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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
Con Ind	Conservative Independent
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Lab	Labour
Lab Ind	Labour Independent
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Monday, 22 June 2015.

2.30 pm

Prayers—read by the Lord Bishop of Bristol.

Oaths and Affirmations

2.36 pm

Lord Elystan-Morgan took the oath, and signed an undertaking to abide by the Code of Conduct.

General Practitioners

Question

2.37 pm

Asked by ***Baroness Wheeler***

To ask Her Majesty's Government what plans they have to increase the number of general practitioners.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, my right honourable friend the Secretary of State for Health announced on Friday the first steps of a new deal for general practice. This includes working to increase the primary and community care workforce by at least 10,000, including an estimated 5,000 more doctors working in general practice. We will do this through promoting general practice as a career, increasing training places, encouraging people to return and considering how best to retain staff.

Baroness Wheeler (Lab): My Lords, first, I welcome the Minister to his first Questions in the House. I thank him for his response and for whatever role he played in bringing about Friday's announcement, ready for this Question. The Health Education England incoming chair recently told the *Guardian:*

"GP recruitment is what keeps me awake at night".

Under this new package, will he have to wait until 2020 to get a decent night's sleep or will the Government take note of the urgent call from the Royal College of General Practitioners for a clear and costed plan, and a timescale for turning it all into reality, so that we can make progress from now onwards?

Lord Prior of Brampton: The noble Baroness will know that NHS England recently published its *Five Year Forward View*, which is a five-year plan for the future. It will encourage much more care, delivered outside hospitals, in the community, and that will require larger input from general practice. I am very pleased to tell the noble Baroness that we are committed to 5,000 more doctors working in general practice.

Baroness Armstrong of Hill Top (Lab): My Lords, I, too, welcome the Minister to the Dispatch Box. I wonder whether he agrees that the Government are being very complacent on this issue. I passed my GP surgery in a small ex-mining town in the north-east this weekend. On the door I read that there were 11 or 12 sessions in the next month when the GP practice would not be open—that is, from Monday to Friday. Is it not true that the model is broken and that young doctors coming into GP practice do not want to be partners and have the responsibility of running a small business as well? Is not the model broken? When we look at what is going on in areas where health outcomes are poorer, is it not urgent that the Government pay more serious attention to that?

Lord Prior of Brampton: The noble Baroness speaks a good deal of truth. The model that we have been working with since 1948 in this country is largely broken. We have to deliver more care through vertically integrated units of care, not just independent hospitals. Over the next five to 10 years we will see a huge consolidation of primary care. The old cottage industry model of general practice is probably broken. The *Five Year Forward View* recognises that and the Government have committed £8 billion to see that forward view put into practice.

Baroness Howarth of Breckland (CB): My Lords, I do not know where the Minister spends his time, but where I come from, in the country, you have to travel 18 miles to a hospital or a GP practice at the weekend. That is very difficult when you have groups of elderly people. In the rest of the country—even in the city where I spend my city time—GPs are now saying that practices are to be closed and people are waiting three weeks for an ordinary assessment. Can the Minister tell us why the Government are not seeing what is happening on the ground and taking more urgent action?

Lord Prior of Brampton: The Government are committed to seeing 5,000 new GPs. This is probably the biggest expansion of primary care that we have seen for many years. It is not just 5,000 GPs but a further 5,000 other people working in primary care, including physician associates, practice nurses, physiotherapists and other allied health professionals.

Baroness McIntosh of Hudnall (Lab): My Lords, is it not the case that, although the analysis that the noble Lord has given us is very accurate, the solutions that he seems to be putting forward are not very clear? Can he say what incentives he and his colleagues will offer young medical students beginning their training to encourage them to go into general practice? It is fine to say that we will train 5,000 more doctors, but we cannot force them into general practice if they do not want to go.

Lord Prior of Brampton: The noble Baroness is quite right. After five years as a medical student, they then do two foundation years before making the choice whether to become a GP or to go into specialist medicine. That is a crucial time to persuade young doctors that there is a good, long-term career in general practice. Health Education England and NHS England are putting huge resources into persuading young doctors at that stage in their career that there is a good future in general practice. I say to the noble Baroness that there is no doubt at all in my mind that,

[Lord Prior of Brampton]
if we run the clock forward five years, more care will be delivered in primary practice and in the community than in acute hospitals.

The Lord Bishop of Chester: My Lords, I declare inside information, in that my daughter is a trainee GP. I asked her about these issues last night. In Cheshire and Wirral there are vacant training places with no GP trainees to take them. On asking her why people did not want to go into general practice, she said that it is the growing burden of bureaucracy and administration. What do the Government plan to do about that?

Lord Prior of Brampton: The right reverend Prelate is right. Many GPs are concerned about the level of bureaucracy in their practices. As he probably knows, we have reduced the number of QOF indicators by a third—that is, by 40—from a staggering 120. This is a big concern. NHS England is looking at other ways in which we can reduce the bureaucracy. If the right reverend Prelate's daughter has any ideas, perhaps she will be kind enough to give me them.

Baroness Gardner of Parkes (Con): What is the position as regards assistants in surgeries? This morning, we heard about the shortage of nurses that we are going to have. The abolition of the SEN position has been fatal, as a lot of the right people who wanted to enter nursing have not done so because they do not have the necessary academic qualifications. However, would not these SENs now be extremely valuable in taking some of the workload, particularly form filling, off GPs, who are burdened with huge amounts of paperwork?

Lord Prior of Brampton: My noble friend is quite right. We are looking carefully at introducing a new position of a qualified nurse who would not have to have the same academic qualifications as existing nurses. As she may know, we are also introducing a new position of physician associates, who will be able to take some of the burden off GPs.

European Union Membership: Science and Technology

Question

2.46 pm

Asked by ***Lord Hunt of Chesterton***

To ask Her Majesty's Government what assessment they have made of the effect of withdrawal from the European Union on investment in science and technology in the United Kingdom.

The Parliamentary Under-Secretary of State, Departments for Business, Innovation and Skills and for Culture, Media and Sport (Baroness Neville-Rolfe) (Con): My Lords, the Government are committed to investing in science and making Britain the technology centre of Europe. We have a clear mandate for reform and will hold an "in or out" referendum on the UK's membership of the European Union by the end of 2017.

Lord Hunt of Chesterton (Lab): Since Peers on all sides of the House as well as the *Financial Times* and scientific institutions now agree that there should be more technologically advanced companies with UK ownership, does the Minister agree that this objective is threatened by the loss of European-funded research if the UK leaves the European Union?

Baroness Neville-Rolfe: Not at all. Our position is very sensible. We are looking for an improved position in a reformed Europe to end uncertainty. The Government's plans involve various areas, including increasing economic competitiveness. Science and innovation are clearly vital ingredients in that economic competitiveness.

Lord Hannay of Chiswick (CB): My Lords, will the noble Baroness be so kind as to provide the House with clear figures on the benefits that British universities and researchers have obtained from the European Budget over, say, the last 10 years, and the prospective figures for the rest of the present budgetary framework period that runs up to 2020, which would be put at risk if a negative result arises in the referendum to which she has referred?

Baroness Neville-Rolfe: My Lords, I do not have the exact figures the noble Lord is asking for. However, in the latest EU *Innovation Union Scoreboard*, the Commission noted that the UK's performance was 9% above the EU average in 2007 and 15% above the average for 2014. But the point is that we are looking for an improved deal in a reformed Europe. When the Government have a deal, that will be the time for a full discussion and debate on these issues.

Lord Pearson of Rannoch (UKIP): My Lords—

Baroness Ludford (LD): My Lords—

The Lord Privy Seal (Baroness Stowell of Beeston) (Con): My Lords, we really need to get better at this. All of us have a responsibility to make Question Time work. It is not just down to me to help the House; it is the responsibility of everybody. My noble friends behind me are calling for the noble Lord, Lord Pearson. As noble Lords know, it is not for me to decide who speaks in this House; it is for the House to indicate whose turn it is. I suggest that we hear from the noble Lord, Lord Pearson, then from the noble Baroness, Lady Ludford, as we have not yet heard from a Liberal Democrat this Question Time.

Lord Pearson of Rannoch: My Lords, I am most grateful to the noble Baroness. Are the Government aware of the latest figures from the Office for National Statistics, which show that in 2013 the UK gave the EU some £14 billion net? Is there any reason why we could not invest in this and other worthy causes out of the huge saving we would make on withdrawal? Indeed, does that figure not prove that there is no such thing as EU aid to this country at all?

Baroness Neville-Rolfe: Your Lordships may also be aware of the improvements in the budget that my right honourable friend the Prime Minister made at the end of 2013. But the whole point of the debate today is

that we are focusing on renegotiation with the EU to get the best possible deal for the UK in a reformed Europe, which we hope to be able to recommend, although obviously if partners stonewall and refuse to compromise, we can rule nothing out.

Baroness Ludford: My Lords, does this vital matter not illustrate how hazardous it is to embark on a renegotiation exercise driven more by party interest than by national interest? Will the Government commit to doing a full review of the risks and impact of a possible Brexit sooner rather than later, before we have a rather erratic negotiation exercise?

Baroness Neville-Rolfe: My Lords, our negotiation is all about getting the best deal for the British people and then offering them a clear choice. The right question is not about detailed assessments but about a choice on membership in the key areas, and that is what my right honourable friend the Prime Minister is busy securing for us.

Lord Young of Norwood Green (Lab): My Lords, I hear what the Minister says about EU funding and assessment, but will she comment on the fact that although the science budget was protected from government cuts, five years of ring-fencing have effectively reduced UK science spending by around 15%? Is the Minister concerned about that?

Baroness Neville-Rolfe: My Lords, in our manifesto we made a long-term commitment to science capital investment; that is,

"£6.9 billion in the UK's research infrastructure to 2021".

Of course, the past five years have been a difficult time, but that is because we have been tackling the financial crisis that, sadly, we inherited. But we want Britain to be the best place in Europe to innovate, to patent new ideas and to grow companies.

Baroness Boothroyd (CB): I refer to the question raised by the noble Lord, Lord Hannay. I quite understand that the Minister would not have in her brief all the figures he requested, but I wonder if she will place her answer, giving the details, in the Library for us all to see.

Baroness Neville-Rolfe: I thank the noble Baroness for her question and I will of course look at the noble Lord's detailed questions and provide what information I can on R&D, without speculating in a way that I think would be inappropriate at this vital stage of the negotiations on Europe. I think the Prime Minister is rightly not showing his full hand at the moment because he needs to pursue key areas of reform in this vital negotiation.

Education: Free Schools

Question

2.53 pm

Asked by ***Baroness Jones of Whitchurch***

To ask Her Majesty's Government what steps they will take to review the governance and oversight of free schools.

Baroness Evans of Bowes Park (Con): My Lords, free school proposer groups go through a rigorous process before they are allowed to open a school. Free school trustees are subject to company and charity law. They must also comply with the terms of their funding agreement. As new institutions, free schools are monitored by departmental education advisers and the Education Funding Agency. In the small number of schools where issues arise, we have taken swift and decisive action.

Baroness Jones of Whitchurch (Lab): I thank the Minister for that reply and welcome her to her new role on the Front Bench. I am pleased to hear that the Government are beginning to recognise that the scandals that have occurred in the past in free schools, including financial irregularities and extremist teaching, could not continue uncontrolled under the Secretary of State's centralised power grab. However, the new model now being proposed, which includes regional schools commissioners, is only part of the solution. How can they really know what is going on at a local level when they could be supervising something like 3,000 schools each once the Government's plans are rolled out? Is not the real solution a major devolution of power and resources to those who really can deliver school improvement across the education system?

Baroness Evans of Bowes Park: I thank the noble Baroness for her welcome but I am afraid that—as she would probably expect—I do not wholeheartedly agree with many of the points that she raised. She is absolutely right that in the small number of cases where free schools have faced issues, swift action has been taken, but that does not paint the full picture of the great work that is going on in these schools around the country. For example, 74% of free schools inspected by Ofsted have been judged good or outstanding and, in fact, free schools are more likely to be judged outstanding than other schools. Regional schools commissioners are playing an increasingly important role in the oversight of free schools but I assure the noble Baroness that parents across the country are welcoming these schools, which are offering a high-quality education to their pupils.

Lord Lexden (Con): Has my noble friend, whom we all welcome to her duties, seen the comments made recently by Liz Kendall, one of the contenders for the Labour leadership, who said that those who promote and open new free schools deserve credit, not criticism?

Baroness Evans of Bowes Park: I have indeed—and it just goes to show that I am very willing to support some of the comments made by the Benches opposite. I say once again that free schools, increasingly run and set up by teachers, can be set up only where parents want them. That is why they are proving so popular. Not only are they offering a great education to their pupils; they are helping raise standards across the system and having a particular effect on those low-performing schools in their areas.

Lord Foulkes of Cumnock (Lab): My Lords, I think that the noble Baroness went to school in Northern

[Lord Foulkes of Cumnock]
Ireland. Why does she think that the Governments in Northern Ireland and Scotland have not followed the example of free schools?

Baroness Evans of Bowes Park: I hope that once the devolved Governments hear of the outstanding success of free schools, they will indeed decide to take up this policy. I am very happy to repeat the statistics, but perhaps I could mention several of the outstanding free schools that we have seen: the Boulevard Academy in Hull, Becket Keys in Brentwood and Derby Pride Academy, which is helping the most disaffected young people get back into education. These are the success stories of free schools and I hope that the whole House will join me in congratulating the hundreds of teachers around the country who are working so hard to improve education in this country.

Baroness Farrington of Ribbleton (Lab): My Lords, would the Minister, whom I, too, welcome, care to comment on the fact that free schools are being opened in areas where there is no great shortage of places and that other areas cannot get the funding to meet local parental demand? Surely a Government who were committed to all children's education would look at the need for places rather than at some sort of Conservative philosophy therein.

Baroness Evans of Bowes Park: First, I reassure the noble Baroness that in fact 96% of free schools approved since January 2014 are due to open in areas with a need for more school places. Secondly, I think that she would agree that some parents, year upon year, have had only underperforming schools for their children. That is not an option. They deserve the opportunity to have as good access in their area as any other parent. Free schools are offering parents that option. The vast majority are opening in areas where places are needed but they are also helping to raise standards, so that every child has access to a good local school.

Baroness Brinton (LD): Does my noble friend agree that if some free schools are underperforming, parents and people in those areas should also have a say in what happens to that school in the future, and that if they want it to rejoin the local authority oversight scheme, they should be able to do so?

Baroness Evans of Bowes Park: As I said, where free schools are underperforming we have been able to take swift and decisive action. No school should be underperforming. All children deserve a high-quality education and that is why, in the very small number of cases where we have seen problems, action has been taken to improve the situation.

Lord Hamilton of Epsom (Con): Does my noble friend not agree that the hostility of the Benches opposite to free schools is somewhat inexplicable, considering that so much of the valuable groundwork on free schools was done by the noble Lord, Lord Adonis, who sits on those Benches?

Baroness Evans of Bowes Park: Yes, I pay tribute to the work of the noble Lord, among others. As I said, free schools are delivering a high-quality education to young people across England. There are some fantastic examples. As I said, their results are really speaking for themselves.

Baroness Hussein-Ece (LD): The Minister is talking about free schools, but will she join me in saying that there are many thousands of teachers in state schools working equally hard and providing excellent education to children, such as my children, who have had a very good education? The rhetoric seems to be, "Free schools good, state schools bad". Will she dispel that rumour?

Baroness Evans of Bowes Park: I am delighted to join in the congratulations offered by the noble Baroness to hard-working teachers in outstanding schools across the state sector. As I have said, every child deserves the opportunity of a good education. Free schools are one way in which this can happen, but there are many excellent local authority schools. Let me reiterate: free schools are also producing high-quality education, with 74% rated good or outstanding—but I am happy to congratulate all hard-working teachers on their fantastic effort.

Family and Relationship Support

Question

3.01 pm

Asked by ***Baroness Tyler of Enfield***

To ask Her Majesty's Government which Minister has responsibility for family and relationship support policy; and what steps they are taking to deliver the commitment in the Conservative Party Manifesto 2015 to invest at least £7.5 million a year in relationship support.

Baroness Tyler of Enfield (LD): In asking the Question, I declare an interest as vice-president of the charity Relate.

The Minister of State, Department for Work and Pensions (Baroness Altmann) (Con): My Lords, I am the Minister responsible for family and relationship support policy. We are working with several organisations to develop and deliver provision. This includes preventive support, help for those experiencing difficulties, piloting relationship education in perinatal classes, and supporting local authorities to improve family relationships. I confirm that the total funding for this in 2015-16 is at least £7.5 million. We are currently planning how to make the most effective use of this funding.

Baroness Tyler of Enfield: I thank the Minister for her Answer and welcome her to her new role. The last time I counted, there were five government departments with a direct interest in family relationships: indeed, six if you count the Home Office's interest in domestic violence. Given this fragmentation and the fact that relationship breakdown is estimated to cost the country some £46 billion per year, what mechanisms will be used at Cabinet level to ensure that family policy is co-ordinated across government, and how will each department be held to account for the family test announced by the Prime Minister last year?

Baroness Altmann: I can inform the noble Baroness that the family test will be applied to all new policies that are being developed by government, and it will be strictly applied. The idea at the moment is that we transfer the Department for Education's responsibility to the Department for Work and Pensions so that these policies are more integrated for the benefit of the families who we are trying to support.

Baroness Afshar (CB): Has the Minister considered the plight of Muslim women, who are very often home-based and therefore not likely to go out to seek advice? Are there any provisions for dealing with Muslim women in their own homes in order to counter what violence there is, which in some cases could be quite considerable?

Baroness Altmann: The noble Baroness asks an important question. We are working with a number of different organisations to ensure that the relationship support that we deliver covers a whole variety of different types of relationship, including Muslim relationships and those where there is an element of domestic violence. I reassure the noble Baroness that that is being included.

Lord Kirkwood of Kirkhope (LD): At the family summit last August, the Prime Minister indicated that the budget for family relationship support would double to £19.5 million, whereas the Conservative manifesto in May merely referred to "at least £7.5 million". Can the Minister confirm that there is a budget line in the DWP departmental expenditure limit for fiscal year 2015-16 that has at least £7.5 million in it? How long will that programme last, and is it exempt from the forthcoming budget cuts?

Baroness Altmann: I can confirm for the noble Lord that the commitment to £7.5 million per annum is a firm one, and we will be spending at least that amount. The total government-wide spending for family, parenting and relationship support is approximately £6.5 billion, with a number of different programmes, including the troubled families programme, help and support for separated families, the innovation fund and, of course, childcare support. In our manifesto we have guaranteed funding for relationship provisions every year over the Parliament. We were the only party to do so.

Baroness Sherlock (Lab): My Lords, I welcome the Minister to what I think is her first Oral Question and I look forward to debating with her on DWP matters. The Minister mentioned the family test, which the Prime Minister announced in 2014 and that was going to be five questions that all policy or legislation across government would have to be subjected to by civil servants before Ministers would sign them off. Today's papers are full of reports that, according to the Prime Minister, tax credits for children will bear the brunt of the £12 billion welfare cuts. Could she tell the House whether that policy has been subject to the family test and, if so, what the result was?

Baroness Altmann: Clearly there is speculation in the papers about all sorts of things. I certainly cannot comment on that particular issue, but I repeat my assurance that all polices are subject to the strict family test.

Lord Fink (Con): My Lords, I welcome my noble friend to her new post. I want to ask about support for families in terms of advice. A recent Department for Education report tells me that each £1 spent on advice yields approximately £11.50 in savings to the taxpayer as well as adding to family stability. Could my noble friend confirm that paying for such continuing intervention will be part of the Government's plan?

Baroness Altmann: I thank my noble friend for that question. Studies have indeed suggested that the amount that we are spending yields £11.50 for each £1 spent, which is of course excellent value for money. We are continuing to rationalise some of the contracts, and have introduced a 20% payment-by-results scheme. We are ensuring that we continually monitor the effectiveness of all the policies that we have introduced under this programme and will continue with challenging stretch targets as well.

The Lord Bishop of Bristol: My Lords, I, too, welcome the noble Baroness to her new role. Is she prepared to confirm that the current funding will be used for the whole spectrum of relational support as well as for the valuable services targeted at the effects of family breakdown?

Baroness Altmann: The whole spectrum of relationships is covered in our spending programme for relationship support, including same-sex couples and older people—a whole, wide range, as I indicated to the noble Baroness. So yes, I can confirm that.

Cities and Local Government Devolution Bill [HL]

Committee (1st Day)

3.08 pm

Relevant document: 1st Report from the Delegated Powers Committee

Amendment 1

Moved by ***Lord McKenzie of Luton***

1: Before Clause 1, insert the following new Clause—

"Devolution: report

Within three months of the passing of this Act, the Secretary of State must lay a report before both Houses of Parliament setting out a strategy to ensure that the devolution opportunities provided for in this Act are effectively available to all parts of England, including rural and coastal areas."

Lord McKenzie of Luton (Lab): My Lords, Amendment 1 is in my name and that of my noble friend Lord Beecham. I am also pleased to see that it has the support of the noble Lords, Lord Shipley and Lord Teverson. I will also speak to Amendment 2.

Amendment 1 calls for the Secretary of State to report to Parliament on a strategy to secure the implementation of the devolution opportunities provided for in this legislation and to ensure that it is effectively available to all parts of England, including rural and coastal areas.

I start by making it clear that we support devolution and have a strong track record to prove it. In government, we delivered the Scotland Act and the Government of Wales Act. Indeed, had things worked out somewhat

[Lord McKenzie of Luton]
differently in May, we would now be working on an English devolution Act. We want this Bill to succeed in helping to reverse a century of centralisation, although we have some reservations about how far and how fast this Government seek to go in practice. Too many decisions affecting local communities are made in Westminster, so people do not have enough influence on things that matter to them, from getting the right skills training and setting local bus routes to supporting local business. We are signed up to the potential benefits of devolution and the positive benefits it can bring for growth, more efficient services and the greater empowerment of local communities.

We recognise that devolution is not one size fits all. Different parts of the country may want different configurations of functions over different timescales. However, we are clear that devolution should not be limited to just some of our great northern cities—the city regions or metros—important though they are with the spur they can give to growth. We want to devolve powers to towns, smaller cities and counties, too. We want the Bill to be as relevant to Cornwall, Norwich, Bristol and south-east England councils—there is a southern powerhouse there, too—as it is to West Yorkshire, the east Midlands and Leicester.

As we all recognise, this is a framework Bill written in very broad terms. Indeed, the Delegated Powers Committee says it is too broad—we will perhaps return to that point on Wednesday. The Bill could enable the transfer of a whole range of unspecified local authority and public body functions to differing combined authorities, including mayoral authorities, over unspecified timescales with unspecified funding arrangements.

To the extent that the Bill builds on existing legislation, particularly the 2009 Act, there is of course an established process for the creation of combined authorities, but changes resulting from Clause 10 are much less clear in terms of process. It is accepted that ultimately any devolution deal must involve the agreement of participating authorities but when the Chancellor of the Exchequer comes visiting with the cheque book, we do not know how much of the negotiation will be a take-it-or-leave-it deal.

As it stands, there is a considerable lack of transparency in how the opportunities provided by this legislation are to be taken forward, or indeed how wide or narrow those opportunities are—hence the need to spell out the strategy for its implementation. It seems as though the process will continue like the city deals, with bespoke deals settled behind closed doors and with key powers resting with the Secretary of State. Key judgments of the Secretary of State about whether the effectiveness and efficiency of functions are improved will not, it seems, be subject to appeal. There is no timescale within which proposals for combined authorities must be considered and no indication of the order in which they will be considered. We know that the process of city deals tested the capacity of government departments, yet we have seen no impact assessment of how the implementation of the Bill might affect them in terms of their capacity to cope and their operating with the consequences of devolved functions and budgets.

Of course, much depends upon local authorities coming forward with proposals and upon the quality of the proposals, but what assessment has been made of the numbers of deals that the Government can handle in any one year and at any one time? What is their expectation in this regard? What is the plan to actively encourage authorities to bring forward devolution proposals, to share good practice and to build capacity? Will the Government publish guidance on how local authorities may bid for new powers and responsibilities and the criteria which will be taken into account when dealing with these applications? How will they prioritise which proposals they will work on first? Do they have a current work plan and, if so, which authorities are involved?

3.15 pm

We know from the arrangement with Greater Manchester the scope of powers and responsibilities which the Government are potentially prepared to devolve and the funding streams which they will consider transferring. Can the Minister tell us whether they are to go further in any respect? What proposals, if any, are there for further fiscal devolution? What is the total funding that the Government expect or are prepared to devolve over the course of this Parliament?

At present, there are concerns that the process is being led by the Chancellor of the Exchequer, choosing which authorities to engage with and encourage. If that is the case, how does it fit into an overall strategy which genuinely opens up these opportunities to all authorities? Will the Minister tell us who is actually leading on this for the Government? The need to have a clear strategy is obvious. The offer to have conversations with those who show an interest may be a start but it is not good enough.

Amendment 2 sits alongside this and calls for an annual report about devolution for all areas within England undertaken pursuant to the Act. It calls for it to laid "as soon as practicable" each year, although it might reasonably be argued that there should be a little space for the first report. If comprehensive devolution is to be effective, we would expect to see a multiplicity of arrangements under way, not just one standard model. The notion of an annual report is not to constrain the process with lots of bureaucracy; there is a strong case, surely, for Parliament being regularly informed about how the wide scope which the Bill enables is actually being used. Are the Government delivering on the strategy?

The amendment is not prescriptive but the report should obviously itemise the local authorities and combined authorities with which devolution deals have been entered into and the broad shape of powers and budgets that are transferred, as well as what is in the pipeline. It should also deal with outcomes over time—how the devolution deals are impacting on growth, on services and on helping the public finances, and, crucially, whether fair funding is in operation to ensure that devolution is not accompanied by impoverishment. Such a report would clearly also have to be an indicator of the progress of the expressed policy of the Government that devolution deals should be available to counties and to rural as well as metropolitan areas. Accordingly, it should report on the orders and procedures arising

from the Secretary of State's decisions and requests for orders received from authorities, combined or otherwise. I beg to move.

Lord Shipley (LD): My Lords, I support Amendments 1 and 2: indeed, my name has been attached to them on the Marshalled List. I declare at the outset my vice-presidency of the Local Government Association.

I made a number of very positive comments about the importance of devolution into England from Whitehall when we discussed the Bill at Second Reading. It remains an aim that we share with the Government. The amendments we have tabled for today and for the next two days in Committee are meant to improve the Bill and make it stronger.

These are two important amendments. As the noble Lord, Lord McKenzie, said, this is an enabling Bill. Therefore, it is important that it can enable and is not so restrictive that it prevents good proposals from local areas being approved because they do not fulfil over-strict criteria set out in the Bill.

The Bill needs to be able to meet the needs of areas as diverse as metropolitan areas, smaller cities and towns, rural areas and coastal areas. I said at Second Reading that one size could not fit all, so it matters that there is enough room for manoeuvre within the Bill to permit different sets of proposals to succeed. To this end, Amendment 1 would require the Secretary of State to lay a report to explain within three months how it is proposed to meet the diverse needs of all parts of England, and that is welcome. Amendment 2 would enable Parliament to review the success of the Act on an annual basis. It would enable us to learn how effective the Act was in enabling non-metropolitan areas, for example, to secure devolved powers and responsibilities.

I hope that the Minister will feel that these two amendments add to the Bill rather than detract from it, and that therefore they can be supported. From discussions that are going on outside the House, it is clear that guidance is required by local authorities and others on how councils can request new powers and responsibilities. Criteria need to be clearly stated—both the terms of devolution and the process by which it can be achieved.

I conclude by raising issues that have been brought to our attention by the Delegated Powers and Regulatory Reform Committee. It has given us a number of extremely important comments and it would be helpful to the Committee to know whether the Minister plans to bring forward amendments on Report to reflect those comments. I draw the Committee's attention to three of them. One is in paragraph 10, which is very important in its context, in that it comments on the very wide powers to define the scope of functions that may be conferred on a combined authority and how they might be used. The committee points out, secondly, that there is no requirement in the Bill for anyone other than local authorities to be consulted on the effect of changes in the location of functions. I draw to the Committee's attention, in particular, business organisations, which clearly would have an important stake in the decisions that were made. The third point is in the area of overview and scrutiny—the power to define membership and who, in particular, is to be chair. It is very important that we follow the affirmative procedure here, and we have tabled a number of amendments that we hope will assist in meeting the concerns expressed by the Delegated Powers and Regulatory Reform Committee.

That is all that I want to say at this stage of the debate but I hope that the Minister will feel in a position to agree that Amendments 1 and 2 enhance rather than detract from the Bill.

Lord Heseltine (Con): My Lords, the one clear message from the two speeches that we have heard so far is the unanimous view that the direction of travel from central government back to local people is welcomed on all sides of the House. In the view of many of us, it is long overdue and much to be welcomed.

I have the privilege of acting as a special adviser to the Secretary of State for Communities and Local Government and, in that capacity, perhaps I see something of the response to the Government's proposals in a way that persuades me that the questions asked by the two noble Lords are not pressing in the need to amend the legislation, because in the wide community affected by the Bill they already know the answers to the questions that are being posed.

The most important question, which the noble Lord, Lord McKenzie, raised, was about the generality of the application of this legislation throughout the whole of England. There is not the slightest doubt in any local authority—or business community—of which I have any knowledge that the door is open for all of them. Indeed, not only do they know, but I cannot remember a period in which there was such intense activity at every local level in the form of meetings, discussions, plans and ideas to prepare them to take advantage of this new opportunity. Without naming names, self-evidently the trail has been blazed by Manchester which, let us be frank, has been working on these ideas for decades. There are unitary counties in a very different part of England which are equally apprised of the opportunity. We can understand that the questions are not only being asked but answers are being positively sought. I would be very surprised if, over the course of the discussion and debate on this legislation, we do not see significant suggestions coming forward from local people about how to take advantage of the opportunities.

The second point that both noble Lords made reflects the diversity of opportunity from different parts of the English political scene. The fact that both noble Lords recognised this point clearly argues against the proposals that they wish to inject into the legislation. It is precisely because there are such different features that, were the Secretary of State to produce a strategy, it would either be so general as to have no real meaning or, in practice, it would be so prescriptive that it would prevent the very devolution that the House is trying to achieve. I listened to the noble Lord, Lord Shipley. He has a clear understanding of how these matters work, but if you ask for an impact study by a government department about how the devolution would work, what is that department going to do? It is going to do what government departments always do: it will lay out all the complexities which the department wants to see answered in a way that prescribes the solutions

[LORD HESELTINE]
that Members of this House are unanimous in wishing to see emerge from the locality. The more you ask central government to set the pace, the more prescriptive you will become. I see many noble Lords who have spent their life in local government. We have been around this track before. We have been around it decade after decade, and the more you ask central government departments what they think, the more detailed the answers will be, and that is precisely what we do not want. What we want is to say to the communities that make up England, "You know best how you could administer the framework of local decision-making, you know the strengths and weaknesses that make up your community, and it is therefore for you to address the diversity and complexity in putting forward your proposals".

My reading of the situation is that there are not clear answers in many cases. There are not clear answers about the boundaries of these areas, which is one of the reasons why we have overlapping boundaries for the LEPs. There are not clear answers about whether an authority should be committed to one unit or another or whether it could be associated with more than one. In making progress, the Government are right to say we should wait until we have the local plans before us before we try to model those plans into what conforms to central departmental thinking.

This is a new concept. Noble Lords will know all too well that we have told local authorities and imposed upon them every manner of solution over decades, and many of us have played a part in trying to achieve just that. This is a new approach. In a sense, if you are to trust people with responsibility, you have to trust them with the opportunity to make mistakes—that goes with the new freedoms we are talking about. Therefore, I hope that noble Lords in this House will not seek to be prescriptive from the very start, because that would frustrate the very purpose for which this legislation is designed.

3.30 pm

Baroness Hollis of Heigham (Lab): My Lords, I was not sure whether to speak on this first group of amendments or on the second. However, the comments of the noble Lord, Lord Heseltine, have encouraged me to speak on this amendment. I agreed with everything he said, apart from his conclusion that the reports are not necessary. The point of this amendment, as I understand it, is to open up the debate and the issue about the variety and possibility of many forms of devolution, and I am sure that in that respect we are on the same side as the noble Lord, Lord Heseltine. However, there are problems, and it would be very helpful if, as early as possible, we could get a steer from the Secretary of State and his Minister in this House as to the Government's thinking.

Mid-sized cities outside the north are driving economic growth, but many face barriers to their full potential. They may have tight boundaries, as the noble Lord, Lord Heseltine, said; they may have rural neighbours; and they may also be shire districts without the full range of unitary powers. My local authority, Norwich, has artificially tight boundaries of 137,000 people within a built-up area of 270,000 people, and services 1 million people for professional services, shopping, administration and leisure. Boundary extension has naturally been resisted by our rural neighbours, who enjoy our services and a lower council tax, but who gain from the overspill business development generated by the city but located outside it because of those boundaries. Partnership arrangements, such as the city deal based on the greater Norwich area, are and have been our way forward.

So devolution, as all your Lordships have said, will differ not only within and among the north but among mid-sized cities. The unitaries—Southampton and Portsmouth, Bristol and Plymouth, and Luton—have far greater powers and resources than cities such as Cambridge, Oxford, Exeter, and Norwich, which are trapped in two-tier shire structures. So the Secretary of State and the noble Lord, Lord Heseltine, are both absolutely right to want bottom-up proposals that will fit the needs, potential and geography of our inconveniently untidy country. Combined authorities will make sense for most of us, but with whom we will combine—with other towns and cities, adjacent rural districts, and perhaps with a chunk of county involvement as well—and with what additional powers, responsibilities and finance, will all vary from place to place, and rightly so.

I do not doubt—again, as the noble Lord, Lord Heseltine, said—that the Treasury may try to tidy it all up, indulge its obsession with size, and seek in the long term to superimpose unitary, uniform shire counties or some such at some point, much as the Colonial Office parcelled up Africa along tidy lines after the First World War, with disastrous effects. I hope that the Secretary of State will ask—we certainly will—for a more respectful attitude to the history and identity of our country if that is the Treasury's future route.

However, as many of us in the House will remember, we have been here before. Before 1974 I served in a very different local government. Norfolk stretches some 70 miles from Great Yarmouth to Wisbech, and 50 miles from Cromer south to Diss, and in Norfolk then we had a unitary county borough—Norwich—the boroughs of Great Yarmouth, Kings Lynn and Thetford, and urban and rural district councils, as well as parishes. Although each tier had certain statutory responsibilities and powers, partnership between the two counties, the county of Norfolk and the county borough, founded the University of East Anglia, and Norfolk bought into Norwich's international airport and its FE college. Education, however, was devolved to one large borough, Great Yarmouth, and agency powers were devolved to other boroughs—other UDCs—reflecting local knowledge of what worked best.

Function, in other words, was shared, bought, devolved, delegated or delivered according to the individual service, local geography and the wishes of local people. It worked well. Large swathes of our services were better then than now. With more powers, we focused on city needs and our business rates were reinvested in our local economy. Of course it was untidy and offended Whitehall—but then Norfolk is and sometimes does. It was local, it was government—and every reorganisation since has made local government less local and less government, so we have bigger and bigger authorities but with the authority to do less and less.

I am not suggesting that we return to the pre-1974 patchwork; this is not meant to be an exercise in nostalgia but to show that patterns of partnered, combined, devolved and delegated arrangements have a long history and can be a flexible, sensible and well-tested response to our varying geography. We want and need devolution that fits our sense of place.

Can the Minister say how devolution might work now in two-tier shire authorities such as Norwich, Cambridge, Exeter and many others? We have in place a city deal, delivered for example through the Greater Norwich area partnership, bringing together Norwich, its two adjacent districts which share in the gain from our economic growth, and the county council. Norwich already pools its community infrastructure levy receipts to help fund economic investment in the Greater Norwich area. Cambridge City, I understand, similarly partners South Cambs and Cambridge County Council. Exeter, I learnt today, is working with East Devon and Teignbridge district councils towards a combined authority or possibly an economic prosperity board.

What might work for us are combined authorities—as we are not unitaries—within larger combined authorities: not a hierarchy with big authorities supervising smaller ones, but concentric rings of combined partnerships, with a recognition that different services need different geographic scale and therefore a different combination of authorities. We do not want to overlap. We want to pool and to work in partnership. In my patch there could be three combined authorities: an inner ring with the combined authority of the Greater Norwich area could nest within a wider combined authority of the county—and that, in turn, would be part of an East Anglian combined authority of Norfolk, Suffolk and Cambridge.

The smallest combined authority of the partnership would handle economic development, housing and local transport, with one team advising the joint programmes of the four authorities, building on city deals. The Norfolk-wide combined authority would look at transport links with Cambridge or the A47 route to the Midlands, or at health and its interface with social care, or education, skills and training and so on. The three counties as a combined authority would become an expanded LEP—local economic partnership—where business especially is strongly represented. Like the former East Anglia Economic Planning Council on which I sat, it could shape our strategic regional choices.

In health, for example, every county needs its district general hospital but only one regional burns centre—a regional decision. When Aviva in the last few months was determining its UK future, it worked not with the combined authority or the county of Norfolk but with the LEP. It chose that level of strategic responsibility. Added into the LEP could be blue-light services and digital infrastructure—and I would like to see integrated into that regional structure more democratic accountability of our regional quangos. There would be a combined authority around a mid-tier city, within a combined, wider county partnership, which in turn would form a combined regional authority. That would work for us, combining both local and strategic initiatives and value for money.

I conclude with some questions—and they are not rhetorical. Does the Secretary of State agree—indeed, does the Minister agree—that the clustering of specialist knowledge and skills in mid-sized cities is vital for our economic growth? If so, will he accept those mid-sized cities, as in these amendments, need devolved economic powers and associated budgets for business support, employment and housing and transport connectivity? Would he agree that this requires fiscal powers, devolved skills money, retained business rates, power to CPO land and grant ourselves planning consent so that the gain from that land is further reinvested in economic growth and not privately appropriated, transport money to enhance site development, and wider planning powers?

More specifically, would he consider allowing such combined authorities to have urban development corporation powers—new town powers, if you like—allowing us those additional powers to acquire land and finance development? If he would, and given that quite a number of mid-sized cities on which economic regeneration in this country will depend are not unitary, would he therefore consider new models of combined authorities, including combined authorities within combined authorities in concentric rings? At the very least, would he support pilot schemes that build on our existing collaborative models? Would he welcome proposals from us to that effect?

We really want to work with the Secretary of State and I hope and believe that he wants to work with us—he has shown every sign of wishing to do so. Our local Norfolk maxim is, "Do different". I paraphrase that as "Making a real difference". We really could transform life chances as we work in partnership to promote the economic growth that our city, county and country need. I hope that the noble Baroness will move this agenda forward on our behalf.

Lord Maxton (Lab): My Lords, I rise to speak very reluctantly, because I live in Scotland, not down here, and therefore the local authorities that I am concerned with are those in Scotland. But I think that there are lessons to be learned, not for this Bill, oddly enough, but for Scotland from this Bill and the amendments that we have tabled. The fact is that what we have in Scotland, where the first example of devolution arguably began, is a centralisation of power in Edinburgh rather than the genuine devolution of power downwards from the Scottish Parliament. That is something that we have to be very wary of. We have seen one police force for the whole of Scotland, one fire service for the whole of Scotland and one ambulance service for the whole of Scotland. We have also, however, seen local authorities curtailed because they have little or no control of their own finances. As somebody said to me very authoritatively, Glasgow and South Lanarkshire, where I live, are having problems finding the money to buy jotters for school kids next year because local authorities have been so hidebound in the money that they have available to spend.

As I said, I am reluctant to speak on this, but it is a very strange anomaly that a Conservative Government are introducing a Bill that extends democracy in England, whereas a so-called left-wing Government in Scotland are curtailing consistently the powers and democracy in that country.

Lord Bichard (CB): My Lords, I had not intended to speak in this debate but am encouraged to do so by the contribution from the noble Lord, Lord Heseltine, because I agree with it.

If you give my former colleagues in Whitehall and their political masters an opportunity to be more specific, they will do so by being more prescriptive and will constrain—we should avoid that. However, my former colleagues are a touch cleverer than that, as the noble Lord, Lord Heseltine, and I well know, because they will also be looking to win back some of the powers that they are in danger of losing by including in other legislation greater constraints and more prescriptive requirements. If I look at some of the draft legislation that is about to make its way through this House, I can see evidence of that already happening. I am concerned about that, partly because I have not seen, over the last 20 or 30 years, that the Department for Communities and Local Government—or for the environment, or whatever it has been called—has been very good at ensuring that, in other parts of government, devolution happens. I fear that on this occasion, too, that will be the case and we will debate this Bill at great length, but other Bills and other parts of government will seek to prevent real devolution from happening.

If we are going to monitor what is happening on devolution, let us do it not only in respect of this Bill but across the legislative piece. Let us ask those questions about every Bill that comes to this House. We were talking earlier in Questions about having a family test. Let us start thinking about having a devolution test, which we apply to every single piece of legislation that comes before the House.

3.45 pm

Lord Liddle (Lab): My Lords, I support the amendment and I am a strong supporter of the Bill: I believe in the thrust of this measure. The Secretary of State, Greg Clark, ably assisted by his special adviser the noble Lord, Lord Heseltine, have a unique opportunity to establish the consensus that we need much more devolution in England, and we have the means through this Bill to enable it to happen in the flexible way that is necessary.

However, in supporting the amendment—the main thrust of which, as I read it, is to say, "Don't just focus on the big cities but focus on the whole of England"—I make two points that relate to interests that I should declare. I am pro-chancellor of Lancaster University and a member of Cumbria County Council. I will deal with my points on the basis of my interests, which might be the simplest way.

Lancaster University scores very highly in the ratings of the top 10 universities in many of the league tables, as do other universities in the north such as York and Durham. But there is an issue about whether the focus on cities and universities as a source of economic regeneration, which they undoubtedly are, will disadvantage some of the excellent universities we have in the north in favour of the big metropolitan institutions in Liverpool, Manchester and Leeds. That is a real concern. For instance, the catapult centres, which Vince Cable sponsored when he was Secretary of State for trade and industry, tend to be based in the big city universities, so there is an issue. I am sure there is no intention to discriminate against the universities that are not in the big cities, but there is an issue that needs to be addressed.

My second point concerns Cumbria. Cumbria is a complex county of only 500,000 people, and has a two-tier local government structure. My noble friend Lady Hollis is nodding vigorously, but she may not agree with what I am about to say. There is no obvious city driver in the whole of Cumbria. My home town of Carlisle was a great county borough, and I remember being terribly upset when the county boroughs were abolished in the 1970s, but as a city of some 70,000 people, it is too small to build a city region around. The other main population centre is Barrow-in-Furness, right at the other end of the county. The economic geography of Cumbria is very diverse, with a strong tourism industry in the east of the county and the home of the British nuclear industry in the west, in and around Barrow in what used to be called West Cumberland. It is a question of how to bring these two diverse interests together.

A strong case can be made on efficiency grounds for the creation of a unitary council for Cumbria, or possibly two unitary councils, one for the south and one for the north. This is what the county council thinks, but I am afraid to say that so far we have not been able to establish a consensus on it with our district colleagues. This is quite a major issue because in terms of economic development it is very difficult when basically all the planning powers rest with the district councils, not with the main strategic authority. There is also a huge cost issue. We all know that large savings will have to be made in local government over the next few years. Cumbria estimates that it will have to cut around £80 million from a budget of approximately £500 million. If we had a unitary council, experts have estimated that a quarter to a third of those savings could be achieved through streamlining local government—that is, getting rid of the duplication of chief officers and reducing the number of councillors. Cumbria, with its population of half a million, has more than 350 county and district councillors. That is not a sensible model, and we have to find a way of bringing together these diverse interests.

One way that would not be good for bringing them together—it is in fact a polarising move—would be to impose an elected mayor on the county. An elected mayor would inevitably result in one part of the county, the rural or the industrial part, feeling that it was unrepresented. We must have a more consensual form of governance in such a diverse area.

I turn to the need for better health services because in NHS terms, Cumbria is one of the three real crisis areas. The Government, through the initiative of Simon Stevens, are putting in a team from on high in the NHS to try and sort out the difficulties there. But that necessary reconfiguration of health services in the county will not work without a very close partnership with and integration of social care. We need a new structure to deal with the new challenges.

My view is that while, yes, the Bill represents a great opportunity, and yes, Cumbria should seize it, if we find that there are vested interests in local government that will not come together to actually sort the area

out, there is a responsibility on central government of some sort to look at what can be done. I agree completely with the noble Lord, Lord Heseltine, when he says that if you ask Whitehall to do things you get uniform solutions. His experience is vast, but this is how things have gone in my experience as well. I will be proposing an amendment to Clause 10 when the time comes, but we need to see whether we can resolve this issue. For counties such as my own, we need decisive action to sort out what is at present a really messy situation.

Lord Scriven (LD): My Lords, first, I apologise to the House for not speaking at Second Reading. I was unable to get here for the start of the debate, but I have listened to the speeches so far on this amendment. I kind of want to change the perception of looking at this purely through the prism of Whitehall. As a council leader and someone who started the city deal in Sheffield during my time as leader of Sheffield City Council, I know what it is like to deal with Whitehall and civil servants. Believe me, no matter how wide or broad the legislation or the aims and aspirations of Ministers in Whitehall, civil servants have a knack of closing you in. I saw that in city deals and I also saw it when I was helping rural councils in Staffordshire on their city deals. Civil servants started with a broad aim for what that city deal was about and narrowed it to one or two issues. There is always the hand, or the steel fist, of Whitehall trying to dictate what happens.

That is why I support the amendment. The amendment makes it a categorical principle of the legislation, and of the enabling legislation, that all parts of England should be able to take up such powers. Based on my experience at the sharp end as a leader of a council and negotiating with Whitehall, I can foresee what will happen if this is not written in as a principle: rural areas will be forced to coalesce around cities. Most Ministers talking about devolution talk about the metro cities, not even just the big cities. It is a really important principle that the freedom and the opportunities will be available to all areas in England. If that is so, there is nothing wrong with the amendment prescribing that. It will not stop anything but it would make it clear that civil servants have an obligation through this Bill to make sure that all areas of England have that right.

I have seen from the other side that whatever the intentions of Ministers, or of the Bill, unless this is written into the Bill rural and coastal areas will be forced to go with large cities. In certain areas, some people may wish to do that and may win, but in other areas it would be completely inappropriate. I see nothing that would stop or restrict in the amendment; it is just a matter of principle that will make sure that if I were an elector, a business, a councillor or council leader in a rural or coastal area, my rights would be enshrined and protected rather than trampled on by the heavy feet of certain civil servants.

4 pm

Lord Grocott (Lab): My Lords, this is a brand new Bill, starting in this House and in its first day of Committee. Pretty well everyone in the House will recognise that the arguments and points that have been made so far are very old arguments from discussions that have been had in local government and related matters for as long as any one of us in this House has been involved in such matters. That is not to be disparaging at all, because they are extremely difficult questions about local authorities' powers and boundaries, and about the balance between central and local government. There will never be a neat, easy solution to these issues, and to that extent I very much agree with what the noble Lord, Lord Heseltine, said: we cannot be too prescriptive.

My two noble friends seem to have been arguing in diametrically opposed directions, although I am sure they will find a way to finesse those arguments. I have more sympathy with the view of my noble friend Lady Hollis. I am not sure that I would want to see concentric circles, but I can certainly see the case for a focus on a city region with substantial powers. The other view from my noble friend Lord Liddle was more of a wider, unitary local authority. The scope for discussion in Committee will be pretty wide-ranging.

I am here to make a very simple point at this stage. I broadly support the Bill's intentions, as everyone else who has spoken does, but the odd thing about it is that although it is in many respects very generous to local communities in devising and determining their own proposals for what form devolution should take, the one respect in which it is extremely prescriptive and in no way allows any local diversity or difference in circumstance whatever is in the first phrase of the Bill's title: that whether you like it or not, mate, you will have a directly elected mayor. Surely there is a choice to be made here. I make no bones about it and it is an argument that I will develop at the appropriate point. I do not like the idea of directly elected mayors. I am happy to say that whenever the people of Britain have been asked to express their views on these matters in local referendums, they have been more inclined towards my view than that of those who wish to prescribe directly elected mayors.

I put this simple question to the Minister: why, for most of the contents of the Bill, is there is an acknowledgement—entirely in line with what most speakers, but in particular the noble Lord, Lord Heseltine, have said—that different circumstances apply in different parts of the country and that you will never quite be able to determine from Whitehall precisely what form devolution should take, except in this crucial respect? I am not randomly picking out one particular aspect; the Bill is largely about providing for directly elected mayors. It is the first part of the Bill; it is there in the title. Why on earth can there not be a lack of prescription in this area, particularly in view of the repeated expression of view from people, when they are asked, that they are not at all keen on this form of local government?

Lord Woolmer of Leeds (Lab): My Lords, I, too, welcome the Bill. I listened with great interest in particular to my noble friend Lady Hollis about concentric circles. The Bill is prescriptive in some important respects. It refers very early on to "a combined authority" and a mayor of a combined authority, which appears not to allow for a more complex arrangement of functions between local authorities that might wish to be part of more than one combined authority. That

[Lord Woolmer of Leeds]
appears to be inconsistent, first, with the Bill and, secondly, with having a mayor of a combined authority. Those are matters that no doubt we will turn to again later on.

I wish to comment briefly on the position in Yorkshire with regard to rural and coastal areas and the complexity of the arrangements. A noble Lord is present who is a former leader of Sheffield City Council. I am sure that he will contribute during the Bill's passage. There is a very strong case for making the two conurbations of South Yorkshire and West Yorkshire into a combined authority, leaving North Yorkshire, the East Riding and Hull Humber to decide separately what they want to do. There is a case for the two metropolitan areas of West Yorkshire and South Yorkshire to combine together to rival the strength of Greater Manchester.

Of course, the truth is that in Yorkshire, as in many parts of the country, the strength certainly of West Yorkshire is that it has North Yorkshire to its north and South Yorkshire to its south. Without them it would be a much diminished conurbation. Therefore, of enormous importance to the future development of West and South Yorkshire are the arrangements for North Yorkshire, East Riding and Hull. It would be enormously damaging to the Yorkshire region if North Yorkshire, East Riding and Hull did not have strong combined-authority or local-authority powers—many of the powers that the conurbations seek.

There is an understandable temptation for rural areas such as North Yorkshire to want to remain independent, but noble Lords may be surprised to hear that there is a lot of discussion in North Yorkshire about the merits of coming much closer to West Yorkshire, East Riding and Hull. One of my concerns about the Bill is that the understandable haste to have mayors alongside these strengthened devolved authorities will make more difficult the gradual bringing together of parts of Yorkshire. Once you have a mayor of South Yorkshire and a mayor of West Yorkshire, they are not likely to want to go in with North Yorkshire. If North Yorkshire had a mayor, it would be much more reluctant to give that up and combine with West Yorkshire. Therefore, in our later discussions on the Bill I will counsel that there is a disconnection between granting more, genuine devolution to parts of our local areas and necessarily divorcing that for a while from mayoralties, not because mayoralties will not come about but because once you establish a combined authority with a mayor it will make bringing authorities closer together all the more difficult. It will depend on working together, not being part of a community together.

My view from the conurbation of Leeds and West Yorkshire is to recognise wholeheartedly the importance of strong devolution in our rural and coastal areas, but Yorkshire without its coastline or its dales and moors would be greatly belittled. I would like to feel that the Bill will enable all parts of my region to be strengthened and even, although this will probably strike terror into the hearts of people at the Treasury, offer the possibility of moving towards a Yorkshire region, because that makes enormous sense. If we can countenance, as we have, a semi-independent Scotland, why should we resist a strong Yorkshire? Just because regional devolution was originally a Labour idea and got kicked into touch, I hope that it will not necessarily be kicked into touch on ideological grounds. There would be an enormous amount to be said if it was. To secure that would require statesmanship and long-term strategic thinking but would result in a devolution to that part of England that would, in my view, be greatly welcomed in large parts of that great county but would also lead to a viable, vibrant and strong economic and social community.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Williams of Trafford) (Con): My Lords, I thank all noble Lords for the points they have made, particularly my noble friend Lord Heseltine, who appears to have answered most of them right at the beginning.

Amendments 1 and 2 would insert two new clauses placing statutory duties on the Secretary of State to provide reports to Parliament setting out his strategy for ensuring devolution opportunities are available across England, and annual progress updates. I agree that there are merits in the Government being clear about what the devolution offer is to all areas and about future devolution agreements between local areas and the Government following local areas developing their proposals.

We have set out, not least at Second Reading, our broad strategy for devolution in England. Our intention is to ensure that there are devolution opportunities available to all parts of England, including rural and coastal areas, counties, towns and, indeed, cities. Many noble Lords have alluded to this. We also want to ensure—and I can give noble Lords this commitment—that no one place will be prioritised over another. Rural, city, coastal—we want to hear from all areas with their proposals. We want to hear from Norwich just as much as Nottingham, and we want them to tell us how it might work. We are not going to prescribe. I should have perhaps asked between Second Reading and now whether noble Lords who are making suggestions about certain areas speak for those areas—I do not know, and I am not assuming anything—but we want to hear from those areas about how they see devolution working. I cannot stress that enough, really.

As some noble Lords have said, some of the existing city regions include large rural and coastal communities; for example, as the noble Lord, Lord Scriven, said, the Sheffield city region has rural communities within and around it, including the Peak District; and the North East Combined Authority includes Northumberland. The noble Lord, Lord Scriven, also made a point about areas being forced into hooking on to other areas. The Bill does not force anybody to do anything; it enables areas to do what their ambitions are. We have been clear that our approach is for areas to come forward with proposals that address their specific issues and opportunities. The noble Baroness, Lady Hollis, mentioned business clustering, which is vital for growth. Clustering is what leads to growth and supply chain enablement. The Bill is enabling legislation which will provide the legislative framework to give effect to the different aspects of devolution deals—and they are different—and we are listening carefully to debates on the Bill to ensure that it does this.

Turning back to the specific amendments, I agree that it is important that Parliament should be able to question and hold the Government to account, both on their pursuit of devolution and decentralisation and on the progress being made in those areas that have agreed devolution deals. There are already mechanisms, such as Parliamentary Questions and debates, by which Parliament can ask Ministers to account for anything within their remit. These are opportunities that both noble Lords and Members of the other place rightly take regularly.

I was asked about our response to the Delegated Powers and Regulatory Reform Committee. We intend to respond in full before the end of Committee stage. But as that committee recognised, the Bill is an enabling Bill providing the primary legislative framework needed to deliver the Government's manifesto commitments in full. It also made a point about ensuring that the overview of scrutiny—something which I know that the noble Lord, Lord Shipley, is keen on—is effective, independent from any majority group on a combined authority and transparent. The Bill provides powers for us to make provision about all these matters and we are very interested in hearing views from all concerned about how the scrutiny could be as effective as possible.

4.15 pm

On the devolution deals, the secondary legislation to complement each deal will be scrutinised through the affirmative process by both Houses and approved by them. This process involves an Explanatory Memorandum describing the deal in some detail being laid before Parliament. A process for evaluating the progress on deals will be discussed with each area on a case-by-case basis. For example, as part of the devolution deal in Greater Manchester, there will be a requirement to put in place an extensive programme of evaluation agreed by the Treasury. I am very pleased to see the noble Lord, Lord Smith of Leigh, in his place and I am sure that he will contradict me if I say anything wrong about Greater Manchester. Those evaluations will be public documents, available to all Members of the House, as well as to those with an interest in the area and the progress it is making. Accordingly, I do not believe that it is necessary to place statutory duties as sought by these amendments on the Secretary of State to report to Parliament on these matters. This would be a duplication of a well-tried process.

Let me turn to other points made by noble Lords. The noble Lord, Lord McKenzie, asked who is leading on the deals across government. The Secretary of State for Communities, the right honourable Greg Clark, and the Chancellor of the Exchequer are working closely together to discuss deals with areas and Ministers—including myself—have met interested councils. On the question of capacity, this has been progressed with support from the Department for Business, Innovation and Skills, building on the progress made on devolution in the last Parliament.

The noble Lord, Lord McKenzie, also asked what bids we are receiving. We do not see these devolutionary requests as bids but as a two-way process between government and groups of local authorities. It is important to make it clear at this stage that it is not a bidding process and therefore, as I have said, there are no priorities and no areas come second to others.

The noble Baroness, Lady Hollis, asked about having combined authorities within combined authorities—the concentric circles—to manage different services. You cannot have a combined authority within another combined authority, but two or more combined authorities can of course work in partnership. There can be unitaries or two-tiers within a combined authority, but you cannot have a combined authority within a combined authority.

The noble Lord, Lord Liddle, asked whether Lancaster University would be secondary to some bigger universities in bigger cities. If Cumbria feels that the university and skills and jobs should be a priority aspect within the deal, the Government would welcome its proposals and would want to hear from it. The noble Lord also talked about the economic geography of Cumbria being very different. We fully recognise that every place is unique and different from every other place; that is why the Bill is an enabling Bill so that those differences can be reflected and come forward. He also said that there is perhaps not a consensus on the issue in his part of the world; of course, consensus is crucial, as is leadership and agreement.

I have some more explanations. The noble Lord, Lord Grocott, asked why the Bill prescribes for a mayor. Elected mayors can provide an effective single point of accountability where major powers are devolved to cities. However, this offer certainly does not limit in any way the devolution proposals that areas can make, and we will consider any and all proposals. I think that I have made that point previously.

The noble Lord, Lord McKenzie, talked about fiscal devolution. We have already agreed with Greater Manchester about the retention of 100% of additional business rates, providing a very powerful incentive to drive local growth, but we are not ruling anything in or out at this stage. We are very interested to hear from all areas how they see fiscal devolution working. With those assurances—

Lord Tyler (LD): Before the Minister sits down, I wonder whether I might take her back to the comments that she made about the report from the Delegated Powers and Regulatory Reform Committee, on which I sit. I think she said that your Lordships' House would have an opportunity to see the Government's response to the important recommendations from that committee before the end of Committee stage; perhaps she would confirm that. I draw her attention particularly to the recommendation in paragraph 29—it is rather different from the others, which are very detailed—in which the committee says:

> "In line with our conclusions in paragraph 22 above, we consider that, if the Government believe that the negative procedure is the appropriate level of scrutiny for particular categories of modifications of primary legislation, they should specify those categories in clause 55".

There is a wider issue here, which the committee draws attention to: in parallel with the consideration of the full Bill, we also have an LRO on some specific powers, which I understand was prepared before the general election—certainly before the Bill was being prepared

[LORD TYLER]
by the current Government. I wonder if the Minister can give some assurance to your Lordships' House that these two quite separate exercises will at some point be brought together. Otherwise, the lack of co-ordination is a matter of concern to the committee and, I think, will be a matter of concern to Members of the House.

Baroness Williams of Trafford: My Lords, I can confirm just what the noble Lord thought he heard, which was that we would be responding before the end of Committee stage and that the LRO would be incorporated into the Bill.

Baroness Hollis of Heigham: My Lords, as we are in Committee we have ample opportunity to extend the discussion on this. Did I hear the Minister correctly when she said that you could not have combined authorities within combined authorities?

Baroness Williams of Trafford: Yes, my Lords.

Baroness Hollis of Heigham: In that case, I suggest that she is wiping out the possibility of effective devolution over half of shire England. Only if you are a fairly large unitary, possibly in combination with some adjacent districts, can you offer the full range of services, from the very local to the very large. With the two-tier structures that we have—and no one is suggesting a complete overhaul of local government—you cannot do that. Therefore, you have to have appropriate partnerships or appropriate combined authorities for different issues, requiring a different sense of scale. Perhaps you will need a smaller one for local housing, local transport, local skills training and connectivity issues, but a bigger one for the interface between health and social care, for example, and a still bigger one for major transport and planning issues, as with a LEP. If the Minister is saying that you cannot have combined authorities within combined authorities, that strategy of having services appropriate to size and scale of partnership is denied us. Counties are perhaps too large for personal services but probably too small now for strategic services. I sympathise with my noble friend on Yorkshire, for example; we could do the same in East Anglia.

I ask the Minister to reconsider. Whether she uses the phrase "combined authorities within combined authorities" or says that there is an "economic prosperity board" here, a "combined authority" there and a "consortium" somewhere else—I really do not care what the nomenclature is—what matters is that we have the capacity to deliver services at the size and scale appropriate for the services that they are, working in partnership. If she says that we cannot have combined authorities within combined authorities, we can say goodbye to effective devolution for two-tier shire county England.

Baroness Williams of Trafford: My Lords, I am afraid that I do not agree with the noble Baroness. We have mechanisms to deliver services of different scale. The whole point, for example, of the Greater Manchester devolution deal is that devolution delivers what is not possible at a very small level. That is why the local authorities came together: first, to form the combined authority and, secondly, to do the devolution deal with government. But it does not preclude districts from being involved in, say, shire deals. There has to be agreement.

Baroness Hollis of Heigham: Forgive me, but can I just pursue this point? This will not work. I am sure that other noble Lords have experience of shire county England. For example, in my county of Norfolk, with seven districts, three of us are working together around the big city to deliver more than 50% of the jobs in Norfolk—the focus around the city, the former county borough of Norwich, is perhaps the main difference between us and Cumbria. Some other districts, such as King's Lynn and West Norfolk, look towards Cambridge, Cambridgeshire and Peterborough. They do not wish to be involved in such a strategy even if they could be.

However, there are other, countywide issues in which the greater Norwich partnership would play its part along with others to try to benefit the whole county in delivering peripatetic, rural-focused services. Beyond that, there are bigger decisions, such as those relating to Aviva and major transport issues, which can only be delivered at LEP level. This means that we must have flexibility. If this Bill means anything, it is about having flexibility to suit the localities and the geographies of different parts of the country.

The Minister must take each proposal on its merits. If there is something wrong with our proposal, fine, let us discuss it and negotiate it. I am perfectly content with that. But what she cannot surely do at this stage is rule out a possible structure that reflects the needs of many two-tier districts—as far as I am aware, Cambridge and Exeter may well be in the same situation, and Norwich certainly is. She is saying to us, "You cannot do, with your knowledge, with consent and in partnership, what makes the best sense for your greater area, for your county and for your region".

Baroness Williams of Trafford: My Lords, I think we agree but have perhaps got our wires crossed. It is an entirely flexible process. If Norwich and the surrounding areas want to come up with what they see as the best proposal for that area, the Government are here and listening. I am saying that there cannot be combined authorities within combined authorities under the law, but the whole purpose of this enabling Bill is to allow areas to come forward with the proposals that they see as the best. There has to be agreement across the piece.

Lord Warner (Lab): My Lords, can the Minister clarify one of her remarks? She talked about the Chancellor and the Secretary of State for Communities and Local Government being the accountable Ministers for these local deals. One of the great attractions of the Greater Manchester deal is that £6 billion is being transferred from the health budget to work within the Greater Manchester scheme. Where does the Health Secretary sit in the accountabilities for some of these schemes?

Baroness Williams of Trafford: My Lords, as I understand the health and social care aspect, Greater Manchester has agreed a memorandum of understanding with NHS England. The Secretary of State for Health runs the relevant department.

Lord McKenzie of Luton: My Lords, I thank the Minister for her reply, which I will come back to in a moment, and I thank all other noble Lords who have spoken in the debate, which has been very well informed.

First, I thank the noble Lord, Lord Shipley, for his support for these amendments. I think we were in agreement that this is not about one size fits all. That was not a point of difference between anyone who spoke today. He made reference to the Delegated Powers Committee and we will doubtless come on to debate that later.

The noble Lord, Lord Heseltine, said that the direction of travel is right and that we are agreed about that; indeed we are. He said that the country already knows what is on offer. With great respect, is that universally the case? I am certain it is for some councils and authorities, but does everyone really know what is available or what the process is? I would question that. He made reference to Manchester blazing a trail. What it has done has been illustrative of what can be achieved.

4.30 pm

On the question of prescription, the only prescriptive thing in my amendment was referred to by the noble Lord, Lord Scriven. It is about seeking to ensure that these opportunities are effectively available to all parts of England, whether rural or coastal. That is the only prescription. Yes, I suppose you could say there is prescription in the need for a report, but that was the level we talked about. We cannot just assume in all this that the Government are passive, lying back while whatever local authorities want just happens. Clearly, the Government have a responsibility in relation to funding and to understanding the consequences of devolution Bills that take power and budgets away from them. We cannot just say that central government does not count, which I think was part of the tenor of the noble Lord's contribution.

My noble friend Lady Hollis, as ever, made a powerful case for mid-sized cities and combined authorities within combined authorities. I am sure that that issue has not gone away. My noble friend Lord Maxton referred to the fact that in Scotland a seemingly left-wing Government are restraining support for devolution to local people, but the Conservative Government in England are seeking to do the reverse. That is an interesting state of affairs. The noble Lord, Lord Bichard, made a very interesting point. He talked about being beware of central government pulling back on this and asked about a devolution test for every part of policy developed. That seems to have some merit. My noble friend Lord Liddle talked about the disadvantage for some universities that are not in our great cities and, where you have unitary councils, the difficulty of getting a consensus to take advantage of what is effectively Clause 10. My noble friend Lord Grocott reminded us that we have been here before but said that the Bill is extremely prescriptive on the matter of elected mayors. Indeed, that point was continued by my noble friend Lord Woolmer, who talked about it being prescriptive around mayors and the challenges in moving towards a Yorkshire region.

The noble Baroness, Lady Williams, did not say much about the issue of capacity. There is a danger that we brush aside the prospect of government departments dealing with a whole range of inquiries that could—if the noble Lord, Lord Heseltine, is right—start flooding in. How will the Government handle that? Presumably, they do not have a whole raft of civil servants sitting around just waiting for these things to hit their desks. There is a constraint, and there must be some form of prioritisation in dealing with these matters. I accept that that prioritisation will not necessarily push rural communities to the back of the queue, but there must be some basis on which to handle this.

The noble Baroness said that we do not need a regular report as there is always the prospect of parliamentary Questions and the alternative of parliamentary debates. However, I say to her that I have tried that in the past and it does not really work. An authoritative report, available to Parliament, is the proper way to go on what we are all agreed is a fantastic opportunity. Parliament should have the chance to evaluate this as it progresses. As I said, this has been a good debate but for the moment I beg leave to withdraw the amendment.

Amendment 1 withdrawn.

Amendment 2 not moved.

House resumed.

Energy: Onshore Wind

Statement

4.35 pm

The Parliamentary Under-Secretary of State, Department of Energy and Climate Change and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, with permission I shall now repeat a Statement made by my right honourable friend the Secretary of State for Energy and Climate Change about ending new subsidies for onshore wind.

"Mr Speaker, with your permission I would like to make a Statement on ending new subsidies for onshore wind. This Government are committed to meeting objectives on cutting carbon emissions and to continuing to make progress towards the United Kingdom's 2020 renewable energy targets. The renewable electricity programme aims to deliver at least 30% of the UK's electricity demand from renewables by 2020. We are on course to achieve this objective. Renewables already make up almost 20% of our electricity generation and there is a strong pipeline to deliver the rest.

As we decarbonise, it is imperative that we manage the costs to consumers. Although renewable energy costs have been coming down, subsidies still form part of people's energy bills and, as the share of renewables in the mix grows, the impact gets proportionally larger. It is one of this Government's priorities to bring about the transition to low-carbon generation as cost effectively and securely as possible. The levy control framework, covering the period up to 2020-21, is one of the tools to help achieve this. It limits the impact of support for low-carbon electricity on consumer bills.

We have a responsibility to manage support schemes efficiently within the levy control framework to ensure that we maintain public support for the action we are

[Lord Bourne of Aberystwyth]
taking to bring down carbon emissions and combat climate change. Government support is designed to help technologies stand on their own two feet, not to encourage a permanent reliance on subsidy. We must continue to make tough judgments about what new projects get subsidies. Onshore wind has deployed successfully to date and is an important part of our energy mix.

In 2014, onshore wind made up around 5% of electricity generation, supported by around £800 million of subsidies. At the end of April 2015, there were 490 operational onshore wind farms in the United Kingdom, comprising 4,751 turbines in total. These wind farms have an installed capacity of 8.3 gigawatts—enough to power the equivalent of more than 4.5 million homes.

The electricity market reform delivery plan projects that we require between 11 and 13 gigawatts of electricity to be provided by onshore wind by 2020 to meet our 2020 renewable electricity generation objective while remaining within the limits of what is affordable. We now have enough onshore wind in the pipeline, including projects that have planning permission, to meet this requirement comfortably. Without action, we are very likely to deploy beyond this range. We could end up with more onshore wind projects than we can afford, which would lead to either higher bills for consumers or other renewable technologies, such as offshore wind, losing out on support.

We need to continue investing in less mature technologies so that they realise their promise, just as onshore wind has done. It is therefore appropriate to curtail further subsidised deployment of onshore wind, balancing the interests of onshore developers with those of bill payers. This Government were elected with a commitment to end new subsidies for onshore wind and also to change the law so that local people have the final say on onshore wind applications. We are now acting on that commitment.

Alongside proposals outlined within the new energy Bill to devolve decision-making for new onshore wind farms out of Whitehall, my right honourable friend the Secretary of State for Communities and Local Government has set out further considerations to be applied to proposed wind energy development in England so that local people have the final say on onshore wind farm applications.

I set out to Parliament on 18 June proposals to end new subsidies for onshore wind, specifically in relation to the renewables obligation, which will be closed to new onshore wind from 1 April 2016, a year earlier than planned. My department's analysis indicates that, after taking account of an early closure, onshore wind deployment under the renewables obligation will be in the region of 11.6 gigawatts. With this capacity, and that of onshore wind projects that have received support through the new contracts for difference, we expect around 12.3 gigawatts of onshore wind to be operating in the United Kingdom by 2020, supported by the levy control framework, providing around 10% of electricity generation. This puts us above the middle of the deployment range set out in the EMR delivery plan—our best estimate of what we would need to meet the planned contribution from renewable electricity to our 2020 targets.

I have proposed a grace period which would continue to give access to support under the RO to those projects which, as of 18 June 2015, already have planning consent, a grid connection offer and acceptance, and evidence of land rights for the site on which the projects will be built. We estimate that around 7.1 gigawatts of onshore wind capacity proposed across the United Kingdom will not be eligible for the grace period and are therefore unlikely to go ahead as a result of the announcement of 18 June. That equates to around 250 projects, totalling about 2,500 turbines now unlikely to be built.

Therefore, by closing the RO to onshore wind early, we are ensuring that we meet our renewable electricity objectives, while managing the impact on consumer bills and ensuring that other renewables technologies continue to develop and reduce their costs. Consumer bills will not rise because of this change. Indeed, those onshore wind projects unlikely now to go ahead would have cost hundreds of millions of pounds. I believe that this draws the line in the right place.

In advance of this announcement, I and other Ministers and officials have been discussing these proposals with the devolved Administrations in Wales, Northern Ireland and Scotland. I now want to hear the further views from devolved Administrations, and also industry and other stakeholders. This is just the beginning of the process and we will continue to consult them as we move towards implementation.

The changes to the renewables obligation do not affect remote island wind proposals, which would not have been in a position to receive RO subsidy even under previous timelines. I will say more about how future CfD projects will be treated in due course. But I am particularly conscious of the fact that 68% of the onshore wind pipeline relates to projects in Scotland. I will continue to consult colleagues in the Scottish Government. Indeed, I am meeting the Scottish Energy Minister, Fergus Ewing, on Wednesday. By implementing these changes through primary legislation, they will be subject to full parliamentary scrutiny, including from Members representing Scottish constituencies.

With regard to contracts for difference, we have the tools available to implement our manifesto commitments on onshore wind and will set out how we will do so when announcing plans in relation to further CfD allocations. I will also shortly be considering options for future support for community onshore wind projects that might represent one or two turbines through the feed-in tariffs—FITs—as part of the review that my department is conducting this year. I do not wish to stand in the way of local communities coming together to generate low-carbon electricity in a manner that is acceptable to them, including through small-scale wind capacity. However, that action must be affordable as well as acceptable.

Clean energy does not begin and end with onshore wind. Onshore wind is an important part of our current and future low-carbon energy mix, but we are reaching the limits of what is affordable and what the public are prepared to accept. We are committed to meeting our decarbonisation objectives. The changes that I have outlined to Parliament will not change this. I look forward to having meaningful discussions with

industry, with other stakeholders and with colleagues in the House and in Scotland, Wales and Northern Ireland on how we move forward".

4.44 pm

Baroness Worthington (Lab): My Lords, I am grateful to the Minister for repeating the Statement received in the House of Commons today on ending new subsidies for onshore wind. This is quite a regrettable outcome from the election—but I would say that, wouldn't I? But I say that for a number of reasons in this context.

It seems to me that this policy demonstrates quite how out of touch this Government are with the UK as a country. Onshore wind must be viewed as predominantly a Scottish and Welsh industry. On any metric, Scotland dominates it, yet here we have a Government with a wafer-slim majority trying to push through some dog-whistle policies to appease a very small, but very vocal, number of Back-Bench MPs. The net effect of that is to destabilise investor confidence in the UK's renewables industry. It is not just the onshore industry that is now understandably upset by the Government's moves in this direction. The deputy director-general of the CBI has said:

"Cutting the Renewables Obligation scheme early sends a worrying signal about the stability of the UK's energy policy framework. This is a blow, not just to the industry, and could damage our reputation as a good place to invest in energy infrastructure".

Those are serious allegations, and I am afraid that this policy, no matter how you try to dress it up as being in favour of consumer cost-cutting or enabling us to meet targets in more cost-effective ways, is simply a response to a very political problem which could and should be sorted out at local level.

The announcement about cutting the subsidies was accompanied by changes in planning laws which are incredibly restrictive. There is absolutely no need to go further and destabilise investor confidence in the way the Government have done. The new planning policies require that local plans identify sites suitable for wind farms and planning can go ahead only on those sites. This will severely limit projects coming forward and is sufficient on its own to ensure that people who want to rule out onshore wind in their local areas can do so. There is no need to introduce such a blanket, nationwide policy which will have serious repercussions for energy policy across the UK.

I have mentioned Scotland, and I am grateful that the Statement said that consultation is ongoing, but what is likely to happen as a result of this policy is the splitting apart of UK energy policy, as I am sure that Scotland and stakeholders within Scotland will not accept that the Government have authority to dictate that no more support can be given to this growth industry.

One of the defences is cost-effectiveness. It is simply not true that if you rule out one of the most cost-effective sources of renewable power you will save customers money. In fact, a hint about why that is not true is in the ministerial Statement. By ruling out onshore wind, we will be spending more money on less cheap technologies to meet our targets. In fact, the Government are encouraging this by saying that they need to protect offshore wind. In the latest auctions for contracts for difference—which we will come on to in a second, as there are implications in this measure for them too—it was clear that onshore wind came in at around £80 per megawatt hour and offshore wind at £120 per megawatt hour. That is not an insignificant difference. By ensuring that we rule out onshore wind, we will naturally see more money spent on offshore wind as we move to meet our targets.

On the subject of targets, I think that the Statement is breathtaking in its complacency. We are not on track to meet our targets. The target is that 20% of our energy should come from renewable sources by 2020. We are now approaching 5% of energy coming from renewable sources. It is important to note that there are three distinct policies that help us to meet that target. There is the electricity market reform package, which introduces a new system of support and which shut down the renewables obligations. That is the subject of this Statement. Two other polices are needed to get us to our target: the renewable heat incentive and the renewable transport fuel obligation. Both those policies are failing. They are not on track to get us to the target we need to reach. Electricity is the one area where we can say that we have seen success, yet here we are cutting off at the knees one of the most important contributors to success in that policy. Will the Minister please give me an undertaking that he will go back to ask his officials what will occur in the event that the renewable heat sector and the renewable transport sector fail to deliver? How will we compensate? Can we look again at the need for more electricity sources to help us meet those targets? In those circumstances, should we not look again at the most cost-effective sources of renewable electricity, which definitely include onshore wind?

We have touched upon the fact that another policy support beyond the renewables obligation offers support for onshore wind: the contracts for difference. Can the Minister confirm that there will be further auctions for contracts for difference between this Statement and the passing of the Bill, which will be needed to enact these new policies? Primary legislation and all the changes that it involves takes time. Will we see continued granting of contracts to onshore wind in that period, and can the Minister please endeavour to provide clear information to the industry should companies wish to switch from the RO to the CfD process to continue with their projects?

As today's Statement says, around 250 projects which might have gone ahead under the RO are now unlikely to happen. It seems evident that a large number of those will already have had a significant amount of investment in them to get them to the stage of being ready to be built. We owe it to those developers who have done so in good faith to enable them to transition to a new support system before we rush to cut away the support that they were given not many years ago. In fact, we all debated the transition to cleaner energy in our discussions on the energy market reform proposals in the Energy Bill passed under the previous Government. That was not long ago and yet here we are, so soon after an election, radically shaking things up once again, creating uncertainty and dissuading people from seeing the UK as a place for inward investment.

[Baroness Worthington]

Today it is onshore wind; tomorrow—who knows? Solar energy, offshore wind, biomass—you name it, everything seems to be in question. If there are enough Back-Bench Tory MPs who dislike something, it seems that it will be cut off at the knees. I am greatly disappointed by the Statement today.

Lord Purvis of Tweed (LD): My Lords, I eagerly anticipate what the Minister will say after our contributions. There is no doubt that the Conservatives, now governing alone, are sending very poor signals to the renewable energy sector. Therefore, although it is regrettable, I thank him for making that very clear at the beginning of this Adminstration.

The repeated Statement does not include the text that the Secretary of State added at the Dispatch Box, in which he paid tribute to the Conservative MPs who have been the most vociferous about onshore wind—a part of the energy mix that receives less support than Hinkley Point but is part of an accelerating part of our whole renewable energy generation mix.

The Government say that they were elected with a commitment to end new subsidies, but surely not to do so prematurely and without consultation, creating confusion among the investor community and industry, causing concern among those whose jobs may be now at risk, and putting in doubt our carbon reduction ambition. Niall Stuart of Scottish Renewables—where, as the Statement says, 68% of those in the pipeline are located—is right to say that the Government's actions are bad for jobs and for investment.

Given that the Government plan for this to be implemented by primary legislation, what exactly do they want to hear as part of the consultation? It seems very obvious that they have made up their mind, not only on the policy but also on how it will be delivered. How can it be the "beginning of the process", as the Statement said, when the Government seem to have a closed mind? What if Parliament believes that there is too much confusion in the grace period, and that before making the announcement there should have been consultation with the stakeholders and others involved who potentially could lose their jobs and their income? What if Parliament believes that this should be implemented only after Royal Assent—and when is that anticipated, because it is not clear?

The Secretary of State's Statement in another place stated that any developer or investor now needs to contact the department to find out if they may be part of the estimated 250 projects. I hope that noble Lords will appreciate that I read that with a degree of incredulity. How on earth can it be good government policy to announce it, state how many they estimate are in the pipeline, and even say that more than two-thirds of those are in Scotland, and that any investor or developer who wishes to know if they part of this now needs to contact the department to find out whether it will indicate whether they are to be in the grace period? The Secretary of State said that this may take some time. Can the Minister say how long it will be before we get clarity and when the list of sites will be published?

Finally, the Secretary of State was also unable to say—and I regret that the Minister has not indicated in the repeat, either, of course—whether a jobs and supply-chain sector impact assessment was carried out before this decision was made. Surely this must have been done. The Government cannot make such a decision without doing some form of impact assessment about the effect on people's livelihoods, on reputation within the investor community and on the 68% of those in the pipeline that are in Scotland. If an assessment has not been carried out, it is an astonishing piece of work from this Government. Will the Minister confirm whether an assessment has been carried out and will he publish it?

Lord Bourne of Aberystwyth: My Lords, I thank the two contributors, the noble Baroness, Lady Worthington, and the noble Lord, Lord Purvis, from their respective Front Benches. I will try to deal the points they made. In essence they seemed to be making the same point: that they had been taken by surprise by this announcement. I cannot imagine why. The policy was in the manifesto. It was not a dog-whistle policy, as the noble Baroness suggested. We are not in the business of rerunning the general election; we will be doing that in five years' time—with the inevitable same result if nothing is learnt by the parties opposite. This should not be a surprise to anybody.

To deal with some of the specifics, this will not hit investor confidence. Some £42 billion has been invested in renewables, nuclear and CCS since 2010. I send out the message that renewables are a vital part of the mix of our energy supply and will be into the future. As I said, this policy was in our manifesto and I do not think that anybody should be surprised by it. In terms of industry, you only have to look at Siemens investing money in Hull in the offshore wind industry to know that industry is very well aware of the commitment of this Government to renewables and indeed to the agenda in Paris on climate change.

The noble Baroness said that this could be decided at local level. This is exactly what is happening. There will be further discussion with the devolved Administrations; discussion has already been going on. It is true to say that Scotland is, in terms of the percentage, affected more than the rest of the United Kingdom, as it has been from the benefits—61% of wind energy has been deployed in Scotland, so it represents roughly the same amount. Again, that should not come as a surprise to anybody.

This decision that we have made—the Statement presented in the other place by my right honourable friend the Secretary of State—represents an important way of tackling the fact that if we do not take this action it will result in higher bills and/or other renewables not being brought on stream. In terms of investor impact, there will be new jobs with other renewables—and if we had not taken this action, we would not have been investing in the other renewables.

In relation to contracts for difference, the Secretary of State made it clear that we would be bringing a Statement forward on that. It has been extremely successful in terms of value for money, as I think noble Lords across the House will be well aware.

4.59 pm

Viscount Hanworth (Lab): My Lords, this strikes me as a most deceptive announcement. The deceit lies in the fact that rather than being aimed at reducing the cost to consumers—as it proposes to be—the announcement is in truth aimed at appeasing, as we have heard, a Back-Bench Conservative lobby averse to what it regards as unsightly wind farms. The cost of offshore wind-generated electricity is reckoned to be £120 per megawatt hour, whereas the cost of onshore electricity is reckoned to be £80 per megawatt hour. Clearly, the interests of economic efficiency would be best served by preserving the subsidy for onshore power and reducing that for offshore power. The interests of the environment would be best served by preserving the subsidies for both. Could the Minister tell us how our electricity demand can possibly be met in the absence of onshore power being fostered in the way that we all assumed it would be?

Lord Bourne of Aberystwyth: My Lords, first of all, the noble Viscount makes the same point about this being a response to Back-Bench opinion. This is actually in response to the country's opinion, as reflected in the Conservative manifesto, which was voted upon at the general election.

The noble Viscount is right about the current cost of offshore wind being more expensive than onshore, although I notice that that difference in cost has sometimes been exaggerated. The cost of offshore wind is falling. Certainly, it is important we realise that, for some of these new technologies, the costs will fall further. Therefore, I am bound to say that this is the reason we have made this decision. It is important that we balance the interests of the bill payer and the interests of new technologies against the fact that onshore wind has been highly successful and will continue to be so. These contracts are on a 20-year basis, so it is not as though wind farms and the contribution that they make will suddenly disappear.

Lord Forsyth of Drumlean (Con): My Lords, I congratulate my noble friend on this announcement. To the noble Baroness, Lady Worthington, who suggested that he did not understand what was happening in the rest of the United Kingdom, I gently point out that her party was reduced to one seat.

My noble friend said that Scotland had benefited from this onshore wind subsidy, but I have seen the industrialisation of the countryside in Scotland take place, in a country that is absolutely dependent on tourism. That is not just because of the windmills but because of the huge electricity pylons that are required to convey this electricity across the country. This Statement will be very much welcomed.

The other thing that I would like to point out to my noble friend is that, in removing this subsidy, he is ending what has been the biggest transfer of wealth from the poorest in Scotland to the richest in Scotland because of the fact that these subsidies, which are being paid to large landowners, are reflected in the bills of the people who have to meet the cost and are undisclosed. Therefore, I believe that this is a great step forward.

I urge my noble friend to look at the next racket, which is biomass, where people are being paid huge subsidies and given large interest-free loans, again at the expense of ordinary people who cannot afford these capital investments and who have to pay the bills. I hope that this is the first step in a process that sees people in Scotland and in the United Kingdom being treated fairly in this issue of renewables.

Lord Bourne of Aberystwyth: My Lords, I thank my noble friend for that contribution. It is right to say, as he has done, that opinion in Scotland certainly is not all one way and there are split views on the usefulness and so on of onshore wind.

In relation to his more general comment about renewables, the Government are committed to making sure that we have a balance of interests between affordability, security and clean energy. That remains the case. Renewables are very important going forward to ensure that we meet those three aims, as a department and a government.

Lord Campbell-Savours (Lab): My Lords, there is something that I cannot quite understand. The Minister said that he was going to consult the Scottish Government. What is he consulting on if the decisions have already been taken?

Lord Bourne of Aberystwyth: My Lords, the Secretary of State in another place made it very clear that discussions have been going on with the devolved Administrations about the rollout of the policy, and that will remain the case. On Wednesday, she is meeting Fergus Ewing, the Minister for Energy in the Scottish Parliament, to further those discussions. In relation to one or two comments that have been made about consultation, I should also say that there is a dialogue with industry and interested parties—not consultation but a dialogue—about the rollout in relation to the grace period.

Lord Birt (CB): My Lords, I declare an interest as a long-term adviser to a fund that invests in many sectors but also in renewable energy.

I can assure the Minister that this will be very damaging to investor confidence. I spend a lot of my time talking to global investors in renewable energy who have been frightened by a number of things. The Minister will know what happened recently in Italy, where the Italian Government retroactively changed the solar regime a few years previously. Something similar happened in Spain. I am asked over and again whether investors can have confidence that the British Government in relation to grandfather rights and showing consistency in this area, and I am afraid that this will rattle investor confidence in renewables. As the Minister will know, wind farms take a long time—typically eight, nine or 10 years—to go through the process. The announcement today will severely undermine the economics of many companies that have already invested a great deal in wind farms going forward and cannot recoup that investment.

Secondly, can the Minister explain the rationale for picking on this particular form of renewable energy when, as a number of other speakers have made clear, it is by far the cheapest form of renewable energy?

[LORD BIRT]

Finally, what is the rationale for allowing local people to have the final say in respect of onshore wind and have that apply here but not in respect of other strategic infrastructure or other kinds of power plants?

Lord Bourne of Aberystwyth: My Lords, in relation to investor confidence, I can only repeat the point that over £42 billion has been invested in renewables since 2010 along with nuclear and CCS. There has been a massive investment of £11.4 billion in two years in the solar PV sector and it remains the case that we are committed to renewables. I cannot speak for the retroactive action in Italy; this is not retroactive.

On the second point made by the noble Lord, he will be aware from mid-Wales just how unpopular these large wind farms can be. That was very much a feature of the last election. That is why it was singled out in the way that it was.

With regard to costs, it is true that the cost of onshore wind is cheaper, but one reason for that is that it was the first in the field and so it is a more developed technology. That is why we are looking at other technologies, and the costs of offshore wind and other costs—solar and so on—are coming down as well.

Lord Kirkwood of Kirkhope (LD): My Lords, I confirm what my noble friend Lord Purvis of Tweed said earlier—I concur with him in his interpretation of how this will be seen in Scotland from a political point of view. The question is: what assessment was made before this decision was taken about that subject as well as the investment implications?

I agree with the noble Lord, Lord Birt, that it is nonsense to say that this will not affect investor confidence in the future—that is complete nonsense. Wise people such as Keith Anderson of Scottish Power make it perfectly clear what the consequences will be. The Government should have listened to him before they took this decision. To what extent will this decision expose Her Majesty's Government to compensation claims or judicial review?

Lord Bourne of Aberystwyth: My Lords, I remind the noble Lord—he will know as well as anyone else—of the importance that we attach, as do the people of Scotland, to having a single energy market.

Sorry, I am afraid that I have lost sight of the particular point that the noble Lord made.

Lord Kirkwood of Kirkhope: It was on compensation.

Lord Bourne of Aberystwyth: My Lords, the important point about the grace period is that my right honourable friend the Secretary of State has set out what we think is the right balance between the change of policy and shift of emphasis, and the interests of the consumer and the bill payer. We believe that those projects which have planning permission, have a grid connection which has been accepted and have a right of ownership are in a special position, while others are not. My right honourable friend has said in another place that she is happy to enter into a dialogue with the industry, and that is ongoing. It is about getting the balance right, and we feel we have done that. That is one reason why we have not rushed this announcement because we have spent some time on it.

Lord Howell of Guildford (Con): My Lords, this is welcome in the interests of future energy balance, but can my noble friend clarify exactly which subsidies are to be ended next April? Are they just the RO subsidies, or are we talking about subsidies for back-up power stations—which of course are necessary to make the whole system run—energy access roads, transmission lines, switching stations and grid connections? Or are they merely the RO subsidies rather than the other ones?

Lord Bourne of Aberystwyth: My Lords, it is merely the RO subsidy.

Lord Cormack (Con): My Lords, I must declare an interest as the president of Protect Nocton Fen, a group which has been set up in Lincolnshire to protect us from 20 turbines, each one of which would be twice the height of the cathedral, which is just seven miles away. I thank my noble friend for the Statement, but I would ask him if I can go back to my supporters in Lincolnshire at the weekend and tell them that the tremendous threat to some of the most historic views in the whole of Europe will now be removed.

Lord Bourne of Aberystwyth: I am grateful to my noble friend for that contribution. The interests of consumers and those of people who are concerned about the impact on the landscape have certainly informed the discussions. It is important that we take people with us on energy policy. He is right to cite the example of Lincoln Cathedral, which I think was once the tallest building in the world. However, the reason this is being done is not solely because it was part of the manifesto. It was in the manifesto because we are already delivering in terms of people's needs in relation to onshore wind; it is already delivering significantly. The costs next year will be more than £1 billion in terms of what will be paid out in subsidy, and that will be going on for the lifetime of the programme. It is not as if onshore wind will not be a significant part of the mix, and of course there is the importance of other renewables. But yes, we have very much in mind the interests of people throughout the country who are concerned about the growth of onshore wind.

The Lord Bishop of Chester: My Lords, if and when the new subsidies are ended, we will have 6,000 or 7,000 subsidised windmills. Can the Minister remind the House for how long the subsidies for these thousands of wind turbines are going to be guaranteed, and what the total cost will be over their lifetime? If the figures are not available, could the Minister write to me?

Lord Bourne of Aberystwyth: The right reverend Prelate makes an important point. I do not have the specific figure, but it is certainly billions of pounds, and the typical lifetime of a contract or a subsidy in relation to a wind farm is 20 years. But I would remind the House that this is for an important purpose. It is in order that we can reach our decarbonisation targets, and we are determined to do that by getting the mix

right. This is about balancing the interests of the consumer and keeping bills down—which I think we would all want to ensure as much as possible—with the interests of ensuring that we have clean and secure energy. As I say, it is about getting the mix right, and I believe we have done that.

Lord Donoughue (Lab): My Lords, will the Minister confirm that from the Government's own projections the cost to consumers of these subsidies for windmills and solar, which I believe are currently running at 5% of household energy expenditure, will treble to 15% by 2030? Does he agree with the left-leaning Institute for Public Policy Research, a greatly respected body, that such green taxes are deeply regressive and by 2030 will amount to £226 per household? That constitutes a heavy burden on the ordinary householder.

Lord Bourne of Aberystwyth: My Lords, I am entering dangerous territory when I am asked to agree with a left-wing organisation. What I will say to the noble Lord is that the cost is immense, but the cost of doing nothing is even more immense. We are determined to get the balance right so that we have clean energy and we are protecting the planet, but at the same time bills have to be affordable—we are very conscious of the fact that some people struggle with their bills—and we have to have security of energy supply.

Lord Marlesford (Con): My Lords, first, I congratulate the Government on making this announcement. Does the Minister agree that the beauty of rural Britain is one of our great national assets, and that the march of wind turbines has in certain respects in certain areas greatly damaged that beauty for a long time—a generation in many cases? More important, does the Minister agree that there is plenty of industrial land on which wind farms can be erected? I drove today through Dagenham, where there are three very large turbines, and where there is room for another dozen or so easily. Does he agree that, rather like building land, where there is plenty of brown land—according to the noble Lord, Lord Rogers of Riverside, there is enough brown land to build 1 million houses—we should focus wind farms in areas where they do not cause an adverse impact on our national beauty?

Lord Bourne of Aberystwyth: My noble friend makes an important point about the beauty of our country and our landscape. I do not want to enter into a dispute about different parts of the country. I remind noble Lords of the importance of taking public opinion with us. Clearly, in terms of future wind farms, the number will now be restricted by the Statement. Other renewables, of course, do not have the same impact, and it is very important that we carry those forward into our energy mix, ensuring three things of which I remind the House: affordability, security and clean energy.

Lord Kilclooney (CB): The Minister said that one of the reasons for this decision is a commitment in the Conservative Party manifesto. Was that manifesto supported by the voters in Scotland?

Lord Bourne of Aberystwyth: My Lords, we are one country.

Lord Williams of Elvel (Lab): Does the noble Lord agree that it would be wise to stop talking about subsidies? Subsidies come from the taxpayer. What comes from wind farms is for the consumer, not the taxpayer. This is in fact a tax, and should we not refer to it honestly as such?

Lord Bourne of Aberystwyth: My Lords, the noble Lord makes an interesting point. It is, indeed, a transfer of tax—a subsidy—from the bill payer rather than from the normal taxpayer of income tax, and so on. We all know what we mean. It is a subsidy but I remind noble Lords that it is there for an important purpose because we need to ensure that we hit our renewable targets—I hope exceed them—and make a contribution to the climate change agenda that is coming forward in Paris.

Lord Sanderson of Bowden (Con): When my noble friend's right honourable friend speaks to the Scottish Government on Wednesday will she remind them that nuclear power is very important in the overall scheme of things for energy? Just because the Scottish Government refuse, through their planning powers, to renew Hunterston and Torness, surely that is a retrograde step.

Lord Bourne of Aberystwyth: My Lords, I very much agree with my noble friend. Nuclear is an important part of the mix which we rely on throughout the country, and we will continue to do so. There is no hope of meeting our targets without the contribution of nuclear throughout these islands.

Lord Berkeley of Knighton (CB): My Lords, I wonder whether the Minister would agree that there is another reason why this move is to be welcomed. He talked about democracy and giving more regard to local people's opinion, and the amount of subsidy has a direct bearing on that. I have some experience of this. Local people trying to fight one of these wind farms—in my case, overlooking Offa's Dyke and a grade 1 Humphry Repton landscape—have seen such financial benefits to developers that it is very hard for them, standing on their own, to raise the money to fight developers and landowners who have a huge financial vested interest. Apart from anything else, this will at least level the playing field.

Lord Bourne of Aberystwyth: My Lords, I know that the noble Lord has taken a great interest in this from a mid-Wales perspective over a period of time. Strangely, he comes to it with a different angle from that of the noble Lord, Lord Birt. It is important that we are conscious that it is very often difficult to take on, in a David-and-Goliath way, a large energy supplier. That is true across government: we need to be conscious that it is sometimes difficult for people to challenge decisions. I remind the House once again that I believe this represents the correct balance of honouring our manifesto and ensuring that we have a balanced answer to the question of energy supply—that it is affordable, secure and clean.

Cities and Local Government Devolution Bill [HL]

Committee (1st Day) (Continued)

5.20 pm

Amendment 3

Moved by ***Lord Shipley***

3: Before Clause 1, insert the following new Clause—

"Devolution of powers

(1) The Secretary of State may by order confer the power to exercise any functions that may be required on a combined authority established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (economic prosperity boards and combined authorities).

(2) An order under this section may only be made where a proposal for the combined authority to exercise these functions has been made to the Secretary of State by the appropriate authorities.

(3) The Secretary of State may refuse to make an order under subsection (1) if he believes that the proposal made by the appropriate authorities—

(a) does not provide sufficient democratic accountability over the functions to be exercised;

(b) does not have the support of local authority electors within the appropriate area; or

(c) would risk the proper functioning of local government within the relevant area or parts of the relevant area.

(4) The Secretary of State may not, in making an order to enable a combined authority to exercise functions under subsection (1), require the combined authority to elect a mayor under section 107A of the 2009 Act."

Lord Shipley (LD): My Lords, I said on Amendments 1 and 2 that we should avoid being overly strict on what structure and governance can be proposed and approved, but we need to be very careful that, in not being too prescriptive, we do not end up giving the Secretary of State carte blanche to do whatever he wishes. There has to be a set of principles by which proposals can be judged. We have set out four in this amendment: democratic accountability, the support of local government electors, the need to avoid risk to the proper functioning of local government within the area of the elected mayor, and that it should not be an automatic requirement that there is an elected mayor.

We should note the context here. In Greater Manchester there is to be an elected mayor without either a referendum or a full consultation with local people, and with an interim mayor elected by a handful of council leaders, not by the general public. There appears to be little evidence of positive public consent to the governance structure. Indeed, a referendum on an elected mayor in the city of Manchester received a no vote very recently. We need to be very careful that we do not introduce new structures that, because they lack democratic legitimacy, could put at risk the devolution of power that we want to achieve. The Government have to explain why, if an assembly is right for London, it is not right for Greater Manchester and other parts of the country.

As they stand, the proposals in the Bill run the very serious risk of creating a one-party state in some parts of the country without adequate checks and balances in the governance structure. Let me explain. It would not be good for democracy or for accountability for an elected mayor from one party to be able to appoint a deputy mayor of the same party from the combined authority, and then to chair that combined authority—dominated by that same party—with the overview and scrutiny function led by a chair of that same party and dominated by members of that same party. This is dangerous, because the only connection with the governance of the combined authority for an elector is to vote for the mayor, but nobody else. We want to change the electoral process to include the combined authority itself. That is because we do not wish to replace one form of centralism with another. This is about accountability, which cannot be guaranteed with the proposals that the Government are making. Our amendments are designed to improve the Bill's failures in this respect.

Let me be very clear: this is not about refusing to accept the concept of elected mayors. The concept can work, with the right governance structures around such a mayor—indeed, the Government have a mandate to introduce them. Nevertheless, it would be a mistake to assume that the election of one person for the whole of a combined authority area would of itself be sufficient to secure public consent to the new arrangements.

We must amend the Bill to improve it in order to make the proposed structures more accountable, with checks and balances which everyone understands. We shall therefore examine the way in which overview and scrutiny will work, particularly as regards the rights of the public, the press and the media to obtain information, and the rights of opposition councillors to call for papers. We do not want to end up with meetings of combined authorities in which the business is conducted in secret pre-meetings composed of just one party, and then announced to the press and public as decisions in short public sessions with little debate or discussion.

All our amendments to the Bill are tabled with the aim of improving it and enabling it to earn broad public consent. It needs to be amended to achieve that and the requirements and safeguards recommended in subsections (3) and (4) of the new clause proposed in Amendment 3 are extremely important in that regard. In moving Amendment 3, I have spoken also to Amendments 9 and 10.

Lord Heseltine (Con): My Lords, I have worked with the noble Lord, Lord Shipley, and I know of his long experience and dedication to this cause. However, I disagree with the consequences of what he is asking your Lordships to accept.

We are looking at a system of local government which has not delivered the necessary standards in a whole range of fields. In my life as a politician, I have seen how we have ruthlessly taken power away from local government and centralised it in Whitehall departments. I see present many noble Lords and noble Baronesses who supported that. The reason we did that was because the standards of local provision were in our view inadequate. We may have been wrong, but whether it was my party and the Housing Corporation, which I think was established in the 1970s, or the academies which the Labour Party introduced under the leadership of Tony Blair, the same basic premise

has always applied—namely, that local government was not up to the job of delivering the services to the standard that central government believes in.

We now have an historic opportunity—it is historic, as we discussed on Second Reading—to create locally a standard of service and a scale of delivery which can produce results which reflect local strengths and weaknesses, and which is of a different order from that which exists today. The great dilemma I hear expressed is that, time and again, noble Lords taking part in this debate assume that we are trying to recreate powers for local government as it is. That would be a great mistake and would not command the support that the thrust of this Bill is trying to achieve.

We are trying to create organisations of a scale and resource, and with the leadership qualities, that can compete on a world scale. We are looking at the départements of France, the states of the United States and the Länder of Germany. We know that to maximise the endeavour of this country we must have the ability to compete in a whole range of activities—education, economic generation and perhaps health—so we are looking to attract men and women who command respect and have the capacity and the leadership qualities to change the public perception of local government.

We hear about accountability. What accountability is there in local government today? The noble Lord referred to a "one-party state" but two-thirds of the constituencies that elect another place never change allegiance. The battles are fought in the marginal constituencies. In a vast number of councils in this country, the councillors never change from one party to another. A significant number of councils do not change allegiance either. So if one is talking about changing, the present system does not do it.

5.30 pm

If you are going to move to a new sense of scale and responsibility, the only international precedent of which I have any knowledge is that you have to have one person elected to do the job. We are told that there have been referenda which have not supported this view. That is perfectly true. What were those referenda all about? They were about tiny numbers of people whipped up by the party machines and the local councillors in order to preserve the status quo, and they reflected the total public disenchantment with the process. It is not as though we are changing a much-admired institution. There is not this great body of local enthusiasm for what is going on.

The first step, if your Lordships will follow me, in moving towards a directly elected leadership is to look at that and say, "Well, what we really ought to do is to circumscribe it with all sorts of things called accountability or double-checking or deputy mayors"—whatever it may be—and all those things have the same consequence of trying to rebuild into the new opportunities the constraints that have made the present system as ineffective as it often is. These amendments, understandable though they may be in terms of the way we presently operate, actually tend to consolidate the processes that we have in this country today and not improve or replace them in a way that is necessary.

As every noble Lord will know, over a century at least we have in this House and another place ruthlessly taken powers away from local government. Local government is the creature of central government. Time and again we have changed the pattern, we have changed the structure and we have changed the financial distribution arrangements, and never once has anyone suggested that we should consult the people. We just took the powers away. We changed the arrangements. Never once, except perhaps with London, did somebody suggest that we ought to consult the people. Now we are offering to give the powers back. We are offering to say to local communities, "You design the most effective structure to govern yourselves. You tell us how you think it would best be". What are we now being asked to do? To start constraining it in order to make sure that we tell them how it can be done and what the limitations are.

I suggest to the House that those of us who believe passionately in recreating a form of local administration that is modern, of a scale and accountable, comparable with the battles we have to fight on an international scale, should not constrain it with the same sorts of problems that have bedevilled the existing structure, which we broadly know has to be replaced.

Lord Beecham (Lab): My Lords, the noble Lord, Lord Heseltine, is perhaps the best-qualified special adviser ever to have occupied that position. He is a unique spad, but that is no reflection on the legions of other spads who have found their way into positions in your Lordships' House or elsewhere.

With great respect to the noble Lord, his argument is not entirely convincing. On his argument, we should have an elected Prime Minister rather than an elected Parliament. Perhaps that might not be a bad idea in the circumstances but as a matter of principle I would not have thought that he would subscribe to that. When he talks about the legitimacy of an elected mayor, he seems to overlook the turnout in the most important mayoral elections of all, in London. As I recall, that has varied between 35% and 45%—marginally above the average local authority election turnout, which I guess is in the upper 30s and lower 40s. That does not suggest that that office has any greater legitimacy than that of council leaders.

I ought to refer to my local government interests. Like the noble Lord, Lord Shipley, I have been leader of Newcastle City Council. There are other very experienced council leaders around the Chamber, although not, I think, on the Government Benches—apart from the Minister, of course, who has her own brief to deliver—although there are experienced local government members of the Conservative Party in your Lordships' House from time to time.

The noble Lord also implies that somehow the people are being consulted, but that is not what is happening. They are not going to be consulted. The offer apparently will be made that, "You will have a certain set of powers providing you have an elected mayor but we are not going to ask you to vote on whether or not you have an elected mayor"—perhaps because all but one of the authorities that chose to have referendums a few years ago decided against it, and perhaps also in the light of the turnout in the

[Lord Beecham]
elections for the other post that was much bruited by the present Administration, elected police commissioners, where the turnout was even more risible than that for elected mayors in London.

The noble Lord's support for local government in various forms has manifested itself over the years and I do not for a moment take away any of the credit that he deserves for his interest in and support for local government, although he himself admits it was somewhat qualified by the circumstances of the day. But I do not think that what he is suggesting is acceptable, in the sense that we are going to have effectively two tiers of local government across the country or across such parts of the country that do the deal that the Government are offering to them. I do not think that division of local government is going to reinforce local democracy; I think it will weaken local democracy.

Local government is essentially place based. The problem with some of this is that whereas there are major functions which need a wider canvas, as it were, to be dealt with—one thinks of transport, elements of economic development and the like—other services are intrinsically local and much more closely community related. I repeat what I said in an earlier debate about size. The Norfolk area, as we heard, runs 70 miles from north to south. It is greater in the north-east, embodying in the North East Combined Authority two county areas and five metropolitan districts—not a single city, not even just a city region but a complicated set of areas like that; and the same will apply in other parts of the country where this might take place—and that will devalue the immediacy of local government and the community-based services of local government, and that would be a blow to our general democracy.

It would be unfortunate if the line that the noble Lord has argued was to be adopted, in the sense that you would get a deal only if you accept that. I do not entirely concur with everything the noble Lord, Lord Shipley, says but I think there is merit in much of his argument and I fear that the case put by the noble Lord, Lord Heseltine, frankly overstates the democratic element, which we want to see conserved and, indeed, improved in local government.

Lord Campbell-Savours (Lab): My Lords, I have developed huge respect for the noble Lord, Lord Heseltine, over the years following the work that he did in Liverpool Toxteth and his overseeing of that very significant project, which I was able to visit some 25 years ago. But I want to speak specifically to the wording in this amendment because I am unable to understand why the noble Lord takes exception to it. Amendment 3 says:

"The Secretary of State may"—

I stress, may—

"refuse to make an order under subsection (1) if he believes that the proposal made by the appropriate authorities … does not provide sufficient democratic accountability … does not have the support of local authority electors … or … would risk the proper functioning of local government".

It does not say that the Secretary of State will refuse if the proposal made by the authorities does not provide sufficient democratic accountability. All that is happening here is that the Secretary of State is being given discretion to make a judgment, based on whatever information is brought before them. They are not required to do so because suddenly the electorate in an area are saying, "We demand that this procedure does not take place". It is for the Secretary of State to make a judgment and to use his or her discretion. If the noble Lord, Lord Heseltine, had read the amendment in that light, I would have thought that he may have taken a more flexible view of it.

Baroness Hollis of Heigham (Lab): My Lords, I, too, would like to support the remarks of my noble friend Lord Beecham and to challenge, with some trepidation, the history of local government over the last 30 or 40 years which was offered to us tonight by the noble Lord, Lord Heseltine. I think I would not be unfair to him if I suggested that he made two main arguments: first, that local government was in disrepute and, secondly—with the implication that this was a consequence of the first point—that there had been increased centralisation because local government could not be trusted or did not have people of sufficient quality or merit to carry out the functions of local government. I remind the noble Lord, although I am sure that he knows this perfectly well, that actually he has it the wrong way round.

What we have had since 1974 is several reorganisations and a poll tax which took millions of people off—and effectively destroyed—the electoral register. Then, within the course of the same Parliament, that was reversed and there was a new form of funding: the council tax, which had its own inadequacies. We have had the effective nationalisation of the business rate—although it was not effective but ineffective, with some seepage back to local authorities on the grounds of "earned autonomy". I find the arrogance of such a statement appalling. Even in the last five years, we have had our resources cut by some 40%. Then the noble Lord, Lord Heseltine, wonders why local government does not have the same effectiveness and high standing in the community that it had in the 1960s and 1970s. We could even go back to Joe Chamberlain in the 1880s and the like. The noble Lord has got it back to front. Central government—my party is guilty as well—has had a campaign, in the name of the sovereignty of a parliamentary, united system, to bring the powers back into central government.

The reason is that whichever Government are in power, over the course of a few years the battle in local government swings to the other party. Then we had Mrs Thatcher telling local government, "Take your tanks off my lawn". She said it to the universities and the lawyers, and she said it to local government. That political will was matched by the Treasury's will to turn local government into what were essentially post-boxes—agencies for central government wishes and responsibilities. That is what happened. It is not that we were in disrepute and, as a result, tried to make amendments and take powers to the centre. Since the 1970s, central government has sliced and sliced away at local government's responsibilities, finance and functions, and its standing in the community. Central government must take responsibility for what they have done. I will give way to the noble Lord although I have not quite finished.

Lord Heseltine: I am most grateful. I think that the noble Baroness is perhaps not old enough to know this but the real problem was the Redcliffe-Maud inquiry of the 1960s, which the Labour Party of the time established, and which set out the model for local government in this country. It replaced 1,400 local authorities with about 60 and it is towards that model, created by a Labour Government of the 1960s, that we have been progressively moving.

5.45 pm

Baroness Hollis of Heigham: I do not disagree that Redcliffe-Maud was a sizeable problem. I did quite a lot of work on this and thought that the senior minority report looked at one stage as if it was going to be the main way through. As the noble Lord, Lord Heseltine, will also remember, before that there was the Kilbrandon report on regional government, which some of us were also involved with. So we both have long memories of what has happened to local government, going right back to the mid-1960s. The point I am trying to establish—and I am not trying to say that it is one party especially, rather than the other—is that by taking slice after slice of local government authority, responsibility, functions and resources, central government have knowingly and with collusion undermined the local government that we all want to see. I am sure that the noble Lord is right that we want to see that local government revived. That is healthy and appropriate, but what you should not do is to say, "You can only have that revived local government on my terms, of having an elected mayor, if you want that earned autonomy of the combined authorities".

I was a local authority leader, first in the county borough and then the district. I was also a county councillor, et cetera. I say to the noble Lord, Lord Heseltine, that as the leader of my local authority, directly elected in my ward by my constituents and, further, directly elected by other councillors, there was nothing I could not do that I could now do as mayor. In addition, I had the support of a majority group, I could share power and devolve it down through committee structures, which a mayor would not so easily be able to do, and I had the full financial backing of that local authority. As a leader, and with consent, I effectively had more power, potential and resources than any elected mayor as presently prescribed by Whitehall would have. So I say to him that one model does not fit all and we cannot decide that we want autonomy and bottom-up, local decision-making in some territories and not in others. If individual local authorities or groups of local authorities want an elected mayor, I will cheer them on. If they decide that it is not right for them, the Government in London, and the noble Lord, Lord Heseltine, should give them the respect and dignity of their choice. That is what localism is about.

Baroness Warsi (Con): My Lords, you will be pleased to know that I am not going to get into this discussion about what happened in the 1960s. My memory certainly does not stretch as far back as that, having been born in the 1970s. I would like to speak about what business is looking for from local decision-makers. My interests are noted on the register of interests. As somebody who in her real life—before life in politics—started and ran three businesses, of which I am still involved in two, it is important for me to have heard today from the Federation of Small Businesses that its members are in a robust mood. It did a survey and two-thirds of small businesses are hoping to grow moderately or rapidly over the next year. That is great news and, to some extent, is a response to the policy that has been pursued in this area over the last four or five years.

I pay tribute to the noble Lord, Lord Shipley, and my noble friend Lord Heseltine for the tremendous amount of work they did under the last Administration to make sure that the building blocks were put in place, with the benefits that we are seeing today. Much of the work on devolution had already been started. Certainly in West Yorkshire, where the businesses I am involved in are based, the first agreement on devolution was already in place. Indeed, as we scrutinise the Bill, agreements and discussions are ongoing about what that devolution deal will look like now for West Yorkshire or the much broader Yorkshire region. Those decisions have still to be made.

The only question I would raise is this: is what we are going to create, or what we are asking for, going to assist or get in the way of business? Is the extra bureaucracy that we want to put in place in the name of democratic accountability going to help create jobs, which is what ordinary people want, or delay their creation? Is the consultation that we think is so vital before we put these structures in place going to help businesses to grow, or is it going to slow things down and therefore detract from this robust mood that small businesses up and down the country are showing?

Time is of the essence. I know from my own involvement with the regional growth fund and its payment to businesses in Yorkshire—I am involved in two manufacturing businesses, which manufacture furniture and ingredients respectively—that when an order comes through the door, no one waits for you to get your act together and discuss it with the LEPs and the RGF, and for them to make a decision and come back to you to tell you about timescales and ensure that everything has been properly consulted on. These opportunities do not come along often. Therefore, we should not stand in the way of these structures being created quickly, of local decision-makers being able to respond quickly, of getting money into businesses and getting them to invest more in expanding and—playing upon this robust mood that the Federation of Small Businesses is talking about—creating the very jobs we need for the economy to keep growing. Speaking from a user's perspective, in scrutinising this legislation, let us enable, rather than creating further layers of bureaucracy.

Lord Scriven (LD): My Lords, I have listened to the noble Lord, Lord Heseltine. Like the noble Baroness, Lady Warsi, I cannot recall the 1960s; I was born in that decade, so my period is rather similar.

The noble Lord has always been a big figure in local government during the entire time that I have risen up and been involved in it, but I have to say that I think his analysis on this is wrong. I say that because my starting point is that, although some people might say that this is just semantics, the Bill is not really about

[Lord Scriven]
devolution but about decentralisation. It is fundamentally a decentralisation of responsibilities from certain bodies to a combined authority or a mayor. The noble Lord talked about international comparisons, whether it be the Länder in Germany or the cities in the US, or elsewhere, where they have not just a nameplate saying "mayor" but real fiscal powers. When I was leader of Sheffield City Council it would have made no difference whatever whether my nameplate said "leader" or "mayor"; I would have been pulling levers with nothing attached because all the fiscal powers were in Whitehall. That is the important point that is missed by the Bill.

While I agree that it is a step in the right direction, we should not kid ourselves that under the present fiscal arrangements a mayor will be the silver bullet that will give local areas the autonomy and power to be authors of their own destiny in the way that some are suggesting in this debate; something more fundamental is required. Having said that, if we are going to go ahead within the boundaries of the Bill as it stands, then nothing in the amendment of my noble friend Lord Shipley would stop a mayor or powers being created if that was what the local area, along with the Secretary of State, so wished. As the noble Lord said, all that the amendment says is that the Secretary of State "may" refuse an arrangement that has been proposed if it,

"does not provide sufficient democratic accountability".

What is wrong with strong democratic accountability? We have it here in this Parliament, and I would expect it in local government. All that the amendment says is that not only would strong economic powers be taken into consideration but there would be strong democratic oversight of the powers invested in, possibly, one person. That is reasonable.

In the amendment, the second reason why the Secretary of State might refuse a proposal would be that it,

"does not have the support of local authority electors".

To go ahead without the support of the electors would be rather strange in my part of the world, where only a few years ago the electors rejected a mayor but now it would be imposed upon them if they wished to have these powers. I hear the Minister when she says that a mayor would not be imposed, but I ask her about the report in the *Birmingham Mail* on 1 June about the Chancellor saying to the leaders of the West Midlands that,

"only elected mayor will guarantee full funding and powers for West Midlands".

If that is not a prescriptive approach, what is? So there is prescription within this if you are going to get full funding powers. How would the people of South Yorkshire and Sheffield feel, having said that they, including businesses, did not want a mayor, only to have one imposed in order for limited powers to be decentralised from Whitehall to the area?

There is a third reason in the amendment why the Secretary of State may refuse a proposal. Wherever powers are devolved or moved within the existing structures, whether from national or local government, that should not destabilise local government. There is nothing wrong with that. There are still functions that councils will have when there has been the shifting of the existing chairs on the deck, which is all that the Bill actually does. If there were some fiscal powers, then it would be a devolution Bill. However, if those chairs are going to be moved, it is really important that some of the functions are kept with each individual council. It does not mean that financially they cannot continue to carry out what will be significant statutory functions.

The final subsection proposed in the amendment is about the mayor. I have already spoken about this: a nameplate is not going to change how a place is governed. If it was so significant, why have some councils that had already moved to a directly elected mayor moved back? It has not been the panacea that some would suggest. I advise the Minister to think very carefully about a Bill that puts so much reliance on a name without thinking about significant fiscal powers being moved downwards—which, after all, is what makes a difference.

I end by saying that I think the noble Lord, Lord Heseltine, argues my case for me. He talks about the powers of local government in the past, the engines of economic growth and social change. However, they did not have mayors or a single democratically elected person; they had the powers that central government has taken over. I accept that some of those responsibilities and powers will go, but without looking at the fiscal powers that make the difference we will be back here in five or 10 years' time having the same discussion, because that is the key that will make the change, not the name on a nameplate.

Lord Woolmer of Leeds (Lab): My Lords, I agree with every word just said by the noble Lord, Lord Scriven. I return to the remarks of the noble Lord, Lord Heseltine, who has almost provided the framework in which we have discussed this amendment. I seem to recall that it was not a Labour Government who brought forward the legislation following up Redcliffe-Maud.

Baroness Hollis of Heigham: Peter Walker.

Lord Woolmer of Leeds: It was Peter Walker in the Conservative Government, but that is history. If I have understood the argument of the noble Lord, Lord Heseltine, it was that over the years local government has fallen increasingly into disrepute and lost the confidence of the people, and that is why everything went to the centre. Now it has been decided that we are going to devolve some real powers back to these discredited bodies that no one has any confidence in, but we are not going to give them the power; we are going to create one elected person in each area, called the mayor. In place of dozens of discredited local councillors—in the vision of the noble Lord, Lord Heseltine—there will be one credible, powerful mayor.

6 pm

In my experience, local councillors are well regarded in their communities, including by community groups, faith groups and the local media. Not every single person is a bad apple, and there are bad apples everywhere—including in this place and along the corridor. Overwhelmingly, people respect their councillors. They work very hard with greatly constrained powers nowadays. Without participating in the blame game, I

would go so far as to say that they are probably better regarded than Members of Parliament, even though on the whole, in my experience, Members of Parliament are well regarded in their local constituencies. The House of Commons has got a bad collective name in recent years but when you ask people about their Member of Parliament, overwhelmingly they are well regarded. Therefore, I do not buy the argument that local councillors are not well regarded or cannot be trusted with more powers. The question is: what is the best way to organise and have control over areas with a combined authority? I hope we do not start from the position, "Heaven forbid that it should be through local councillors".

Many noble Lords will have shared my experience that when combined authorities start to work and bring together the leaders of the relevant boroughs or metropolitan districts, they work very well together. They understand each other's problems, are willing to compromise and are willing to try to take things forward. My understanding and reading of what is going on in the areas that are now combined authorities is that it results in responsible collective consideration of major issues and bringing about well-founded polices. In the north of England, as we were discussing the other day in the transport debate, leaders of councils from across the whole area have come together to discuss transport and economic policies.

We can, in my view, trust leaders of local authorities, the councillors to whom they are most immediately responsible and their electorate. The question remains whether we need an elected mayor to add something to that. The first thing I would say—again, from my own experience—is that there would be great revulsion from electors if they were told that there had to be an elected combined authority. Outside London, there is no stomach at all for another tier of elected bodies. Therefore, it will be a mayor, if there is one, operating in conjunction with a small number of leaders of local authorities. What would a mayor bring to add to that? That is an important question. In West Yorkshire's case, there are five local authority leaders working closely together; in South Yorkshire's case, there are four. It is not at all clear and I do not believe that the current set-up is not well regarded. In Yorkshire—certainly West Yorkshire—the press, other media and local councils fully understand how combined authorities work. A mayor will not add to that at all.

With the exception of being concerned that the amendment might lead to the idea of having an elected assembly for a combined authority, I think it is well intentioned and can be supported. I do not object to it on the same grounds as the noble Lord, Lord Heseltine—that local authorities and local councils cannot be trusted and have lost people's confidence and that a mayor is needed to restore the electorate's confidence in some way.

Lord Brooke of Sutton Mandeville (Con): My Lords, this is my first intervention on the Bill. I apologise for that. Looking around the Chamber, I think that I am the only veteran of the Committee stage of the Greater London Authority Bill in the other place. We assembled a Committee of 29, 27 of whom were London Members—I will come back to that in a moment.

My late noble kinsman was not only a Minister of Housing and Local Government for four years—what would now be Secretary of State for the Environment—but a close friend of the late Lord Maude, to whom others have alluded in this debate. In so far as we are obliged to indicate our credentials in an instance such as this, I will simply confess that I served for 18 months on Camden Council at a time when 18 months on Camden Council seemed like 18 years. I therefore regard it as being a reasonable credential. Until I was 72 years of age, I had had a London address the whole of my life.

The Greater London Authority Bill Committee, which is analogous to what we are engaged in today, had 20 Labour Members on it, seven Conservatives and two Liberal Democrats. I bring them in because it was the noble Lord, Lord Shipley, who introduced this amendment. Both of the two Liberal Democrats who served on that lengthy Committee also served in the recent coalition. They served with distinction on the original Bill. As I said, only two of the 29 were not London Members.

One of the consequences of that was that it was an extremely well-informed Committee, and a Bill which arrived with us with only about 270 clauses ended up having nearer 430. To go back to remarks that my noble friend Lord Heseltine made much earlier this afternoon, that occurred because Whitehall did not really know as much about London as the people who were elected Members in London. We London Members introduced a great deal of totally relevant material into the Bill, and I have no doubt at all that we greatly improved it in the process. It had more than 400 clauses by the time it came out of the House of Lords because, although in Committee in the House of Commons officials were saying to Ministers, "Minister, you must resist this amendment", the amendments which were sensibly introduced in the House of Commons were then picked up in the House of Lords. As a result, we ended up with a Bill with more than 400 clauses. I have no doubt at all that the Bill was greatly improved in that process, but it did take time. I would not begrudge time on this particular subject, so important is it.

I am not sure whether I have helped in any way either side of the argument with my comments, but I agree with my noble friend Lord Heseltine that this is a spectacular opportunity and I hope we can collectively seize it.

Lord Tyler (LD): My Lords, I am grateful for the contribution that the noble Lord, Lord Brooke, has just made, but I will return to the issue of the comparison between the work done by the committee to which he referred and the eventual statute that emerged in a later group of amendments.

I can remember the 1960s. Indeed, I was elected a county councillor in 1964. I think I am right that the then Conservative candidate for Tavistock, my neighbouring constituency, was none other than a very young, sprightly Conservative called Michael Heseltine. What I admire so much about the noble Lord, Lord Heseltine, is that, like William Gladstone, he gets more radical as he gets older. He may not appreciate that particular compliment but it is a genuine one.

[LORD TYLER]

I return to the tone and content of his earlier contribution, which really set the main argument for this part of the Bill and for this amendment in the names of my noble friend Lord Shipley, myself and others. If I may say so, there is an inherent contradiction in what the noble Lord, Lord Heseltine, said. On the one hand, he was determined to let local people free to make their choice as appropriate to their particular needs. That was very much the theme of his peroration, which is in character with what he has sought to do over recent years. Yet, at the same time, he said that we must somehow impose a one size fits all elected mayor on that local decision-making process. He argued for local determination but at the same time said, "Oh, but we must impose the one-man-band mayors".

I think that we should trust the people. That was another good Conservative slogan of yesteryear. I am, for example, really concerned about extending this process beyond the first tranche of combined authorities into other areas. It has been a major theme throughout the House that we should see this happen not just in the five existing combined authorities but throughout the country. We should let the people of Cornwall free to decide what they wish to do. That is why my noble friend Lord Teverson and I put our names to this amendment in particular.

As it happens, in Cornwall there has already been a very successful and substantial reorganisation of local government to avoid a lot of the duplication that came from the 1960s and 1970s—to which the noble Lord, Lord Heseltine, referred. We have a unitary authority. It is now beginning to work extremely well. It is making substantial savings by avoiding duplication between different levels. That is the right answer for Cornwall. I am not saying it is the right answer for everywhere else but I am absolutely convinced that to impose on that, before they can get any further devolution or decentralisation of power, a one size fits all elected mayor would be plumb crazy. Much more importantly, it would go right against what the noble Lord, Lord Heseltine, sought to suggest to your Lordships that we should do: let local people decide how they can best be governed.

It happens that in Cornwall we have a distinct identity, integrity and leadership. There is a tradition of cross-party and cross-community leadership. It would not be appropriate to insist on having one particular person, presumably on a minority vote as that is how first past the post tends to produce representation, where there is already plural representation and leadership, and where that is very popular. The noble Lord's and the Minister's party, certainly in Cornwall, would be locally absolutely determined to stand alongside others of us who feel that the imposition of a mayor before we can achieve any greater level of decentralisation and devolution would be entirely wrong.

The noble Baroness, Lady Warsi, rightly referred to the dangers of delay. If, for example, Cornwall was not allowed to move until it accepted the imposition of an elected mayor, that would have a devastating effect on the encouragement of investment and the growth of businesses in Cornwall—which is not a wealthy part of the country and desperately needs new initiatives.

Noble Lords on all sides of the House are very much with the noble Lord, Lord Heseltine, when it came to his peroration. What we find difficult is how to match that up with the apparent contradiction that he insists that we have elected mayors throughout the country before we can move into this new, devolved arrangement.

6.15 pm

Lord Callanan (Con): My Lords, I listened with great interest to the speech from my noble friend Lord Heseltine earlier because I was a councillor in the 1980s and the 1990s, when he served with great distinction in the Conservative Governments of the time. I was a councillor in the same part of the world as the noble Lords, Lord Shipley and Lord Beecham, who spoke earlier—the north-east of England—although I was not on the same authority. I also never had the chance to be council leader, as they did, because I was a Conservative in Gateshead. In fact, not only did I not have the chance to be leader, for many years I was the only Conservative out of 66 councillors.

That of course was a difficult time in local government: a time of rate capping and when the Governments of the time took considerable powers away from local government. At the time, I was a cheerleader for that. I thought that many local authorities were dominated too much by ideological, left-wing councillors and that ratepayers—ordinary men and women—needed protecting from some of those people by methods such as rate capping and the removal of those powers. I now believe that I was wrong and that it was a mistake to do that. Since then, events have proved that. So I fully support the Government's aims now in seeking to return those powers by devolution to local authorities. I hope that they will be able to take matters further and devolve considerably more powers to local authorities. The mayor model is the right way to do that. It was in the Conservative manifesto and for that reason alone the Government should do it; Governments should stick by commitments they have made.

However, that is not the long-term answer to the problem. We have seen declining rates of participation in local government elections for many years. Most people do not bother taking part in those elections. I think the reason is that most electors have worked out that it does not really matter in most cases which councillors they have because councillors have their ability to act so constrained by national legislation and the fact that the vast majority of their finance is supplied by national government that it does not make a lot of difference whether electors participate in local government elections.

It is not in the scope of the Bill, but ultimately the only way to regenerate properly local democracy will be to reform the system of local government finance so that, once again, electors have a considerable stake in their local authorities and it actually makes a difference to what is delivered locally and, more importantly, what they must pay out of their own pocket for those services—then we would regenerate local government, and that would make a big difference.

That is not in the scope of the Bill and it is a very controversial subject. Clearly there are no easy answers to it, but ultimately that would be the way to regenerate local government. As a first step, the Government are going the right way. They are reversing the path of many Governments for a number of years in accumulating power towards the centre. It is a good first step and I wish them well in their endeavours.

Baroness Pinnock (LD): My Lords, I agree with much of what the noble Lord, Lord Heseltine, said in his analysis of the problems facing local government. He is quite right that local government has been denuded of its powers over decades. He is quite right that many councils simply do not change political colour during elections. However, the solutions to those challenges provided by the noble Lord are not ones that I personally agree with, as they do not provide an adequate response.

The first challenge is that councils do not change political colour. Well, as the noble Lord rightly pointed out, neither do two-thirds of constituencies during a general election. They never change political hands. That political problem is resolved by having not a mayoral system in local government but a different electoral system. A fair voting system would provide the opportunity for people to elect differences. At the moment, under the current system, they do not have that opportunity. The second issue that—

Lord Grocott (Lab): We have heard reference to the electoral system, which is not an uncommon reference from the Liberal Democrat Benches. There is an idea that it is only under first past the post that people are returned regularly from the constituency and we have the notion of the safe seat. I can think of no seat that is safer than being number one on a list for a party, as is the case, for example, in the proportional representation system that we have for the European Parliament. I understand that the Liberal Democrats consider this an improvement on the first past the post system but I, for one, consider it a step backwards, precisely for the reason the noble Baroness argues against safe seats under the first past the post system.

Baroness Pinnock: Fair voting in my description is not the list system, which I regard as just a fancy way of changing from first past the post. The proper fair-voting system enables the electors to choose, rather than putting the power in the hands of the political parties as the list system does. My idea of fair voting puts the power in the hands of the elector, but I digress.

The noble Lord, Lord Heseltine, also referred to the difficulty of the loss of power by local councils and the solution being this great big single figure who would somehow make all these big, strategic decisions in a combined authority. I have to say that in West Yorkshire, where I have been a councillor for many years—over 25 years, and leader of Kirklees Council for part of that time—a mayoral model simply does not provide the solution that he is looking for. A combined authority is not going to do what the noble Baroness, Lady Warsi, wants, which is get decisions made quickly so that small businesses can invest. What a combined authority is primarily about is making big, strategic—and therefore, by definition, long-term—decisions for that area. We are talking about a local government function which will set out a transport infrastructure for the next 20 or 30 years. It is about setting out planning and economic regeneration schemes for the next 20 years. It is about bringing in inward investment, which takes by definition many years. It is about dealing with carbon control, which by definition takes many years. That will not be achieved by having a single, big figure because all those decisions by definition require two elements. One is public consent, because it will mean big changes to the geography of a local area. The second is big investment of public money, which by definition, in this country at least, requires big accountability. That is why I am totally opposed to a mayoral model.

The second element of this is that the noble Lord, Lord Heseltine, was describing a mayoral model which is simply not that described in the Bill. In the Bill the mayoral model is not this big figure who will somehow paint the future Utopia for an area. The mayor in the system as described in the Bill is the chair of a committee made up of the leaders of the constituent councils of the area. That, to me, is a very different system from that which the noble Lord describes.

My third point about the mayoral model is that if one lives, as I do, in Yorkshire, when anybody talks about the mayoral model the word "Doncaster" immediately comes to mind. I have to say that Doncaster has not had its many problems and challenges resolved by having a mayor. If fact, many would argue that having a mayor has actually made the problems worse. To suggest a mayoral model to people in Yorkshire—or my part, West Yorkshire—leads us down the path of further denigration of local government.

The fourth thing I would say about the mayoral system as it applies in West Yorkshire is that we have all had this idea—it is in the descriptor of the Bill—whereby somehow we have a single city, as we have in Manchester, and all the hinterland is drawn into it. That might work well in Manchester. In West Yorkshire, as I reminded noble Lords at Second Reading, we have not one but four cities, each of which regards itself, quite rightly, as a great city. We have Bradford, Leeds, Wakefield, which is the former county town of the West Riding, and, at some distance from the rest of West Yorkshire, the great city of York. To have a single mayoral model for those great cities will not be acceptable to local people, because they know that the consequence of a mayoral model is to be ruled by Leeds. If you go to York and say, "Actually, folks, you are going to be ruled by Leeds", they will turn to you in horror, especially if, as we are being told, there can be no proper accountability for that person.

We must accept the will of the people, which in referenda that were held in West Yorkshire was a big and resounding no. This was not because the referenda were taken over by the political machines, as the noble Lord, Lord Heseltine, said. Actually, we could not get people to go and vote, because they were not interested. What local people want out of this combined authority is an accountable system that will consult people locally,

[Baroness Pinnock]
take up their ideas, give them some passion and enable them to get West Yorkshire going again. The heart of the industries of the north of England is in West Yorkshire; we want to make the most of it—we will not have a mayoral model imposed on us—and we want the fiscal powers from central government in order to achieve that. Currently we have a mayoral model to be imposed and no money to go with it. A better solution would be to have fiscal powers and to throw the mayoral model into the bin, where it belongs.

Lord Grocott: My Lords, I am very encouraged by this debate. One always tends to worry as the years go by that one's views have become rather fixed and stagnant. My opposition to directly elected mayors is of long standing and my earlier depression was reinforced by the fact that, as I understand it, at the moment all three political parties' leaderships are committed in one way or another to directly elected mayors. It is always a slightly worrying state of affairs when all three party leaderships seem to be in agreement, but most contributions from the Back Benches that I have heard in both the debates we have had today on the Bill have expressed reservations about directly elected mayors. I suddenly feel that the pendulum may be swinging. It certainly did a long time ago as far as the electorate were concerned—we know that. The electorate say no, no, no, no and an occasional yes when they are asked about directly elected mayors. Is it just wishful thinking or is parliamentary opinion, at least in this House, changing on the issue? If it is, then I think it is for very good and sound reasons.

I do not want to be in any way disparaging about people who support the idea of directly elected mayors. One or two are sitting close to me at the moment. I acknowledge that this phrase that we all use and are all committed to—"democratic accountability"—can take many forms. In truth, it takes two forms more than most others. That is to say, it can be achieved via what we would broadly refer to as a presidential system, or through a parliamentary system. Both have forms of democratic accountability.

6.30 pm

In this country—I am not saying that it is true for every country, but I think that I know this country pretty well—the parliamentary system is the one that I prefer. It has stood the test of time. Although local government is obviously very different from central government, none the less historically it has been a variant of the parliamentary system that has obtained in local government—that is to say, that the executive comes out of the legislature. I know that it is rather grandiose to say that a local authority is a legislature in the same sense as Parliament, but that is from where the executive springs. I much prefer that form of democratic accountability, certainly in comparison with the idea of direct election of the executive.

I do not think that anyone here is going to argue that the Prime Minister should be elected, so we can at least say no to that idea. But some would say that in some circumstances we should have directly elected leadership of local government. Direct election is great when the vote takes place, but the problem arises between one vote for the president/mayor and the next vote for the president/mayor, which can be four, five or six years later. In fact, it is not even laid down in the Bill, unless I have misread it; the Bill does not actually dictate the interval between mayoral elections. So the electorate get consulted, but that is the only occasion when they do, whereas with any kind of parliamentary system including local government—it is a long time since I was a councillor, but my word it worked—the executive is accountable day in and day out, in a sense. It is accountable to the elected councillors and the elected councillors are, in turn, all individually responsible to their own electorates. That seems a much richer form of accountability than a one-off every four, five or six years, or whatever the interval is determined to be.

I am moving from a position of saying, "Well, let each area decide for itself". I have been convinced by my own speech, actually, that maybe there should be a system whereby central government says, "No, we've decided that the parliamentary system is the right one for us, so we are certainly not going to tell anyone at a local level that they must have a system different from the one that we have. We think ours is democratically accountable". I am moving rapidly away from the position of the permissive possibility of maybe some areas having directly elected mayors and others not, to saying that central government should probably say, "We think it's a pretty good system—we think it's the one you should have in your areas, where your executives are answerable to the council". That is the democracy that works centrally and, in my experience, the one that works locally. Give me a parliamentary system over a presidential system any day of the week.

Lord Smith of Leigh (Lab): My Lords, I rise somewhat reluctantly to participate in this debate. I declare my interest as leader of Wigan Council and a member of the Greater Manchester Combined Authority—so maybe I have a little experience there. I am also a vice-president of the LGA, and perhaps my contribution will show that, whatever party they are from, vice-presidents of the LGA do not always agree with each other. I have been a councillor only since 1978, so I am a mere stripling compared with some people here, and I do not intend to go back over my version of local authority history. However, the noble Lord, Lord Heseltine, was right—there has been increased centralisation for a number of reasons. Partly, it was to do with mistrust of local councils. The irony is that, having given the pass to Whitehall, has Whitehall done any better? The answer is no—and in many cases, it has done a lot worse.

In facing the current austerity, there is more innovation going on in local government than in any other part of the public service. We actually have to deal with the problem on a day-to-day basis, and we are not doing it by simply slicing bits off as we might have done in the past. We are thinking radically about what we need to do and how we do it, and how we engage with the community. It is good.

In Wigan, there is a Labour council. Whatever I have done over the past five years, I have done it from my own perspective. I have always done something in Wigan that has, quite frankly, reflected my political values. I think that we get that difference in local authorities.

Electoral participation has gone down in local government, but my goodness it has gone down in national government, too. It is a real problem for the country that we do not get people to think that what we do as politicians is important.

In my experience of trying to get devolution from Governments of different colours, what is on offer now is the only thing that has been real. In the past, we got sympathy in Greater Manchester from Ministers but, frankly, they did not have the determination to get it through departments. Now we have a Government who are actually beginning to break that down and who are offering us some devolution.

The combined authority, which the last Labour Government set up—and a lot of us are trying to say this—is a new way of working. It is not working as in the past but working in a new manner. I think that the Minister will say that in Greater Manchester different parties sat down together to work in a consensual manner for the good of the conurbation. At one stage, when I was chairman, we had five Labour and five opposition members, but we worked together through that issue. As the electoral cycle has swung in other areas the balance is now eight to two, but we have not changed the style in which we work. I have still not had a vote as chairman of the combined authority, and if I did have one I would think of it as a failure.

It is about the leadership provided by leaders, who need to think how they can make an area more economically viable—because that is the objective. In Greater Manchester we have the twin aims of growth—clearly, everyone has that aim—but also reform of public services.

In Greater Manchester, over the last summer and into the autumn we had a long debate about how we saw the future of our governance. We came to the conclusion that the system that we had was not working properly, and we needed someone separate from the leaders—and we have 10 leaders in Greater Manchester. There is a view that Manchester is one city with nine outriggers, but Bolton would not regard itself as a suburb of Manchester and neither would Wigan. In fact, parts of where I come from, in Leigh, do not regard themselves as part of Wigan. With all those obstacles to overcome, we do it in a different way. It is not as though Manchester was some wonderful, single city where we can all work together. We do work together, but we need someone who is going to be independent of local authorities who can help to get it through, with more powers and responsibility, and be an executive for Greater Manchester rather than someone representing a district.

In the autumn, we met the Chancellor, who offered us a deal, with significant devolution—a bit more than we thought we were going to get; although we knew that we were going to get quite a lot, we got slightly more in some areas. There was a price—it was a deal—and the price to pay was to have the elected mayor. My noble friend Lord Grocott will be pleased to know that I am not the greatest fan of the elected mayoral model but, quite frankly, the prize was worth it—it was worth getting more powers and devolution to be able to influence the lives of ordinary people in Greater Manchester and not have all the decisions made by Governments and civil servants who live in Surrey, and so on. We wanted that change; we wanted it to happen.

And it is not one size fits all. The model that we are going to work in greater Manchester will be different from the elected mayor model in London. The elected mayor in Greater Manchester will be subject to the wishes of the combined authority and will not be superior in lots of ways. That is important. It is not one size fits all; it is what you want to make it. We want to make it a model for governance that can deliver significant change for Greater Manchester.

Lord McKenzie of Luton (Lab): My Lords, it falls to me to give the Opposition's official position on this amendment. I hope that in doing so I do not disappoint too many of my noble friends. Overall, we are not able to accept this amendment as it stands. There are a number of issues to raise, but there is the prospect of recasting the amendment by the time we get to Report so that we may well be able to accept it.

Subsection (1) of the new clause proposed in Amendment 3 must be subject to further consideration of the report by the Delegated Powers Committee which has crossed over this issue because it focuses on orders and delegated powers and talks about whether that broad order-making power is appropriate. Subsection (2) suggests that any order or a proposal must start with the combined authority and then go to the Secretary of State. My understanding is—my noble friend may be able to confirm this—that this is an iterative process. In any event, if that unwittingly stopped additional powers going to a combined authority after it had been set up simply because they were initiated by the Secretary of State, that would be a backwards step.

On democratic accountability, I am not sure from what the noble Lord, Lord Shipley, said whether this is an integral part of the elected assembly. We have a debate coming on the elected assembly in due course, and I will hold my comments generally until then, but I will make the point that if we were to accept the amendments' proposition of an elected assembly, which I would oppose, we would end up with a situation in which we would have first-past-the-post elections for members of the combined authority, a supplementary vote system for the elected mayor and STV for assembly members. That seems unnecessarily convoluted.

We see circumstances where an elected mayor might be entirely appropriate, but we do not believe elected mayors should be prescriptive and mandatory. We think it should be for local areas to make their own judgments. That is the thrust of the amendment which will be our next business, but I shall deal with it now rather than have a repeat of this debate. The amendment I proposed to move was to make clear that there must not be an inevitable linkage between having the full benefit of the devolution provisions of the Bill and the acceptance by a combined authority of an elected mayor. It is accepted that devolution deals entered into ultimately involve an agreement, and if an elected mayor is included, it could be said that it is with consent. However, if there are circumstances where that is a clear red line for the Government—it was clearly so in the case of Greater Manchester, as my

[Lord McKenzie of Luton]
noble friend Lord Smith outlined—our amendment was seeking to address and negate that proposition. It is difficult to implement at the margins because there is an iterative discussion going on. I shall take this opportunity to be clear where the Government stand on this, but before doing so, I should make it clear that strong visible leadership is essential to the success of devolution. That leadership could well come in the form an elected mayor, and combined authorities should have the opportunity to chose that course if they think it is right for them, but they should not be forced to have an elected mayor if they consider that an alternative leader model suits their circumstances. This view is consistent with the recommendation of the noble Lord, Lord Heseltine, in his *No Stone Unturned* report.

6.45 pm

The view expressed by James Wharton, the Minister in the other place, seemed to be more restrictive. In a Westminster Hall debate he said:

"If they want the Manchester model—the exciting package of powers that we are already delivering to the Greater Manchester area—a mayor will be a requirement of it. We in the Government believe that that needs to happen, and we will insist on it. If they want something less, then we can have a discussion about what that might look like".—[*Official Report*, Commons, 9/6/15; col. 79WH.]

Will the Minister tell us what "something less" amounts to in practice? What powers would not have to be taken up for the insistence on an elected mayor to be dropped? Will the Minister say what criteria will be applied in making that judgment? I am not seeking to be difficult but am genuinely trying to help people understand the opportunities which may be available to them. We have heard from the Southern Policy Centre, for example, that for some it may be genuinely more difficult to have an elected mayor model simply because of the geographical configuration of the area and the nature of the councils. If so, what are the limits on the devolution to which they might aspire? Clearly, without an elected mayor there will be no process under the Bill to allocate the exercise of specific functions to individuals and, particularly, no basis on which to transfer the PCC functions.

I am sure that the Minister will wish to take the opportunity to dispel the suspicion that the obsession with elected mayors has little to do with effective leadership models and more to do with the hope that they will deliver a political outcome different from the elections of the constituent authorities. The Minister grimaces at any doubtless unworthy suggestion, but I will be pleased to hear from her on that.

So far as the amendment is concerned, as it stands, for the reasons I have outlined, we cannot agree with it, but there may be the prospect, if the noble Lord feels so inclined, to recast it for Report. Elected mayors have been the substance of our debate on this group. We believe there should be no prescription but they should not be ruled out. That may well be what some authorities chose and believe is right for them.

Lord Storey (LD): My Lords, first, I apologise for having to leave during Second Reading; I had to shuffle out with a really bad back. I have no problem with the name—as the song says, "What's in a name?"—but the hallmarks of devolution must be three important pillars: powers and responsibilities; resources and fiscal autonomy; and accountability. When the noble Lord, Lord Heseltine, came to Merseyside following the Toxteth riots, he was given the title Minister for Merseyside. He was able to lead that first stage, the beginning of the regeneration of Merseyside, because he had the resources and the power to do so. That is hugely important.

I wind the tape forward and look to a period before combined authorities when on Merseyside we had what was called the Merseyside co-ordinating committee. It was made up of the leaders of the Merseyside authorities from Labour and my party. There were no Conservatives. There was real leadership among that group. We wanted to have a tram system. The Labour Government at the time would not give us the resources or the powers, and the ill-fated tram scheme never happened because we lacked those opportunities.

I agree with the noble Lord, Lord Heseltine, that cities can be turned around, even if they have not got the resources or powers, by sheer determination of leadership. Leadership is a very important part of that equation. You only have to look at how over the past two or three decades Manchester has turned itself around, often against imposition from central government, by the sheer dogged determination of the leadership of that city.

Again, it surprises me a little that Manchester chose not to have an elected mayor for the city. For the combined authority, a sort of agreement has been reached. It surprises me that a Conservative Government is not in favour of democratic accountability or of letting the people decide—oh, sorry; there was that bit about mayors in the manifesto, that well-read document that we all got copies of, and which we all debated and discussed. That surprises me.

One can look around and see numerous examples littered around, not just across the world but across the UK, where there has not been political accountability, and we have seen the excesses caused by the corrupting influence of that power. You only have to look back to the 1960s and 1970s and what happened in the north-east, where there was not proper accountability. You only have to look more locally, recently, to see what happened where there was no proper accountability. Therefore in any proposals there has to be good accountability. I will end by reminding noble Lords that Disraeli said that lack of accountability would lead to the death knell of democracy.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Williams of Trafford) (Con): My Lords, I thank all noble Lords who have made various points on these amendments. Amendment 14 was also touched upon, so I will touch upon it but not delve too deeply into it, because we will discuss it later on.

Amendment 3 would insert a new clause into the Bill for the devolution of powers to combined authorities, enable the Secretary of State to refuse to make such an order if he considers that specified criteria are not met, and prevent the Secretary of State requiring a

combined authority to elect a mayor. Amendments 9 and 10 seek to require that the Secretary of State must be satisfied that the local government electors of the area of the proposed or existing combined authority have been consulted by the appropriate authorities on the area's proposal to adopt a devolution deal with a mayor.

While we certainly share the aim of devolving powers to combined authorities, it is neither necessary nor appropriate to include these provisions in the Bill. The provisions in subsections (1) and (2) of the proposed new clause are broadly consistent with Clauses 5 and 6, but there are critical differences. First, the proposed new clause provides for "any functions" to be conferred on a combined authority. Our policy is certainly to devolve wide-ranging functions, and indeed the Bill provides for any functions of a public authority to be conferred on a combined authority. However, I suspect that to have simply "any functions" is too broad.

Secondly, subsection (3) of the proposed new clause is not necessary. The Secretary of State always has a judgment as to whether or not to make an order. More importantly, specifying criteria in this way risks creating a tick-box exercise. It does not reflect the context in which the provisions of the Bill will be used: that is, to implement bespoke devolution deals agreed with areas.

On each of the criteria specified, subsection (3)(a) of the proposed new clause would require the Secretary of State to consider that the democratic accountability is strong enough to support the devolution of powers. This is clearly important, and it will be an important part of the consideration by the Secretary of State when negotiating and agreeing devolution deals with individual areas, and when considering laying a draft order. Clearly, Parliament will consider the issue very carefully when deciding whether to approve the draft order. For example, a central part of the Greater Manchester devolution agreement is a reformed governance system. The agreement stated clearly:

"Strengthened governance is an essential pre-requisite to any further devolution of powers to any city region".

At this point I pay tribute to the noble Lord, Lord Smith, whose work on this over years has got us to the point where we are, as well as the work done by the noble Lord, Lord Adonis, and of course my noble friend Lord Heseltine—although the noble Lord, Lord Smith, steered this so beautifully through Greater Manchester. He is absolutely right; it was not because we were of the same party. We worked together as different parties. There was a period when the AGMA, as it was then, was hung, but largely we have worked together for the betterment of the city, which is why we got the trams; my noble friend Lord Heseltine saw that there was leadership in Greater Manchester.

However, to get back to these amendments, it would be wrong to present the considerations as a box that needed to be ticked. Subsection (3)(b) of the proposed new clause would require the Secretary of State to consider the level of support from local government electors. The Government are keen to consider proposals for the transfer or devolution of powers, supported by the appropriate strong and accountable governance. I consider the approach in Clauses 5 and 6 of the Bill to be preferable. These require that all appropriate authorities must consent to any devolution or transfer of powers before it can be made. Therefore, the point made by the noble Baroness, Lady Pinnock, about anything being imposed—and any other suggestions about anything is being imposed—are quite wide of the mark. Nothing is imposed on anyone, or any local authority that does not want it.

Lord Scriven: The Minister says that, but let us take my own area of South Yorkshire as a practical example. There will be four local leaders, all of the same party, which through a whip system will control the four local authorities within that area. Therefore, even if the vast majority of local people were against it, the party system could force it through, and if it went through, it could not be reversed once the local electorate had had their say at the election. Rather than talking in general, can the Minister think through carefully the practicalities of areas such as mine, where it will be down to four people, who could force it through within their local authority by using the whip system?

Baroness Williams of Trafford: My Lords, technically the noble Lord is right—it is down to four people—but they are elected by their local council groups, and their local councillors are elected by the electorate. This was explicit in the Conservative Party's manifesto for the general election, whether anybody read it or not—although I hope that some people did.

Going back to what I was saying—which makes the very point that the noble Lord raised—this means that those who have been democratically elected by the local authority electors are making this decision on behalf of those who have elected them. That is representative democracy, which is the bedrock of our local democracy. In devolving powers and reaching devolution agreements with areas, it is right that the Government deal with those elected to represent the area—those with a democratic mandate—rather than in some way trying to go over the heads of the elected local representatives and reach their own view on what the local electorate want.

Baroness Hollis of Heigham: My Lords, I am still not clear on this. If, for example, out in shire England, three local authorities of different political persuasions are working together in what is effectively a city deal and an extended partnership, and they seek to have greater powers devolved to them, would that be compulsory, or would the Secretary of State have the power to insist that they can do that only if there were an elected mayor?

Baroness Williams of Trafford: My Lords, if that situation arose, those three local authorities would enter into a discussion with the Secretary of State in the same way that Greater Manchester did, or any other area might do. They would reach agreement with the Secretary of State as to what the appropriate level of accountability was for the level of powers being devolved. There would be a separate conversation would happen with each area; it is a bespoke deal with each area. That is why the legislation is enabling in the way it is, because nobody will—

Lord Campbell-Savours: I will ask the Minister about this matter again, on the detail of the amendment. The Bill states:

"The Secretary of State may by order provide for there to be a mayor for the area of a combined authority".

In taking that decision, would the Secretary of State have in mind what is in subsection (3)(a) to (c) of the proposed new clause in the amendment?

Baroness Williams of Trafford: My Lords, it would be entirely between the Secretary of State and those local authorities. I am sure that he would have in mind precisely what powers they wanted devolved and the level of accountability that that would require. I hope that answers the noble Lord's question.

Lord McKenzie of Luton: Can I come back on the question posed by my noble friend Lady Hollis? It seems to me that the opportunity for the Secretary of State to provide for there to be a mayor relates to a combined authority, and the authority for that comes in Clause 1 of the Bill. The arrangements that my noble friend may have been talking about would not necessarily have involved a combined authority—it might be some other configuration of councils—and I do not think that the power to cause there to be an elected mayor rests in Clause 10.

7 pm

Baroness Williams of Trafford: My Lords, there are powers available under other local government Acts. For example, the Localism Act can provide such a thing that the noble Baroness alluded to. I hope that in some way answers her question.

Baroness Hollis of Heigham: My Lords, forgive me, this is Committee stage and I would not behave like this on Report but I am still not clear. If the Minister is saying that this could be a condition, then across a lot of southern England there will not be combined authorities with urban centres under one political control, surrounded by rural areas under a very different control which may outnumber them numerically, and where that would be reflected in the election results, but where the energy is coming from the city. In combined authorities where currently three leaders on relatively equal terms negotiate, agree and work with each other and the system works, at least some of them will not be willing to go that step further into a combined authority with an elected mayor who has the backing of only one party and in which the energy is disjoined from the voting numbers. I can assure the noble Baroness that not that many combined authorities will be able to generate the economic growth that she wishes to see if that is the price they have to pay.

Baroness Williams of Trafford: My Lords, this Bill provides for combined authorities. Perhaps I originally misunderstood what the noble Baroness was referring to. Other local government Acts would provide for other types of powers to be devolved down but not in the way that this Bill provides—for example, through the Localism Act. It is important to understand that nothing would ever be imposed on a local area. The area would have to want it to happen. It would have to be a combined authority under the terms of the Bill and everyone would have to agree.

Lord Woolmer of Leeds: My Lords, I am grateful to the Minister for reminding us that the Bill applies only to combined authorities. Can she confirm that? I want to return to a question asked by my noble friend Lady Hollis on whether a mayoralty will be insisted on by the Government in discussions with a combined authority. It was said that that would be a matter for individual discussions. Surely the Minister and the Government must have some guiding principles? Surely the Government cannot enter into discussions with a range of combined authorities with different scales, resources, problems and issues and not have any basic principles to which they are working? Otherwise it would be a matter of great unfairness. One combined authority would not have to have a mayor to be granted certain powers while another one could be told that it had to have a mayor to obtain exactly the same powers. I say to the Minister again, and I am sure we will keep returning to this: surely the Government must have some principles in mind of what powers would trigger this requirement to have a mayoralty.

Baroness Williams of Trafford: My Lords, because these are bespoke deals, it will be very much a conversation between the local areas and the Secretary of State. The Government are clear about two things: first, any proposals have to be proposals for growth and, secondly, they have to be fiscally neutral within the Government's spending envelope that would have usually gone into those devolved matters. We have deliberately avoided specifying and putting down criteria because it is a bespoke deal between local areas and the Secretary of State. So no prescriptions are laid down; it is a matter for discussion between the local areas and the Secretary of State.

I apologise to the noble Baroness, Lady Hollis, because I talked about the Localism Act but actually councils can resolve to have an elected mayor under the Local Government Act 2000. I just want to correct that mistake.

There have been different views on local government over the past decades and the past 150 years. I was a baby of the 1960s so cannot remember some of the reorganisations that took place then, but my noble friend Lord Heseltine made the compelling point that government has centralised over a period of 150 years. No matter how it has done it and how it has been prescribed, it has ever increasingly pulled power towards the centre. This is our golden opportunity to reverse that and it is the right thing to do.

We are now pursuing an unprecedented process to reverse that and we demand an accountable form of governance to support the powers being devolved. We have made it very clear that we want to hear from areas on their proposals. As to opposition to mayors, we are not trying to impose them anywhere but, where mayoral powers are devolved, there must be a clear, single point of accountability. International experience shows that where cities have a mayoral model it is a powerful form of governance, and the Chancellor has said that we will devolve major powers only to those cities which choose to have a mayor.

Going back to subsection (3)(c) of the proposed new clause, it is already part of the Secretary of State's consideration about whether to establish or change an existing combined authority. The Secretary of State has to consider whether there is convenient and effective local government.

Finally, the provision in proposed subsection (4) seeks to prevent the Secretary of State imposing on a combined authority the Government's model of an elected mayor. This is unnecessary. The Bill requires that all appropriate authorities must consent to governance change, as I said before. The Secretary of State could not and would not impose a metro mayor on any combined authorities that did not wish to adopt such a model.

Lord Scriven: My Lords, if a combined authority asked for powers similar to those of the Manchester deal, would the Government seek to impose a metro mayor on that model or would another form of governance be acceptable?

Baroness Williams of Trafford: My Lords, the Government would not seek to impose a metro mayor, as I have repeated several times. That combined authority would have a discussion about what powers it sought to be devolved and what form of governance it wished to introduce. It would have a metro mayor only if there were agreement between that local group of authorities and the Secretary of State. Nothing would be imposed.

Lord McKenzie of Luton: I am sorry to come back on this but it is an important issue that we need to get clear. Let me go back to what the Minister James Wharton said in the Westminster Hall debate:

"If they want the Manchester model—the exciting package of powers that we are already delivering to the Greater Manchester area—a mayor will be a requirement of it. We in the Government believe that that needs to happen, and we will insist on it".—[*Official Report,* Commons, 9/6/15; col. 79WH.]

I accept that, if the alternative is no deal at all, it could be argued that there is not an insistence. However, it seems to me that it is very clear from the position of the Minister at the other end that the Government will insist on it in certain circumstances. We are still trying to fathom what "less" will be required for that insistence not to take place. Surely it is clear that there is an insistence if an area wants a deal.

Baroness Williams of Trafford: My Lords, the Government certainly would want it, but with the agreement of those local authorities. Greater Manchester has not had a mayor imposed upon it; it has agreed that a metro mayor will be the accountable person.

Lord Woolmer of Leeds: Surely that is a misuse of language. My noble friend Lord Smith of Leigh made it clear that, in his experience, when it came to it, the price was worth paying—his words—to have a mayor in order to get those powers. Surely it is a misuse of language to say that it was up to them. Surely that was a condition of having, if we can call them this, the Manchester powers. What my noble colleague from Sheffield asked the Minister was, in short hand, whether in order to have the Manchester powers a combined authority would have to have a mayor.

Baroness Williams of Trafford: My Lords, if I could repeat the point, the combined authority agreed with the Secretary of State that the mayoral model was the model of governance that it would agree to have. Greater Manchester did not have that model imposed upon it. It agreed with the Secretary of State that that would be the model that it would go with. I am sure that the noble Lord, Lord Smith, will correct me if I am wrong.

If I could make some progress—

Lord Campbell-Savours: I cannot just let that slip away. There is a clear difference in interpretation of what is intended between what was said in the Commons and what is being said from the Dispatch Box here. I think that we need something in writing. Perhaps the Minister should write to Members and explain exactly what the position is. We need to know what it really is and not be left in this very confused state.

Baroness Williams of Trafford: My Lords, I will try to clarify again. It is certainly true that, for the full suite of powers to be devolved, such as in Greater Manchester, the Government would expect there to be a fully accountable person. The model that Greater Manchester agreed to was a mayoral model.

Lord Campbell-Savours: "Insist" was the word that was referred to by my noble friend on the Front Bench.

Baroness Williams of Trafford: My Lords, I cannot be more clear that that was the system that Greater Manchester and the Secretary of State agreed would be the accountable model.

Baroness Hollis of Heigham: I know that the Minister is doing her best and this is absolutely no criticism of her, but we are getting very discordant messages from the Commons end and the Lords end. I am no more clear now than I was an hour ago whether, if an area wishes to be a combined authority and exercise certain powers to promote the national agenda of economic growth, a mayoralty may be a condition imposed on it by the Secretary of State.

Baroness Williams of Trafford: My Lords, it may well be a condition that is agreed to rather than imposed. I hope that that makes sense.

Baroness Hollis of Heigham: I am sorry, but will the Minister tell me what the difference is between imposing something in return for getting those powers and actually coming to a genuine agreement on the model and the powers?

Baroness Williams of Trafford: My Lords, imposition is different from agreement—I think we can all agree. No combined authority will have anything imposed upon it. It will have to agree mutually that that is what is to be the accountable model.

Baroness Hollis of Heigham: If it does not agree, it will not be a combined authority with those powers. Therefore, it is an imposition.

Baroness Williams of Trafford: My Lords, it is not an imposition. It has to be agreed. The Secretary of State does not want to impose anything on anyone, but he does want to see full accountability for the full devolution of powers.

Lord Beecham: You go into a shop and there are two items for sale. One of them has a price tag—the price in this case is a mayoral authority—and the other is a different, cheaper item. If you want the bottle with mayoral authority, you have to pay that price. Is that not the position? In that sense, there is not really a choice, is there?

7.15 pm

Baroness Williams of Trafford: My Lords, no one is going to force you to buy that bottle—it depends on what the bottle contains.

If I could, I will make some progress. I cannot even remember where I was—if noble Lords could just indulge me, I will find where I was up to.

I want to get to Amendments 9 and 10. The Bill provides that the Secretary of State may make an order to provide for there to be a mayor for a combined authority if a proposal has been made by that area. The Secretary of State must gain consent from each constituent local authority before an order can be made. It is open to the local authorities, when developing proposals, to decide to consult their electors at this stage.

Government policy is to devolve far-reaching powers to local areas and it is clear that, if areas are to have such powers, they must adopt strong governance and accountability arrangements. Where major powers are devolved to cities, there must be a single point of accountability. People need to know who is responsible for decisions that affect them and their local area. A directly elected mayor will provide this point of accountability.

It is up to an area's democratically elected representatives to decide whether they are interested in taking up the devolutionary offer we are making, with the benefits that that will bring to the city's people and businesses. My noble friend Lady Warsi talked quite compellingly about businesses and business growth in her area of Yorkshire. She asked where the view from businesses was. I am sorry to hark back to Greater Manchester again, but local enterprise partnerships, which are made up largely of businesses, should be at the heart of the process and conversation that the combined authority has, as they are in Greater Manchester. They are business led and, in many ways, cannot wait for the growth opportunities that it will entail.

Imposing a statutory consultation requirement on the authorities, as this amendment would do, risks delaying or derailing potential devolution deals, as my noble friend Lady Warsi points out. These deals are about firing up our cities, towns and counties so that they can become economic powerhouses, and backing businesses so that they can create thousands of jobs for people.

I will turn to some other points that noble Lords made, without taking up too much time. My noble friend Lady Warsi asked whether this extra bureaucracy in the name of democracy was going to help businesses. The Government do recognise that no two places are the same. People who live, work and do business in a local area know best what that area needs to prosper and grow. Through the bespoke devolution deals, the opportunities for businesses to further shape local business are significant. This is a very compelling offer.

Finally, the noble Lord, Lord Shipley, asked why an assembly was only for London. The issue of an elected assembly arises in a number of amendments this evening but I will touch on it here. We do not want—and I am confident that few in our cities and counties would want—a new tier of government with more politicians. London is quite different and it would be wrong to see the London arrangement as suitable for other places. My noble friend Lord Brooke's comments were very helpful in making that point.

I hope with all those assurances that the noble Lord feels able to withdraw his amendment.

Lord Shipley: My Lords, I am grateful to all those who have taken part in this debate. In one sense, we have had something akin to a Second Reading debate—it has lasted just on two hours. On the other hand, it has proved extremely helpful in identifying what some of the issues are. I concluded from it that many issues will have to be resolved between now and Report. So much is in the phrasing—the words that are used.

I am very grateful to the noble Lord, Lord Campbell-Savours, for twice reminding us that Amendment 3 is a clarifying amendment. It simply asks the Secretary of State to ensure that certain criteria are in place before making a decision. I had not thought when I drafted the amendment that this would prove quite so controversial and lengthy a debate. However, there we are.

I am grateful for the contribution of the noble Lord, Lord Heseltine. He was very critical of local government, relating largely to the 1980s, about which there was a great deal of truth. I pay tribute to his work with the Urban Development Corporations which revived so many of the cities in England. The difference here is that I am trying to talk about legitimacy and accountability. Indeed, in her reply, the Minister talked broadly in the same field. For me, this is about making the proposal in this Bill sounder in terms of public acceptability and legitimacy and in terms of making accountable those who are in positions to spend very large sums of public money.

Both the noble Lord, Lord Woolmer of Leeds, and the Minister talked about us trying to create a new layer of local government, but that is not the case. The Bill itself reinforces the combined authority layer of government and provides for a mayor and deputy. That is a function of the Bill, not of our amendments. The question is whether areas outside London should have unaccountable mayors while London benefits from a proper system of scrutiny by directly elected

representatives. We will have a discussion about this when we read the relevant amendment. The assemblies that we propose would not have many members, but they would play a vital role in speaking up for citizens and communities against a potentially very powerful mayor who must be subject to scrutiny. That takes me to my next point.

Lord McKenzie of Luton: The noble Lord said that what he proposed would not have many members, but it would work out at something like 50 members for Greater Manchester—five per area—which is double the number of the London Assembly.

Lord Shipley: Indeed, it is 50. Of course, there are a number of issues around the selection of those numbers. We have identified in that amendment—we will have the opportunity to examine this in greater detail when we reach the amendment—that there are different populations in the authorities. It may be that some other number is more suitable. We would be perfectly happy to discuss that. But the question comes back to what the noble Lord, Lord Smith of Leigh, said, a little while ago. The Minister thanked him for his hard work in terms of producing the current position in Greater Manchester. I pay tribute to our members in Stockport for their involvement in helping to bring Greater Manchester together. The noble Lord, Lord Smith of Leigh, said that somebody has to bring it all together, if I recall his words correctly. But I would be happier if it was not somebody but some body. The question at the heart of this is whether one single person is the right answer or whether a body of elected people is the right answer. We will have to discuss that further when we reach that point in the amendments.

The noble Lord, Lord McKenzie, was correct in his comments about Clause 1, given the report that we have considered today. That will certainly need to be revisited. But in addition to that, it is my intention, with the leave of the House, to recast that amendment for Report stage. If in so doing we are able to have the usual discussions around how it might be helpful to the Government in terms of its phrasing, we would be happy to enter discussions on that. With that, I beg to withdraw the amendment.

Amendment 3 withdrawn.

Clause 1: Power to provide for an elected mayor

Amendment 4

Moved by ***Lord McKenzie of Luton***

4: Clause 1, page 1, line 8, at end insert—

"( ) An order under subsection (1) shall not be used as a condition for the transfer of local authority or public authority functions."

Lord McKenzie of Luton: My Lords, a moment ago I touched on Amendment 4. The other amendments in this group are Amendments 5, 6 and 7. Given the hour, I will not reopen the Amendment 4 debate. We will, I know, return to it.

Amendment 5 is a small amendment clarifying the consequences of the appointment of an elected mayor who becomes a member of and chair of the combined authority. The amendment seeks to ensure that by virtue of being chair the mayor does not automatically have any casting vote in the affairs of the combined authority, although of course, depending on the number of members of that authority, that is clearly a matter that could be agreed. Will the Government explain why they consider that an elected mayor should always be the chair? Leadership skills required to deliver a change of dynamic growth in complex situations will not inevitably be the same as those to engage and persuade individual members, who are likely to be powerful and able individuals in their own right.

So far as the Government's expectations on governance go, looking at the Manchester agreement, it appears that for non-mayoral functions decision-making will be by way of one member, one vote, including one for the mayor. Interestingly, the Manchester agreement requires the mayor to consult the combined authority cabinet on: strategy, which could be rejected on a two-thirds vote; spending plans, again amendable on a two-thirds vote; and the spatial framework, which needs unanimous approval. Would the Government expect these constraints on the mayor's freedoms to be the norm in any agreement?

Amendments 6 and 7 enable the revocation of an order that provides for a combined authority to have an elected mayor. This is consistent with the Bill proposed by the noble Baroness, Lady Janke, and an amendment that we both supported in a debate in the last Session in relation to Bristol. If a combined authority has a mayoral model and wishes to change it, there should be the right to do so. We accept that the consequences of unpicking a mayoral combined authority will not always be straightforward, especially if PCC functions have been devolved to the mayor. Clearly, there should be protections against chopping and changing every few years, but potentially being locked into an arrangement, particularly when it might be accepted by all as not working, does not seem to be a sensible position to end up with. I beg to move.

Baroness Janke (LD): My Lords, I support Amendments 6 and 7. I am a former leader of Bristol City Council and have raised this issue in the House before. The fact that a city may opt to have an elected mayor does not mean that the city wishes to keep the mayor in perpetuity. Some allowance should be made for the authority, whether or not it is a combined authority, as in this case; I will return to that later in the Bill when I refer to existing city authorities. It seems to me that the people who are being governed need to be able to express their view. In Bristol, a petition has been signed by I do not know how many thousands expressing the wish to have the right to change the system. That does not necessarily mean that they are rejecting the mayor. I know the mayor well because he is a former colleague. I would not wish this to be an intervention that talks in any way about the specifics of the situation in Bristol, but I support the amendment because local government is constantly changing. That does not mean to say that you would want to change frequently, but if we are to govern by consent, as many Members have said in our debates, people must be reassured. The Minister has already said that the Government will not impose mayors on

[Baroness Janke]
authorities and the amendment is in that spirit: it says that, should there be a mayor, the combined authority will have the chance to set up proceedings to ask the Secretary of State to revoke the order and thus change the system.

7.30 pm

Lord Heseltine: My Lords, we are trying to create world-class prestigious authorities to negotiate on behalf of our major urban areas a massive range of opportunities. I ask the noble Baroness what she thinks about having a directly elected Bristol mayor in Tokyo negotiating a billion-pound investment for the city when, in the fortunes of life, the mayoralty is relatively politically unpopular—and they will be, as we all are. The Japanese negotiators will say, "It is all very well for you to come all this way, but you may not be the mayor in six months' or a year's time. We have seen someone from one of the German Länder where there is no question about their future. They all know where they will be. So I am sorry, Mr Mayor of Bristol, you go home and sort out your future and then come back to us". That is a classic example of exactly what we are not trying to achieve in the new dynamism of localism.

Lord McKenzie of Luton: Will the noble Lord help us out? The fact that a mayor has to be elected means that the individual's circumstances are uncertain at certain times. The noble Lord is surely not suggesting that we should do away with elections for elected mayors.

Lord Heseltine: The mayor would be speaking in his position as an elected official and in normal circumstances he would be able to refer to his successor as representing a policy that was the Bristolian policy. If the issue is, as suggested, that the mayoralty may go and a completely new form and structure of government take its place, what is to say that the devolved responsibilities that had been associated with the mayor would be retained after the abolition of the mayoralty? It injects a degree of uncertainty that is wholly unrealistic in the competitive world in which this country is engaged.

Baroness Janke: I would like to respond to that. Basically, at the moment there is huge confusion about mayors. The meaning of "mayor" depends on the context. I know a mayor of 500 residences in France—he is still the mayor. We have a Lord Mayor of Bristol and there is the Mayor of Bath. The Bristol mayor, should we have a combined authority, will not be the mayor of the combined authority because the other authorities will not support that. I think that we are getting really hung up on the business of the name. Under the system of governance, I as a leader had exactly the same powers as the existing mayor. What we are talking about in terms of devolving powers is actually about power, not about personalities and names for civic leaders, and not about vesting individuals with celebrity and enormous powers over public money with no accountability whatever. The people of the city and the people of the combined authority are paramount. They are the electors and, if they want to change the system of governance, we should listen to them.

Baroness Williams of Trafford: My Lords, Amendments 4 to 7 address the role of a mayor in the combined authority and I shall take each amendment in turn. Amendment 4 sets out on the face of the Bill that the introduction of a mayor for a combined authority area would not be a precondition for the transfer of functions to combined authorities. The Government's policy is to devolve far-reaching powers to local areas and is clear that, if areas are to have such powers, they must adopt strong governance and accountability arrangements. We want to hear from areas what their proposals are, what powers and budgets they want devolved to them and what governance arrangements they think are needed to support those powers and budgets.

My right honourable friend the Chancellor of the Exchequer made clear in his speech in Greater Manchester on 14 May that:

> "We will transfer major powers only to those cities who choose to have a directly elected metro-wide mayor".

This amendment would frustrate the Government's announced policy. My noble friend Lord Heseltine has made the point well with examples from other cities around the world. Where such powers are conferred on an area, there needs to be a single point of accountability. People need to be clear about who is responsible for decisions affecting their day-to-day lives, whom to look to when actions are needed and who is to address things that have gone wrong. That we have this offer most certainly does not preclude us from engaging with all areas to consider their proposals for devolution. We are happy to have conversations with any area. The Bill does not limit in any way the devolution proposals that areas can make and the Government will consider any and all proposals from cities, counties and towns for greater local powers.

Amendment 5 seeks to clarify that the mayor, who will be the chair of the combined authority, would not have the automatic right to a casting vote in the process of decision-making in the combined authority. I agree with noble Lords that it is not for the Government to prescribe whether a metro mayor would or would not have a casting vote or second vote. This Bill is an enabling Bill. It does not set out the detailed constitutional arrangements for the mayoral combined authority. It is for areas to decide what voting arrangements would be most appropriate to provide strong, accountable and transparent governance. While the mayor will be the directly elected figurehead for the area and will chair the combined authority, it does not follow that they should necessarily have a casting vote within the combined authority. Indeed, none of the current combined authorities, when they were formed by order, decided to give the chair or vice-chair a casting vote in decision-making. In summary, the Bill as it stands does not give the mayor or the chair of a combined authority the right to a casting vote.

Amendments 6 and 7 seek to amend Section 107A(7) of the 2009 Act to allow the Secretary of State to make a further order under that section to revoke the post of mayor for a combined authority, following a request by the combined authority. As the Bill stands, the office of mayor can be revoked only if an order is made to abolish the combined authority itself under the existing powers in the 2009 Act. This is to ensure that where a devolution deal including a mayor is

made with the agreement of the authorities involved, and major powers are devolved, a mayor will be present to provide the powerful point of accountability. It ensures that these governance arrangements cannot then be removed, leaving the area with the powers but without sufficient and robust accountability. Should an area wish to tear up its deal—we would hope that no area would ever wish to do so, given that it would be detrimental to the people and businesses of the area—this Bill allows for the mayor, the combined authority and the deal to be abolished. I cannot envisage that this situation would ever arise or that local leadership would allow it to happen.

With those assurances, I hope that noble Lords will agree that these amendments are not necessary.

Lord McKenzie of Luton: My Lords, I thank the Minister for her response to the debate and other noble Lords who have participated. I think that we have probably given this issue airing enough for tonight, although no doubt we will return to at least part of it. In the mean time, I beg leave to withdraw the amendment.

Amendment 4 withdrawn.

Amendments 5 to 7 not moved.

House resumed. Committee to begin again not before 8.39 pm.

Commonwealth War Graves Commission

Question for Short Debate

7.40 pm

Asked by ***Lord Forsyth of Drumlean***

To ask Her Majesty's Government what assessment they have made of the work of the Commonwealth War Graves Commission.

Lord Gardiner of Kimble (Con): My Lords, this is a very well supported debate and the time limit for contributions is three minutes. As soon as "3" comes up on the clock the time is up. This is very important so that we can hear from the Minister. I very much hope that your Lordships will assist.

Lord Forsyth of Drumlean (Con): My Lords, it is a very great pleasure to be able to ask the Government what assessment they have made of the work of the Commonwealth War Graves Commission. I think that I am right in saying that today is the anniversary of news having reached London of the success of the Duke of Wellington at Waterloo. Of course, there are no graves or memorials to the many soldiers who lost their lives at Waterloo. Indeed, the First World War was the first occasion when individual graves were achieved for individual soldiers. That was thanks to the efforts of Sir Fabian Ware and the establishment of the Imperial War Graves Commission, as it was in 1917, under royal charter, which said that it should maintain "fit provision" for war dead in perpetuity.

The commission has done that with very great distinction. The scale of the operations is truly immense: graves and memorials for 1.7 million victims of World War I and World War II in 23,000 different locations in 153 countries. The Commonwealth War Graves Commission is responsible for maintaining, to a quality which I am sure many noble Lords will have seen for themselves, the equivalent of 994 football pitches in every corner of the globe. To do that it has some 1,300 staff, 1,080 of whom are gardeners, stonemasons and blacksmiths, with great expertise in horticulture, engraving and ironmongery. Indeed, in France, which I had the privilege of visiting privately earlier this year, there are even third-generation gardeners who come all the way from the First World War. In France the position now is peaceful but the commission also operates in some very dangerous locations, such as Gaza and the Sudan. I spoke to the director-general when I said that I was going to try to get this debate. I asked her, "What is your biggest problem today?". She said, "My biggest problem today is that our gardeners' hut in the Sudan is occupied by insurgents".

The Commonwealth War Graves Commission has done a magnificent job in encouraging schools and visitors—1.6 million people every year visit the graves and memorials. Many of them are children. This organisation is not looking backwards; it is looking forwards with the use of new technology and apps to educate children and make sure that the next generation is involved in remembrance. It is a big challenge for it around the globe, but there is a particular challenge in the United Kingdom, of which I must say I was completely unaware, in that there are some 308,000 service men and women who are commemorated in the UK at 13,000 different locations with 170,000 graves. Of course, there are the great memorials at Chatham, Plymouth, Portsmouth, Tower Hill and Runnymede. That is the largest number in any country outside France.

I visited the battlefields of the Somme with my then-to-be son-in-law—now my son-in-law—earlier in the spring, just to make sure that he was okay and that we got on all right. I have to report that he is extremely okay and very interested in military history. We were able to look at the work that has been done on the battlefields of the Somme and for the Canadians at Vimy Ridge. It is magnificent. Even now, when bodies of soldiers are occasionally found, there is care and effort made through DNA to trace the families, to remove the names from those who are listed on memorials as unknown and put in place a grave and marker for those individuals. Each memorial has documents enabling relatives to find easily the place for their former loved ones.

Less well known are the operations in Palestine, Salonika, East Africa and north Italy—the forgotten corners of some foreign fields. There is the security challenge that the Commonwealth War Graves Commission has to meet in Libya, Syria, Gaza, Yemen, and in Iraq, where there are 54,000 Commonwealth war dead at 13 sites. Getting into Mosul today is pretty well impossible. In Baghdad North Gate the commission has been responsible for 511 new headstones, and in Basra 40,000 graves are in need of urgent attention. Nothing seems to faze this organisation and nothing seems to make it cut corners or reduce the very high standards that it sets.

[Lord Forsyth of Drumlean]

I am conscious of the fact that many people wishing to speak in the debate have more knowledge and background than me. My purpose was simply, as an astonished bystander, to pay tribute to the work that the commission does. Many of our institutions are under attack in our country and many are subject to criticism. However, it is hard to do anything other than praise this organisation for a job well done—an organisation that does not seek publicity or to promote itself, but can take real pride. I ask my noble friend the Minister to acknowledge the work that it does, and to assure the House that there is no question but that it will continue to obtain the necessary government support and resources to continue that work and to meet its obligations under the charter to ensure that this continues in perpetuity.

7.48 pm

Lord Faulkner of Worcester (Lab): My Lords, I am pleased to congratulate the noble Lord, Lord Forsyth, on securing this debate. I say at the outset that I agree with every word that he said about the Commonwealth War Graves Commission. The number of speakers in this debate indicates in what high regard the commission is held by Members of your Lordships' House, and I am delighted to have this opportunity to say my own thank you to it.

I have two relevant interests to declare: the first as co-chair of the War Heritage All-Party Parliamentary Group and the second as a member of the Government's World War 1 centenary advisory group. It is in respect of both those bodies that I want to speak this evening, because they are related to the Great War centenary. In 2013 the all-party group that I chaired started discussing with the Commonwealth War Graves Commission the possibility of mapping war graves in the United Kingdom—which the noble Lord, Lord Forsyth, referred to—to see whether there was a possibility of linking those to parliamentary constituencies.

The mapping was carried out by volunteers from the In From The Cold Project, and at the beginning of November 2013, all MPs and Peers received an email from Jeffrey Donaldson MP and me, as co-chairs of the group, giving access to a drop-box site from which they could source war graves by constituency or administrative area. Of the 650 constituencies in the UK, around 640 contain commission sites, usually located within cemeteries and churchyards. The remaining constituencies contain war memorials, and these were listed for the relevant MPs with the information taken from the Imperial War Museum database.

The data sheets provided the MPs with a means of accessing the war graves situated in their own constituencies, and provided a unique opportunity to assist constituents and to work with local schools and interest groups. We suggested a number of ways in which the MPs could engage with schools in their communities, such as schools selecting names on war memorials and linking them to casualties on the commission's website in order to follow their stories. Schools could "adopt" a headstone, and trace the casualty on the commission's website and through the Public Record Office. They could hold Remembrance Day services at commission sites, rather than just local war memorials. Sites with a cross of sacrifice or a stone of remembrance particularly lend themselves to that. Communities were encouraged to "adopt" sites that require maintenance. There are quite a number of those in overgrown churchyards.

An invitation was issued to Members to visit commission sites. That resulted in around 150 visiting the war graves in their constituencies, all of them accompanied by commission staff. We are about to start discussions with the commission about repeating the programme of visits, particularly for new MPs and also for Members of your Lordships' House who have not already been.

My three minutes are up. I commend the noble Lord for having this debate, and the work of the commission.

7.50 pm

Lord Shipley (LD): My Lords, I am very grateful to the noble Lord, Lord Forsyth of Drumlean, for initiating the debate. I put my name down to speak because I want to pay tribute to the outstanding quality of the commission's work. The noble Lord spoke about the distinction and scale of the Commonwealth War Graves Commission; I concur absolutely with that. I pay tribute, too, to the quality of its website. For those of us researching local history for our areas it is extremely user-friendly. I thank it for that.

However, it is the very high standard of maintenance in its cemeteries that I particularly want to commend—indeed in this country, where there are graveyards and churches with Commonwealth War Graves Commission graves and headstones. I notice that the attention to detail and to quality maintains headstones very well. At the slightest sign of damage or wear the headstones can be replaced. The mowing around the Commonwealth War Graves Commission headstones is also to a very high standard—usually much better than may be possible for churches to undertake. The point is this: wherever we are in the world, the standards are always the same and always very high. I congratulate the commission on that.

All this is partly to do with the quality of the staff it employs, who clearly take pride in their work. They have great knowledge of what happened in their areas and can explain to those who visit all that they know of the battles that took place, of the nature of those who fought in the area and of those who lost their lives. For that, the staff should be thanked and congratulated.

I want to say, too, that I find the Commonwealth War Graves Commission's sensitivity in planning issues to be particularly impressive. A couple of years ago I visited the most northerly Italian World War II cemetery in Udine. I could not find it. I was surprised to find it next to a petrol station in the car park of a hypermarket—I spotted it in a copse of trees. When I went in I assumed I would be subject to the noise of car engines, of people and chatter and so on. Actually, it was a haven of peace and calm. From the inside, it was like any other cemetery that I have visited.

This weekend I shall be on the Somme with a group from Newcastle and the north-east to erect a memorial to the 16th Battalion the Northumberland Fusiliers,

the Newcastle Commercials, on the church at a little village called Authuille in the centre of the Somme battlefield, where the losses of the 16th Battalion were particularly severe on 1 July. The Commonwealth War Graves Commission provides enormous leadership for those who seek to enhance the memory of what happened. I commend the commission for achieving that.

7.54 pm

Lord Stirrup (CB): My Lords, I, too, have an interest as a member of the Government's First World War centenary advisory committee. I join, too, in congratulating the noble Lord, Lord Forsyth of Drumlean, on securing this short but important debate. It is important because there are very powerful reasons for recognising and supporting the outstanding work of the Commonwealth War Graves Commission.

Those reasons were most powerfully brought home to me 11 years ago this month. I was in Normandy for the 60th anniversary of D-day. We were waiting in the Commonwealth Cemetery at Bayeux for the Queen and President Chirac to arrive for the start of the ceremony and I was talking to a group of cadets from the Air Training Corps. They were bright, enthusiastic young people, mostly around 17 years of age, who were helping with the administrative arrangements and looking after the veterans.

We were standing by a row of headstones and I asked the cadets whether they had really looked at the inscriptions. They had not, but they then started to read them in detail. They found words such as "Private Joe Smith, Died 9 June 1944, Aged 18 years", "Private Arthur Brown, Died 10 June 1944, Aged 18 years", "Aged 18 years", "Aged 19 years" and so on. I could see from their eyes that for the first time they really understood: these were not just names from history. These were young people, much of an age with the cadets themselves, who had met their deaths in those days of June 1944. For the first time, the cadets truly understood this and thus made a personal connection with the past.

The same, of course, is true of the First World War. The three-quarters of a million who died were not just names on a wall or on a gravestone; they were not just appalling statistics. Each was an individual, and a lot of those individuals were not much older than those whose names we read in Normandy. Some would perhaps have gone on to be statesmen or diplomats, some to be businessmen, doctors or lawyers, artisans or farmers, factory workers or labourers. But it did not matter: the gravestones made no distinction of rank or status, and rightly so. For in that awful democracy of death, who dares say that any one potential life lost was worth more than another? They all loved and were loved. They all had hopes, aspirations, frustrations and disappointments. They all had value, and the full value of their lives was unrealised.

Herein lies one of the greatest achievements of the Commonwealth War Graves Commission. The graves that it maintains and the headstones above those graves allow us to connect not just with the conflicts of the past, but with the people caught up in those conflicts, with the costs of those conflicts and with the individuals who paid the price. In the study of history, war can too often be represented mainly by the sweep of great events, but even in this technological age war is a very human business and the cost, even when the carnage is greatest, is measured in individual lives. The Commonwealth War Graves Commission helps us to realise and appreciate that basic truth. It enables us, young and old, to make the human connection. Its work enables us to say not just "We will remember them" but "We will remember them as the individuals they were". Those who paid the ultimate price in the service of this nation deserve no less.

7.58 pm

Viscount Bridgeman (Con): My Lords, I, too, thank my noble friend Lord Forsyth for initiating this very important debate. I wish to speak briefly about the Commonwealth War Graves Commission's care for Irishmen's graves, particularly from the First World War. I speak as a member, at least in the last Parliament, of the British-Irish parliamentary group.

In the 80 years following the establishment of the Irish Free State, the official policy of the Irish Government was to expunge from the national consciousness any participation in that war of men from the south of Ireland. Not unnaturally, it was politic for the families of those men to follow their Government's lead. I am advised by the CWGC that it cares for 8,500 World War I battlefield graves from the two southern Irish divisions and 7,200 from the Ulster Division. It is probably true to say that because of the previous attitude of the Irish Government many of the graves of men from the southern Irish regiments would not have had a visit from any of their compatriots—let alone members of their family—for virtually a century.

Since the transformation of British-Irish relations in the wake of the peace process—culminating, of course, with the visit two or three years ago of Her Majesty the Queen—one of the more heartening developments has been the reawakening in the Republic of interest in the history of the southern Irish contribution. For many families the story has been similar; forebears who were treated as black sheep and airbrushed out of family histories have been in effect rediscovered.

So in the context of this debate I would like to pay particular tribute to the Commonwealth War Graves Commission for the close and cordial relations it now has with the Government of the Republic, and in particular—which is a little known fact—for the responsibility it accepted from the outset for the upkeep of no fewer than 3,342 graves in the Republic of Ireland of Irish soldiers who fought in the British Army, most of whom would have died of wounds in hospitals in Great Britain and Ireland and would have been moved at the families' request and at their expense to be buried with the familiar Commonwealth war graves headstone alongside their families in the Republic.

8 pm

Lord Tugendhat (Con): My Lords, last week my wife and I were at Waterloo for the commemorations of the 200th anniversary of that battle, and we saw the unveiling of the magnificent new monument to the British Army at the Hougoumont Farm.

[LORD TUGENDHAT]

When I looked at the memorials, plaques and the other commemorations of those who fell, I was very struck to note that all of them were of officers—not just of officers but of officers from the smarter regiments such as the Guards and the cavalry, not from the Royal Waggon Train. There were no memorials for the non-commissioned officers or the other ranks; they were just the generic memorials. As others have said, it is impossible to overstate the importance of what was the Imperial War Graves Commission and is now the Commonwealth War Graves Commission, in making clear that equality of sacrifice requires equality of commemoration. I think of my maternal grandfather who was a major in the Royal Artillery buried at Cabaret-Rouge—a rather odd name for a cemetery—in northern France. He lies there with the men from his battery who fell in the same engagement and at the same time. This change that the War Graves Commission introduced reflects but also promotes an important change in our society. It embodies the principle that all are equal regardless of race, religion or social standing.

When I lived in Brussels as a Commissioner for many years, my wife and I found ourselves frequently taking visitors from home to the battlefields and cemeteries. They were always moving. They never palled. The shock and horror conveyed by the rows and rows of headstones made an impact whenever one saw them. Those headstones bring home the huge price paid by men and women—the fallen and their families—from all over Britain and the Commonwealth in the fight to resist tyranny and domination on the continent.

We are no longer a very religious country, but just as the great medieval cathedrals stand witness to the piety of an earlier age, and to the enduring values of the Christian religion, so must the graves and memorials of the Commonwealth War Graves Commission be eternally maintained in order to do exactly what the noble Viscount just said. It is very important that they should be maintained just as the cathedrals have been maintained. In this, happily, more peaceful age, we owe it to those who gave their lives to bring that situation about to ensure that this country always plays a constructive role on the continent in which so many of those graves are situated.

8.03 pm

Viscount Slim (CB): My Lords, I look to Asia in my short speech. I thank the noble Lord for initiating the debate.

In Burma the Army was nearly a million. It had men of every religion in the world and of none and who spoke some 30 different languages, which was quite a problem. It was totally integrated with the air forces who came from Britain, India, Canada and America. They fought together, trained together, carried each other's wounded and died together. It was agreed that they would all be buried together in one cemetery down in Rangoon. You experience a very poignant and great feeling when you go into this cemetery. Hindus and Sikhs, of course, cremate but their names go up on the memorial. Muslims bury, Christians bury and Jews bury.

If you switch quickly to Kohima in Assam, you will find among the Muslim graves two stars of David commemorating two Jewish officers of the Royal Welch Fusiliers. There is a lesson there for the people of Dewsbury or anywhere else in this country—this is not multiculturalism with ghettos but total integration.

The second thing about the war graves concerns the people who visit them. I took an old lady to Kohima who had never left England or flown. Her husband—a sergeant—had been killed. I took her into the cemetery with one of my sons and said to her, "Don't stand beside the headstone and the burial place of your beloved husband; sit on the grass. You can sit here for two or three hours or all night if you want. My son and I will stay with you". The point of this is that, when she eventually got up three hours later, she was a completely different woman. She was in her 80s. Her eyes were bright and she had been crying. I heard her say—perhaps I should not repeat this but it was so moving—"Darling, I am sorry it has taken me 25 years to get here to see you". But she was alive again. The effect of visits of widows, parents, whoever is absolutely vital: please let us keep this up.

I get fed up with the three-minute speech limit we have in this House. We really must improve our technique. This is the second debate where I have only been allowed to speak about something vitally important for three minutes. The Front Bench ought to have a damn good look at themselves.

8.07 pm

Lord Black of Brentwood (Con): My Lords, I join others in congratulating my noble friend on securing this poignant debate. I, too, concur with everything that he said. I declare my interest as a trustee of the Imperial War Museum, a post I hold, sadly, for only another eight days, when those baleful words "term limit" strike.

As we have heard today, the work of the commission is vital because there can be no more visible symbol of loss, sacrifice and courage than the cemeteries it maintains. Following on from the point made by my noble friend Lord Tugendhat, its work has always been based on one very fundamental principle originally outlined by Sir Frederic Kenyon in his report a century ago for the new Imperial War Graves Commission on the different approaches that might be taken to commemoration—that of equality. It matters not what rank you were or how you fell: all are treated the same in the eternity of those remarkable cemeteries.

As a trustee of the IWM, I would like to thank the commission for its effective partnership with us. We have worked incredibly well together in the nearly 100 years since we were both formed in 1917. We shared a beginning and share as much today. Together we have helped bring together all the dimensions of remembrance for the nation through, most recently, the First World War centenary to VE Day and beyond. Indeed, the commission is in so many ways a model of how to make effective partnerships work. The IWM is just one of the many organisations it works with. Other partners exist in veterans' organisations, battlefield

tours and in many museums across the globe—from the Juno Beach Centre in France to the Thai Burma Railway Centre.

One of the key areas of partnership is in photographic services. These have been crucial to the act of commemoration since the British Government first started getting requests for photos of graves at the height of the fighting in World War I. By 1917, 17,000 requests for photographs of graves had been filed. Today the War Graves Photographic Project continues that work. Over the years it has issued 1.6 million photos, allowing many to share in seeing the resting place of a family member even if they cannot visit.

I would also like to pay tribute to the work the commission has done in supporting the IWM's Lives of the First World War digital project and working tirelessly on joint educational projects. The commission has an excellent website, as the noble Lord, Lord Shipley, said, and Discover 14-18 is a key part of the centenary commemorations. It all began last August and will continue until November 2018, allowing a new digital generation to learn the lessons of conflict.

A young soldier called John William Streets died on the first day of the Battle of the Somme, aged 31. He had hoped to become a poet after the war but all he could do was write poetry in the trenches. He wrote one poem with a good deal of foresight about the cemeteries that would one day criss-cross northern Europe and so much of the rest of the globe. He wrote:

"When war shall cease this lonely unknown spot
Of many a pilgrimage will be the end,
And flowers will shine in this now barren plot
And fame upon it through the years descend".

Long may the Commonwealth War Graves Commission, whose important work we celebrate today, ensure that the fame of the fallen continues to shine on those cemeteries.

8.11 pm

Lord Ramsbotham (CB): My Lords, as a former ex officio commissioner of the Commonwealth War Graves Commission, I am very grateful to the noble Lord, Lord Forsyth, for obtaining this debate and enabling me and many other noble Lords to pay tribute to a jewel in the nation's crown.

The tireless work of the commission's gardeners in cemeteries all over the world is rightly admired by all who see it, and greatly appreciated by the relatives of those whose graves and memorials they maintain so devotedly. Although all different, every commission cemetery I have seen has the same air of dignified simplicity, honouring its motto: "I will make you a name". Every nation has its own way of burying its war dead but for me the Imperial, now the Commonwealth, War Graves Commission way is supreme: everyone, whatever their rank or service, has the same headstone to which relatives are able to add some words of their own.

My assessment of the work of the commission can be summed up in two words, captured in two anecdotes. As a commissioner, I was invited to a showing of the film the commission made about its work following World War II, appropriately called "I Will Make You a Name". When it ended, there was total silence, broken by the chairman, who asked if anyone wanted to say anything. Sue Ryder, another invitee, said, "Gosh", immediately followed by her husband, Leonard Cheshire, who said, "No, more than that: gosh, gosh".

My personal "gosh, gosh" commission grave is not in a cemetery but in its garden just north of Anzac Cove at Gallipoli. When our troops were withdrawn in January 1916, they were told to kill all the animals they could not evacuate. Some could not bring themselves to do that and turned their charges loose on a peninsula that remained unattended until 1919, when the Imperial War Graves Commission and its French and German opposite numbers returned to bury their respective dead. Amazingly, some of the animals survived and were taken back into service by the commission. One pony, called Billy, eventually retired and when he died was buried in a marked grave where he once grazed.

I hope the Minister will agree that whatever the pressures on the Government, in the spirit of "gosh, gosh", they will do nothing to diminish the ability of the Commonwealth War Graves Commission to honour and care for those who gave their all on behalf of our great country.

8.14 pm

Lord Hodgson of Astley Abbotts (Con): My Lords, I, too, thank my noble friend for initiating this debate. I wholeheartedly associate myself with his comments and those of others about the importance of the role of the Commonwealth War Graves Commission and the brilliant and imaginative ways in which it fulfils its obligations.

I will make three quick points. First, I studied military history at university and an important element in the study of conflict is the examination of the collateral damage to society: the destruction of many family units, of course, but, more importantly, the damage to civil society as a whole, which can take generations to repair. While of course it is absolutely vital and right that we should continue to commemorate the personal sacrifice of millions, in my view the commission has an equally important role in reminding us of our history. After all, those who do not remember the lessons of history will be condemned to repeat them.

Secondly, my noble friend Lord Forsyth and other noble Lords referred to the scale of the sacrifice. My military history professor had a statistic that I will share with the House: if the British and Commonwealth war dead from the First World War alone were lined up in column of route three abreast, as the head of the column passed the Cenotaph in London, the rear would be somewhere between Middlesbrough and Newcastle.

Thirdly and finally, because what gives the work of the commission its poignancy is so personal and so tightly woven into our society, I will give a personal example. In so doing, I am very pleased to be able to follow the noble Viscount, Lord Slim. My godmother's father was killed by a Turkish sniper at Gallipoli. Colonel Palmer, as he was called, was commanding a battalion of the Royal Warwickshire Regiment. One of his junior officers was a certain Lieutenant Slim.

[Lord Hodgson of Astley Abbotts]
Colonel Palmer's body was lost after the Allies evacuated the Gallipoli peninsula so his only memorial is on the big memorial at Anzac Cove. Lieutenant Slim, of course, went on to other and greater things.

8.16 pm

Baroness Nicholson of Winterbourne (LD): My Lords, I speak as honorary Commonwealth war graves commissioner for the federal Republic of Iraq. I thank very much indeed the wonderful team at Maidenhead, where I worked particularly with John Nicholls. In the rather unprepossessing situation of the federal Republic of Iraq, already an entire cemetery at Basra has been almost 99% recovered. That is absolutely magnificent. Moving on to Maysan, that is rather more difficult as the governor there was in the process of building over the war graves. We are now about to recover 4,000 war graves in Maysan. I thank the Maidenhead people very much indeed, and I bring to your Lordships' attention the fact that the people of Basra and Maysan are just as proud of these graves as we are; they really care. This is a matter of local pride and national heritage. We have a shared sacrifice and suffering, and in that a shared future. It is for that reason that I particularly thank the noble Lord, Lord Forsyth of Drumlean. In Maysan province, for example, we had a guardian who, with his father, his grandfather and his great-uncle, has been looking after every single piece of paper since the early 1930s. That is the commitment that the Iraqi people have made to the war graves of the Commonwealth.

8.17 pm

Lord Addington (LD): My Lords, when I put my name down to speak in this debate I was inspired purely by my image of what the war graves mean. I realise that the main reason that I did so was that they are individual graves. They are not monuments or something telling you that something great happened. Let's face it: the thing about monuments is that we do not put them up for our defeats, do we? Here, we put up something for each individual person. As has been said time and again by all speakers in this debate, it is the fact that we remember those people as people. As the old quote says, if one person dies it is a tragedy but a million people dying is a statistic.

The war graves do not allow the dead, who died on an industrial scale, to become a statistic. That just does not happen. The image, whether you see it in the flesh, on film or in a picture—the row upon row of graves—means that you know there was an individual attached to each of them. This means that we can remember the history, and our interpretation of history changes over time. When reading up for this debate, I discovered that it was felt in the 1960s and 1970s that as the veterans of the Great War disappeared, interest would diminish. Indeed, for those who remember "Steptoe and Son", Steptoe senior was not a great example to us all of a wonderful remembrance of the First World War. As this image disappears, it becomes something else: a way back into history and the individuals connected to it. Unless we are prepared to throw away a cultural asset of the first order, we must make sure that it is maintained and that we always remember.

If the Commonwealth War Graves Commission were replaced, it is difficult to see how anything could possibly do the job as well. I hope that when the noble Earl responds to the debate—I can just about remember when he answered me on a subject other than health—he will assure us that the Government will ensure not only that this work is carried on, but that the cross-party consensus clearly displayed here today is maintained and developed to enable it to be carried on in future.

8.20 pm

Lord Rosser (Lab): I thank the noble Lord, Lord Forsyth, for securing this debate. The Commonwealth War Graves Commission is funded proportionately in relation to war casualties by its six Commonwealth member states and, on this basis, the British Government currently provide some 78% of the commission's funding. Can the Minister confirm that the funding formula is related to those who died for whom there is a known grave, and does not include those for whom there is none? Can he also confirm that no Government, including our own, can make a unilateral decision to reduce their funding in actual amount or percentage terms without the agreement of all the other Governments involved?

Graves are maintained in 23,000 locations in just over 150 countries. In the United Kingdom, there are 13,000 different locations of which 10,000 have fewer than 10 burials. Some 4,500 maintenance agreements for the CWGC war graves are in place with local authorities, churches, councils, contractors and individuals. These agreements result in the CWGC graves being properly tended and cared for but unfortunately, given the significant cuts in local authority budgets, the difficult financial situation and limited number of active congregation members in some churches, the rest of the cemetery or churchyard in which the CWGC grave is located is often far from well looked after. That can have an adverse impact on the setting for Commonwealth War Graves Commission graves, however well tended they may be. Is this an issue of concern to the Government, and if so do they intend to pursue it?

Although the Commonwealth War Graves Commission commemorates those who died up to 31 December 1947 and not beyond, its work continues. With the centenary commemoration of the First World War, the number of people visiting the British world war cemeteries in France and Belgium has never been higher. The CWGC website provides information on the burial place or commemoration site of every British or Commonwealth soldier killed in the First and Second World Wars. The number of identification cases sent to the CWGC where someone believes they have worked out who is in an unidentified grave has risen nearly tenfold in the last 10 years. The Commonwealth War Graves Commission was not founded until 1917, and some have estimated that as many as 10,000 names of those killed may still not be included in the records. When such cases are verified, the CWGC adds the name to a memorial, and each year the remains of around 30 British and Commonwealth troops dating back to the world wars are still being discovered. Some can be identified but all are buried with full military honours at a Commonwealth War Graves Commission cemetery.

The Commonwealth War Graves Commission has helped us, continues to help us and will help future generations not to forget a vital part of our history. It ensures that the nearly one and three quarter million Commonwealth service men and women who died in both world wars are not forgotten.

8.23 pm

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, I warmly thank my noble friend Lord Forsyth for tabling this Question for Short Debate and for giving the House the opportunity to give due recognition to the work of the Commonwealth War Graves Commission. Last year we paid national tribute to those who fell in their millions in World War I, at the centenary of the start of what was justifiably known as the Great War. It is now 70 years on from VE and VJ Day, and we are remembering those who fell fighting for the Commonwealth in the Second World War, liberating Europe and the Far East from tyranny. Recently this year we also paid tribute to the thousands who perished in the seas and on the rocky hillsides of Gallipoli. All this shows the importance that we all place on the act of remembrance, so it could not be a more apposite time to have this debate and to recognise the excellent work done by the commission, especially with its own centenary coming up.

It is worth reminding ourselves of the value and significance of what the commission does. The Commonwealth War Graves Commission ensures that 1.7 million people who died in the two world wars will never be forgotten. Its cemeteries and memorials are designed to be a lasting tribute to the war dead, and places where visitors can come to remember their sacrifice. The commission cares for cemeteries and memorials at 23,000 locations in 154 countries. Its principles, laid out in 1917, that no distinction should be made on account of military or civil rank, race or creed, are as relevant today as they were almost 100 years ago.

At the same time, we also have a responsibility to maintain what the commission's founder Sir Fabian Ware described as that "immortal heritage". With regard to the fallen:

"Age shall not weary them, nor the years condemn",

yet their gravestones of the fallen are prone to the vagaries of climate, pollution and even vandalism, so conservation and maintenance is an ongoing task. Each year around 20,000 headstones are either replaced or repaired. As well as existing graves, sometimes new stones and even new graves are required to inter the remains of those brave souls only recently discovered, as has been mentioned in this debate. In 2010, for example, 250 Australian and British casualties from the Battle of Fromelles required the construction of an entirely new cemetery, Fromelles (Pheasant Wood) Military Cemetery in northern France.

The CWGC is at the heart of World War I centenary commemorations and, working with the Department for Culture, Media and Sport, will support the UK Government in their delivery of a series of high-profile state-level events, the majority of which will take place at commission locations, to mark key World War I anniversaries. The focus for commemoration of the Battle of Jutland will be Lyness in the Orkneys, and Thiepval will host the event for the Battle of the Somme. The CWGC aims to mark these centenaries appropriately while engaging new generations in the importance of ongoing remembrance of the war dead and of visiting their sites.

Although when you think of a Commonwealth war grave cemetery you almost automatically think of those in Flanders and France, there are, as my noble friend Lord Forsyth mentioned, more than 300,000 Commonwealth service men and women who died in the two world wars who are commemorated in the United Kingdom. Their graves, numbering some 170,000, are to be found at over 13,000 locations. In addition, some 130,000 missing Royal Navy, Royal Air Force and Merchant Navy casualties are commemorated on the great memorials at Chatham, Plymouth, Portsmouth, Tower Hill and Runnymede. This is the highest total of world war commemorations in any country other than France, yet most people are completely unaware of this commemorative legacy on their doorstep. These widely dispersed and varied war graves are maintained directly by the commission's staff or through more than 4,500 maintenance contracts and arrangements with individuals, contractors and burial and church authorities.

The CWGC has been working with the All-Party Parliamentary War Heritage Group, the education community and local communities to raise awareness of this nationally important commemorative heritage and to encourage communities to use these places as part of their efforts to remember those who died. New signage to help people identify sites containing war graves is being erected at more than 3,000 locations. Education and outreach initiatives are also under way. In the UK, the CWGC is aiming to raise awareness, appreciation and use of the war graves and memorials that exist here. It also seeks to raise understanding and acceptance of the fact that war graves in municipal cemeteries or churchyards cannot be maintained in the same way as those in dedicated war cemeteries—a point raised by the noble Lord, Lord Rosser. The unique approach to war graves in the UK—with the vast majority of graves scattered in burial grounds not owned or controlled by the CWGC rather than in military cemeteries or plots—means that they must inevitably be dealt with differently from the war cemeteries directly owned and managed by the CWGC overseas.

The noble Viscount, Lord Slim, highlighted the power and importance of visits. With so many locations, it is only natural that some are more visited than others. As a result of the public engagement in the World War I and World War II anniversaries, visitor numbers to the major cemeteries and memorials on the former Western Front are at an all-time high, yet many cemeteries get few or no visitors at all. Some places, such as Palestine, Salonika, east Africa and northern Italy, despite being significant visitor destinations, get few or no pilgrims to the war graves there. We would like to encourage visitors to take some time out when abroad, see if there is a British cemetery nearby and, if so, visit it. The level of sacrifice in both world wars is such that there are a very large number of such locations.

As the noble and gallant Lord, Lord Stirrup, rightly said, we should not forget that behind every single headstone and name on a memorial is a person, with a

[Earl Howe]
family, friends and a story to tell. The two world wars were global conflicts, and the contribution of the entire Commonwealth was vital to allied success. However, the sacrifice of men and women from undivided India, the West Indies and Africa is known but not extensively written about or recognised. Many of them are interred in the commission's cemeteries. The CWGC has produced a series of award-winning education resources that attempt to address this overlooked aspect of our shared history, thereby ensuring an inclusive commemoration of the war dead.

The Government will never forget their responsibility towards the commission, and I reassure noble Lords that we remain committed to maintaining current levels of support in line with the official inflation rate. Apart from the UK, five other Commonwealth countries —Australia, Canada, South Africa, New Zealand and India—contribute to the cost in proportion to the number of graves that they have. The noble Lord, Lord Rosser, asked about unilateral funding reductions, and I am pleased to clarify that each of the CWCG member Governments has an equal say in the running of the CWCG. The UK contribution amounts to almost 80% of the total annual funding, which in 2015 was in excess of £47 million. In addition, the MoD provides £1.3 million to the CWGC for the cost of maintaining 20,000 Boer War graves in South Africa and a further 21,000 non-world war graves around the world.

As well as its numerous ongoing tasks, I know that the CWGC will be particularly busy this year. Arrangements are in place for the CWGC to continue the maintenance of post-war graves in cemeteries at Rheindahlen and Hanover as British forces withdraw from Germany. Discussions are also taking place on the maintenance of graves in the Falkland Islands. The commission continues to transform its business, delivering efficiency and financial stability, and making sure that the money it receives can go further.

The commission should be in no doubt of the value of its work to the Armed Forces, to the nation and to future generations. For almost a century it has played a critical part in the vital work of remembrance. It has made sure that those who fought for our freedom are given the honour and dignity they deserve in death. I know that all noble Lords will want to join me in giving the commission our thanks for everything that it does.

8.34 pm

Sitting suspended.

Cities and Local Government Devolution Bill [HL]

Committee (1st Day) (Continued)

8.39 pm

Amendment 8

Moved by ***Lord Smith of Leigh***

8: Clause 1, page 2, line 10, at end insert—

"(9) An order under subsection (1) shall provide that remuneration for the elected mayor shall be determined by an independent remuneration panel established by the combined authority for that purpose."

Lord Smith of Leigh (Lab): My Lords, we come to the tricky issue of what an elected mayor is worth. We know what the public perception is about politicians being paid and what they are worth. Local authority members are currently controlled by the Local Authorities (Members' Allowances) (England) Regulations 2003, which require each local authority to establish a scheme which involves setting up an independent panel to determine members' remuneration. A panel would normally consist of a small number of individuals who can come from different parts of a local community—business, the third sector and so on—or have wide experience of local government. All this simple amendment does is provide for the same process for an elected mayor where one is chosen.

It would be wrong to be too prescriptive about the criteria. If the panel is to live up to its name and be independent then it needs to set its own criteria, but I am sure that it would take into account the size of the area, the level of functions being devolved and the pay levels within local authorities. The public at large has little faith where politicians determine their own allowances and expenses, so this amendment proposes that we get an independent panel to do that and show that it can be done in an independent manner and be made more publicly acceptable. I beg to move.

Lord Shipley (LD): My Lords, we have tabled Amendment 13, which would short-circuit the need for an independent remuneration panel by setting the sum of pay and compensation of the mayor of a combined authority to be no larger than that of the leader of a constituent council with the highest total pay and compensation package. That is the conclusion that we reached.

I am not convinced that simply adding another independent remuneration panel will necessarily produce the right answer. I have grave doubts about the way in which independent remuneration panels do their work. That is not to say that individually they do not do a good job. The difficulty is that they come out with very different answers depending on the authority they are in. There are a number of occasions when one cannot satisfactorily explain why they have arrived at their conclusions. Nor do I like the fact that councillors are then required to vote for their own remuneration, because they have to agree to the recommendation of the independent remuneration panel. Presumably, the members of the combined authority would have to agree with the conclusions of an independent remuneration panel established under Amendment 8.

I am for a simple solution here, but I am perfectly happy to enter into further discussions about it. Simply adding an 11th independent remuneration panel in Greater Manchester does not seem to me to provide a helpful solution. If speed is of the essence, one simple solution is to tie the pay of the elected mayor to that of the highest-paid council leader. We can look further at that as we move towards Report but at this point I prefer the conclusion that we have reached in Amendment 13.

8.45 pm

Lord Heseltine (Con): My Lords, I am on the side of the councillors. Giving rough figures, I can say that the chief executives of our bigger authorities earn something of the order of £200,000 or £250,000 a year. They are by any standards in the top decile of income groups in the areas that they administer. The leaders of the councils—this relates to the suggestion from the noble Lord, Lord Shipley, about the highest pay—who are there for seven days, for 24 hours, suffer the utmost strain and have to deal with every crisis get between £30,000 and £50,000, or something of that sort. What conceivable rationalisation is there to think that we can run the components of our economy—the great cities—by limiting the remuneration of the people in charge to one-fifth of what the executives get? Of course, it is not just the executives; within the apparatus of these great conurbation authorities, a stack of people will earn more than the leaders.

I come from the breed of the despised politician, as everyone in this House does. I know that we should all pay for the privilege of giving our services and we would still be from the despised breed of politician. But if we are going to start this thing properly, can we not get some sort of international comparison as to what people could reasonably expect to earn from one of the most responsible and exciting jobs on offer—running a great city? There is no amendment that I would wish to support, but when this matter comes back on Report perhaps we can look at what can be done to address this fundamental imbalance.

An argument that I would pose in favour of such a new look is that, if you expect someone to earn £40,000 for an enormously testing and strenuous job, what sort of person are you going to get? Anyone who is trying to make a career for themselves as a young, enterprising person is going to say, "If I give everything, my family is going to live in a very modest way because I am never going to be paid in the public sector anything like what I could earn in the private sector". You cannot blame the breadwinner in a family for therefore concluding that this is not for them. But of course there are the rich and the retired, who have pensions and who have accumulated whatever resource is necessary, or who have inherited money. They can do it—and I am not in any way precluding them from doing it—but I do not think that they should have a monopoly on the easy choice. Then there are those whose company or whose union will subsidise somebody to do it—and I have no objection to that. I believe that people should be able to earn remuneration outside their chosen profession. But by every definition that you introduce into this, you narrow the choice: first, you will not pay anything like the going rate that ought to be paid for a job of this sort, then you constrain the candidates who can come forward.

I fully appreciate that it is no use leaving this matter to local people, because they will come under the same sort of pressure from the media—the envy and all the stuff that characterises the debate. The solution that I would put before your Lordships for consideration is that there should be a linkage, either with a Minister of State in government or with a senior Civil Service grade. That would go a long way to meeting a reasonable expectation of reasonable remuneration for this vastly exciting job.

Lord Storey (LD): We have heard wise words from my noble friend Lord Shipley and the noble Lord, Lord Heseltine. I am very nervous of combined authorities setting up independent panels. I am nervous of their make up. Who is going to decide their members? We are going to see differences between different combined authorities in different parts of the country. If we are going to have leadership of these combined authorities, we have to make sure that nobody feels that they cannot go forward because they are financially restrained.

I vividly remember becoming leader of Liverpool and the remuneration was considerably less than I was receiving in my professional job. I could not afford to do the job full time because of that, so I worked in my professional job and did three days, two days, two days, three days, and it was absolutely killing. It was not the right way to lead a city. Just so nobody complains, any proportion of my leader's allowance I gave to charity, so I was not making on the deal. However, that should not be the case. We should make sure that we have some mechanism, and the solution from my noble friend Lord Shipley and the noble Lord, Lord Heseltine, is the way forward.

Lord McKenzie of Luton (Lab): My Lords, this has been an interesting short debate. Our starting point is to favour the amendment moved by my noble friend Lord Smith of Leigh for there to be an independent panel. I accept that there are issues. The noble Lords, Lord Shipley and Lord Heseltine, made points about making sure that it is truly independent, and there is no reason why that independence could not take account of international experience as well. A potential issue about the linkage is that the role of the mayor will not necessarily be constant and homogenous between different authorities. Sometimes the function of the mayor might be the full Monty, as it were, but sometimes it might be much less so. Therefore, we are going to have to have some form of assessment if we are going to do that fairly. It is reasonable for there to be further thinking around this.

Linking pay to the pay of the highest-paid leader of a constituent council could be a route, although in a sense what this amendment says is, "The Secretary of State decides but it must be no larger than". That seems to put the onus back on the Secretary of State, so the principle we would support is some independent assessment, taking account of the real value of the job. I entirely accept that this would be a very powerful and important job.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Williams of Trafford) (Con): My Lords, I appreciate the intentions behind these amendments, and noble Lords have made very valid points. I have just asked for some comparator salaries for city or conurbation mayors. The London mayor earns nearly £144,000 a year, and the Bristol mayor earns nearly £66,000.

[Baroness Williams of Trafford]

There are already statutes in place regarding independent remuneration panels and the remuneration of elected members. A combined authority's constituent councils are required by the Local Government and Housing Act 1989 to establish and maintain independent remuneration panels which make recommendations to local authorities regarding the remuneration of elected members to which local authorities have to have regard. To take my noble friend Lord Heseltine's point, there is nothing to stop them making international comparisons.

It would seem that to make provisions for a combined authority to establish its own independent remuneration committee merely to determine the remuneration of the elected mayor would be introducing an unnecessary layer of bureaucracy and would take away some of the flexibility that this Bill offers to those areas that seek to establish a combined authority. Further legislation, the Local Transport Act 2008, enables the Secretary of State to make provisions about the remuneration of, and pensions or allowances payable to or in respect of, any member of the combined authority. That includes making provision about the remuneration—that is, the allowances—of a metro mayor, including the part to be played in setting those allowances by independent remuneration panels in the combined authority's area. As this power already exists, we consider it unnecessary to make further regulations in connection with the remuneration of elected members. With those explanations, I hope that the noble Lord feels able to withdraw the amendment.

Lord Smith of Leigh: My Lords, I thank noble Lords for contributing to this very brief debate; it is about time we hurried up a bit on the Bill.

I take the point made by the noble Lord, Lord Heseltine, about local authorities. I decided, earlier in my career, that I would eventually become a full-time local politician and therefore I lost out on my chosen career—I probably would have been paid more money. I am sure that the noble Lord made sacrifices; if he had gone into business and used his strategic mind there, he probably would have earned a lot more money than he ever did as a Cabinet Minister or an MP. So we all make choices. It can be a dilemma, because sometimes people have to say to their families, "I really enjoy doing this job, but I'm not going to get paid as much as I might in another job". The Minister will recall that her successor as leader of Trafford had to make that personal choice. That was a very sad loss for others, as he was making a very good contribution, but he decided that he needed to support his family more. So we make those choices.

We also need to think about the fact that the new mayor and the new combined authority's work needs to be judged in the cockpit of public opinion. If it is perceived that people are getting overpaid, that will detract both from the reputation of the mayor and from the work of the elected members.

This is a difficult issue, and certainly we need to think about it. If we just leave it to local members to decide, as the noble Lord, Lord Heseltine, said, they will be totally criticised for that, and that would be unfair. However, we also need to respect that not all those positions will be exactly the same. The theme of the Bill has been flexibility, so in a sense there needs to be flexibility there. With those comments, I beg leave to withdraw my amendment.

Amendment 8 withdrawn.

Amendments 9 and 10 not moved.

Amendment 11

Moved by ***Lord Beecham***

11: Clause 1, page 2, line 25, leave out "must" and insert "may"

Lord Beecham (Lab): My Lords, before I address these amendments, I should address the remarks made by my noble friend Lord Smith with regard to the noble Lord, Lord Heseltine. The noble Lord had a very distinguished business career before he entered the Cabinet. It was so successful that he even invited me to the 50th anniversary of the foundation of the Haymarket company—I cannot quite remember the name. It was a very well attended and impressive occasion, which I think was held at the Grosvenor House hotel. Therefore, the noble Lord, Lord Smith, need not feel in the slightest that the noble Lord was subjected to great hardship before entering the Cabinet. He took very great care to build up a very successful business before he did that. I only wish I could say the same for myself.

On the relevant amendments in this group, Amendments 11 and 12 are designed to introduce flexibility into the response to the situation arising when a constituent authority, part of a combined authority, withholds consent to the proposal to have an elected mayor. The Bill provides that in those circumstances the Secretary of State must order the removal of that authority from membership of the combined authority. Instead of this being a requirement, under Amendment 11 it would become an option for the Secretary of State to consider. Much, after all, may depend on the nature of the powers and functions to be devolved to the combined authority, or in any event exercised by it. There might, for example, be some functions which all the members of the combined authority might agree should be exercised collectively, but which might not be included in the Government's package, relating to residual functions retained by the constituent councils.

For example, a particular devolution deal might not cover the provision of, say, sports or cultural facilities, which could, however, conveniently still be addressed by the combined authority. In such circumstances, the amendment would allow the Secretary of State to limit the particular authority's voting participation in the combined authority to matters not included in the agreement with government. You would have a sort of binary system which would allow the combined authority for some purposes to function outside the deal where that would not therefore require the removal of the combined authority. It would be a matter of discretion for the Secretary of State.

9 pm

Amendment 12 would provide such an authority as might be subject to a Secretary of State's decision the right to make representations to the Secretary of State.

To be honest, I am not quite sure what that would avail, but it is perhaps sensible to indicate that there should certainly be representations and consultation before any such decision was made.

The Chancellor appears to have made it clear—and we have heard much about this tonight—that combined authorities which prefer not to have a mayor will not be given powers on as generous a scale as those which accept the condition. It would be helpful if the Minister could indicate what would be offered to such combined authorities. Where does the test lie in general terms? That would, to some degree, give a background to these amendments and, indeed, this relevant part of the Bill.

Amendment 23 is a probing amendment which deals with the provision in subsection (6)(a) of new Section 107D, under which the Secretary of State may make an order providing,

"for members or officers of a mayoral combined authority to assist the mayor in the exercise of general functions".

Can the Minister enlighten us as to what sort of assistance the Government are contemplating in this provision and what would be the process for making an order? For example, with whom would the Secretary of State consult? The mayor? Presumably. The combined authority? Probably. The overview and scrutiny committee? Perhaps the Local Government Association, if these are general matters? Does subsection (6)(d), which provides that the Secretary of State may,

"provide for the terms and conditions of any such appointment",

apply to the appointment of a political adviser only—because that is what the clause says—or to any appointment designed to "assist the mayor", whatever that means? Again, perhaps the Minister could enlighten us. It may be that this might be a matter subject to further thought so the Minister could write to us and deposit the letter in the Library in the ordinary way if she is not able to answer the question tonight. I beg to move.

Baroness Williams of Trafford: My Lords, in the situation where a local authority does not consent to a combined authority adopting a mayor, the Bill requires that if the Secretary of State makes an order to enable the mayoral model to be adopted, the Secretary of State must remove the non-consenting local authority from the combined authority. Amendments 11 and 12 would change this requirement to an option that the Secretary of State could choose to take and enable a local authority in this position to make representations.

I appreciate the intention behind these amendments but, as we have said, the Government are open to discussing devolution proposals from all places. We want areas to come forward with proposals, developed and proposed by local areas. If a local authority within an existing combined authority does not want to have an elected metro mayor, we believe that it should neither be forced to do so—going back to discussions earlier—nor be able to veto the rest of that combined authority from adopting this model. This is what the Bill does.

Amendment 11 would give discretion to the Secretary of State as to whether to remove the non-consenting local authority when making an order to provide that the combined authority area has a mayor. This would in effect mean that the Secretary of State can force the local authority to remain within the combined authority, which we do not believe is appropriate.

Amendment 12 enables a local authority which has been removed from an existing combined authority, by virtue of its non-consent, to make representations. We also believe that this is not necessary. The Secretary of State must gain consent from each constituent local authority before an order can be made to enable an existing combined authority area to have a mayor. It is open to the local authorities when deciding whether to consent to make any representations they wish to.

Amendment 23 would omit new section 107D(6)(a) to remove the power of the Secretary of State by order to,

"provide for members or officers of a mayoral combined authority to assist the mayor in the exercise of general functions".

As the Bill stands, this provision allows for the mayor to be supported in his or her executive functions, in the same way that council officers support an elected mayor or leader of a council. For example, the mayor may set the strategy for the combined authority and officers would support the mayor in drafting, preparing and publishing any necessary plans. Removing this provision risks creating arrangements that would hinder the delivery of the mayor's executive functions and hence frustrate the very purpose of a devolution deal. Mayors will be clearly identified as the accountable figurehead and be answerable to their electorate for any function they undertake or are assisted in undertaking, so it will be clear where the responsibility lies.

With all these assurances, I hope the noble Lord will agree that the amendments are not necessary.

Lord Beecham: To respond to the first point, obviously the Minister—or those who helped to prepare her speech in response—did not take into account the case that I actually put, which was in relation to an authority, under the provisions of the Bill as it stands, being totally excluded from a relationship with the combined authority on matters that are not the subject of the deal. Perhaps the Minister will undertake to look at that aspect of it, which is really the thrust of the amendment. However, in the circumstances, I beg leave to withdraw the amendment.

Amendment 11 withdrawn.

Amendments 12 and 13 not moved.

Amendment 14

Moved by ***Lord Tyler***

14: Clause 1, page 2, line 38, at end insert—

"107BB Requirement for an elected assembly to form part of mayoral combined authority

(1) An order under section 107A must make provision for an elected assembly ("the Assembly") to form part of any mayoral combined authority.

(2) An elected assembly provided for in an order under section 107A must, in particular, provide that—

(a) the Assembly shall consist of P members ("Assembly Members"), where P is equal to the number of constituent authorities within the area of the mayoral combined authority, multiplied by five;

(b) each constituent authority shall be an Assembly constituency;

(c) each Assembly constituency shall elect five Assembly Members;

(d) each Assembly Member shall be a member of the combined authority.

(3) Schedule 5BA (which makes further provision about Assemblies) has effect."

Lord Tyler (LD): My Lords, I mentioned that I currently serve on the Delegated Powers and Regulatory Reform Committee, and I very strongly support the committee's recommendations to the House. I think I should apologise to the Minister, and indeed to the House, by saying that, in referring to two of the paragraphs in the committee's report that refer to affirmative and negative process, I ought also to have referred to paragraph 61, which is much more important, and to which the Minister responded. I was very grateful for that response. I think I should put before your Lordships, and on record, the recommendation in paragraph 61:

"We note that the Government have introduced the Cities and Local Government Devolution Bill, currently before this House, and that provisions in that Bill relate to the same policy area as that addressed by the LRO. It seems to us that operating in one policy area through two separate legislative vehicles, which are progressing in parallel though at different speeds, presents particular difficulties to the House in considering the combined effects of the changes proposed".

The Minister was one step ahead of me because she responded to that point, and I am very grateful to her. But now, on record, both of us are clear as to what that issue was. I am grateful for the assurances that she gave.

It may be that, in response to the debate on this group of amendments, the Minister can give us a clear idea of the timetable for bringing together these two very important developments on comparable issues relating to devolution and local government structures.

I see from the department's note to that committee that there are repeated and very welcome references to the need for democratic accountability. With that in mind, I hope that the Minister will therefore respond positively to our amendments, particularly Amendments 14 and 17, to which I now speak. My noble friend Lord Shipley has already referred in general terms to these amendments, and we think that they are extremely important. They deal, of course, with Clause 1, along with a new schedule, and go to the very heart of the Bill.

During Second Reading, and to some extent again today, colleagues in all parts of your Lordships' House expressed serious concerns at what I regard as the democratic deficit inherent in concentrating powers in the hands of one person. It is that which I fear weakens the Government's promise of improved accountability. What we seek to achieve is a level of direct democratic accountability comparable to that now enjoyed in London. I challenge Labour and Conservative Members of your Lordships' House to argue either that the Bill provides better accountability for the people of the areas concerned than that experienced by the people London or, alternatively, that the inhabitants of at least the first tranche of combined authority areas up in the north do not deserve the same level of democratic accountability. It is surely patronising and divisive to say that what is needed for London is not needed outside London. Certainly, that is not in the spirit of effective devolution. Our amendments are designed to adapt the now well-established governance system, bringing together citizens, boroughs, an Assembly and a mayor for London to make it appropriate for these new authorities.

Earlier, the noble Lord, Lord Brooke, explained with what care and huge scrutiny and attention the legislation for London was considered. All those who have looked again, as I have, at the requirements for the Greater London Authority and for the mayor, will recognise that that was indeed an important parliamentary exercise. I certainly agree with the noble Lord that we should examine it with care.

Amendment 14 simply articulates the principle that there should be an assembly in each of the mayoral combined authorities. It provides for each local authority area that makes up the combined authority to contribute five directly elected assembly members to the total. This would mean that a combined authority with only two constituent councils would have a small assembly of only 10. A large authority would have a larger assembly. But in view of the comments made earlier, for clarity, I should explain that we have at this stage not ruled out additional representatives indirectly appointed by constituent authorities. However, this is just one option for further discussion. Each assembly member, properly elected, would be a member of the combined authority in their own right.

Amendment 17 takes the Committee through the detailed arrangements for the way in which these assemblies would work. As the Committee would expect of an amendment from these Benches, we would provide for members to be elected by the single transferable vote. It also provides that all those entitled to vote in the election for mayor would also be entitled to vote in the election for assembly members. Most critically, this new schedule seeks to mirror the accountability arrangements set out in the Greater London Authority Act for assemblies to hold mayors' feet to the fire—to hold them effectively to account.

Members of this House who have been members of the Greater London Assembly would certainly tell us that its current functions should be strengthened. I agree, not least in relation to budgets—I know that my noble friend Lord Tope certainly takes that view, too—yet the provisions in the GLA Act are so much stronger in terms of accountability than anything the Government are currently proposing in this Bill. If the Government are at all serious about accountability, therefore, these provisions must be the starting point for holding mayors accountable for what they do on behalf of the wider community. The GLA arrangements would give statutory rights, for example, to assembly members to ask questions of the mayor and senior employees of the authority and have them answered. They would also provide for the assemblies to set up committees and these could be particularly important in relation to, for example, the PCC powers that the Government wish mayors to take on.

The Minister must have before her a brief setting out manifold technical difficulties and reasons for resisting this attempt to make a simple, easy-to-read-across

between these authorities and the GLA, so I should say up front that we do not say that our drafting is the last word—of course it is not. It is merely the first word. That is why we have a parliamentary process. That is the whole point of having Committee followed by Report and Third Reading. But Sections 50 to 65 of the GLA Act should be recommended reading for all of us if we are looking for some sort of template for how to ensure that the combined authorities are accountable and therefore capable of taking on greater power. The tried and tested clearly gives a real advantage in terms of empirical evidence, compared with just simply hoping for the best.

In summary, this set of amendments seeks to give full expression to the Government's declared intention to provide the effective exercise of new responsibilities and powers in a way which is answerable to the local population of the area concerned. It gives practical expression to the local democracy initiatives set out earlier so eloquently by the noble Lord, Lord Heseltine. It is surely essential to address this; otherwise, the development of the policy as set out in the Bill is not going to be popular and will fail in terms of democratic accountability. Irrespective of how the overview and scrutiny committees are constituted or chaired, they would certainly not fulfil the Government's promise to make the combined authority,

"democratically accountable to local people".

Without the tried and tested assembly system to provide effective accountability, we are indeed in danger of creating new one-party states, as my noble friend Lord Shipley put it earlier, with the mayor, the deputy mayor and a vast majority of indirectly appointed members of the combined authority from the constituent authorities, all of the same political persuasion. Without the safeguards in our amendments, your Lordships' House will be conniving at the creation of new elective dictatorships—new rotten boroughs, if you like.

This solution will be particularly appropriate for areas like Norfolk, to which the noble Baroness, Lady Hollis, referred, and indeed to my erstwhile area in Cornwall. That is because if we move beyond the first tranche of combined authorities, areas such as those would expect a degree of democratic accountability. I am delighted to see the noble Lord, Lord Sherbourne, in his place, as indeed he has been throughout our debates today. He made a very important contribution in the debate on Second Reading. He referred to,

"the need for transparency and public scrutiny".

He continued:

"the Bill could lead to a concentration of power in the hands of one political party. We have seen all too recently—I am thinking of Tower Hamlets—what can happen when too much power is put in the hands of one person without effective scrutiny.—[*Official Report*, 8/6/15; col. 707.]

I agree entirely, and I hope the Minister will too. She has said this evening that her aim for this legislation is strong and accountable democracy. I agree with that as well, but I do not see it in the Bill as it stands, and therefore I beg to move.

9.15 pm

Lord Sherbourne of Didsbury (Con): My Lords, as the noble Lord has mentioned my name and has therefore implied that I support his amendment, perhaps I may put him right. My main concern is to ensure scrutiny, and there are many ways of skinning the cat. I think that we can look forward to more detail at some stage about how the scrutiny committees can do their work. I am not convinced in London that an elected assembly does the job, and I am certainly concerned about there being a new layer of government, which I think will complicate everything. Although I share the noble Lord's view about transparency and scrutiny, I cannot support his amendment.

Lord Shipley: My Lords, I should like to speak briefly to this group of amendments, to two more of which, Amendments 25 and 26, I have attached my name. I do not want to repeat what my noble friend Lord Tyler has said in relation to Amendments 14 and 17, other than that I agree entirely with him. This really matters because it will bring a fuller elected element into the creation of the mayoral combined authority. At present, the direct connection between the ballot box and the mayoral combined authority is only the mayor, a single person with a direct mandate. For the combined authority to succeed, it needs greater legitimacy. Our Amendment 14 suggests five directly elected members to the combined authority from each of the constituent councils, and we propose election by single transferable vote because, without it, you will not get the multiparty representation that we need to prevent a one-party state arising. Taken together, this set of amendments would prevent the one-party state, which is what we have been talking about today. No doubt we shall look at this further on Report, along with Amendment 17, which explains some of the detail behind Amendment 14.

Let me briefly mention Amendments 25 and 26. I well remember the Bill to establish police and crime commissioners going through your Lordships' House a few years ago. It was then seen to be a full-time position. Here:

"The Secretary of State may by order provide for the mayor … to exercise functions of a police and crime commissioner",

along with all the other things that the mayor will undertake. There is a question of workload. Our discussion on this has been inadequate to date—at least on the evidence provided by the Government on the ability of a single person to undertake the functions of a mayor and a police and crime commissioner, handling social care and health, transport, economic development, regeneration, skills, housing and strategic planning. Putting all that in the hands of one person, even with delegation to a deputy mayor and perhaps to other members of the combined authority, seems an enormous, indeed impossible, workload. Our proposal would mean a slightly larger combined authority—and directly elected—and seems a better way to proceed.

I support the noble Lord, Lord Tyler, and support Amendments 14, 17, 25 and 26.

Lord Teverson (LD): My Lords, it is often said, as the noble Lord opposite did, that it is not good to have another level of government and that people in this country think that there are enough levels of political classes, so we should avoid having more. I agree with that to a degree, but by having an elected mayor we already have that extra level of government. If we are to have it, and this Bill lays out that additional level of

[LORD TEVERSON]
government, we should have one that is accountable and is of a good and proper quality to bring that level of government to account.

This amendment would do exactly that. If we are to have this extra level of government, which appears to be right at this time, and to make combined authorities work for the benefit of their larger regions, we should indeed have much greater accountability. That accountability—multiparty, and independents as well as parties within the process—is exactly as the amendments lay down. It is absolutely critical for good and credible government. More important perhaps is that we do not come back in five years to correct a mistake that we may have got into by having local authorities that are completely inward looking, self serving, uncritical and that lose the confidence of their populations. That would mean that this important experiment of devolution had failed.

Lord Woolmer of Leeds (Lab): My Lords, the amendments seems to cover two different areas: first, whether there is a need for oversight of a democratically elected mayor; and secondly, the proposed way of dealing with that. This will clearly vary depending on the part of the country we are in. In my view, the way in which an elected mayor, if there is one in a combined authority, will be held to account is by the constituent local authorities, their elected representatives and the leaders of those authorities. The idea that you need another elected body to hold those people to account seems crazy to me. I think of myself many years ago as leader of Leeds and of West Yorkshire. The idea that there would be another elected body that would hold this mayor to account and that I took no part in it is simply not credible. It simply would not work. Indeed, it would not be effective at all; there would be a great deal of conflict.

So, first, such an arrangement is not necessary to hold an elected mayor to account, should there be an elected mayor. For the record and as I said at Second Reading—despite my earlier remarks, which may be misunderstood—I can understand that a combined authority may occasionally wish to have a mayor. Many will not, but some will. Secondly, the particular arrangement proposed could lead to very odd results. Take my area of West Yorkshire. The local enterprise partnership includes four of the five metropolitan districts of West Yorkshire, plus three shire districts outside that include Skipton, Harrogate and Selby, plus North Yorkshire. Having five elected persons per district would give the area containing Selby an equal number to Leeds. I suggest that that would not be democratic and it would not be understood. I do not care what the system of election would be; it would be very undemocratic and unbalanced.

Trying to find an arrangement that leads to an elected process in addition to having leaders of strong and powerful local authorities—taking the amendments as they are—does not stand up. First, they are not necessary, and secondly the proposal as made in detail is not workable. I therefore oppose the amendments.

Lord Smith of Leigh: My Lords, the problem with these amendments is that they want to impose a London-based solution on different parts of the country but they are not imposing a London executive mayor model. The GLA works to hold the elected mayor to account. How well it does that is open to question. I have never been to a GLA meeting but I have watched a bit on television. It was not the most riveting television I must say, but it did not seem that the mayor was particularly well disposed towards the scrutiny he was receiving, so I am not sure that it has even been that successful in London.

My noble friend Lord Woolmer of Leeds got this absolutely right: outside of London, the combined authority is a very different body. Whereas it works collaboratively and collectively to do things for the area, the 10 leaders in Greater Manchester are still advocates for their own areas. They want to work together, but if something was not in the interest of their particular area they would ensure that the mayor was fully abreast of that opinion. That is where the difference is: we would suddenly tag on, to an effective meeting of already 11 people, 50-plus others from across Greater Manchester. What kind of meeting is that? It would not be an executive meeting; it would simply be a talking shop. We do not need more talking shops. We want to make sure that this devolution really works. That means getting hold of the powers and putting them in in effective ways.

Democratic accountability in our area will be through elected local authorities. That seems to me what is missing in London: we have a big gap between the mayor and the boroughs. That is what does not work in London and what will work in the new combined authorities.

9.30 pm

Lord McKenzie of Luton: My Lords, I am grateful to my noble friends Lord Woolmer and Lord Smith for basically setting out our position on these amendments. We do not believe they are appropriate. It seems to me the key point that has been made is that you cannot draw a parallel between the London model and where we are with these combined authorities because you have members of the combined authorities—not via this election process but directly representing the constituency authorities—who are involved in holding an elected mayor to account, if there is one, through the two-thirds rule on the budget et cetera, but who collectively, as my noble friend said, have functions for which they are responsible. If you go down the route of adding to those elected members, what precisely is the role of those members in comparison with the members who are already there by virtue of the indirect arrangement? Therefore, I do not think that the model fits and it is unhelpful to try to make it fit.

There are other issues as well, perhaps of less consequence, but the proposal is for an assembly only for mayoral combined authorities. What about other combined authorities if there are no mayoral functions? They would still possibly have the same range of functions but this solution is not offered here. The assembly seems to be offered whatever level of devolution is given to the mayor. In some cases there may be full-blown powers for the mayor, including in PCC matters; in others that is not so, so to have the same arrangement in each case—or to propose it—does not

seem to make sense either. However, that is not the substantive point. I think the substantive point is that made by my noble friends.

In terms of the numbers, as we heard, in Manchester's case we could go from 11 members at the moment, including the mayor, up to 61, whereas London, as we know, has only 25. I appreciate that those figures could be adjusted but it is still a big increase. What is the role of those members who are going to come through the system on this basis? Are they just there to scrutinise? How does their role differ from that of the other combined authority members?

If you look at the number of combined authorities which may be created—some are already under way—there is Greater Manchester, West Yorkshire, Merseyside, Tyne and Wear, and South Yorkshire, and there are prospects for east Midlands, south Hampshire, Bristol and Leicester. Who else might follow? How many assemblies are we seeking to assemble here? As I said earlier, we have a proliferation of voting systems: first past the post for the council elections; a single transferable vote proposed for the assembly; and the supplementary vote for mayors. I am sure the electorate will be able to cope with that over time but it does not seem to me a great example of clarity and linking with the electorate.

Others have already mentioned the fact that there is an overview and scrutiny committee but that is not the only way that scrutiny is exercised. As we know—the Manchester agreement sets this out very clearly—combined authority members have a role of potentially restraining the mayor.

I wish to make a broad point. I can understand Liberal Democrats having a particular view on the voting system. They may think that it is unfair and that it does not produce a proportional outcome. I make no particular comment on that. However, it seems to me wrong to potentially fetter the situation that we are talking about here with a proposal just to balance up for doing something which in their eyes may seem to be a deficit in the arrangements that would otherwise be in place. It seems to me wrong to use this process for those purposes. So, for a variety of reasons, I do not think this is the right way to go and we certainly will not support it.

Baroness Williams of Trafford: My Lords, I thank noble Lords for some very measured and sensible comments on these amendments. First, I turn to the points made by the noble Lord, Lord Tyler, on the DPRR committee. As I indicated earlier, we will respond before the end of the Committee stage, which is next Monday. The committee has recommended that the LRO be subject to the super-affirmative resolution procedure. With this procedure, the expectation must be that the LRO will not come into force, if Parliament approves it, until late 2015. However, as I have already indicated, we are now seriously recommending including the LRO provision in the Bill—so I hope that that helps him—and it will overcome the difficulties identified by the Delegated Powers Committee.

Amendment 14 provides that an elected assembly must form part of a combined authority. It seeks to insert into the Bill new Schedule 5BA, which provides that the functions and procedure of the elected assembly are the same as those for the London Assembly. I understand the intention behind the amendment. First and foremost, I understand that those who are proposing this amendment want a bigger role for the ballot box. They see that this is provided in the London mayoral model, where there is an assembly that holds the mayor to account.

However, London is unique. Greater Manchester is unique. Greater Manchester is not London and London is not Greater Manchester. This is not in the civil servants' notes. All of us from Greater Manchester are very clear about that point and clear that we do not want additional tiers of government. I am confident that other local areas probably feel the same. We do not want to create additional bureaucracy, which would cost the taxpayer money. The devolution of powers to areas will instead create efficiencies and allow each area to find its own creative solutions to the particular challenges it faces in securing long-term sustainable growth.

In order to hold the mayor and combined authority to account for their decisions and actions, the Bill provides that all combined authorities must have one or more overview and scrutiny committee drawn from the members of the constituent councils. Like the London Assembly, these overview and scrutiny committees can require the mayor, officers and members to attend their meetings and answer questions. I am sure that we will discuss the role of scrutiny more fully when we examine the later clauses of the Bill. We are determined to ensure that scrutiny is as strong and robust as it can be. That scrutiny provides the real protection against the fears of a one-party state, and must be seen to be effective, transparent and independent so as to maintain public confidence in the institutions and governance arrangements to which we will be devolving wide-ranging powers. I reiterate my earlier offer—because the noble Lord, Lord Shipley, was on his way out of the door when I was making it—about any suggestions that noble Lords might wish to make on how we ensure that scrutiny is as robust as possible.

However, we do not want, and I am convinced that few in our cities and counties will want, a new tier of government—a new tier of politicians. The experience of the metropolitan county councils, which my noble friend Lord Heseltine abolished through the legislation he introduced, shows the problems and weaknesses of having inevitably competing tiers of politicians. That said, I believe that with the right legislative framework for allowing areas to draw together scrutiny committees with a broad membership and strong powers, the future governance arrangements can indeed fulfil the aims of those proposing these amendments that public confidence will be maintained and, more importantly, that devolution will work, benefiting the local communities that it serves.

Amendment 17 sets out the electoral arrangements for an elected assembly, using a single transferable vote model. This is a complex electoral system that would be costly and time-consuming to implement. As noble Lords have pointed out, we would have a very confusing array of arrangements for local elections. Introducing STV for all local elections would require

[Baroness Williams of Trafford]
significant changes to existing electoral boundaries and could not be introduced, even if it were desirable, within any short timescale.

Amendments 25 and 26 would require the assembly to resolve, by a simple majority,

"for the relevant combined authority to enable the mayor to take on the functions of a police and crime commissioner for that area".

Notwithstanding the explanations I have already given as to why we would not want there to be an elected assembly for a mayoral combined authority, we consider that there is no need to require any additional body to approve the transfer of police functions to the mayor. The transfer of police and crime commissioner functions to the mayor forms part of the devolution deal and is actually analogous to the situation in London. The Bill requires that all the appropriate authorities in an area would have to give consent before an order to transfer police and crime commissioner functions could be made. Hence we are clear that the transfer of PCC functions will be a matter on which the combined authority and/or its constituent councils must agree.

I can also reassure noble Lords that in order for the mayor of a combined authority area to take on PCC functions, the Secretary of State will be required to lay an order setting out the detail of how PCC functions will be transferred to the mayor, and Parliament will have the opportunity to fully consider this. With these explanations, I hope that the noble Lord will feel happy to withdraw his amendment.

Lord Tyler: My Lords, I thank the Minister. I and my colleagues warmly welcome the assurance she has been giving us—she repeated what she said earlier—because we regard the way in which the Bill will provide for "robust scrutiny", which I think was the Minister's phrase, as absolutely critical to its success. We welcome any discussions that can take place before, during and after Report because it is critical to the Bill.

I modestly and tentatively suggest, at this time of night, that when the Minister says that she and the noble Lord, Lord Smith of Leigh, are the "we" who have decided that they do not want to have elected members looking at this, they are not all the people of Greater Manchester. We have to be careful in this House about assuming that, because there has been no attempt yet to look at this in the wider community, somehow the leaders of party groups in particular areas can speak for the whole population of that area.

Baroness Williams of Trafford: I want to clarify that the point I made was that we in Greater Manchester—not me and the noble Lord, Lord Smith, but we as elected members, as I was—did not want additional layers of bureaucracy or tiers of government.

Lord Teverson: Perhaps I could intervene on that to say: but of course not. The people who tend to be involved do not like the boat being rocked, which is part of the problem. The establishment of a political area are the last people who would want greater accountability through another body. Regrettably, that is the way in which politics works: we are defensive about our own seats of power, and that is the danger of this proposal. I apologise to my noble friend Lord Tyler.

Lord Tyler: I am very grateful to my noble friend. He makes his point very well.

I say to the Minister that I think she was probably not involved in any discussions about the Greater London Authority Bill, when these sorts of arguments were also advanced by the leaders of Labour councils in the boroughs of London. They were fearful that the electorate might have other views about priorities. I also suspect that the Mayor of London would be only too pleased to have a scrutiny committee that had no democratic mandate, as it is in the Bill. The next Mayor of London may or may not have a view on that, too. I simply make the point that, if it was good enough for London, we should at least seriously examine whether these new combined authorities are going to have a sufficiently effective mechanism for holding the mayor to account. I do not believe that the Bill provides that at the moment.

The noble Lord, Lord McKenzie, and others think that we can develop that proposal and it may be that by the time the Bill has finished its passage through your Lordships' House, we have somehow managed to give the scrutiny committees that sort of role. I have to say that, as things stand, the Bill does not provide for that. I was disappointed that the noble Lord, Lord Sherbourne, was not along with me on this because he had a serious point, and I suspect that we may have some discussions and come to an agreement about how to provide this by some means. However, what really worried me was when the noble Lord, Lord Smith of Leigh, said that the combined authority would have an executive meeting function. Not so: in my mind, the mayor is the executive. If the leaders are simply there to back up the mayor, who may well be of the same persuasion politically, that will be no scrutiny. It will not be accountable.

Lord McKenzie of Luton: I do not believe that the noble Lord is right on that issue. This is one of the differences between London and the combined authorities that we are talking about. The combined authorities will have members who are appointed by the constituent elected authorities, and they as well as the mayor will have functions to perform. It is not only the mayor, if there is one, who gets all these functions; it is other members of the combined authority as well. That is the situation that I do not think the noble Lord has taken into account in his analysis.

9.45 pm

Lord Tyler: But that is exactly the problem.

Baroness Williams of Trafford: My Lords—

Lord Tyler: I think I am still responding; I hope that is right. I think the noble Lord, Lord McKenzie, is in a major constitutional confusion on this. You cannot have both sides, the mayor and the constituent authority, exerting executive authority in some form without, in the words of the Minister, effective, accountable democracy—I think that was her phrase.

The time is late, and I am not suggesting that we have the perfect solution. I have already said that this is our first attempt to do this, and maybe we can develop a better one. However, I say to those who are opposing our proposal that, if they are seriously saying that the governance of London is somehow defective and therefore we cannot look at it as a proper model for what should go in this Bill for major conurbations in other parts of the country, and that somehow the people of the north do not deserve the same degree of democratic control over the executive, I wish them to say so publicly.

For the time being, I suggest to the Minister that we should look more carefully at the way in which a mayor is held to account. In those circumstances, and with the assurance that she has given us that we will return to this on Report, I beg leave to withdraw the amendment.

Baroness Williams of Trafford: My Lords, just before we conclude this aspect of the Bill, I confirm that the noble Lord, Lord McKenzie is actually right. Secondly, to say that the London arrangements are not right for other places is not to say that those arrangements are defective but, rather, to say that what suits London does not necessarily suit other places.

Amendment 14 withdrawn.

Clause 1 agreed.

Schedule 1: Mayors for combined authority areas: further provision about elections

Amendment 14A

Moved by ***Lord Beecham***

14A: Schedule 1, page 13, leave out lines 13 to 19 and insert—

"2 (1) A mayor's term of office shall be four years.

(2) Elections shall be held on the ordinary day of election in the election year for the relevant local authorities.

(3) When the office of mayor is first established, the Secretary of State may by order make provision for alternative arrangements for the mayor's term of office and the date of the election to the extent necessary to allow synchronisation with other elections."

Lord Beecham: My Lords, Amendment 14A is a manuscript amendment arising from the recently published report from the Delegated Powers and Regulatory Reform Committee. Although it is a manuscript amendment, I did not write it myself; if I had, the Public Bill Office would not have been able to read it. It is, however, as noble Lords will see, in printed form. It embodies the position taken by the Delegated Powers Committee on the organisation of elections. The amendment derives from paragraph 6 of the report, which I quote:

"Given the importance of the functions which a mayor is able to exercise, and the emphasis placed by the Government on the democratic accountability offered by an elected mayor, we do not consider it appropriate for the Bill to delegate to subordinate legislation the ordinary length of a mayor's term of office or the ordinary election dates".

I say in parenthesis that that is precisely what paragraph 2 of Schedule 1 to the Bill, about the timing of elections, in fact sets out. The report continues:

"It seems to us that any power to provide for those things in subordinate legislation should be limited so that it can only be exercised to the extent necessary to allow synchronisation with other elections, when the office of a mayor is first established".

Hence the provisions of Amendment 14A: that a mayor's term of office should be four years; that elections should be held on the ordinary day of election in the election year for the relevant local authorities—I contrast that with the disastrous turnout in the elections for police commissioners, which took place in a cold dark day in November; no doubt that contributed to the minuscule turnout, though perhaps that was not the only reason—and, finally, that when the office of mayor is first established, the Secretary of State should by order make provision for the alternative arrangements for the mayor's term of office and the date of the election to the extent necessary to allow synchronisation with other elections. That tidies up that particular area.

The other amendments are of a rather different character. Amendment 15 would allow 16 and 17 year-olds to vote in a mayoral election. For many of us, I think the only satisfying part of the referendum process in Scotland, apart from the outcome, was the very high participation rate, particularly among 16 and 17 year-olds, who were allowed to vote. In our view, it is highly desirable that young people should be encouraged to take an interest in politics from an early age. We also argue that citizenship should play a more prominent part in the education agenda—the Lord Speaker's efforts to encourage Members of this House to address schools and young people generally are a small but important part of that process. Giving those young people the vote at an early age—after all, they are able to pay taxes, be employed and so on—seems to me to be absolutely right. We have to acknowledge that young people are not the quickest to register in any event, so the earlier we can get them into the process, the better. Their future will be very much affected by the work of combined authorities and other aspects of local services.

The final amendment, Amendment 16, would simply require any new legislation to be in force six months before it is due to be implemented, so that there will not be a great last-minute rush to sort out the physical arrangements of elections and they can be planned well in advance and with efficiency. That applies both to the electorate itself and to returning officers and the like engaged in that process. In my submission, these are sensible, tidying-up arrangements to facilitate the smooth operation of whatever process will be involved if we get to holding elections under the terms of the Bill. I beg to move.

Lord Tyler: My Lords, I am pleased to support the noble Lord, Lord Beecham, on all these amendments. As he said, Amendment 14A reflects the concerns of the DPRRC, to which I referred earlier. I am sure he is right in saying that this should be in the Bill, and I hope the Minister will be prepared to accept that. It would be consistent with what has already been recommended, and I understand from what the Minister has said that she has effectively welcomed the committee's recommendations.

So far as Amendment 15 is concerned, as your Lordships' House will know, I have brought forward, twice now, a Bill to comprehensively reduce the age of

[LORD TYLER]
the franchise to 16 for all elections. As the noble Lord said, it was a triumphant success in Scotland. It is now also in legislation ready for any comparable referendum in Wales, and I understand that the Prime Minister himself has said that he expects a vote in due course on a general extension of the franchise to 16 and 17 year-olds.

My only concern about Amendment 15 is that it is specific only to this one form of election. I think that is a great mistake. We on these Benches will be bringing forward a later amendment to extend this throughout local government. There has been far too much ad hocery and too many piecemeal attempts to deal with the franchise. Imagine if the extension of the franchise to women had been done on this piecemeal basis, with parts of the United Kingdom doing it in different ways to other parts. Imagine if it had been said, "Only in mayoral authority elections are we going to allow women to have the vote immediately. Others will have it at another time".

One objection to Amendment 15 is sorted out by our Amendment 48, through which we would extend the franchise to all 16 and 17 year-olds for all local government elections.

I do not want this to sound smug, but we have been consistently in favour of this policy and very much welcome the arrival of the Labour Party in support of it. I think I am right in saying that some other party north of the border has also joined the bandwagon. Nothing should be read into that: it is simply that we take pride in the fact that the sheer advocacy of this logical extension of the franchise is now getting new recruits. In the meantime, I hope the Minister will respond positively to Amendment 14A. Perhaps she would like to keep her firepower for dealing with the wider issue of 16 and 17 year-olds for when, at the very end of consideration in Committee, we get to Amendment 48. In view of the time of night, I leave it there.

Lord Beecham: As the Minister implied, jumping on the bandwagon with the Liberal Democrats is not generally a fruitful proposition. Indeed, the concept might be an oxymoron. We are certainly adopting a somewhat Fabian approach to the extension of the franchise. I am a little surprised that the noble Lord's broader amendment has been regarded as within the scope of the Bill, but if it has then so be it. We would certainly look to an extension of the franchise but for the purposes of what we are discussing here the amendment we have drafted is correct.

Baroness Williams of Trafford: My Lords, as the Bill currently stands, the ability of the Secretary of State to set the timings of elections by order allows for the fact that there is no single pattern of local elections across the country with which a new mayoral election may be synchronised. It also recognises that devolution deals would be bespoke and therefore it is possible that different arrangements may be sought by and agreed with different areas. For example, an area may wish its mayoral election to be held in a year where there are no council elections while another area may wish to combine mayoral and council elections. While we expect that the majority of areas will wish the mayoral term to be four years—the same as councillors—we would not want to rule out the possibility of, say, a five-year term, the same as Parliament, if that is what a particular area wanted.

The essential point is that, whatever arrangements are adopted, they will be put in place only after this House and the other place have debated and approved them. Moreover, these provisions in the Bill replicate those for local authority mayors in the Local Government Act 2000. The 2000 Act also provides a default position so that, if the order-making power is not exercised, a mayor's term is four years and the election takes place on the ordinary election day, the first Thursday in May in the relevant election year—that is, the election specified in the Act for different classes of councils. However, that is a default position, as indeed was recognised in the report by the DPRRC. Rather than setting out a default position, the amendment proposes a more restricted arrangement that applies in all circumstances other than when the office of mayor is first established. Given that the purpose of the Bill is to implement bespoke deals, it would be inappropriate to include such an inflexible position. However, we are prepared to look at whether to include in the Bill some genuine default provision. This would not in any way curtail the scope of the order-making powers in Schedule 5B but would be the provisions that apply if an order were not made.

Amendment 15 would change the franchise for those entitled to vote for mayor in a combined authority area to include 16 and 17 year-olds. The Bill provides that the franchise for electing these mayors, which would have been established as an integral part of an agreed package of powers to be devolved to the combined authority, should be the same as that for electing councillors in any electoral area situated within the combined authority. The voting age in those areas is 18. More broadly of course, the voting age for parliamentary elections is set at 18. Beyond that, the voting age in most democracies, including most member states of the EU, is also 18. In the EU, only Austria allows voting for 16 year-olds.

We have heard arguments for a change in the voting age. However, my concern is that that is part of a wider debate and it would not be appropriate—as the noble Lord, Lord Beecham, said—for any such change to be implemented in these quite specific circumstances. I have concerns as well about the administrative complexity of running an election in an area based on a register that would include 16 and 17 year-olds and running other council elections or referenda in the same area, quite likely on the same day, on a different basis with a different franchise. These are circumstances in which the risk of confusing the electorate is very real and this can only weaken, rather than strengthen, our local democracy. There is a wider national debate to be had about the electoral franchise, but I am clear that the specific circumstances of the Bill are not the place for it. Accordingly I hope that, on this basis, the noble Lord will agree to withdraw his amendment.

10 pm

Amendment 16 provides that, for the election of mayors in combined authorities, any secondary legislation on the conduct of that election and the questioning of

that election should be in force at least six months before it is required to be implemented. This follows clear principles recommended by the Electoral Commission, which we would definitely consult—indeed, which the Bill requires us to consult—on any provisions regarding the conduct of this election.

I should start by being clear that the Government recognise that it is important that electoral administrators and campaigners have good time to understand how electoral law works before it is applied. Our intention is that, where we make legislation affecting an election, wherever possible it is in force six months before that election. Where the circumstances are such that this six-month period is clearly important and there can be no risks or downsides in making this six-month period a statutory, mandatory provision, Parliament has done this. An example is the power in the Representation of the People Act 1983, under which an order may be made changing the ordinary day of elections so as to be the same as the date of the poll for the European parliamentary elections.

I have concerns about whether it is always appropriate to be governed by a specific timeframe. While recognising the need to ensure the legislation is passed in plenty of time, where we are dealing with complex rules already in place and a minor modification is recognised and widely agreed to be needed, we should not be unable to make that change because of some statutory requirement such as this amendment would insert. Perhaps I can reassure noble Lords that the elections for the mayor of a combined authority would be run on the same well-established principles as other mayoral elections. The conduct rules for these elections will draw on those used for the conduct of other mayoral elections, which are tried, tested and fully understood by electoral administrators and will be familiar to all concerned.

Our expectation is that the first of the elections for a metro mayor will be in May 2017, a timeframe that ensures we can consult the Electoral Commission properly, as we are bound by the Bill to do, and put appropriate rules in place.

I hope that, on this basis, the noble Lord will feel happy to withdraw the amendment.

Lord Beecham: At this stage, I am prepared to accept that, but I hope that the Minister might have a rather quicker consultation with the Electoral Commission and, indeed, will respond to the report of the Delegated Powers Committee with a view to seeing whether, on Report, it is necessary to produce amendments for decision then. In the circumstances, I beg leave to withdraw the amendment tonight.

Amendment 14A withdrawn.

Amendments 15 and 16 not moved.

Schedule 1 agreed.

Amendment 17 not moved.

House resumed.

House adjourned at 10.04 pm.

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