media as well in making sure that we put the interests of district councils to government so that we can, hopefully, forward the very vital work that district councils do. Of course, the APPG is part of that work of ensuring that Parliament is aware of the very important work that district councils do as well.

You asked about double devolution. Devolution, obviously, is about giving more powers to local people, so that would be devolving powers to, as an example, either a combined authority or county and district councils, but then to double-devolve is devolving a stage further and perhaps, where appropriate, devolving some of the services down to either town or parish councils. For instance, in some areas, it may be appropriate for street-sweeping perhaps or something of that sort to devolve down to town and parish councils, if they are large enough to do that and if that is what is right, whereas, for instance, you would not devolve down to town and parish councils strategic things like transport or strategic planning because that would not be appropriate. Where appropriate, you can devolve down to the area that is most equipped to actually deliver those services.

In terms of devolution in general, our stance is very much that one size does not fit all, and I will probably repeat that phrase several times because it is an important factor, but it is whatever is appropriate for our localities, wherever they may be. I am very keen and I have, for some years, encouraged district councils to actually work together. You will have seen in various paperwork the mention of clusters. I have encouraged district councils to cluster together, to work together and, indeed, to work with the upper-tier authorities as well because devolution, in my view, is all about working together at whatever level it may be for the benefit of our local communities and our localities, so, whether it be transport, whether it be planning, housing, waste management, whatever is appropriate at whatever level it is, to do the best for our local communities. That is why we do not believe that one size does fit all; it is whatever is appropriate for any particular area. I do not know if that answers your question, Mr Chairman.

THE CHAIRMAN: I think we get that. Sandra, can you just explain to us how your role within the DCN differs from Neil's, for example?

SANDRA DINNEEN: As Neil said, the DCN is a membership organisation, so the 201 district councils have to pay a membership fee to be part of it, so it is not just something which automatically happens, so we have to deliver not just things around lobbying government or whatever else, but also sharing best practice, helping each other out and peer review for each other in a sort of more informal way. Then, we have a series of workstreams that look at particular issues and the work from places across the country together to try and get cohesive views on issues and share good practice and putting it forward. In terms of that, we are split into the member network, which is the leaders, which Neil chairs the main group of, and then we have a chief execs network, which sits

on the side-lines, and we have a regional structure whereby chief execs are nominated and voted in by each region to represent their areas over that period, so we try and make sure that we bring things up, but also flow things down.

THE CHAIRMAN: If there is no one-size-fits-all and local circumstances are going to be different in different areas, how can we get to grips with ideas if we cannot put our hands on anything particularly tangible? We are going to hear evidence from specific councils later on and they may tell us how devolution will happen in their areas. We are going to end up with a very disjointed report and set of ideas if everything is different in different parts of the country, so how can you help us pull those strands together?

CLLR NEIL CLARKE: Well, there will be some areas of common approach. In things like strategic planning, there is probably a common approach. Each area will have their different physical geographies, and one of our points is that it is important to look at functional economic areas and natural areas rather than historic municipal boundaries, which are several hundred years old and were right at the time, but obviously things have moved on and urbanisation has taken place in different areas, so there are natural physical areas and communities which naturally work together and which are not always coincidental with county boundaries or historic municipal boundaries. The main emphasis is on how district councils can identify the natural areas that work together so that they can form their collective ideas in delivering, and it does not matter if it is functional economic areas or travel-to-work areas; it is whatever is appropriate. That might well cross other boundaries in certain circumstances because time has moved on. In my own county of Nottinghamshire, for instance, in the very north, Bassetlaw, they naturally look towards Sheffield and South Yorkshire because that is their natural travel-to-work area, so there is more than one functional economic area within the county.

THE CHAIRMAN: Sure, so the functional economic areas are going to be of different sizes, but would you say that there is a population size that we could use as a criterion for determining how far down a service ought to go so that, if we have a functioning economic area of half a million people, it would be expected to carry out more and higher-level services than the functional economic areas of maybe half that size?

CLLR NEIL CLARKE: Well, I think that the issue of population size obviously tends to come with suggestions of local government reorganisation, and the guidance tends to change a little bit. I know that there has been different guidance of between a quarter of a million upwards and then some guidance saying between 300,000 and 700,000. Again, I have to say, it is going to vary from area to area. I would have thought that those areas of several hundred thousand, collectively together, are going to be appropriate in forming a functional economic area, but it is going to vary and certainly we are not up in the millions.

SANDRA DINNEEN: I think one of the big determinants is whether it is metro urban areas or whether it is rural areas because population is quite compact in cities and metropolitan areas, whereas, of course, in rural areas, it is much more dispersed. Then, the issue about people identifying with their locality, I think, is the key thing here about

making sense to local people and the local place. I think there probably could be some minimum size in terms of what works efficiently for certain things, but, as we were talking about in terms of double devolution or subsidiarity, it depends what function you are talking about and how different structures are geared up to deal with that. I think that something that fits a huge population in a built-up area would be very different in the way that you happen to use the numbers, so you need something that balances geographical coverage with numbers to give some recognition that they are different in different locations.

NIGEL MILLS: There are lots of difficult topics in this, are there not? If I can start with not wanting one-size-fits-all, do you not fear that the Government's current approach to devolution is such a patchwork? We end up with the most strange situation of a hugely powerful Manchester mayor and then we could have, say, a much smaller devolved area, like Tees Valley. How do you equate what powers you can devolve in that situation? Do you not just end up with a hugely complicated and varying local government system where nobody at the centre knows who is responsible for what and where?

CLLR NEIL CLARKE: I think that is why it is important not to have the one-size-fits-all for the very reason actually that you are illustrating, because there is no one model that can be used across the whole country. By definition, areas are different. You cited Manchester. Manchester is a nice, concentric model, if you like, in that you have got the City of Manchester in the middle and then other council areas around it and it all nicely radiates out from a central focus. That is not the same in other areas of the country. Sandra talked about rural areas. Just taking as an example, and I know that you obviously know Derbyshire better than I do, but for Derbyshire and Nottinghamshire, if you were to try to look at a functional economic area, you have more than one centre within those two counties, so you cannot just zero in or focus in on one place and say, "That's the centre and let's radiate out". That is why it is important that models are adjusted, and I think that the Government, in looking at devolution, have got too hung up on trying to have a uniform model focused on a circle that just radiates out; it is not possible to drop that model into all areas of the country as they are going to vary. You might be able to do it in Birmingham and the West Midlands.

NIGEL MILLS: But do you not worry that what we will end up with is a load of powers, say, for health, job creation and skills being devolved to Manchester, Liverpool, Birmingham and South Yorkshire and then then you have civil servants and ministers down here, when a large employer closes in Bolsover, heaven forbid, thinking, "That's in south Yorkshire, so that's a job for them. Oh no, it's not in South Yorkshire, but just over the border. Well, I have the power to do that and that's my job"? Do you not think that it will be very strange that we will gradually have deals all with slightly different attributes and nobody will know who is responsible for what at any point, and somehow you end up with a government department having an island of 50,000 people somewhere that they are controlling lots of public services for when they have been devolved all around? Do you not at some point have to say, "We need some core consistency here", or the whole thing could fall apart?

CLLR NEIL CLARKE: Yes, I think you do need consistency, but you also need flexibility. Once a deal has been proposed and agreed, even if it is cross-border, providing it is performing that natural function, then, once a deal is agreed, why not? I think it can work, but I think it is important that the local people have that input into that decision as to the structure rather than the Government coming from the top and saying, "This is what we want you to do", for the very reason that places are different.

NIGEL MILLS: You mentioned double devolution and, to bring the example to life, you mentioned street-cleaning or something. If East Leake Parish Council and Westbridge Council, or whatever council they have, I do not know, said, "We'd like to have control of our own street-cleaning", does that not make it much less efficient for you to do West Leake and Keyworth and whatever else you have in Rushcliffe? Have you not lost some of the scale so that you end up with multiple contracts being more expensive and new boundaries being drawn on straightened routes? Does there not come a point where there is a right level to do so something?

CLLR NEIL CLARKE: Yes, exactly. You do have to have that discretion as to what is the right level, and I take your point, that you have to be very careful that you are not actually making another part inefficient, so you would have to have those discussions and negotiations as to what is appropriate to make sure that you do not actually make another service deficient.

SANDRA DINNEEN: I think the point you are making is a good one, which is part of the reason why I think, from the district councils' point of view, double devolution or making the subsidiarity point comes to life in negotiating deals which are really key, because the Government did not recognise double devolution in any of the deals, so they would not actually say, "And these bits will be doubly devolved" or, "These bits will go to this level", so that is up to the local partners to negotiate what goes where and what devolves through. I think that is one of the things that caused some of the tension in the two-tier areas around how you actually start to manage that in a coherent way so that people could agree the big principles, and then it is the idea about where you actually deliver what when you start to say, "That could go there and that could go there", which is when some of the tensions start to emerge.

Your point about economies of scale is a good one, so you would want to be sure that you had a reasonably consistent picture across a particular geography. Now, the scale of that geography, I think, is what needs to be determined locally to make it work. If a district were to let its street-cleaning services go to half the parishes and not the other half, then the likelihood is obviously deficiency, so you would hope that you would do that across the whole piece, and that is part of what you can negotiate into the way that you work moving forward.

On the point that Neil raised earlier, that there are some things that need quite big geographies, so big infrastructure projects, strategic transport, blue light services, those sorts of things, I think there is recognition increasingly that you want the sub-national infrastructure bodies, for example. It is about recognising that there are things that need

to happen at some sort of scale and that that scale is the below-national scale, but that it is on a reasonably big geography that makes sense.

Underneath that, there are lots of smaller geographies that make sense in terms of how local economies build one at a time to feed the national economy, and I think that is the bit which districts would say has been under-recognised in terms of the contribution and that economic areas at a localised level really do add value and, quite often, actually work across boundaries and are not curtailed by a district boundary or a county boundary, but by the way people live their lives, the way they travel to work and where they have their businesses. Increasingly, those historic boundaries are of less importance to people, but the way that you manage these is that you need something to work around, which is why they are trying to do that in terms of something that works from the bottom up rather than top down as a preferable way to make sure that you do not destroy the things that are building the economy and the way people live their lives.

NIGEL MILLS: I have one last provocative question, perhaps. Would I not get key public services delivered closer to my constituents if I broke up Derbyshire into three unitaries so that I had social care, roads maintenance and schools actually delivered for 300,000 people rather than a million people? Is not the trade-off of a two-tier area that I get some pretty unimportant things done very close to people and some pretty important ones taken really quite a long way from people? Is this whole model not just out of date in that respect?

CLLR NEIL CLARKE: I can answer that. That is a point of view that we often come across and that is why I have actually said previously that I encourage people to cluster together because please do not get the impression that I am against unitarisation *per se*. If it is appropriate, if, say, a county did want to propose that, if that is what the locals wanted and if the district councils thought that that was the right model to go for, then why not? Our point has been very much that it is not appropriate for a model to be imposed on all district councils in a uniform way. If they decide to do something, as you have suggested, because that is right for their areas and right for their localities, then that is different from saying, "We want to impose this model across the whole country and we want one size to fit all, so we want every county to be split into three unitaries". That might not be appropriate, or it might only be appropriate for Derbyshire or for one other area.

NIGEL MILLS: Well, what happens if, say, district councils' budgets become so hollowed out that they become disproportionately more about admin costs and certain other things and not much about delivering services, yet people cling on to their own little fiefdoms? Does there not come a point when the Government has to say, "Look, it's not stable in its current form. Yes, go and choose what your change is, but something does have to change"?

CLLR NEIL CLARKE: That is where the fiscal freedoms need to be far greater from government and we need to have that far greater local freedom to decide what the financial expenditure is like for any particular area, because, if you are going to have true

devolution, the Government need to let go of some of the powers and finances in order that that proper devolution can actually occur, because, at the moment, this country is the least-devolved country in Europe.

SANDRA DINNEEN: We did a survey of our district membership at the end of last year on these very questions and asked, “How many of you are operating as a single district? How many of you are operating as some sort of shared arrangement? How many of you are looking at joining more formally and how are you going about it?” I suppose the spectrum showed that now a lot of people are still operating single districts, but, within two years, most of them see themselves operating in a cluster of some sort and, within five years, a formal arrangement of that cluster, so it will be things that you will hear about in the next session, and then, within ten years, the majority of people thought that some sort of unitary solution would be the way. I think people recognise that the two-tier system is not ideal. In fact, the way government creates policy makes it difficult in two-tier areas as it is quite often created around mets and unitaries, which have a different way of operating, and that has been partly the problem with devolution and I think that the principles work well in cases where you do not have two tiers. I do not think it is about not recognising the need to change, but it is about what is the most appropriate way to make sure that you continue to do the right thing for the people and the place, to drive economic growth and to deliver things efficiently. If you factor in all three of those things and you look at the financial position of the councils, in the main, it is not the districts which are struggling financially so much because quite a lot of districts now have created commercial income streams, are operating quite differently and are sharing services and making efficiencies. It is not the most expensive part of local government and, therefore, I think some lessons can be learned in terms of how you could apply it on a bigger scale maybe.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: I am very interested in what you have had to say. I am a district councillor in Somerset and I am particularly interested in double devolution because I think it is really important to be able to keep communities on board, and you keep communities on board by them having some kind of power over what happens. Large numbers of communities are now doing neighbourhood plans, sometimes motivated to prevent housing and sometimes by a desperate need to have housing, but by a whole range of other issues about helping to protect the schools, the community services, the leisure facilities and the transport because, if you are in a rural village, the likelihood is that the bus that comes twice a day might only come once a week in the not too distant future. I think that devolution down to parishes and town councils is really important, and I think you have it absolutely right about the scale and by not having one-size-fits-all. I think that is really important.

I was interested in the discussion about skills because I think towns could quite often take on the issue around skills. I know that that is not technically a district council remit and it tends to be something which the counties have dealt with in the past, but it could be something which some of the bigger towns could take on board or, as you have indicated, all kinds of different types of local authorities. You have the very deep rural areas that you have in the Peak District and down on Exmoor, in my neck of the woods, and you

have the semi-rurals where there are villages together which, quite often, are keen to work together, and I would be interested if you have some examples of where that has happened. Then, there are the market towns and cities and then the big metropolitan areas where the Government are very keen to have elected mayors. My experience is, as is probably yours, that not everybody wants an elected mayor and it is really difficult to get everybody singing from the same hymn sheet, but there is this issue about critical mass, and I was very interested in what Nigel said about having three unitaries in Derbyshire where social services might be split up. Social services is one of those incredibly hungry services which gobbles up the resources, and I am not sure whether breaking it up would make it more economical. It might do, especially if you had cities and very rural areas and you had different models for those two, but then you have to be careful that it does not become a postcode lottery.

CLLR NEIL CLARKE: Yes, what you said about skills is a very important point because where people have put in devolution proposals or combined authority proposals, then, certainly for us in my area, skills are extremely important, whereas the districts and the upper-tier authorities collectively put in a joint proposal for us to work together on promoting the skills agenda. It was not about whether it was a district, a county, city or whatever and it was not about anybody being precious about that service, but it was about working together to ensure that you were using your resources to the best efficiency and were not duplicating anything and then, hopefully, promoting young people, and I say that, but it is not just young people, it is all ages because there are mature people who want to reskill, et cetera, and sometimes I think we forget that it is all ages of the skills agenda which is vital. It is important with things, like, for instance, transport because yes, no one village is going to design a road that is not practical, so you have to, as you say, be realistic. The area that we have touched on, but perhaps have not mentioned directly, is health, although we have talked about social care and social services. The way the NHS is structured is not per county, it is per different areas often and, therefore, it is important that that is taken into consideration and that different clusters of areas, as they are working together, are also including the health agenda because that is an important part. I think a lot of people take the view that the NHS is inefficient and should be restructured so that local government is more involved in delivering that service because it is the local people who actually receive the service, so why should the local people not be involved in planning to make sure that those services are actually delivered appropriately within the right locality?

SANDRA DINNEEN: I think you are absolutely right in terms of getting the scale right to meet the need, so at the right level. We would advocate something around functional economic areas where businesses need to have the linkage with the colleges to make sure that the skills match the jobs. Where I come from, we still have lots of hairdressers and lots of nursery nurses and those are not the jobs that the employers need, so the system has failed and it has continued to fail. Part of our devolution bid, which failed, was to try and actually really shift the whole way that that was managed and the whole way it worked. We continue to try to work on some of the skills agenda, but, while the colleges get funded for the number of people they get sitting on the seats rather than matching them to the economic need, that is why, in devolution terms, if that resourcing came in

locally, you could start to do that matching without some of those high-level risks.

Another good example, and I know that we are not really here to talk about our own areas, is in terms of the health and social care agenda. I know that my local authority and a number of other districts have taken a very positive approach to the prevention and health agenda and have really started to use that and our housing powers, leisure centres and open spaces to really try and tackle things early on before they escalate to become the acute and very expensive issues both in terms of health and social care. We are starting to demonstrate real results in that and working collaboratively on the issues in a place actually seems to show that, if people can overcome their boundary outcomes, we get much faster outcomes and a much more efficient use of resources and we are able to deliver things that we are supposed to deliver rather than worry about who is getting paid for what and who is paying for what. We have got to the stage now where, hopefully, we are not having those wrangles about whether it is a social care issue or a health issue or a prevention issue and it taking three and a half weeks for someone to come out of hospital, who could not because nobody could decide who would pay for the next bit, which just costs us even more money. That is the type of thing which I think real devolution would be able to tackle and should be able to tackle, if you get the right scale around the right issues.

CLLR NEIL CLARKE: Can I just add one example to show that we are not talking about our own areas. In terms of the skills agenda, I do quite a few peer reviews with different councils around the country, and Teignbridge in Devon has, whatever you want to call it, a technical college or technical school, a new college, which has been started with the district council and the county council working together on where they are actually teaching engineers, so very skilled people, particularly in engineering. They are making sure that there is a new philosophy and they are actually encouraging them to be work-ready so that the hours of operation of the school are the same hours as those of a business and they work within the school as if it were a business, not a school. In that respect, I think that there is an opportunity where, in devolution, all levels of councils could work closer together to actually promote that sort of operation where you have a skills project.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: That sounds good.

THE CHAIRMAN: Can I come back to the one size not fitting all and the quite interesting discussion that we had about the scale and delivery of service. We have acknowledged that, for some services, there needs to be some scale to deliver them efficiently, but there is the principle that we need to get down to deliver at the lowest level because, whether it is a parish council, a town council or a district, they are much more likely to be closer to, and engaged with, their local residents. I want to just explore some of the obstacles to doing that because that may, on occasions, involve people working together, so the barriers there. One of the problems that we have within local government is that local government is administered by political parties and often political parties do not get on. Everybody says, "Yes, we are the people who will put on one side our political differences for the greater benefit of the community", and that is

sometimes the case, but we all know that sometimes that is not the case, so how do we deal with that? Also, how do we deal with the issue of local rivalries where, if there is a pitch for some investment and my area gets it, that means that the area next door, with whom we may be trying to work collaboratively, does not get it, so do I argue aggressively to get that investment and risk offending them and upsetting that relationship? How do these tensions work and how much of an obstacle are they to devolving more power down to a local level?

CLLR NEIL CLARKE: I cannot deny, Chairman, that obviously there are bound to be tensions because that is the nature of people. In different tiers, if you are trying to get to work together, everybody initially says, “Yes, yes, of course, we all want to work together”, until you gradually start to get into more detail and then people start to become more precious and say, “Yes, but we have always done that and we want to be in charge of that”, so I am not going to try and pretend that there are not tensions because obviously there will be. I think people have to be mature enough to recognise which is the best organisation to deliver that particular service, whether it be putting flowers around the lampposts in a village or whether it be organising the health service. Obviously, any one particular village cannot organise the health service, and it is important that people can actually have those conversations, so it is a question of deciding where the resources are and how best to deliver that service in the most efficient way and who then delivers that service in the most efficient way. Organisations have just got to get together and have those mature conversations.

SANDRA DINNEEN: Being part of a devolution deal that failed because the partners could not agree, effectively, although the deal was there, and we walked away from it, I think we are in a different position. There are a couple of things which are really critical. One is really having a clear and shared vision, and we are not good enough at thinking about that over the whole piece and making sure that people really do own and share it. I think that, if we get that right, people can see that, over a period, it is not competitive and that everybody is a winner eventually, but it is just that some people get the goodies first and others have to wait. That was quite a big challenge, and it is almost like getting a piece of infrastructure, “Why am I not getting a piece of infrastructure?”, and trying to show that, over a longer period, you get that cross-benefit. I think that more work needs to be done by us to demonstrate that bigger picture and the way that you can share those benefits.

It is also human nature, is it not, in that, if people get on well, they work better together, so the relationships are very much down to trust, and personality is really key, and I do not think that we do enough investment in those more fundamental things about how people need to work together to make this stuff work rather than just bringing some people together for meetings and thinking that they are going to decide something because they have sat around a table for two hours. It is just quite naïve and you would not do that. If you were managing a change situation in a big organisation, you would not do that, so why would you try and do that when you are trying to change these things? Therefore, I think that more investment upfront about trying to get the relationships right and the shared understanding of the vision is really important.

Another thing is that the way that the current devolution of things works, although we will wait and see what happens on Dorset in terms of unitary stuff, it appears that, unless there is 100 per cent consensus, things do not happen, so you have always got somebody who feels that they have power over the situation, and that is something which I think needs to be challenged because it means that people can dig their heels in rather than try to find solutions.

THE CHAIRMAN: So you would argue that there should not be a veto, or that there should be a majority decision? How would you do it?

SANDRA DINNEEN: Yes, I think there probably should. If the evidence can demonstrate that it is the right thing to do and the public vote for it, then it should be a majority decision.

THE CHAIRMAN: You just used the expression “if the evidence suggests”. Who is going to be the judge? Who is going to be the jury? Who is going to determine that?

SANDRA DINNEEN: Well, the Government have the tests and the case you put together, so, if you have a deal that has been agreed, then, effectively, it has passed the test to say that it was recognised as being a good thing for this locality and a contribution to UK plc, because that is the whole point of the numerous hoops that we jump through to get to that point in time, so, in terms of housing delivery, jobs growth, GVA growth, all of those things are part of what you have to evidence for what you are requesting to happen in terms of what the powers and resources can deliver. You build your case, in effect, and it gets independently scrutinised and assessed, then you get an offer and then people walk away from the offer, not for reasons of the offer because they have already agreed it, but for reasons of local politics or “There’s not enough in it for me” or whatever it might be. I think that some element where, once you have got to a certain stage, if the public are supportive of a change and if the case stacks up ---

THE CHAIRMAN: But do the public fully understand when these things are presented to them? If we are going to let the public decide, do they understand these issues and are they interested in them?

SANDRA DINNEEN: Well, I do not make the regulations about the public being consulted on these issues, but again I think it is how well you do it. One of the key things that we have looked at is what business’s view is because the devolution agenda is currently very focused on growth, so businesses are actively involved and think that some things should change, so I think that is a voice that should be listened to. Yes, of course, I think that people struggle with the full concepts around some of the detail, but the principles about the outcomes, I think, are what we should be communicating to the public and asking them if that is what they want. They are not that concerned about whether it is X or Y which actually gets to deliver it; they want the outcome that will be facilitated by the change, and I think that is what we need to focus more on.

CLLR NEIL CLARKE: Chairman, if I could add, I think that we need to be careful as well in the timing because, taking economic growth, businesses are not going to wait around for ever. If they hear that things are changing, they need to see that change because they need to be able to plan for growth. In the way regional growth bids are constructed, it is all about competition and competing for money, and it is important that businesses can actually see that there is some progress in any changes that may be suggested. What I am suggesting is that you cannot just keep talking about these sorts of things for ever. If we are going to have devolution, it is important that the ideas come together, and it is a bit like an eclipse of the sun or the moon, if you like, in that, when they are all in alignment or when all the stars are in line, go for it and do it and do not keep prevaricating and saying, "Ah, but we need to decide this, we need to decide that". If there is a stage where everybody is in agreement, then why can they not just rubber-stamp it and say, "Right, get on with it"? I think that we have to encourage the Government or persuade the Government to do that far more often rather than just going round and round and round and talking about it for too long.

NIGEL MILLS: I was quite intrigued by your idea that the District Councils Network was going to advocate bouncing certain districts into these deals. I suspect you may lose a few members if you go round and ask for their views.

As a last question, you talked about accountability, but we are not talking about how NatWest chooses how many regional managers and how many branches per region it has. We are talking about democracy and people feeling that they have the final say and that they can change decisions by changing the council composition if they do not like what is being done, so I think we have to be clear that it is not just about perhaps where the most efficient level to do things is and where people feel that there is a natural level of accountability. Do you have any concerns with collaboration and devolution that, actually, we do not have the democratic oversight in the right place if we are not careful? If eight districts get together and pool planning, which is probably the most sensitive thing that my district seems to do, and planning decisions get taken on some kind of collective basis, I can sling out all my councillors and yet somebody else, 20 miles away, keeps deciding those planning applications and I cannot change them. It weakens faith in the whole thing, does it not? Do you need the election to be at the level where the really important decisions are being taken and then you try and sub-divide down to regional committees or local committees rather than have smaller local things trying to combine and decisions being taken ---

CLLR NEIL CLARKE: That is why I think, with regards to planning applications, that they should be considered still at the pretty local level. What we are talking about is strategic planning, which is obviously a little bit different from talking about somebody building a house in any one particular location, so it is more the strategic planning side. In pooling our planning service, it is difficult to make savings, even if you have several councils all pooling together, because it still takes a certain amount of resources to feed that service, so it is the strategic planning side rather than the planning applications.

NIGEL MILLS: But, if I can pool regeneration and they regenerate my town in a way I

do not like or they put a one-way system in that I do not want, I can sling out all my local councillors, but that is now a policy decided by some regional committee of leaders or something. I accept that planning is a difficult one, but it is just the feeling that you have gone slightly undemocratic in that situation.

SANDRA DINNEEN: Are you talking about a combined authority making that decision?

NIGEL MILLS: We have had lots of evidence about districts collaborating and having chief executives' meetings and leaders' meetings taking decisions that apply across the whole collaboration. It is those kinds of issues.

SANDRA DINNEEN: I think that there are steps, are there not? In some places, I think that they have gone as far. Northamptonshire have a joint committee around their economic development and planning. That is quite unusual, but it seems to be working quite well in terms of their decisions, but they are taking the decisions around the local plan-type issues, not the DM, the development management-type issues, so that is still very much a local decision.

When we talk about clusters of districts, it is not saying that everyone just gets around the table and has a bun fight; it is about deciding what decisions you take at that level and which ones should stay local. The very basic principle is that decisions should be taken as close to the people they affect as possible, so I think we are agreeing on the same point really, that, in Norfolk, where I come from, you would not want someone in King's Lynn making a planning decision for Great Yarmouth because they are 70 miles apart and it would be farcical to do that, which is one of the reasons why we think that a unitary county would be a big ask of the geography. If you are asking whether a sub-regional level should be making a decision about major A47 infrastructure improvements, which spans that and across a whole load of other counties as well, then I think we are saying that is when it should happen at that level, so it is horses for courses really and trying to do that efficiently. It is this balance in efficiency and about people recognising that it is relevant to their people and place and then feeling that they have some say over the issue. I think there are some services, such as building control, that could happen over quite a big joined-up area because it is a regulatory service that does not affect whether someone's tree gets chopped down or someone builds an extension next to their house or whatever, so I think it is more granular than just being able to make sweeping statements. I think the principle that, actually, there are ways of working almost like in a pyramid could be something that could be worth taking forward.

THE CHAIRMAN: Well, that is very helpful and probably not a bad point on which to conclude our first session, and we will now move on to the second panel, so thank you, Neil, and thank you, Sandra.

Witnesses: HUW BOWEN, Chief Executive, Chesterfield Borough Council; DAVID McINTOSH, Chief Executive, Christchurch and East Dorset Partnership; and CLLR RAY HERRING, Leader, Suffolk Coastal District Council.

THE CHAIRMAN: Good afternoon. We have a combination of chief executives and the Leader of a council, so welcome, Huw, Ray and David. I wonder if you can just start us off by setting a little bit of a context for the areas that you come from and represent, and we will then, I am sure, have plenty of questions that will follow on from that. Huw, perhaps you would like to start.

HUW BOWEN: Thank you, Chair. I am the Chief Exec of Chesterfield Borough Council. It is a lower-tier authority and one of eight district borough councils within the Derbyshire county area, and Mr Mills will be very familiar with Chesterfield. We collaborate very well on many different levels, both horizontally across district councils in terms of shared services and working with the NHS and so on and vertically with the County Council.

Today, I want to talk about our role in devolution. We have been very much centre stage as Derbyshire County Council in terms of the devolution process. We have been an active collaborator within the Sheffield City Region since 2005. That is a functional economic geography on every sort of metric that you look at around that functionality. The Leader of our Council has been on the LEP Board and SCR since 2010. He has also been on the combined authority when it was established in 2014. Ourselves and the other three North Derbyshire districts as well as Bassetlaw in North Notts have been non-constituent members of the Sheffield City Region since that time. Why non-constituent? We would have probably wanted to be full members, but the Derbyshire County Council had a right to veto that and there had to be the consent of the county for us to take full member status, so we did not choose that path. It has been a very good hunting ground for us economically. We have achieved £100 million of tax breaks as an enterprise zone with £31 million of infrastructure funding, funding for skills and funding for business support. It has been a very good place for us to be.

We have also collaborated in D2N2, which is the Derby Derbyshire Nottingham Nottinghamshire LEP geography. The Leader of our Council was on that Board from 2013. The LEP Board was established in 2010, and it did not have district borough council representation from Derbyshire and Nottinghamshire for a few years. That changed in 2013, so my Leader has been on both the SCR LEP Board and the D2N2 LEP Board as well as the SCR combined authority. We have been a place that has been negotiating devolution deals both ways, so we have been in the Treasury and DCLG with both the SCR hat on and the D2N2 hat on.

What happened in October 2015 was that the SCR achieved their devolution deal, the second deal. D2N2 fell away at the final stages in terms of their devolution because, in the main, four Derbyshire districts, not Chesterfield, pulled away from the D2N2 mayoral combined authority proposals. There was a change then in the legislation with the Local Government Devolution Bill in early 2016 that gave a borough council an ability to

become a full member without the consent of the county. We took that decision at full council, as did Bassetlaw, so we have been seeking full member status of the Sheffield City Region mayoral combined authority since that time and, to cut a long story short, the county were vehemently opposed to that, so, through the public consultation approach through the summer months, we ended up in the High Court, unfortunately, in November with the County Court judicial review against the Sheffield City Region combined authority, ourselves and the Secretary of State, so everything has been pushed back 12 months. We will need to go back out and do some further consultation in June/July and we do hope that there will be a Sheffield City Region mayoral combined authority in May 2018, but I am sure that there will be plenty of further hoops to go through.

THE CHAIRMAN: And I am sure there will be plenty of questions, given your experience, which we will come on to. Councillor Herring, tell us a bit about Suffolk.

CLLR RAY HERRING: Thank you. I am Ray Herring, the Leader of Suffolk Coastal District Council, a role I have done for what must be 18 years now.

There are two aspects really to what we do in Suffolk in terms of the partnership arrangements, et cetera. We have the Suffolk Leaders Group, which actually works exceptionally well, the county plus seven districts, and of course you will be aware that, within Suffolk, in six of those districts, there are three lots of pairings of district councils, which is basically one officer corps between two authorities. That applies to ourselves, and probably even more so, as Suffolk Coastal, and Waveney District Council.

From the Suffolk Coastal perspective, we have had a ten-year relationship with Waveney District Council, so basically the whole East Suffolk coast, and we badge ourselves as 'East Suffolk' now, and 80 per cent of what we do is fully shared. That 20 per cent is really about the fact that we still are two separate councils, although we do work with one single business plan, and we have done that over the last four years. We have a comprehensive range of partnerships, which is something which we have developed over that ten-year period, and I do mean a comprehensive range of partnerships, with a very pragmatic approach to how we go about our business, et cetera.

As Suffolk Coastal and Waveney, back in January, we decided to merge. Technically, it is not the right phrase; it is the creation of a new council, a super-council, if you like, but basically, in practical terms, it is a merger. That will actually create, in May, a 2019 district council serving 250,000 people or, in other words, the whole of East Suffolk coast. We are waiting for DCLG to write the secondary legislation to allow us to do it, and there have been other priorities, I think, again in the north in terms of devolution for their time and resource, but, nevertheless, I understand that they are writing it at this very moment, and the Boundary Commission are doing what they want to do, and of course we have various bits and pieces which we will need to put in place in terms of preparing for a new authority.

In 2016, we were immersed with the other Suffolk, Norfolk and, indeed, Cambridgeshire local authorities in a devolution deal. I have to say, we were very disappointed that that

did not work out. All the Suffolk local authorities were 100 per cent behind the devolution deal, but I will not go into the reasons, which you might know, of why it did not work out, but, from a Suffolk perspective, we were very disappointed with that. I have to say, we would not have necessarily opted for the elected mayor bit, had we had the choice, but, nevertheless, everything else about it we were entirely on board with. As a broad perspective, that is where we are.

THE CHAIRMAN: Mr McIntosh, do you want to give us the Dorset perspective?

DAVID McINTOSH: Thank you, Chairman. Not dissimilar to those two councils, the Christchurch and East Dorset Partnership comprises two southern council bodies which have a single officer corps, so I have been leading that officer corps since 2010 and, over the few years since then, we have put it all together and have been operating in that way now for a little while. It has saved us considerable amounts of money in the scale of the organisations and it has certainly helped us to deal with our share of the austerity programme.

The geography in Dorset overall is quite mixed, so, as well as the two-tier area with six districts and a county council, there are two unitary councils, both in Poole, established in the 1990s, and people tend not to associate large urban areas with Dorset, but the Bournemouth/Poole/Christchurch conurbation is about 450,000 people, so it is slightly smaller than Bristol, just to give it a sense of scale. The nine councils agreed to work towards a combined authority, so, whilst in some places they started trying to do a deal, Dorset decided to try to get the construct, the body, in place first before they then had a discussion about the deal, which I think just illustrates the different approaches that happen in different parts of the country.

While that conversation was at a reasonably early stage, the unitary councils discussion broke out, so each of the councils agreed, by the end of 2015, to undertake evidence-gathering in support of different unitary options, and at that point I think there were four or five, potentially, on the table. That took place in the last calendar year and came to a head, if I can put it that way, in January of this year when each of the nine councils considered a recommendation to create two unitary councils, so one would be for Poole, Bournemouth and Christchurch, predominantly urban, and the other one would be the rest of the Dorset area, which is predominantly rural, although there are exceptions, for example Weymouth and Portland, but it is predominantly rural.

My two councils decided not to be part of that submission, which leaves us in an interesting place right now, whereas six of the other councils agreed to go forward. There was one other that opted out, Purbeck. Interestingly, I think, and on a theoretical level at least, the three largest councils are part of the submission which has been made to the Secretary of State, so two unitaries and the county. The County Council have agreed on a submission that is not on their own geography, which I think is interesting, and it is one of the very few examples, if not the only example, of that happening, so it is with the Secretary of State, and we have been attempting to find out when we might get an indication and we are told that that will happen in due course. We find ourselves then, in

terms of my councils, in that position and wishing to explore other options, but, for the time being, it is a bit like having the ‘pause’ button pressed because, until we know what the Secretary of State’s initial view is, then it would not seem to be particularly sensible to spend too much time working on alternatives.

During last year, part-way through last year, the Dorset councils agreed not to pursue a wider devolution deal at that time. I think there were two elements to that. One was that it is incredibly complex, as you understand, I know, to get nine councils to agree the same thing, and it just seemed too much of a stretch to imagine pursuing the unitary conversation at the same time as pursuing a wider devolution discussion, so I think there is a practical element to that. There was also the issue of a directly elected mayor, which Dorset, essentially, decided not to talk about, which I think probably gives you a feel for the feeling. Officially, devolution is to one side, the combined authority submission is in and again we wait for confirmation that that will go ahead.

THE CHAIRMAN: I asked the earlier panel about local tensions and rivalries, as we seem to have heard little about that. Just with regards to one question, with all of the discussions that have taken place and who has partnered with whom and at what level services are provided, is there any sense from your residents that there is far too much time spent haggling over what these deals are going to be and not enough effort and time put into delivering services? With the amount of time left and the complications with the discussions, I wonder whether there is any merit in that argument.

HUW BOWEN: Well, I think it is a very fair point to make, and I think the public consultation that we did on the SCR devolution deal last year brought some of that into play. I think it is very difficult for the public to engage with the subject of devolution and mayoral combined authorities and so on. A lot of them do not understand the tiers of local government, to be frank, in terms of town and parish councils and boroughs and counties; they just feel that there is a council that does things for them. I think that, on the one hand, you can say, “Well, it doesn’t matter to too many people, providing they get a quality of facilities and services”. On the other hand, there are others who were very vocal in their views through that consultation process and wrote a lot of letters to the Secretary of State and so on and so forth.

THE CHAIRMAN: But was there any sense amongst your own senior management team that you were spending time in negotiations and discussions, and this is equally a question for the other two members of the panel, when really you should be getting stuck into giving the residents what they want? That is what you are there for. You are not there to spend all your time having lots of discussions with your partners about the different ways of doing things, but it is about, in simple terms, making sure that the bins are emptied.

HUW BOWEN: The emphasis for SCR for us was accessing an economic deal. As I said earlier on, we were getting a lot of money out of the SCR Enterprise Zone status and so on and so forth, so, on the back of our involvement there, we have a £1 billion regeneration programme within the borough of Chesterfield, and pretty much all of those

projects have been funded by Sheffield City Region infrastructure funding, so that is the argument to the population and that is an argument in terms of how much time we are spending on things. Is it worth our while being around that table? The answer all along is that it is worth our while. The latest economic deal was a £484 million deal over five years, which is the kind of level of funding that was available, and around £1 billion over 30 years engaged in funding and being able to access powers that are currently held in Whitehall that we felt we could deliver better at a local level. Off the back of that, what we have seen is a 4,000 increase in job numbers over the past five years in the borough and we have also seen productive growth in terms of GVA and other things, so that is why we are there and it is about getting hold of cash and getting hold of powers to deliver a better economy for the people of Chesterfield.

THE CHAIRMAN: Cllr Herring, is there any sense in your organisation that this is all a bit of a distraction?

CLLR RAY HERRING: Absolutely, and I think that ensuring that you deliver things in terms of doing the day job is so important. In terms of the two initiatives, potential mergers, et cetera, and getting economies of scale in terms of the district council level as opposed to devolution, in our experience in terms of the merger, of course we have been working on it for a good number of years. The advantage of that, and we did not necessarily set out with the objective in mind, but nevertheless it was always there, was that we had the ability of time to demonstrate that, actually, there was not a great issue in that there was no need to fear the change, such as the creation of a larger local authority. Indeed, our consultation results last autumn were very, very positive because there is almost an expectation that that is where we are going and we were already delivering services on an East Suffolk basis, not necessarily in terms of two smaller, individual councils.

With devolution, of course, you had a few months to actually put something together, shoved in front of the public for a response, with the addition of another tier, potentially, in their view, and also with an elected mayor, which did not get a great deal of popularity surrounding it in two-tier areas, rural areas, et cetera, so you simply did not have the time to actually demonstrate the benefits of that. You cannot do that in six months, whereas, with the merger arrangements, we had a number of years and it was planned, and that is the difference.

THE CHAIRMAN: Mr McIntosh, sticking to the knitting?

DAVID McINTOSH: It has taken a lot of time of quite a small number of people in terms of this reorganisation discussion. It has been all-consuming for me and maybe one or two others in my organisation and the two leaders, but I like to think that the rest of the organisation was getting on and doing more important things. It is a bit of a dilemma, is it not, because, if you think that two unitary councils in Dorset is the best model for local government, accepting that no model is perfect, but, if you think that that would be better than what we have got now, you can only get there by going through this process and there is no other way, so it is a price you have to pay in order to win the prize, if you see

it as a prize.

THE CHAIRMAN: We are going to lose Nigel a little later on, so I will invite him to come in now.

NIGEL MILLS: So, here, we are probably best not to spend too long debating the merits of the D2N2 devolution bid or Chesterfield's bid to join South Yorkshire. I think I was one of the six MPs who signed that amendment that let you do that, so I do not know whether to apologise or celebrate the fact that that never got accepted in the end.

Your written submission said very clearly that collaboration is more challenging in two-tier areas, and you even wrote it in bold, so I assume it is quite an important point. Do you think that it can work, or do you look with jealousy at all those unitaries in South Yorkshire that you work closely with and think, "I wish there was only one voice for Chesterfield really around this table"?

HUW BOWEN: It is a challenge. Historically, county councils and district boroughs just got on with delivering facilities and services, and there are many really good examples of where we collaborate excellently with the County Council. The issue that has emerged, I think, in recent years is place and leadership, and the challenge around this whole issue around devolution is where you have got two tiers of government, both elected to represent the place, and they have a different view of what is best for the place, and that is where it becomes really challenging in terms of this particular devolution conversation. Yes, it is much easier for those unitary mets in South Yorkshire, the City Councils of Doncaster, Rotherham and Barnsley. It has been a much easier process for them than it has proved for Derbyshire.

What we have tried to do is to make the case to the County Council that there is a value in them also being around that table, and that olive branch has been there for a long time from the Sheffield City Region. With the Local Government Devolution Bill, or the Act now, is that, if we were to become a full member of that combined authority, there is a compulsion for Derbyshire County Council to also become a full member. Now, they can exercise that choice, clearly, but it would be great for them to be around that table because, in our view, there is plenty for the county to benefit from in terms of that devolution of powers in terms of public transport, skills and so on, and it would be great for us to be around the same table, collaborating on a functional economic geography that makes sense for that part of Derbyshire. Unfortunately, they are not in that position; they have got a different view as to what they think is best for place, which goes back very much to the administrative geography. The argument to our public has been, "We are not taking you out of your administrative geography; you will still be Derbyshire residents and businesses. What we are doing is accessing a deal on the basis of a functional economic geography that will bring wealth and prosperity to the borough", so that is the kind of argument that we are trying to put out, as a district borough council, but it is very tough when you have got a county that feels that the best approach is to stick to its administrative geography, its historic boundaries and to do something with N2, which clearly, as you know, did not work out at the 11th hour in terms of some of the districts

moving away from that particular proposition.

NIGEL MILLS: One difference between the South Yorkshire and the D2N2 bids is that South Yorkshire has stuck more closely to economic development and transport issues, whereas the Nottinghamshire and Derbyshire one wandered off into policing and other powers that perhaps Manchester might quite fancy. Do you think that devolution would work better if it did stick to its original purpose of economic growth and job creation?

HUW BOWEN: I think that that was a particular challenge with the D2N2 in that it was a wider public service reform. If it had stuck to the economic deal which Sheffield City Region has, I think it makes it a lot easier.

The other point that I would make is that it is important to have a seat around the table. At the SCR, the leaders always have a seat around the LEP Board and around the combined authority table, so they are involved and engaged in all their policy-making and decision-making in an SCR environment. In D2N2, that has not been the case. That is, to a degree, pragmatic, because you would have to have 39 people around the table at a LEP board to have 19 public sector leaders and 20 private sector board members, so there is a pragmatic issue, but there is an issue in that, if you are not sat around the table involved in the policy-making decisions taken, there is a trust and confidence issue as to whether the others around those tables that you are not at are making the right policies and the right decisions for your area.

NIGEL MILLS: Is there not an issue when you have an area which covers part-unitary and part-two tier, and maybe I should be happy with this, but you end up with, in Derbyshire's case, the City Council having one voice and one vote and then the County Council and the districts getting nine voices and nine votes, but not having nine times the population? Do these things not start to creak a bit when you have one district, far from Derby, that could, effectively, veto a decision that pretty much only impacts Derby in that situation? It just feels a bit unfair.

HUW BOWEN: I can see the point you are making. In the two devolution deals that we have worked on, the majority was two-thirds, so, providing there was a two-thirds majority in favour of a particular policy or programme, then you had that mandate to proceed. It was only on the spatial planning framework where there had to be a unanimous view from all of the districts and counties, so the voting arrangements that were being constructed, I think, would have not enabled a single district, apart from on spatial planning work, to actually veto what the combined authority wanted to go ahead with, which has certainly been the case.

To go back to my point, the fact that we have been around the table since 2010 and the nine leaders in the Sheffield City Region have got that working together habit and have shared the value of being around that table in terms of the economic benefits we have got, we all have trust and confidence that, actually, it does not really matter what voting arrangements there are because we will do the right thing for the Sheffield City Region and for the constituent authorities. It has been more of a challenge with D2N2, and I

accept that.

NIGEL MILLS: Because you had collaborations with, I guess, particularly North East Derbyshire and Bolsover for quite a while in different services. How have you found those working? I suppose they have generally not been core, high-profile functions of the Council, but a little more back office generally, have they not, but how do you contrast what looks a bit like a whole new tier of government at one end of the collaboration and sharing at the other, which I suspect not many residents of Chesterfield get too excited about?

HUW BOWEN: I think it is about knowing best in terms of public service redesign, and the approach we have taken in Chesterfield is that we will collaborate with anybody and everybody that delivers the better quality of outcome and value for money, so we have done building control, we have done procurement, we have done crematoria and we have done building internal audit on a shared-service basis for many, many years, since 2007, in North East Derbyshire and Bolsover. The NHS, the Royal Hospital, now does our procurement for the three councils, so it is horses for courses. If you can see that you do things more economically, deliver things better and demonstrate value for money, then it makes sense for you to go into lots of different collaborations. Chesterfield, in terms of devolution, has been quite promiscuous really; we have gone to wherever we can get the money to benefit our economy, and money has come from D2N2 with this overlapping geography, so it does mean that our European funding is split 50-50 between D2N2 and SCR, so we are going to have to go and play in D2N2 as much as we can to make sure that we get our fair share off the table, so that is the approach we have taken.

NIGEL MILLS: How would you handle a district that is unwilling and kiboshes certain collaborations that, as I think you might vaguely recall, attempt to get a county-wide refuse collection, which I do not want to dwell on at this point because it is an embarrassment. In general, how do you handle where these things fall because one partner, unreasonably in some cases, just likes their independence so much that collaboration looks unattractive?

CLLR RAY HERRING: Why would you be too concerned about it? You have to think, “Well, why would they want to actually sit around the table?”, and the more prescription that you put into a particular initiative, the more reason there is for them to actually either go in the slow lane or perhaps opt not to go for it. There has to be a good reason for them. Whatever the initiative, whether it is a devolution deal or not, there has to be a good reason, an incentive, so, if you look at the devolution deals, such as we had in prospect with the East Anglian deal, the funding was certainly there and that was an incentive, and devolved powers and increased influence was there. There was no reason why you would not want that at district level and everyone should be greatly enthused. If you are not, well, why are you doing the job?

Of course, when it comes down to it in terms of a combined authority, you probably have to work a little harder at that because you have probably already got a structure there anyway, such as in Suffolk we have the Suffolk Public Leaders Board with its own

funding arrangements, et cetera, to support initiatives and projects, so you are part of the way forward there, but you have got to take the people you represent with you. Then, of course, if you add a lot more prescription into it, and the big example is, of course, the elected mayor, then that becomes a distraction, a focus and a reason for people not wanting to actually go forward, so you have got to build in incentives.

The current Government, since 2010, I think, has actually been very successful at incentivising, if you think of the new homes bonus, et cetera. It has changed the perceptions of the public we represent in terms of planning. It may not feel like it when you have got a controversial, sensitive planning application in front of you and you have a couple of hundred people waving banners, but it has changed the way people perceive planning, and very steadily and gradually, but it has changed, and they do actually see the proceeds and incentives, particularly if the council wants to demonstrate it, and we do in Suffolk Coastal and Waveney, flowing down in terms of extra funding arrangements for local communities, et cetera. The current Government, since 2010, has actually put in place incentivised initiatives, and I think that is really how you ought to be selling devolution. There has to be a reason for doing it, otherwise, people will just kick up and councils will kick up. There will always be the awkward squad in any area and you have to take them with you. If, at the end of the day, they say, "Well, it's not for us", and all the incentives are in place and there is no reason why they should not, if they are still in the slow lane, well, that is where they are.

NIGEL MILLS: Mr McIntosh, let's flip it. There has been a general agreement in Dorset, and I do not know whether it is true or not, that this wonderful new local government structure will be far better for Dorset as a whole and that your two councils are outrageously, with some misguided sense of self-interest, trying to slow this down or prevent it. How do you engage with the rest of your partners in that situation? I may have slightly maligned it!

DAVID McINTOSH: It is a product of the system that we are in, is it not? None of us wants to be imposed upon, so, if the Government decide, "We're going to reorganise Dorset", we would probably react badly to that, so the conversation at the bottom happened, so there is value in that. For DCLG, where I have been this morning, the current situation in Dorset, which is six for and three against, is probably as good as it is going to get anywhere, realistically, and, if the Government want to see these changes coming through, then they are going to have to accept that. Certainly, we have been tracking this very closely, as you can imagine, and there has been a shift in terms of the different secretaries of state and how they have explained what their expectation is in terms of a consensus and the level of it, so it has now brought local consensus into the language that is used. Now, whether six-three is or is not a consensus, we will find out in due course, I guess.

From a practical point of view, there comes a point when my two councils will be disadvantaged. If they decide, and it is their right to decide democratically, it is my job to deliver on that, but, if this goes ahead, then there is a danger that the councils which opt not to be part of it get left behind, and that might be more likely to be district councils

than it would be bigger councils, I guess, logically, so I hope that we do not get to that point, but I think that is a potential consequence of the model that the Government are choosing to employ.

In terms of combined authorities, and it came to mind when you asked your question, we had a very long list of things that could be within the scope of combined authorities, and I am sure this happened elsewhere, and the list got quite quickly condensed, which I think was a point made earlier by the first panel. If this is the way that we are going to do it, then you have got to just accept that and you have to, in our terms, band the combined authority on the minimum scope of economic development and strategic transport and then, once you have got that, have a conversation about whether or not you want to add anything to that over time, where the law makes it easier now to do that. That is not a quick process, but it is the consequence of the model they have chosen.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: The reason that district councils and local authorities are looking at different models, of course, is all about shrinking budgets and not having enough money to deliver the services that the public expect you to deliver, so you have no choice but to enter into lengthy and time-consuming consultations with your partners, whether that is other district councils or private organisations. There is always that tension in this and it is not always about the politics of the individual councils because, sometimes, you will find that councils of different political persuasions can work much better towards a common aim than some of the ones of the same political persuasion, which you would think would share the same ethos.

THE CHAIRMAN: Could you tell us about the political make-up, because that was an issue that came up in our earlier evidence session, so perhaps, in answer to Baroness Bakewell's question, you could tell us whether the problems are intra-party or between different parties. Sorry to interrupt.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: The other thing is that you did not circulate this document, but I did print it off. That, presumably, is post the current situation, or is it pre the current situation?

DAVID McINTOSH: That was pre. That was in response to the Government's request. I think it was September 2015 that was the day by which we had to register an interest.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: I was interested in the part on driving growth forward with all the leaders and the Chair of the LEP, and I was interested in your comments about the LEP. Really, across the board, how does that work? My experience of district councils and the LEP is that they definitely do not get a fair crack of the whip. I should think that Dorset is probably, if it is a discrete LEP, and I am not sure whether it is or not ---

DAVID McINTOSH: It is.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: --- has huge advantages in that, whereas other LEPs cover several upper-tier boundaries and certainly several district boundaries and there will be one seat for each of the upper-tier district council areas, just one seat, and that causes huge tensions. I would just like you to comment on that because all growth money comes through the LEP, and you cannot get round that, you have to work with it, so how can you ensure that you get an adequate share for your communities?

HUW BOWEN: I think there are three points that you made. I think austerity is driving change. We have all recognised, and I am sure it will be the same for the other two authorities, that we are going to have to be self-financing by 2020 as district borough councils, so the economic growth agenda is key to that because delivering on the new homes bonus is at risk as well these days and more council tax and more business rates are being raised and retained locally. We see it very much as how we will balance our books, and again we have been much more commercial in terms of how we operate. I think it does drive you, in terms of senior leadership and political leadership, much more into these LEP and combined authority environments to try and get hold of the cash to drive economic growth.

In terms of the politics, that has certainly not been an issue with the SCR. It is a strong Labour politic. There are nine leaders around that table and the Leader of Derbyshire Dales is the one Conservative and the other are all Labour leaders, but that has never come into play, I have to say, and it did not really come into play, I think, too much with the D2N2 work that was done which progressed so close to a devolution deal. I think there is a common vision there of trying to achieve something better in terms of accessing funding and accessing powers and so on that will deliver growth, so I do not think politics has played too much of a part in it. I do not want to repeat myself, but there has been a different experience at the two LEP boards that we have been on. As I said earlier on, the Leader of Chesterfield Borough Council has always been around the LEP Board table and has always been around the combined authority table and the SCR.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: Sorry to interrupt you, but has that caused tensions between the other district councils or borough councils that were really in the LEP area in that it is always Chesterfield that has a seat?

HUW BOWEN: Just to explain, in the Sheffield City Region, there are nine local authorities, four South Yorkshire councils, four North Derbyshire district councils, including Chesterfield, and Bassetlaw from North Notts. From when the LEP Board was conceived back in 2010 for the Sheffield City Region, all nine of those leaders have sat around that table.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: That does not happen in our area. That sounds like a brilliant model.

HUW BOWEN: We then move to the combined authority and, clearly, that is all nine leaders around that table. It has been a problem for D2N2 because, up until 2013, there

was no district or borough council around that table. In 2013, they allowed one district from Derbyshire and one district from Nottinghamshire to come around that table.

BARONESS BAKEWELL OF HARDINGTON MANDEVILLE: That is the model that we operate.

HUW BOWEN: I do think that is an issue for districts and boroughs because they are not in the conversations around policy-making and decision-taking.

Just one final point I would make is that it is a very interesting transition from LEP Board to combined authority because, from 2010 through until 2014, the private sector-led LEP Board was in charge. The Government began then to talk about devolution and said, "If you want devolution, there has to be better accountability and governance at the Sheffield City Region level or the D2N2 level", so you see this change and power shift from private sector leaders to public sector leaders at the LEP, and now the LEP Board is more of an advisory/support/reference environment with the public sector leaders in Sheffield City Region pretty much taking the decisions, so it is an interesting transition as devolution starts to happen because you have got to have that accountability there, which a public sector organisation gives you and which a private sector-led board cannot because it is unconstituted at the end of the day.

CLLR RAY HERRING: Just looking overall in terms of the different situations of merger, devolution, et cetera, in terms of the reasoning for the merger initiative, it is economies of scale, very clearly, and it is not a forced position, but a position that we want to go in because of a number of other aspects. It does reflect the economic geography and it increases our influence, which is quite an important factor regionally and in terms of the national picture, that it should increase our influence, but also in terms of capacity. When we talk about capacity, we talk about officer resource, skills, et cetera, that you need to have in-house. Yes, you can buy them in, but you do not necessarily want to be held hostage all the time by contractors and big consultancies, et cetera. It is very difficult for district councils to have that capacity and you use partnerships to help you do that, but, if you are a district council of 60-70,000, it must be very difficult indeed. We have 125,000, and there are issues about capacity, hence, it is important that we have the best people available working for us and, hence, that we are better able to attract top-quality people, if there is a career structure in the organisation, you have volumes of scale and you have a large area which to work with, so that is part of the reason. It is also to prepare for the future. I do not know what the future is going to bring in terms of structures and everything else, but, certainly for the merger, it is within our capability and within our control, to a large extent, in terms of what we are actually doing.

As for politics in terms of devolution, in our experience in the last year of the devolution, it was not an issue in Suffolk. We have a Conservative County Council, six Conservative districts and a strong Labour authority in Ipswich, and we were all agreed. All right, you have to manage the politics, but we manage that pretty successfully in Suffolk. The politics in the other two counties were different, but I will not go there because it is not

my role to talk about that.

Also, in terms of the LEP in Suffolk, I am here representing two local authorities on my own and, indeed, Waveney District Council, and we actually do that quite often. Now, that is quite unique, I suspect, across the country where one leader will turn up to something and probably give assurances and commitments, et cetera, as well as deals. It is relatively unique to have one leader doing that, and I guess that it is something we have actually built up and, therefore, we have two district council representatives on the LEP and they are agreed amongst the six Conservative district councils, and the Labour one had one of their own, which probably saved a lot of politics, but the three pairings, invariably, send one leader to a particular meeting. Clearly, if you are making actual decisions, such as financial decisions, et cetera, then you have to have the leaders there, but that works exceptionally well in Suffolk.

DAVID McINTOSH: I think our LEP model is similar to the one in Somerset. There are four council representatives on the Board, the two unitaries, a county council and one district. I think part of the tension in the district has not been the fact that there is only one, but I think it depends on which one it is because of the urban and rural geography, so it was, firstly, the Leader of Christchurch, which unsettled some of the rural areas because they were concerned that they would not be properly represented, and he went out of his way to counter that, as you can imagine, so it was probably less about numbers and more about geography.

As to the politics, they are all Conservative-controlled councils in Dorset at the moment. Weymouth has, at times, and it is a minority administration for the time being, been Labour and, when it has been, it has not changed the dynamic at all actually. One of the things that is interesting is that it is not a constituted group or committee, but a group of leaders who get in a room and agree or disagree. I am not sure that backbench members fully understand this, but I think they probably imagine it to be quite a hot bed of negotiation and table-banging, but it really is not; it is a collaboration and, as I said, you either agree or you do not agree and they do not vote on things, they just discuss things around the table. I have had this discussion with officials in different government departments because some of the way that we are expected to work now does not particularly fit that model. If you think that devolution deals are expected to be done by fewer than all the leaders in a particular place and you have a smaller number going into a room to do a deal on that, that is counter-cultural to the way that we are used to working. I think the Government now understand that, but it has not changed their approach.

THE CHAIRMAN: Certainly, your remarks about the way that political allegiances do not have any impact on the ability of people to work together is something that has come through in all of our evidence sessions. I have one question for all three of you, but I just want to ask Cllr Herring, because you have told us about your two councils coming together in one unit, so are there any concerns about loss of identity as a consequence of that? Immediately adjacent to me, there are two councils that had an enforced merger in the 1974 reorganisation and those different values still hold strong and they each blame

one another and it impacted my area as well. Warwickshire has the smallest police service and they got into a strategic alliance with West Mercia, but they have retained their cap back, so will there be one body with a new name, or, in your new world, will each council retain their own identify with all the back office and all the other functions being shared?

CLLR RAY HERRING: When we will be creating a new council, it will more than likely be called 'East Suffolk District Council' and there will be new branding, et cetera.

THE CHAIRMAN: How do the people in Waveney feel about that?

CLLR RAY HERRING: We had the 1974 stuff as well from town councils because they have never forgotten when Felixstowe, for example, which is part of the district, when the urban district council was disbanded and they lost all control and power to the district council and the new systems, so you have still got that. I suppose the districts have been created in 1974, so there is not quite that traditional feel about many of the districts, though not all because, when they are based on a town or a city, that is different.

I mentioned a little earlier about having sufficient time. If you are creating something, you have to actually create a brand, an identity. For East Suffolk, it is about the coast in the things that we actually share, so the port to the north of Waveney, the port of Lowestoft, which has gone through a major change, and the port of Felixstowe to the south, so it is ports, market towns, tourism, AONBs and quality environments supporting the gas industries from those ports and supporting the wind power from those ports. The Sizewell nuclear power station is in Suffolk Coastal, but it is right in the middle, and there is the prospect of building another one of course, Sizewell C, and it impacts upon both, so you have all these things which actually pull everyone together. For the bits which do not necessarily fit, you park them up and keep the importance of those to a minimum.

The other thing in terms of two councils running things together is to try and get some convergence in terms of your financial arrangements. That will concern members and the electorate alike. Our council taxes are now within nine pence of each other, so that should not worry anyone unduly. One has housing stock and the other one does not. In other words, one has housing stock and borrowing and the other one does not have much borrowing, but that actually meshes together pretty well because, whilst Suffolk Coastal is having to accept that it will, in the new arrangement, be borrowing, it will have an asset value of half the council stock, if that is how you are looking at things.

THE CHAIRMAN: Brilliant. Listening to each of you talk about the negotiations and the discussions that take place, is there any element, and this may be a concern for district councils, that the bigger, better-resourced councils are more skilful at it or are able to do it better and can bring out lots of big, glossy brochures as they have a better resource and they are able to get their way more effectively than the smaller players who do not have that degree of back-up? Has there been any element of that within your negotiations?

HUW BOWEN: I think you have to accept that the City of Sheffield and others are going to have more resources to push into in terms of economic ability.

THE CHAIRMAN: Sure, but does that lead to smaller bodies, like districts, losing out in any way, or are they able to punch above their weight?

HUW BOWEN: We certainly feel that we have punched above our weight in Chesterfield, and we have got more resources than most districts on the economic development piece, but a lot of it is how the LEP and the combined authority set themselves up around how they come to make decisions about the funding of particular authorities, so very early on all nine councils agreed that applications would be scored in terms of GVA in terms of infrastructure funding, so, if any district council has a project that is able to demonstrate more GVA than a project that the City of Sheffield has, they will get the funding.

The challenge for one or two other districts has been in having the ability to make that case as strongly as we have put it in Chesterfield, and it was interesting. I will not mention which district it was, but, in a conversation at the Derbyshire leaders' meeting last Friday, in Chesterfield, there have been about 380 business support examples through what is called the 'growth hub', a D2N2 growth hub actually, whereas another council had had about 40 and, when we actually looked at that, that other council had half an FTE working on economic development, whereas we have seven FTEs working on economic development within our borough, and we were able to jointly resource that business support function. I think it is a challenge for districts and boroughs and it comes down to where they put their funding in terms of priorities, but, if you want to grow that economy, you have, clearly, got to put more resource into economic development.

THE CHAIRMAN: Mr McIntosh, in your area, is there any sense that the smaller players have not been able to fight their corner quite as effectively?

DAVID McINTOSH: Not in devolution or local government reorganisation because that has all been jointly commissioned and has been led, at times, by either a district leader or a district chief exec and it has been properly shared around. Just like you mentioned, in terms of its aim for growth deal-type money, there is no doubt that the bigger councils have got all the shovel-ready schemes to deliver and we are scrabbling around trying to make maybe one thing work rather than a range, so yes, I have felt disadvantaged in those situations.

THE CHAIRMAN: Then, the last word to Councillor Herring. Are the smaller players able to get their voices heard?

CLLR RAY HERRING: Well, district councils do need to have that increased influence in moving ahead and, indeed, need to have the necessary capacity to actually deliver the schemes, et cetera. As long as there is the opportunity, the incentives and the facility to actually make a difference, which is exactly what we are doing and there is opportunity under the 2016 Cities and Local Government Devolution Act to actually put in place

mergers in addition to all the other partnership and economic partnerships that can actually be achieved, then districts do need to actually make use of those opportunities because I think it is difficult for very small districts of maybe 60,000 to have that experience and capacity to hand. As I say, with what we are actually doing, and it will be the first merger of its kind, a voluntary merger entirely under our control, I am hoping that, apart from doing the right thing for our two local authorities, it will actually show the way that this can be done and that it is a relatively easy process to go through, if you want to merge.

THE CHAIRMAN: Well, that is a good note on which to conclude our session, so can I say thank you to each of you and to Neil and Sandra for their evidence earlier on. It is all over now to Colin and his team to pull together the ideas that we have heard over the four sessions, and I do hope that you will all be able to join us at our presentation on 24 May. Thank you very much indeed.
