

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LEVELLING-UP AND REGENERATION BILL

Fifth Sitting

Tuesday 28 June 2022

(Morning)

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CLAUSE 1 under consideration when the Committee adjourned till this day
at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 2 July 2022

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The Committee consisted of the following Members:

Chairs: MR PETER BONE, SIR MARK HENDRICK, MRS SHERYLL MURRAY, † IAN PAISLEY

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|--|---|
| † Andrew, Stuart (<i>Minister for Housing</i>) | † Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op) |
| † Atherton, Sarah (<i>Wrexham</i>) (Con) | † O'Brien, Neil (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>) |
| † Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con) | † Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Farron, Tim (<i>Westmorland and Lonsdale</i>) (LD) | † Smith, Greg (<i>Buckingham</i>) (Con) |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | † Vickers, Matt (<i>Stockton South</i>) (Con) |
| † Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP) | |
| † Henry, Darren (<i>Broxtowe</i>) (Con) | Bethan Harding, Adam Mellows-Facer,
<i>Committee Clerks</i> |
| † Kruger, Danny (<i>Devizes</i>) (Con) | |
| † Lewell-Buck, Mrs Emma (<i>South Shields</i>) (Lab) | |
| † Maskell, Rachael (<i>York Central</i>) (Lab/Co-op) | |
| † Moore, Robbie (<i>Keighley</i>) (Con) | |
| † Mortimer, Jill (<i>Hartlepool</i>) (Con) | † attended the Committee |

Public Bill Committee

Tuesday 28 June 2022

(Morning)

[IAN PAISLEY in the Chair]

Levelling-up and Regeneration Bill

9.25 am

The Chair: Before we begin, I have a couple of reminders. Colleagues should switch off telephones, or at least switch them to silent. No food is allowed, although Members are allowed liquid refreshments. Our *Hansard* colleagues would be delighted if Members emailed their speaking notes to hansardnotes@parliament.uk.

We are about to begin line-by-line consideration of the Bill. The selection list for today's sitting is available in the room, here in front of me. The selection list shows how the selected amendments have been grouped for debate. Grouped amendments are generally on the same or a similar issue. Please note that decisions on amendments are taken not in the order in which the amendments are debated, but in the order in which they appear on the amendment paper.

The selection list shows the order of debates. A decision on each amendment will be taken when we come to the clause to which the amendment relates. Decisions on new clauses will be taken once we have completed consideration of the existing clauses of the Bill. I hope that is clear.

Members wishing to press a grouped amendment or new clause to a Division should indicate when speaking that they wish to do so.

Clause 1

STATEMENT OF LEVELLING-UP MISSIONS

Alex Norris (Nottingham North) (Lab/Co-op): I beg to move amendment 3, in clause 1, page 1, line 14, at end insert—

“(c) the independent body that Her Majesty's Government proposes to use to evaluate progress in delivering those levelling-up missions (“the independent evaluating body”).”

This amendment would require the Government to commission an independent body to scrutinise their progress against levelling-up missions.

The Chair: With this it will be convenient to discuss the following:

Amendment 5, in clause 2, page 2, line 37, at end insert—

“(aa) include the independent evaluating body's assessment of the progress that has been made, in that period, by Her Majesty's Government to deliver each of the levelling-up missions.”

This amendment would require annual reports on the delivery of levelling-up missions to include the evaluation that the independent evaluating body has made of the Government's progress in delivering each of the missions.

Amendment 10, in clause 5, page 5, line 18, at end insert—

“(ca) state whether the independent evaluating body considers that pursuing the levelling-up missions in that statement is effectively contributing to the reduction of geographical disparities in the United Kingdom.”

This amendment would require the report on a review of statements of levelling-up missions to include the assessment of the independent evaluating body.

Amendment 12, in clause 5, page 5, line 31, at end insert—

“(iii) so that it includes the guidance from the independent evaluating body on this decision”

This amendment would require the Government to publish the guidance from the independent evaluating body on this decision.

New clause 1—*Independent body to monitor levelling up missions*—

“(1) The Secretary of State must assign an independent body to assess the Government's progress on levelling-up missions and make recommendations for improvements to delivery of them.

(2) The body must prepare parallel independent reports for each period to which a report under section 2 applies.

(3) Each parallel independent report must—

(a) assess the progress that has been made in the relevant period in delivering each of the levelling-up missions in the current statement levelling-up missions, as it has effect at the end of the period, and

(b) make recommendations for what the Government should do to deliver each levelling-up mission in the following period.

(4) The Secretary of State must lay each report under this section before Parliament on the same day as the report under section 2 which applies to the relevant period.”

This new clause would require the Secretary of State to establish an independent body that can provide reports on the Government's progress on levelling-up missions and outline recommendations for their future delivery.

Alex Norris: It is a pleasure to begin our line-by-line consideration with you in the Chair, Mr Paisley.

The first two parts of the Bill deal with levelling up. I think it is safe to say that levelling up is an area in which there is considerable public interest. It has been at the core of the Prime Minister's agenda and was at the heart of the 2019 Conservative manifesto, but, many years on, there remains considerable interest in what it really means. In February, we received the White Paper, “Levelling Up the United Kingdom”, which has 297 glossy pages comprised of broad missions that all of us could support, such as addressing inequalities in health and life expectancy, and in pay and productivity, and boosting local pride and more. I think there would be broad political consensus on those things.

The White Paper was heavy on narrative—lots of history, although some of it seemed to be directly from Wikipedia—but there was little clarity on how those worthy goals would be met. That was set against the frequent negative briefing we have seen in the media by ever-present Government sources about levelling up, as well as a clear reduction in commitment from the Treasury with little or no new money being made available to power the programme. We meet at an important point at which there is a lot of public interest in what levelling up is going to mean, but no little cynicism about whether anything is really going to change.

The Bill was supposed to represent the moment when that cynicism would be arrested, and the Government would demonstrate beyond doubt that they really were committed to levelling up the United Kingdom and were going to deliver their promises. I fear that the Bill has not yet met that moment.

As I said on Second Reading, the levelling-up Bill is now the Levelling-up and Regeneration Bill. Essentially, the Bill has been bulked out with a planning Bill, which is a sign of what we are going to be doing here over the next three months. If that point is contested, the doubt could be erased by considering how much time the Minister for Levelling Up and I, as his shadow, have spent talking compared with the Minister for Housing and his shadow. Today, tomorrow and next week, I am afraid that we might hear more from me. However, we have a duty—we also have lots and lots of time—to make the Bill better, so that it might serve this important agenda. With that in mind, I have tabled amendment 3, which I shall turn to now.

The amendment is about independent scrutiny of this important agenda. We on the Labour Benches are concerned that the Government will seek to demonstrate levelling up not as hard-and-fast, real and meaningful change that unlocks the potential of the United Kingdom, across all the nations and regions, but in a political sense. We are concerned that they will seek to write up whatever happens as a huge political success, but nothing will really get better. We see that as a stock in trade for this Government; every Prime Minister's Question Time is an exercise in hearing how well our economy has done and is doing, but we know the reality. We see in our communities anaemic growth, real-terms wages stagnating and rampant inflation. We are constantly told how great things are, but the reality is anything but. That cannot happen with levelling up, and the Government should be keen from the outset to show that they do not intend for it to. Our amendments would help them considerably in that.

Clause 1(2) requires the Government to establish levelling-up missions through a statement from a Minister of the Crown. It says that the statement must include the Government's objectives in tackling geographical disparities and the metrics they intend to use to measure progress. That leaves the Government to mark their own homework—they can say what they are trying to do and how well they are doing it. Amendment 3 would improve that by requiring the statement also to detail an independent body to evaluate whether the Government are achieving what they say they will.

Independent oversight is a cornerstone of good governance. Clear, trusted and impartial analysis makes better policy, delivers better outcomes and is a good thing for democracy. An independent body that can sit alongside the programme could be a real anchor for the development and progress of the agenda. Such a body is not a particularly unimaginable prospect, as we already have good examples of such independent oversight. I will draw briefly on two of those examples: the Office for Budget Responsibility; and the Select Committees in this place.

In different ways, but with similar impacts, the OBR and the Select Committee system have been vital in holding the Government of the day to account by providing analysis and reports on issues such as the state of public finances in the case of the OBR, and for

various policy matters across every Government Department in the case of Select Committees. They can act without fear or favour, and since their introduction they have significantly improved debate on policy, the development of good policy and the proper implementation of good policy.

Governments, as is their wont, seek to drive their agenda forward each day with announcements of different policies or achievements, but Select Committees in particular have been important forums for us to step back, assess the evidence, evaluate what has worked, take evidence from around the world or from different systems to see what has worked, and to reach informed conclusions about how to improve outcomes. The Government, with their legislative mandate, can then choose whether to accept those conclusions.

I am sure that the recent Public Accounts Committee report into levelling up so far will come up during the proceedings. It was made clear by the Minister for Local Government, Faith and Communities, the hon. Member for Saffron Walden (Kemi Badenoch) in questions yesterday that the Government have no intention of taking that report on board. That is fine; there is independent scrutiny, and then the Government must make their decision, as they have a mandate to do. The scrutiny process also takes some of the partisanship out of situations, which is always a good thing.

During our final evidence session, Will Tanner, who on political matters would normally be closer to the Minister than to myself, said:

“The area where I think the Committee could make a real difference is around the levelling-up missions and the overarching framework around the Bill. I am not sure the Minister will necessarily thank me for saying this, but I think the reporting requirements and the architecture around the levelling-up missions could be strengthened considerably in two primary ways. First, we have seen through the Office for Budget Responsibility and the Climate Change Committee the importance and strength of an independent body to hold the Government to account for delivering against its own targets, and I think the levelling-up missions would benefit from that level of scrutiny and accountability. At the moment there is a bit of a risk of the Government setting out its own interpretation of progress rather than us having an independent view.”—[*Official Report, Levelling-up and Regeneration Public Bill Committee*, 23 June 2022; c. 144, Q179.]

That is the first of two points Will Tanner made; I will raise the second under the clause 2 stand part debate. That first point is right, and it is a view shared by the Local Government Association. We are keen to avoid the issue that Will Tanner finished with in that quotation: the risk of the Government setting out their own interpretation of progress. There is a risk of that in the Bill currently.

We know that the Government are in that space to an extent; they value external voices through the Levelling Up Advisory Council. I hope the Minister might make some references to its work and how he sees that following Royal Assent. The body brings together respected individuals from their fields to advise on levelling up. The Minister can tell us how useful that has been so far. I trust it has been very useful. The amendment gives the Government significant discretion. I have offered an OBR model and a Select Committee model. The advisory council itself could be a model, provided the Government could demonstrate suitable independence. I see no harm—only positives, in fact—in maximising the process of, say, the advisory council and building on its independence and distance from Government.

[Alex Norris]

The timescale, size and importance of levelling up necessitates independent scrutiny. As we have heard from the various speeches from Ministers setting out to define levelling up, this is a vast project that cuts across various Departments. Policy in the White Paper concerned economy, crime, health, education, devolution, employment and much more. Indeed, the White Paper spoke of how Government decision making would have to be “fundamentally reoriented” and that wide-scale system change was required in Government for levelling up to succeed. It says:

“System change is not about a string of shiny, but ultimately short-lived, new policy initiatives. It is about root and branch reform of government and governance of the UK. It is about putting power in local hands, armed with the right information and embedded in strong civic institutions.”

That is a very noble pursuit—titanic, I might say. Clearly, purely in policy terms, it is going to be very big. Some independent support would be welcome. That quote from the White Paper recognises that levelling up is not a project for Government alone, neither in the execution nor the analysis. That is why we think the introduction of an independent voice would add to that.

It is not just about size. Levelling up will take some time to deliver. The Government’s levelling-up missions in the White Paper set targets for 2030. I do not want to open a political debate this morning—yet—but such a target is likely to outlive the Government. Having an independent and constant scrutineer, which would be part of the process, whether Ministers moved on and Governments changed, would help with the implementation of long-term policy objectives. It would provide a sustained focus, unencumbered by changes. We are well placed to do that, because the principles of levelling up happily enjoy cross-party support and are here to stay. Certainly, we will find much common ground in these sessions on the broad principles of what we are seeking to achieve. Why not embed those principles in an overarching independent body?

Amendment 5 mirrors amendment 3. We will have opportunities to debate clause 2 fully subsequently, but it requires annual statements on the Government’s progress towards the levelling-up missions. A Minister of the Crown has to make those statements each year. That is a very good thing. There is a danger with medium-term goals; I am always a bit sceptical about them. I remember that at the turn of the century, we always had to have 2020 visions. I was always quite sceptical of 20-year programmes. It is often the work that is done in the first years that is as important as the work done in the last years, and the last thing we want is to get to 2030 and realise we have not achieved what we have set out to do. Annual reporting is therefore a good thing to ensure that we are on track. If we are not, we can evaluate why and make some changes to get back on track. That will give us a good tool to hold Ministers to account.

Clause 2(2) says that the annual reports must include the Minister’s view of progress so far, description of actions taken so far and plans for the future. In short, the Government mark their own homework—getting the chance to trumpet the actions they have taken and herald the future actions they will take. If we judge the Government on their current standards, we are likely to see a cycle of subterfuge and self-congratulation. Amendment 5 would remove that risk by requiring

annual reports on the delivery of levelling-up missions to include an independent evaluating body’s assessment of the Government’s progress. As I said, independent oversight is a really important factor in good governance, and clear and trusted analysis would lead to better policy and outcomes.

We should look to Budget day, and to the OBR, as a model. Why should a Minister’s annual reports on the progress of levelling up not be accompanied by a booklet featuring clear, factual information and independent analysis? That is what we get on Budget day from the OBR, so why not replicate it with levelling up? Levelling up is a transformative economic project that is supposedly at the centre of the Government’s domestic policy, so its profile could be seen as equal to that of major annual economic events. If we are to be transformative, let us try to raise the significance of levelling up.

We would all agree that debates on the Budget and financial events are enriched by the information provided by the OBR. In this case, the debate around levelling up—whether we are going in the right direction and whether we will get there in the time we have set for ourselves—would only be enriched by providing similar information. Again, it would give Members opportunities to scrutinise, to give real-time feedback on how things are feeling in their constituencies, and to create a conversation with the public. I think all hon. Members would agree that we do a better job—on making policies or scrutinising them—when we have a bit of independence supporting the system.

I dare say that a theme of these debates will be that levelling up will not be a success if it is something that central Government do to the nations and regions. There will have to be a partnership. Part 2 of the Bill seeks to establish sub-regional bodies. Again, that will be a partnership between the Government and the sub-regional bodies. Sub-regional bodies, their councils and communities—the whole family; all of us—all have a stake in things getting better. There therefore needs to be some impartial assessment in the Bill, certainly for the public—it is their money, after all—to be able to see the progress that is being made, so that there can be a conversation. Sometimes that conversation will be about holding central Government to account and saying, for example, “We don’t think you’re making the right resourcing decisions to drive changes in crime,” but it is also about saying to local communities, “What is your part in that?”

Impartial assessment is not just about having something with which to evaluate the Government, but about holding ourselves—mutually, in partnership—to account, but we cannot do that if the only assessment of progress and impact is made by the central player in the field. The Public Accounts Committee report commented on the wisdom or otherwise of, or the lack of criteria in, the way in which a significant sum of public money has been spent. Impartial analysis, including of the finances, would help us to build trust that levelling up is something that the Government want to do in and of itself, not for any other purposes.

I turn briefly to amendment 10. We are discomfited by clause 5, which allows Ministers to revise the levelling-up missions. If Ministers do not think the missions serve levelling up, they can be dispensed with. That offers a mechanism for the Government to dodge accountability when the reality of their lack of success fails to measure

up to their press releases. That is a huge power for the Government to ask for. The White Paper is full of lofty rhetoric, and there is supposedly a stake in the ground about the centrality of the levelling-up missions, but we now see in the Bill that there is an asterisk saying that the Government might want to change the missions later. We are being asked to accept that, and we will probe that issue fully when we come to the clause 5 stand part debate.

The intention behind amendment 10 is to say that if the Government want to reserve a pretty significant power to diverge from what they have said they are planning to do—presumably, they built the missions based on the evidence, and on conversation and engagement with the public—an independent body should report on whether it thinks the Minister's decision is sound.

9.45 am

That is a modest brake on such a broad power. Again, the Minister would still be in a position to say, "Sorry, we don't agree with you. For these very good reasons, we intend to make the decision that we said we were going to." That is the democratic right of the Government of the day, but it would at least build confidence on the Opposition Benches and in the country more generally that the clause is not just about letting Ministers and the Government out of meeting their obligations.

As a counterpart to that, amendment 12 would mean that, when the Minister of the Crown makes the statement on missions, the advice of the independent body must be added to it. That is to get round the idea of taking an independent report but not publishing it.

Finally, I want to touch briefly on proposed new clause 1 from my hon. Friend the Member for Bradford South (Judith Cummins). That essentially targets the same goals, but perhaps in a slightly different way. It would establish an independent body to assess the progress of levelling up, to offer suggestions, and to report alongside the Government reporting periods established in clause 2. If the Minister feels that is more elegant and simpler than accepting our amendments, that would be acceptable to us.

What cannot be acceptable is for the Government, having made such a song and dance about establishing these missions, made commitments to deliver them and created such public interest, to mark their own homework and spin their way through the difficult times that there will doubtless be on at least a few of these missions, rather than showing the country that they have delivered on their centrepiece commitment or, if they have not, why they have not and what might be done about it. A good, self-confident, well-meaning Government would be enhanced by having these provisions, and I hope that the Minister is minded to accept them.

The Chair: I intend to call Back Benchers first, and then the Front Benchers. You do not need to bob, but if you are a Back Bencher who wishes to speak, please catch my eye.

Rachael Maskell (York Central) (Lab/Co-op): Thank you, Mr Paisley. I want to stress the importance of the legislation before us. In particular, I want to speak to amendments 3 and 5, and to new clause 1.

Clause 1 deals with the levelling-up missions, the foundation to the Bill and to building a stronger and more equal society. Representing a constituency in the north, I cannot stress enough the importance of this agenda in addressing the regional disparities that we see, and the inequality that my constituents experience. Across the House, we recognise the intergenerational lack of investment and the cost that has caused, biting particularly hard through the past decade of austerity, covid and now the cost of living crisis.

Clause 1(2) deals with levelling-up missions: what, when and how. However, the "who" is omitted. In taking evidence last week, the Committee heard leading experts repeatedly highlight the need for independent evaluation. In the very last evidence session, as my hon. Friend the Member for Nottingham North said, Mr Tanner drew attention to the importance of independence in the scrutiny of the levelling-up missions. That was a consistent theme throughout the week, with good reason.

First, no Government should mark their own homework. The Government clearly want to succeed, and therefore the matrices through which the comprehensive auditing process is undertaken could skew, or even conceal, the extent to which progress has been made. I am sure that if Government Ministers were sitting where we are, they would make the exact same argument about wanting rigour and independence through the scrutiny process of the levelling-up agenda. If the agenda is of such importance, the Government should welcome independent scrutiny of it.

Secondly, objective, independent scrutiny for such complex examination would provide Government with better insight into the progress made, and set out the path forward to address emerging inequalities or struggling areas that need concentrated focus to address those inequalities. It would give the Government the opportunity to step aside and then to invest in those areas. With the Government being so close to wanting levelling-up to succeed, there is risk of skewing the objectives.

Thirdly, I will make the comparison, as my hon. Friend the Member for Nottingham North did, to the Treasury establishing the Office for Budget Responsibility. That organisation has enabled independent scrutiny of Treasury assessments and has enabled Parliament and the public to hold the Government to account and to scrutinise the workings of the Chancellor of the Exchequer and wider Government respectively. In addition, the Climate Change Committee now has such authority that the nation looks to it: we know that academia particularly focuses on it, the Government certainly focus on and adhere to its calls, but so does industry. Having that rigour across industry enables us to see the seismic change that is necessary to meet our climate objectives. Seeing such scrutiny at work demonstrates the importance of independence. We can look at the power of COP26: had the Climate Change Committee not undertaken its vital work, we might not have seen the outcome that we did.

It is crucial that we see independent scrutiny not just of climate issues but across other national agendas. It does not matter who the Government of the day are; we want to bring about this change in order to apply that scrutiny to them. In order to tackle the inequality and injustices that we see across our communities, we must ensure that we set the right foundations for long-term measurement, and that the methodology is robust and

[*Rachael Maskell*]

independent, can attract cross-party support and is useful for all—not only in this place, which is often where the focus is, but across the country.

When we are dealing with such issues as those relating to criminal justice, housing and health, there are of course huge communities looking for robust measurement in order to understand how to advance those agendas. As we see more devolution in areas such as health, with the new integrated care systems, there needs to be a collective understanding of the mission that we are going on, not only through setting out the levelling-up missions but in scrutinising and measuring them as they advance. This is not just of use to the Government, or to the Opposition in scrutinising the Government; it is useful to all those parts of our society that move our levelling-up agenda forward.

In the light of the complexities of measuring levelling-up missions, it is of course necessary for measurement not just to be placed on the Government. There needs to be inclusion of, for instance, ICSs, local government, mayoralities and so on, so that there can be robust determination of how they feed into the levelling-up missions and how their work is scrutinised, given their arm's length role in delivering many of these functions and the missions and aspirations of Government. As my hon. Friends on the Front Bench have set out in amendment 4, with proposed new subsection (4A), the Government must also publish an action plan to enable objective scrutiny of the missions' impact. This is about not just looking backwards but projecting forwards, which helps to set the rhythm of Government but also of our nation.

The regeneration community—the professionals who will implement many elements of the Bill—talk about those golden threads where analysis is required not just in the silos of individual missions or Departments, but across them, to determine how they will intersect and work together so that, together, they are more than the sum of their parts. I am talking about drawing in multiple Departments to address inequality. We know that many of these issues are intersectional, so we need a body that can hold everything together and highlight the opportunities, because the Government are often too close to them to identify them.

It might be worth noting that the Hackitt report in relation to Grenfell takes that approach. It looks at intersectionality, which is so important for a robust response. Clearly, with such complexity as levelling up presents, having a space for independent scrutiny is all the more important. The independence will then, of course, build confidence across the country. This will not just be seen as a headline, a tweet or the next moment to talk about levelling up; it will gain public recognition and will bring focus across Government and beyond. Independence will take away suggestion of unconscious bias in Government decisions, and will give delivery partners greater confidence in the process and in Government. It will restore trust, which the Government are seeking and we all want to see. It will thus reduce conflict and increase motivation.

We have independent scrutiny across most functions in society. We have heard about the OBR and the Climate Change Committee, but I draw the Minister's attention to Ofsted, Ofcom, Ofgem and the Care Quality

Commission—independence is absolutely at the heart of all they deliver, so why not have it for something as fundamental as levelling-up missions? This is now recognised as the mechanism by which performance can be judged nationally, regionally and locally. A mature Government therefore have to understand the rigour of independence.

I move on to proposed new subsection (2)(c). We have had the what, the when, the how and the who, and we now need to talk about how much. It is vital that the Government quantify the resources available for investment in the nation's regions, sub-regions and local areas. The entrenched disparities we see across the country are not due to a lack of aspiration or ability but are in large part down to a failure to invest in more than a generation. The Resolution Foundation has spoken in the past 24 hours about the importance of the scale of investment. When resources are concentrated, their impact is multiplied and we see decades of inequality being addressed.

As we know, London and the south-east suck in the lion's share of resources. We have seen the evolution of the booming south at the cost of the north; that is what this agenda is all about. In the evidence sessions, Professor Leyser and the Mayor of the West Midlands, Andy Street, highlighted how to build a cluster economy to invest and create wider opportunities. Although the mission of levelling up is to address regional disparities, reviewing the impact it has on local inequity is so important, which is why independent scrutiny is vital.

If all that is achieved in the most affluent areas, then clearly, in order to extend opportunities for wealth, health and education, levelling up will need to be translated across the board. I truly recommend that we focus on opportunities to level up under the purview of an independent body, as opposed to the internal scrutiny systems of Government.

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Mr Paisley. I will not say very much, except to express my support for the amendments tabled by the hon. Member for Nottingham North.

It seems to me that it is entirely appropriate to push much of what is in the Bill through legislation—that would be normal for any Government—but for certain aspects, particularly those in part 1, it is quite unusual for a Government to choose this means to achieve their aim. If they want to level up, invest in regions and improve the quality of life in rural and urban communities in the north, the south-west and other areas where we feel that there has been a disparity of opportunity, they could simply do it. It does not take a Bill for us to invest and choose to act differently. The Government could just do something very novel: govern. They could invest and choose priorities to get behind.

Given that the Government have chosen this route, it seems odd that they should want to have their cake and eat it. They want to go down the legislative route but then not do anything commensurate with it—in other words, they do not want to allow themselves to be scrutinised and held to account. It seems entirely appropriate to me that there should be an independent body that is able to judge the success—or otherwise—of the levelling-up missions. It would see whether, for example, we are tackling the huge disparity, in every region of this country, between different age groups' and income groups'

access to affordable housing, to allow them access to all other parts of society—that is what a decent, affordable, secure home does.

10 am

I want to be in a position where the Government can be held to account by an independent body. The public will take with a pinch of salt what the Government say, and what we on the Opposition Benches say, about the achievements of this Government in so far as the levelling-up missions are concerned. They will perhaps take with more seriousness, and have a degree of confidence in, an independent body.

Surely, if the Government are successful in these missions and go out and trumpet their success, they do not want the electorate to discount that simply because it was the Government who said it. Surely they would want the kudos of an independent body indicating, via various metrics, their success in meeting the housing needs of different generations, income groups and geographical groups.

I will not say much more than that, other than that it would seem odd for the Government to not wish to be independently scrutinised by a body established to do just that, so that those on both sides of this House, and everybody in the country, can get a sense of whether levelling up has been a success, sector by sector.

Patricia Gibson (North Ayrshire and Arran) (SNP): There is a lot of interest in the idea of levelling up and its lofty and laudable aims, but warm words and good intentions, of themselves, will not reduce inequality across the UK. There is a real flaw in the Bill's lack of accountability and ownership of each of the 12 levelling-up missions on the part of individual UK Government Departments. Amendments 3, 5, 10 and 12 and new clause 1 seek to address that lack of accountability.

Of course, the Government have given themselves the power to move the goalposts, change their targets, and look as if they are doing what they said they would do even if they are not. Rather than merely marking their own homework, they are also ready to lower the pass mark of the test if they fail it. That tells us how important the Government's levelling-up plans are. If they really had the confidence in this flagship commitment that they profess to have, why would there be any baulking about objectively measuring their progress on levelling up?

These amendments seek to lock independent scrutiny of the progress of levelling up into this flagship Bill. Here we are, having to debate it, when it should be taken as read. The Institute for Public Policy Research has also called for an independent body, established in law, to oversee and judge the UK's progress on levelling up. What Government with true confidence in their ability to deliver their goals, as this Government say they have, would resist that kind of scrutiny and accountability? Surely they would exalt in it; it would be the opportunity to demonstrate their success. What have this Government to fear from transparent and objective allocation mechanisms for delivery? The only conclusion that can be drawn is that the Government know that there is more bluster here than actual substance.

True levelling up, of course, requires actual investment, but the necessary financial backing appears to be absent. Any investment must be delivered in a non-partisan and transparent way. Let us not forget that the Institute for

Fiscal Studies has pointed out that departmental budgets will actually be lower in 2025 than they were in 2010. How that chimes with and supports the idea of levelling up is something that I am struggling to understand.

Levelling up is an admirable principle, but if the Government are confident that they can deliver, as they say they are, what possible objection can there be to scrutiny? With such attempts to avoid independent scrutiny, it feels as if there is agenda beyond levelling up. If the levelling-up missions do not have the effect of reducing inequality across the UK, then they will have objectively failed in their goal. These amendments seek to measure that progress. Who can object to that?

If the very foundation of the Bill—the ability to deliver greater equality across the UK—is not open to full and transparent, evaluative, published scrutiny, and if that is not written into the Bill, the very principles on which it purports to stand are built on sand, will not inspire confidence and, I fear, will not deliver. I absolutely agree that we do not need the fanfare of a Bill to reduce inequality; it could just be done—a Bill is not needed. A Bill whose stated aims are not open to transparency and independent scrutiny is definitely not a Bill we need, and we are right to be sceptical.

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien): It is a pleasure to begin line-by-line scrutiny of this important Bill with you in the Chair, Mr Paisley. We have a very distinguished Committee and I look forward to some thoughtful and enlightening debates.

The Government's defining mission is to level up our country—to close the gap in productivity, health, incomes and opportunity between different parts of the country. That goal is made all the more urgent in the face of cost of living pressures and the inequalities laid bare and deepened by the pandemic.

The levelling-up White Paper sets out that levelling up is a moral, social and economic programme for the whole of Government, not just one Department, to spread opportunity and prosperity more equally throughout the country. The Bill sets out the framework for delivering on our levelling-up missions and places a statutory duty on the Government for the first time to set missions to reduce geographic disparities and to produce an annual report on our progress.

The Government absolutely recognise that scrutiny and seeking expert advice will be important to ensuring that we deliver on our missions and level up the country. That is why we have established the Levelling Up Advisory Council, chaired by Andy Haldane, former chief economist at the Bank of England, to provide the Government with expert advice to inform the design and delivery of the missions.

The council is made up of an expert and distinguished group of people. It includes Katherine Bennett, chief executive officer of the High Value Manufacturing Catapult and chair of the Western Gateway, which brings together the research and development strengths of the Bristol region with south Wales; Sir Tim Besley and Sir Paul Collier, two of our most distinguished economists from the London School of Economics and Oxford; Cathy Gormley-Hennan from Ulster University; Sally Mapstone, principal of the University of St Andrews; Laxman Narasimhan from Reckitt Benckiser; Sacha Romanovitch from Fair4All Finance; Hayaatun Sillem, chief executive officer of the Royal Academy of Engineering; and

[Neil O'Brien]

Sir Nigel Wilson, chief executive of Legal and General. These are very independent-minded people—serious people with deep expertise. The reason why we have brought them together is that we respect and value independent, thoughtful, expert advice.

The Government are committed to enabling Parliament, the public and other experts outside the advisory panel to fully scrutinise progress against our missions. The proposed initial set of metrics have already been published in the levelling-up White Paper, in the technical annex—40 pages, which give all the different ways we will measure all the different missions in incredible, unprecedented detail. I do not remember such detail under any previous Government. The metrics were published in the White Paper and will be refined over time. The analysis included in the annual report to Parliament will be based on the metrics that are here and included in the statement of levelling-up missions that will be laid before the House.

Given the level of transparency and reporting, and the level of input from deep experts, it is unclear what value an independent body would add. The Government will be required to report on set missions within set metrics and methodologies. Instead of creating a new independent body, the Government believe that levelling-up missions can be better supported by focusing on delivering those missions themselves—by getting on with it, as the hon. Member for Westmorland and Lonsdale said. It is also wrong to argue that without an independent body, the Government's progress towards delivering missions will not be subject to independent external scrutiny. Parliament, the public, think-tanks and civil society will all have an opportunity to comment and report on how well the Government deliver missions, in response to our annual reports.

Patricia Gibson: This has just occurred to me as the Minister has been speaking. I am curious: if child poverty does not reduce, will the levelling-up programme and mission be considered a success or a failure?

Neil O'Brien: The hon. Lady raises a really important point. The last Labour Government had a statutory child poverty target; that target was literally locked into legislation. Was it hit? It was not hit, no. That is why we have adopted the approach that we have; just writing something into law does not mean that it happens, unfortunately. That is why we have created the independent architecture around levelling-up missions: to provide both really serious external expertise in the work that we are doing—I do not think anybody disputes the fact that these are really independent, serious people; and an unprecedented level of detail, to give everybody who wants to criticise the programme all the resources and exact detail they need to do just that. I do not remember any of those things happening under previous Governments.

Missions are intended to anchor Government policy and decision making to level up the UK. However they should not be set in stone. As the economy adapts, so too might the missions, to reflect the changing environment and lessons learned. Of course, some of these things can be tightened over time; we have made remarkable progress on our missions to roll out Project Gigabit and the Shared Rural Network, which are a £5 billion

intervention and £1 billion intervention respectively. Over the course of just the last two years, they have transformed the availability of gigabit internet and rural 4G.

Opposition Front-Benchers said, “Why do you have to change some of the missions? That seems very dodgy to us.” Some of the missions will literally have to change. For example, one of the missions that I am very proud of is the one to increase domestic public R&D spending outside the greater south-east of England by a third over the period covered by the spending review. Of course, that prompts the question, “What will happen after the spending review?” We will have to change that mission, otherwise it will just become meaningless. Things have to adapt over time, of course, and I think that everyone recognises that levelling up is a long-term mission; nobody thinks that any of these things, some of which are century-long problems, can be solved in the course of one or two years.

However, the Opposition Front-Benchers made a very important point: the Bill sets out that any changes to missions should be—indeed, have to be—fully and transparently explained and justified through a statement to Parliament where they occur. Nothing will happen without Parliament knowing about it.

Hon. Members on the Opposition front page—Freudian slip; Front Bench—would recognise that some of the missions will just have to change over time; there is no point locking in a three-year mission for the next 30 years. This layer of transparency enables the public and civil society at large to comment on the Government's decisions. It is unclear what additional benefit an independent body would bring. The Bill sets out that any changes to missions should be fully and transparently explained and justified where they occur. The missions will be rolling endeavours.

Rachael Maskell: The big challenges facing our society, such as climate and the economy, have independent bodies, but inequality and the injustices that come from it will not. What do the Government see as the value of independence when it comes to the Office for Budget Responsibility and the Climate Change Committee that they do not see with this particular agenda?

Neil O'Brien: That is an extremely good and useful question. Everyone remembers the backstory about why we created the OBR. As Chancellor, Gordon Brown changed the assumption about how fast the UK economy would grow, to prop up and justify to the public extraordinarily high levels of public spending. When the financial crisis happened, his decision to change the assumption about how fast the UK economy would grow proved catastrophic, and we ended up with the largest structural deficit of any major developed economy in the world going into the financial crisis, with catastrophic effects on public spending and public services that lasted for a generation.

We changed that because it is very difficult for anyone outside the Treasury to challenge or see some of the forecasting assumptions being made; the macroeconomic and technical work that was happening only within the Treasury prior to the OBR was difficult for anybody to scrutinise externally. Anybody, even Opposition Front-Benchers, could tomorrow update every single bit of data in this document. All these things are public sources; it is straightforward for anybody to hold us to account for them.

However, when it comes to the OBR, it is not quite so straightforward to say, “No, I think the output gap should be different. I think that your assumptions about the fiscal impact of excise duty changes interacting with changes in consumer behaviour are wrong.” That is a fundamentally more difficult thing to do. Ultimately, the OBR was created to protect the Treasury from the kind of behaviours that, I am afraid, we saw under the last Labour Government.

Rachael Maskell: Will the Minister give way?

Alex Norris: Will the Minister give way one more time?

Neil O’Brien: We are going to have to make progress this morning, I am afraid, because we have a lot of clauses to get through. The Opposition amendments are well intentioned—given who the shadow Ministers are, it could not be otherwise—but they are unnecessary and that is why we must resist them.

The Chair: Rachael Maskell, you can make another speech, as this is line-by-line scrutiny.

10.15 am

Rachael Maskell: Thank you, Mr Paisley. I want to develop the argument on what the Minister was saying about the Office for Budget Responsibility. The reality is that, over generations, we have seen entrenched inequality that successive Governments have been unable to address. It was the same with climate challenges, on which successive Governments have not placed a focus. Yet through the OBR and the Climate Change Committee, that focus has started to bring about change.

The Government’s determination to have a levelling-up framework through which to assess the levelling-up missions does not meet the same kind of scrutiny that will pivot society towards seeing the importance of levelling up. That is why I want to hear from the Minister why inequality, which is so entrenched in our society, and regional disparities, which are so well known and yet have not shifted for generations, do not deserve the importance given by Government to other elements, such as the climate and the economy. Surely, inequality and people’s lives are of equal importance.

The Chair: Before I call Matthew Pennycook, I remind Members that this is line-by-line scrutiny; it is not like the Chamber. We have time to go through these issues and we are not under any pressure in that regard. If there are matters that need to be raised, please let us consider them. That is what the Committee is for and what the public expect.

Matthew Pennycook (Greenwich and Woolwich) (Lab): I just wanted to ask the Minister a question.

The Chair: If Members wish to make a speech, they can make a speech and use that opportunity now. I call Matthew Pennycook.

Matthew Pennycook: I will turn this into a speech—of sorts.

The Chair: As opposed to a conversation with me.

Matthew Pennycook: Noted, Mr Paisley.

The Minister dwelled on the OBR in his response. I understand why: he is much more personally familiar with it. He did not touch on the Climate Change Committee, but that should be brought into the debate, not only in terms of the rigour the Committee provides for holding the Government to account on climate targets, which change over time—as when the House updated the Climate Change Act 2008 to take into account the net zero target—but for what it does for the consensus around those goals. It is extremely important.

This is the Minister’s first piece of legislation. I hope he will want it to stay on the statute book and the levelling-up missions and the wider agenda to outlive him, this Parliament and the legislation itself. Surely he can see the benefit. That is why I urge him to think again about the amendments to do with an independent body that, by passing consensus about those aims, brings in independent rigour in a way that is accessible to the public, allowing the agenda to be more properly and adequately scrutinised.

The Chair: Does any other Member wish to catch my eye? Does the Minister wish to respond?

Neil O’Brien *indicated dissent.*

Alex Norris: I start by saying—given that one of my Whips is in the room, I should not say this—that, for the reasons mentioned, I enjoy these Bill Committees. I am not sure whether I will enjoy them in a few weeks’ time, because we will have been at it for a long time.

The Chair: This is day one.

Alex Norris: Exactly, so I am very much enjoying it at the moment because we can fight these battles outside the rarefied atmosphere of the Chamber. However, one consequence of my liking these Committees is that I have frequently volunteered to take Bills on—something is not quite right with me, probably. The one thing I have learned from them, which is particularly interesting for a Bill with 200 clauses, is that a person can tell from the first amendment to the first clause how the rest of the discussions are going to go and how minded to take on change the Government are going to be. With that in mind, I am disappointed to hear that the Minister is not minded to accept the amendments.

Our discussion has been good. My hon. Friend the Member for York Central made excellent points about the impact of the Climate Change Committee and COP26. The points about arm’s length bodies and the broader partnership involved in levelling up are important. This legislation is not just about holding the Government to account, but holding to account all parties involved in levelling up, including all of us in this room, in whatever guise—be it as Members of Parliament, as volunteers in our communities, or in local government, as a number of us have been. We all have different stakes in and must hold each other to account on what is a shared endeavour rather than an endeavour of the Government of the day.

Rachael Maskell: My hon. Friend is making an excellent point. This is not just about Government, but about the whole of our society, across party lines, including mayoralities and local government. Does it not make

[*Rachael Maskell*]

sense therefore to have a framework that all partners can buy into and have confidence in when scrutinising their functions?

Alex Norris: That is very much the spirit in which I tabled the amendment, which is the first Opposition amendment to the Bill. That might be construed as the Opposition wanting to make life hard for the Government or wanting a stick with which to beat them, but far from it. The amendment would ensure that partners all have a mutual responsibility to each other, and that is partly about holding each other to account and having difficult and supportive conversations about why we have not been able to do things that we have sought to do.

The Minister made a point about unconscious bias being woven out with independence, and that is important. The listed regulators—Ofsted, Ofgem, Ofcom and so on—are good comparisons for this space. We have offered the Government a kind of menu of comparisons, and I am surprised that none of them is seen as the right one. My hon. Friend the Member for York Central finished her remarks by addressing the particularly pertinent point about inequalities. It is hard to understand why those inequalities are not considered to have same level of importance as the other agendas. That is disappointing.

The hon. Member for Westmorland and Lonsdale made an interesting point, which I hope will come up later in the debate. Part 1 of the Bill is a bit unusual. We have not yet had the clause 1 stand part debate, but I am not sure why those provisions have to be in the Bill. Usually, Ministers argue that things do not need to be in the Bill and the Opposition argue that they do. I will not argue against them, but it is unusual that the Government should have chosen to include the provisions.

I dare say that what is involved is the trick of planting a stake in the ground and saying, “We are going to deliver on these important things.” However, when we consider the point made by the hon. Member for North Ayrshire and Arran, we see that there is an asterisk against this part of the Bill: the Government still want the flexibility to mark their own homework and change it if they want. Those two things are a little oddly juxtaposed. The Government want to put their head above the parapet and make the legislation central to what they want to do. That is quite a brave and risky thing to do, so I am surprised that they are not able to go a tiny bit further.

The Minister mentioned the Levelling Up Advisory Council and the esteemed people on it. We are lucky that they have chosen to take part in public life in that way, and we are grateful to them. I completely agree with all that has been said about their independent-mindedness and capability to speak for themselves, but I say gently to the Minister—this is not a point against him personally, but against the Government—that it is not those people who we do not trust. Of course we trust their independence, but how on earth can we know what they are saying and what their views are? That is the problem.

As we have seen before with various such advisory bodies, in reality the Government will sit on the difficult things and trumpet the good things. Perhaps there is an element of human nature in that—there is huge element

of sadness in it—but that is what will happen. If the Government are really committed to delivering on this matter, why not go that little bit further?

I accept the point about the technical annex and, as the Minister put it, the unprecedented detail. This is a saddening thought in many ways, but I would probably go so far as to say that if I thought he was going to remain in his Department until 2030, a lot of my anxieties would disappear—although, I would have anxieties about how we had managed to lose another two elections. Putting that to one side, because I do not think it is likely to happen, I have no doubt about the Minister’s personal commitment to the agenda, his personal probity, and his willingness to have difficult conversations and to explain on the record where things have not gone as they ought to. However, I would argue strongly that that is not a characteristic that applies across Government—I do not think anybody could say that is really a feature of this Government. He says that I could go through and update each technical annex every year—I am surprised that I should have to do that on the Government’s behalf. The problem is that what we will see overtime is the booklet getting thinner, because the difficult ones will drop out or they will be replaced by another one—that is what we normally see. The Government will say, “We have got advanced metrics now that better understand the nature of life in the UK.”

Matthew Pennycook: Housing need.

Alex Norris: Housing need, as my hon. Friend says, is a good example. The metrics change to suit the outcome. The Minister knows that, which is why it needs to be in the Bill. He said that these sorts of things will accompany a statement from the Government, and that that will do in place of independent scrutiny. Those two things are not the same. There should not be the level of trust that means we would solely, on the word of Ministers, take what they say they have done as read. When our positions are swapped, I do not think the Minister would take that from us—and I do not think he should either. The need for a level of independence is obvious and clear.

I will not press the amendment to a Division, because I really want Ministers to think again about this. There will be other opportunities in this process to look for a proportionate level of independence. The Opposition have been non-prescriptive. I offered three different versions of independent scrutiny, and my hon. Friend the Member for Bradford South offered a fourth—there may well be other versions. I hope that Ministers will reflect and come back, either at the next stage or in the other place, and put a provision in its place. The case for that is a very good one. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Alex Norris: I beg to move amendment 13, clause 1, page 1, line 14, at end insert—

“(c) the resources made available by Her Majesty’s Government to nations, regions, sub regions and local areas in order to level-up.”

This amendment would place a responsibility on the Government to publish the resources made available to communities in order to level-up.

Clause 1 requires a Minister of the Crown to establish levelling-up missions for the Government. This amendment proposed a new paragraph that would require them to

publish alongside those missions what resources are being made to the nations, regions, sub-regions and local areas in order for them to level up. The point that the hon. Member for North Ayrshire and Arran made about the current trajectory of departmental resources, with those in 2025 being less than their 2010 levels, is a very good argument for the provision.

The work of levelling up will not be done alone—certainly not by central Government. From Whitehall, we cannot command and control our way to a more balanced country. Indeed, that model of development is a huge part of why we have such an imbalanced country. The proper allocation of money will have a large say—probably the largest say—on whether levelling up can be a success and be a truly transformative project for the whole country.

As the Government's White Paper identified, the deep-rooted problems in the UK economy, which are holding back our regions, towns and villages, create greater imbalance than in most other comparable countries. Our country's economic and social geography demonstrates that imbalance, and it can also be seen across multiple measures, whether pay, educational attainment or health—they light it up like a Christmas tree. As the White Paper outlines, our urban areas and coastal towns suffer disproportionately from crime, while former mining areas and areas with outlying urban estates, such as my constituency, are often communities of high deprivation, with poor opportunities for younger generations. The imbalances in our country are plain to see. The current economic settlement just does not work.

In order to rectify that, the devolution of power back to local communities will be vital, so that they have a proper say over decisions that affect their lives. In blunt terms, levelling up will have to be a targeted return of money, funding and resources back into the parts of the UK that need it. Without that investment, levelling up has no hope of succeeding. The stakes are really high. We need to get good jobs back into home towns, so that young people do not have to get out in order to get on. We need to have our high streets thriving, by kick-starting local economies with good local businesses and money back in people's pockets. We need to better connect our towns and villages through good transport, digital infrastructure and affordable housing. All of that needs power to be taken out of Whitehall and put into the town hall, because local communities will make better decisions. All those things require significant resources alongside that hard, local graft.

10.30 am

The amendment would therefore require the Government to publish the resources that will be available to communities in order to level up, for the sake of transparency and proper scrutiny of Government spending in this area, so that we might have a sense of whether we are setting up our communities to succeed or not. That point on transparency holds over well from the previous discussion.

For those in Government who implement policy and make decisions about investment in our communities, it is important to demonstrate the use of the best criteria and the most effective practice, so that they deliver on the project they want to and we get value for taxpayers' money. Our constituents deserve that. We know that billions have already been spent on the levelling-up

programme, and that that figure will rise. Those are vast sums of money that must not be wasted. There is an argument on whether that will be effective and whether we use finance properly.

That issue is currently in question. Just a few weeks ago the Public Accounts Committee released a damning report on how Government Ministers have spent taxpayers' money through the levelling-up funds. It says that billions of pounds have been squandered on ill thought-out plans, forcing areas to compete over pots of money, small refunds for the money that has been stripped from communities up and down the country by the Government over the past 12 years. The Chair of the Select Committee said that the Government are just

“gambling taxpayers' money on policies and programmes that are little more than a slogan, retrofitting the criteria for success and not even bothering to evaluate if it worked”.

In departmental questions yesterday, it was clear that the Government do not accept that characterisation. I hope that it would at least give them pause, because the Public Accounts Committee is a weighty body. Maybe that is a guide to why independent oversight and input is less welcome on the levelling-up agenda; perhaps it is the experience so far.

The Public Accounts Committee also highlighted that realistic bids to the levelling-up fund have missed out at the expense of projects claiming to be shovel-ready, which have since been beset by delays—perhaps the Bill should also bin the phrase “shovel-ready”, because it is really unhelpful in this space. We are talking about £1.7 billion of taxpayers' money. That is the thin end of the wedge, in the context of what will be spent over the next eight years to the 2030 target. That money must be spent properly.

This is not the first time that the Department has been criticised by the Public Accounts Committee. In November 2020, that Committee reported that the selection process for awarding the towns fund—very much a predecessor of levelling-up funding—had not been impartial, and it raised concerns about the lack of transparency over the towns selected. That, again, should really give Ministers pause to reflect. In 2019 the Committee highlighted how the Department did not know the impact of its £12 billion local growth fund but had also decided not to evaluate it. The Committee now says that accountability for levelling-up outcomes remains unsatisfactory. Those are significant and rather damning criticisms about the programme so far.

The amendment seeks to right that and put the programme back on a more ordered footing, because we can do much better than that. To an extent, this represents one of the significant points of difference on levelling up between the Opposition and the Government. My goal is to see reliable, targeted, sustained central funding going to local communities to help them level up, based on need and where the impact will be greatest.

What we have seen from the Government so far—I have read nothing in the White Paper to suggest this will change—is a never-ending stream of debilitating beauty parades. We have the ludicrous situation in Nottingham where, like every other community, we ready our bids for high street funds, brownfield site funds, levelling-up funds or towns funds, and dare not talk to Derby and Leicester. For all our parochial concerns, especially on football, those communities are very similar, in terms of

experiences and social demography, but if we talk to them we risk them getting our great idea, and then they win and we lose. What a ludicrous way of promoting development.

Council officers have had it hard over the past 12 years. It takes an extraordinary amount of time to keep writing these bids and to work out what the council actually wants to spend the money on in order to fit the criteria of the bid. We should be more honest that that is happening up and down the country. All of that is inefficient and a wasteful way of getting money out of the door. It is clear from independent assessment that we do not have the criteria to know whether that works. I think we can do better.

Running through the amendment is the sad reality of levelling up: that even the winners lose. I hope to hear from the Minister that he will draw a line under that. That is the cruelty of making communities dance for the entertainment of Ministers, in order to pick winners, all of whom are losers.

I have in front of me the document that outlines the change in central Government funding against which each community has to offset any gains they have made from the towns fund, the levelling-up fund or the community renewal fund since 2018. For example, Birmingham gained £52.6 million from the levelling-up fund, which is wonderful news, great for the city of Birmingham and I know that will be spent well. The reality is that, set against the cuts to the council, the real-term reduction over just four years means that Birmingham is £241.7 million worse off. Birmingham has been told it is a winner, but goodness me, it is a loser.

Let us get out of the cities and into the shires, to see whether that gets any better. Gloucestershire has had £52.8 million from the levelling-up fund, which is wonderful news, but in real terms it is £54.7 million worse off. It has been told that it is a winner, but it is anything but.

Let us look at one more example before I finish this point. What if somewhere was a winner in the towns fund, the levelling-up fund and the community renewal fund? Given that wonderful outcome, we should really be asking for the lottery numbers. East Sussex was a winner to the tune of £43.6 million, £40.5 million and £2.6 million respectively in those three funds, but it is still £20 million worse off over the last four years. Goodness me—this is incredible.

The point of the amendment is to say, “Let’s be honest about the resourcing that we have.” If we are going to have levelling up, it will have to be properly resourced. The amendment has two points. First, we need honesty about how we are resourcing communities to deliver. Are we just creating public expectation that is setting up our local leaders to fail? We have seen that the national leaders are not going to let themselves be held accountable for that. Secondly, are we doing this in a way that is transparent and effective, and that the public can rely on as a best-value assessment?

The Chair: Do any Back Benchers wish to catch my eye before I go to the Opposition spokespeople?

Rachael Maskell: Thank you, Mr Paisley, and I thank my hon. Friend the Member for Nottingham North for his excellent speech; I will continue his theme about making the right judgments on investment.

During the seven years that I have been in this place, we have seen little pockets of money being distributed in different ways to different parts of the country. Some of that will have had value, but essentially it is about addition rather than multiplication and is not necessarily getting the best out of public resources. As we have seen, the high street fund has gone to various places in the country, as opposed to investing to achieve the economic growth that would benefit a community in the long term, which is what the levelling-up agenda is about.

We have seen competitions for funding being set out and we know the level of resource that local communities are putting into them. For example, the headquarters of Great British Railways was going to come to York because of the high-tech economy on rail there, and to develop that rail cluster. Suddenly we had a competition and local authorities are now spending hundreds of thousands of pounds of public money in order to try to win the bid. At the end of the process there will be only one winner, which I trust will be York, but hundreds of thousands of pounds of public money has been spent on those bids and disappeared from the wider economy. That cannot be a wise way of spending public money—our constituents’ taxes—whether locally or nationally. They want greater value for money out of the Government.

A more consistent approach to growing the economy is important when it comes to where Government place their investments. The drawdown—this is what the whole agenda is about—in London and the south-east, has a cumulative impact, with the heating up of the economy there at the expense of similar interventions in the north. That is the powerful point that Professor Leyser and Andy Street, the Mayor of the West Midlands, made about the importance of the cluster economy.

I congratulate the Department for Business, Energy and Industrial Strategy on pouring its focus into that and on working with UK Research and Innovation to ensure that we bring together the components of an economy for the future, making sure the investment goes in the right place and building on the assets of a local community—the skills base, the industry, and what academia can bring. That can create the jobs and the skills for the future, to address the inequality that is so entrenched in our communities.

In my city of York, we are looking at the biotech industry, the rail and transport cluster, and the creative arts and digital creative sectors. Investment in those areas brings not just addition but multiplication—we are seeing inward investment, international investment and academia coming from overseas. The amendment is about putting the investment in the right place, ensuring that it goes to the nations, regions, sub-regions and local areas to ensure that we truly get the levelling up required, which will reach the Government’s objectives.

I believe that the amendment is important to ensure that the resources are available in the right place. We will then see economic disparities dispelled, health inequality reduced, educational attainment gaps closed and a better society as a result. I certainly see that getting this wrong has a significant cost. There are areas of York that need levelling up. While looking at regional disparities, we cannot ignore the local disparities.

My question for the Minister is this: does levelling up address all those socioeconomic inequalities? If there is investment in a particular region, city or town, but the

affluent people get the gains rather than the people living in deprivation, we will not have levelled up the country; all we will have done is level up parts of it. We see that today in London: the greatest affluence in this city is just across the river, but we do not have to go far to see some of the greatest deprivation. We must ensure that levelling up is not just about the sum of the regions but the parts of the regions, to ensure that those individuals get a share of the wealth. I see how that can happen.

BioYorkshire, a project in York that we are taking forward as a green new deal, will see the upskilling of 25,000 people and the creation of 4,000 new jobs, getting people out of low-paid, insecure jobs and into good-quality jobs, which will bring significant benefit to my city and my region. We have to ensure that no one is left behind and that the impact is on everyone. Therefore, the investment is foundational. Where it goes, and how it goes, has to be a strategic decision, which is why the amendment is so significant, because otherwise we will see widening inequalities. I certainly see that in many places across the country.

I would also like to point out how investment in the right places can address other forms of inequality. We know, for instance, that single-parent families experience the greatest deprivation. How will the missions address that? How will the missions relate to disabled people, women and ethnic minority communities? We need to make sure that the methodology applied is robust, and that it looks not only at geography but at other areas, to ensure that investment is right and that it is measured. That goes back to our previous debate about independent scrutiny.

10.45 am

Economic disadvantage has a wider impact on other outcomes we want to see. I draw the Minister's attention, in particular, to the integrated rail plan and where the investment in that is going. Increased Government investment in rail and connectivity is welcome, of course, but we are seeing not only a north-south divide, but a new east-west divide. Yorkshire and the north-east missed out on the investment in rail, which will hold back those local economies. We were expecting not only Northern Powerhouse Rail, but phase 2b of HS2 going east to York. The Government have cancelled those programmes and the opportunity for our city to level up has been taken away. We have to think about how the whole jigsaw fits together and how the component parts make up a stronger, better economy, so that York can be the gateway to the north.

Finally, I would like to draw the Minister's attention to the work of Professor Philip McCann of the University of Sheffield, which he must be familiar with. Professor McCann has repeatedly highlighted how investment in the wrong places brings addition, but investment in the right economic engines brings multiplication. It is therefore vital that we look at the scale of the resource and at where it is invested, so that we get the maximum benefit to address the inequalities we are talking about. That is why I highlighted the points from Professor McCann and Professor Leyser and the powerful evidence that Andy Street gave to the Committee. We have to see investment in clusters, so that we have the economic opportunity to truly level up. That is why amendment 13 is vital.

Tim Farron: This is an important amendment because it allows the Government to be up front about the level of resource that they seek to deploy region by region. It is also important because it refers to areas below the level of region. As the hon. Member for York Central has set out, there is a danger that the Government might sound somewhat patronising when they talk about levelling up, thinking from their London seat that the provinces are all terribly deprived and they should throw some money at them and level them up. Of course, the reality is that inequalities within regions are greater than inequalities between them.

Members will not be surprised by my focus on rural communities. The Minister might be aware of research that has come out in the past couple of days from the Rural Services Network. It has looked at the Government's own levelling-up metrics and on that basis it reckons that, were rural England to be a separate region, it would perform more poorly than every other geographical region of England. Not only would it perform more poorly, but it is disadvantaged for different reasons. The metrics that the Government are seeking to deploy in order to understand deprivation and inequality do not do the business when it comes to understanding the issues that face rural communities.

In my constituency there will be fewer than 500 people unemployed. We have got very close to full employment. We also have average house prices that are between 10 and 15 times average incomes. We have people in work and in poverty. The clear, huge majority of people on universal credit in my constituency and in other parts of Cumbria are in work, and not just in work but in multiple jobs, seeking to make ends meet. Potentially, they will not tick boxes when the Government's metrics are being considered and they may not be recipients of the resources that the hon. Member for Nottingham North seeks to get the Government to be explicit about.

Let us think about some of the needs that are present in that rural region of England, which is more needy than every other geographical region of England by some distance. We are talking about incomes. We are talking about house prices. We are talking about the fact that in the south lakes alone—a community with nearly full employment—5,500 people are on a council house list, waiting for their first home. By the way, an educated guess is that there are about 10,000 second homes in the same district. It is important to understand that the discrepancies and inequalities are of that order.

It seems very black and white to say, "These are the homes of people who already have one and these are the people who haven't even got the one," but if we care about inequality we are going to care about that. In a property-owning democracy, we might champion people's liberty and their right to own more than one home, but when there is a conflict between someone's right to a second home and someone else's right just to have any home, we know whose side we should be taking, don't we? If we do not, this Bill means nothing at all, and nothing to rural communities in particular.

Let us look at some other issues in respect of which rural communities are disadvantaged. The vast proportion of people in Cumbria are not on the mains for their heating; they are on oil—liquid fuel—and there is no price cap for that. There is no way of taking into account inflation beyond that which most of us are experiencing when it comes to energy prices. There is

[Tim Farron]

nothing to assess that, nothing to allow for it, nothing to ensure that resources are available to help communities so that they can be protected from the cost-of-living crisis that is particularly hard in rural communities.

In cities such as London, Manchester and Newcastle—wonderful places—it is possible to live without a car, and many people do. That is probably good for the environment and for people's pockets as well. Mobility is more straightforward in a community like the one we are standing and sitting in now, but in a community like mine, people need cars. The chances are that people do not live in the village in which they work, and they need to get from one place to another. Fuel prices are higher and the distances are longer, and the bus journey from Kendal to Ambleside is the second most expensive in the country, so it is very expensive to travel whether via private car or public transport.

Let us also think about access to services. For people living in Sedburgh, for instance, the nearest FE college is 10 miles away and there is no bus, so their access to services is restricted in a way that the access of people in other parts of the country is not. What about health services? What about the one in two of us who at some point in our lives will end up with a cancer diagnosis, and the one in two of those who will need radiotherapy? In a community such as Cumbria they have to make a three or four-hour round trip to Preston every day to get life-saving treatment, for weeks and weeks on end.

The things I have outlined will not be taken into account if we are not honest about what regions actually are, about the categories of places within regions—sub-regions—and about how parts of the country, even though they might be in Northumberland, Cornwall, Cumbria or Kent, have commonalities despite geographical disparity. Without being clear about the resources, we are not going to tackle that need. We are not going to tackle the lack of connectivity that puts people at risk in rural communities, where we do not have the broadband roll-out the Government have promised. We do not have the commitment to bring health services and education close to home or to address transport costs. Above all, a massive flaw throughout the Bill is inadequacy when it comes to tackling the biggest driver of inequality in this country: lack of access to affordable and available housing.

I urge the Minister to look at the Rural Services Network report and to take into account the fact that rural England counts as the most deprived region of England, compared with the geographical regions. I urge him to accept the amendment, and in doing so to ensure that resources are allocated appropriately to every part of every region of this country.

Patricia Gibson: Amendment 13 would place

“a responsibility on the Government to publish the resources made available to communities in order to level-up”.

Who could argue with that? In not arguing with it, I cannot help reminding the Minister that Scotland was promised a £1.5-billion-a-year bonanza as part of the Brexit windfall. Of course, the reality is that Scotland has received 40% less funding than it did under the EU funding agenda, and it has suffered a 5.2% cut in its resource budget and a 9.7% cut in its capital budget. Perhaps the Minister can tell us how that supports the levelling-up agenda, because I certainly

cannot understand. It is quite galling that as this Government show disrespect to devolved Parliaments—democratically elected Parliaments—by impinging on devolved powers and bypassing the democratic will of the Scottish people in devolved areas, they simultaneously cut their budget in the context of levelling up.

Despite the stated goals of the legislation, the Minister has been unable to say—perhaps he will do so when he gets to his feet—whether the levelling-up missions would result in a reduction in inequality to the point where we would see a reduction in child poverty. What kind of levelling-up commitment would not address the basic social scourge of child poverty? I cannot think what the point of any of this is if we are not committed to tackling that most basic and serious ill.

Of course, as we have heard, we do not need a fanfare to tackle inequality; we just need to get on and do it. We can exalt in our success if indeed we have it, but we do not need a Bill that runs to hundreds of pages but cannot even commit to transparency or to publishing details of the resources that it is willing to use.

In Scotland, the Scottish Government have tried, with their limited powers, to instigate levelling up—for example, with the Scottish child payment of £20 per child per week. That is real levelling up, and these are the kinds of measures that the Bill really ought to tackle to build a more inclusive society. As food bank use rises, we have a real opportunity if we are serious about levelling up, but it takes targeted political will and a determination to tackle the causes of inequality. That is not an easy thing to do—we have to put in a real shift—but a Bill that runs to a few hundred pages with vague missions that objectively cannot be held to account will not convince anybody.

It is clear to see that the resources for true levelling up will not be made available, certainly from the Scottish perspective with the figures I have cited. For all the warm words, and there have been many, it is difficult to have confidence that our communities will see any tangible difference as a result of this fanfare—sorry, this Bill. The Government should have no problem with amendment 13, because they know that no levelling up can happen without resources. Presumably, if they are serious about levelling up, those resources will be committed, so why not publish them? Why do the Government not exalt in their success and the resources they are willing to expend? If this levelling-up Bill and agenda do not reduce inequality or tackle poverty, child poverty or child hunger, I honestly cannot see the point of them.

Neil O'Brien: I agree completely with the spirit behind the amendment, and we are actively working to bring about what Opposition Members want. However, we do not think the amendment works, and I will explain why. Official statistics about public spending in different places are widely available already. Her Majesty's Treasury already publishes a regional breakdown for total current and capital identifiable expenditure per head through PESA—Public Expenditure Statistical Analyses—which is my favourite regional statistical document.

We are also taking steps to improve the quality of spatial data. The Department for Levelling Up, Housing and Communities has established a new spatial data unit to drive forward the data transformation required in central Government. It is frustrating to us that many of the types of data that should have existed for years

still do not. The spatial data unit supports the delivery of levelling up by transforming the way the UK Government gather, store and use sub-national data, so that it can underpin transparent and open policy making and delivery decisions. It is completely in that spirit that we are acting to improve data on all levels.

11 am

There are so many frustrations. For example, on R&D spending we can find quite reasonable data at international territorial level 1 and some data at ITL2, but there is nothing at ITL3 or at local authority level. We want to change those things and get the data we need to level up, so we are completely with the spirit of what the Opposition are talking about.

The problem is that the amendment talks about “the resources made available...to nations, regions, sub-regions and local areas in order to level-up.”

There is an interesting and important philosophical point here. Robert Martin of the University of Cambridge would say that one of the key things that has gone wrong in previous regional policies, despite the fact that they were well-intentioned and we all agree they were good ideas, is that people thought about regional policy in a little silo or little box, and that there was a sum of money for levelling up, or for the northern way, or whatever it was called that the time, whereas what we needed to do was think about the totality of Government budgets. We need to do what we are now doing, which is review the Treasury Green Book and think about the processes that have caused transport and housing spending to be relentlessly pushed toward already affluent areas.

To fulfil the mission of the White Paper, we need to think about how to reverse the long trend in R&D spending, for example, of greater concentration in just three cities: Oxford, Cambridge and London. Do not think that there is a sum of money for levelling up and then there is all the rest of Government spending, which is much bigger; instead, think about how we can change the much bigger pie by changing the underpinning rules, such as the Green Book, and changing investment allocation processes. We are working on that and ensuring that there is no hard and fast distinction between levelling-up spending and other spending. That is the whole point of the White Paper.

I will address the points that Front Benchers made about the PAC and other things, but first I will respond to the important points made by Back-Bench Members, starting with those made by the hon. Member for York Central about sub-regional differences being just as important as regional differences. We totally agree, and that is a key part of the White Paper. Through the York and North Yorkshire devolution deal, which we are working on and which is making great progress at the moment, we are picking up some of those locally specific and locally particular issues that are so important for the future of York, some of which the hon. Lady has talked to me about—things like BioYorkshire, which is incredibly exciting.

The hon. Lady also mentioned Phil McCann, who I have talked to a lot and whose work hugely informs the White Paper. His work has been central in forcing Ministers to confront the nature of the UK economy. He makes a strong argument that there is a connection between the fact that the UK is one of the most spatially

unbalanced economies in the world and the fact that it is one of the most politically centralised. That insight is baked into our White Paper.

The hon. Lady asked about Yorkshire rail and transport investment. We are investing £5.7 billion through the city region sustainable transport settlements, which West Yorkshire and South Yorkshire are already benefiting from hugely. We hope to reach an integrated budget for York, North Yorkshire and the rest of Yorkshire soon. Through the £96 billion investment—quite a lot of money in anyone’s language—we are making huge improvements to transport in Yorkshire. Journey times between Leeds and Manchester will come down from 55 minutes to 33, Leeds to Bradford will go from 20 minutes to 12, and we will get the benefits sooner than under previous plans.

The hon. Member for Westmorland and Lonsdale gave a great speech—I was almost punching the air for most of it—in which he brilliantly brought out the challenges of rural areas, which have been overlooked all too often. I completely agreed with all his comments. However, I will say that the Opposition parties have sometimes taken different views on this. Through the levelling-up fund index and the allocation of the shared prosperity fund, we have baked in to those transparent allocation mechanisms the importance of rurality, but we have been criticised for that, particularly by the Welsh Labour Government, who were not happy that we were taking into account the needs of rural places and thought that more should go into the urban areas. There is a choice there, but I think the hon. Member for Westmorland and Lonsdale made really good points about some of the challenges facing rural areas, which we can see in the low earnings figures, which have sometimes—because of, I think, some problems with the index of multiple deprivation—gone unnoticed before. I agreed with much of what he said.

The hon. Member for North Ayrshire and Arran also made important points. It is tempting to reel off a big list of the scale of the investments: the £4.8 billion levelling-up fund, the £3.6 billion towns fund and the future high streets fund, the £2.6 billion shared prosperity fund, the £5 billion for Project Gigabit, the £1 billion for the shared rural network—I could go on and on. I hope the hon. Lady will accept that a large scale of investment is happening, and it is strongly steered towards poorer areas. If we look across the UK as a whole—we cannot use the IMD, because it does not exist for the UK as a whole—we see that the poorer half of local authorities, where median pay is lowest, received 71% of the UK SPF and 74% of round 1 of levelling-up funding. The areas in that poorer half are getting nearly three quarters of the pie; the funding is targeted at poorer areas.

The shared prosperity fund is allocated through an index, which is published on a website, so people can work out how it is done. It is completely transparent. The levelling-up fund has an index with a place-based metric, which is one of the four considerations. There is then a competitive process in which—on a transparent, published basis—civil servants analyse bids that come in and rank them, and the amount of money entered into the system determines how far down the ranking an authority is placed. I sometimes hear accusations from Scotland that it is done in a politically partisan way. I think that every single funding bid in round 1 of

the levelling-up fund went to an SNP constituency, so it is not done in a partisan way; it is just allocated by civil servants objectively analysing bids.

That takes me to a really important point, raised by the Opposition Front-Bench team, relating to the PAC report. The Opposition are saying two different things. On one hand, we hear them saying, “Well, the PAC—how will you prove that there will be great value for money for all your spending?” If one takes that thrust, we need to say, “Ah, we need to have four Treasury business cases. We need to analyse this thing. We need to run it through WebTAG. We need to put tons of bureaucracy on this thing to squeeze that VFM out of each of these bids through a competitive process.” Okay, that is one way of doing things, but that is in tension with the other comments made by the Opposition Front-Bench team, when they say, “We want to get away from beauty parades. We want to do more things like the SPF and have allocated funding that just goes to places, with minimum bureaucracy, so that they can use it to fund local groups and small charities.”

In the design of things such as the SPF, we have been careful to ensure that we strip away some of the problems with the European funding—we are not going to relitigate Brexit here—that I think everyone shares the same view on, including the match funding requirement that disadvantaged poorer areas, and the many different layers of audit that made it difficult for small local charities to get in on the action.

Those two arguments are in tension with each other, and our belief as a Government is that we want a balanced diet. Yes, there are some advantages from competitive funding—with some of the best bids, we are getting good VFM—but there are costs in that process, which the Opposition have raised. For example, it brings bureaucracy, and difficulties for smaller organisations, smaller councils and smaller places.

It is not the case that we ignored or had pause, as the Opposition said, when we got the PAC report. It is just that there is an inescapable choice here. We have tried to have a balanced diet of some competitive funding, with the advantages that that has, and some non-competitive funding, which has a different set of advantages.

Rachael Maskell: I am listening carefully to the Minister, who has talked about input as opposed to outcomes. In the light of our seeing gross inequalities and life expectancy for some people in our poorest communities decreasing, there is clearly something that is not working in the Minister’s methodology to deliver the outcomes we want to see to close the inequality gap. Will he expand on how he sees the shifting of the dial, as opposed to what we on the Opposition Benches perceive as more of a scattergun approach in terms of where the money still seems to be going through the methodologies he has described?

Neil O’Brien: We are the Government who are creating—literally, through the Bill and the clauses we are debating this very morning—a mission to close the gap in healthy life expectancy between local areas, and between the highest and lowest areas, and to raise it by five years by 2035. These are the missions that the Bill will be getting us to report on every year to Parliament, so we are addressing the hon. Lady’s point. Through the health disparities White Paper and the other things the

Government are doing, we are addressing as one of our central priorities the underlying causes of lower life expectancy and the inequalities she mentioned.

To summarise, while we are completely with the spirit of the Opposition’s amendments—we are trying to get better data and have processes in place that are generating better data, because we recognise its importance to the levelling-up agenda—there is, in truth, no hard and fast difference between levelling-up resources and the rest of Government resources. Indeed, philosophically, it is important to recognise that one should not think just about levelling-up funds. Much as one can rattle off an impressive list, one should think about how we reform the totality of Government spending.

That is one of the novel aspects of the White Paper’s approach. For a long time, people thought of science funding in a science policy silo, and thought that it should be allocated to science excellence, with no spatial dimension. We are the first Government to set regional targets for science spending, recognising its importance to potentially addressing some of the inequalities that the Opposition have mentioned this morning. We have changed the Treasury Green Book. We have started to allocate housing and regeneration spending differently so that we can get out of the cycles that Tom Forth and other regional economic policy experts have talked about: some bits of the country are overloaded and people cannot get on a train or buy a house, while other parts are crying out for investment and have lots of scope to take on growth.

I hope that I have given the Opposition at least an honest account of why we are resisting the amendment, even though we absolutely agree with its spirit.

Alex Norris: I am really grateful for the contributions to what has been a good debate. I will cover some of the points made by my Opposition colleagues and then move on to what the Minister said. Turning to my hon. Friend the Member for York Central, Great British Railways is a brilliant example of what we are talking about. We remember the press release on, I think, 5 February, which came shortly after the White Paper and was seen very much as an element of the levelling-up agenda—indeed, it says that on the Government’s website. The location of Great British Railways will be determined through an online public vote. It is like “Love Island”, Mr Paisley. Anyone watching this series knows that we badly need a vote to try to shake things up, but I do not think it is how we should determine the location of—

The Chair: The hon. Gentleman is going slightly off-piste here. *[Laughter.]*

Alex Norris: I apologise, Mr Paisley. I will get straight back to Great British Railways and levelling up. My hon. Friend the Member for York Central made a strong case for York and, if the hon. Member for Broxtowe promises not to tell my constituents, I might make a strong case for Derby. We are generally not allowed to do such things, but that is my one for the year—*[Laughter.]*

Neil O’Brien: There is some confusion on the Opposition Benches.

Alex Norris: Happily, it does not look like the hon. Member for Broxtowe is going to grass me up.

The whole process—we can already see this because people are being encouraged to use a hashtag—will involve TikTok videos and be nauseatingly modern. I know that the Minister does not like things as nauseatingly modern as that, so I cannot believe it for a second—he is sitting sphinx-like, which is of course fine. The constant beauty parade and artificial competition just take energy out of things. Of course, someone will win, and that will be wonderful news, and I will be very pleased for them, but multiple places will lose as a result. That cannot be the best way to level up. I know the Minister talked about a balanced diet, but I will cover that shortly.

My hon. Friend the Member for York Central spoke about where she sees the future for her community and her region, with an emphasis on biotech, rail and the creative sector, and that will be different in Nottingham, Leicestershire or West Yorkshire. That is a good thing. Part of levelling up will be about, as we understand it, sub-regions taking control of where they think their local economies are going to go and the skills they will need to ensure they get that. Getting the resources to make sure they can do that, which is what this amendment is about, is fundamental. This is about resource going to those communities so that they can make those decisions for themselves. I think that the people of York and the sub-region in which my hon. Friend works will have a better say about that than Ministers themselves.

11.15 am

My hon. Friend mentioned the local disparities, as did the hon. Member for Westmorland and Lonsdale, and they are crucial. It is important to state that is not a “north versus south” or “rest of the UK versus London” sort of debate. This is not a competition in that sense and we should not fall for that. The hon. Gentleman’s points about rural poverty and sub-regional poverty were well made. Part of the problem with the kind of criteria that the Government are using, and with making communities come to the Government within criteria set by the Government, is that the poverty in towns, in outer estates, in inner cities, in rural communities and in coastal communities, with all the levelling-up challenges that come with that poverty, manifest very differently. I am not sure that the idea that all those communities can bid into one set of criteria and have an even competition even stands up that far. That is challenging.

As the hon. Member for North Ayrshire and Arran said, we are stuck with the reality that the quantum itself has been squeezed so drastically over the past decade-plus that we are seeking to roll back many decades of deindustrialisation and to adapt to many decades of globalisation, and we are seeking to do so with less than we started with. It seems hard to say that we are not building in our defeat in that respect.

On what the Minister said, I am really pleased about the in-spirit commitment to what we are talking about in respect of the amendment. He also said the Government are actively working on the issue; I hope he will keep us engaged and updated on that so that we can have confidence in that work. He talked a little about some of the mechanisms that he and his Government are the first to do. I am never that persuaded by this Government’s Ministers talking about being the first to do something, because their competition is largely themselves and does not seem to be hard to beat. If the Minister is trumpeting beating the record of the past decade—or even the past 50 years; as I say, it has been mostly his lot

rather than my lot—I am not sure that is so good. I am not convinced he is going to set many Olympic records if his only competition is his colleagues.

The Minister was kindly brave enough to say that PESA is his favourite regional dataset. I think those who are in second place will be upset about that, but it is helpful to know where he looks. I hope we can tease something out of that. We heard a commitment from the Minister on the sub-regional understanding of data and the finance that comes with it, and I am pretty sure that we heard a commitment on understanding the totality of spend in this space. We will perhaps have an opportunity in future debates to tease out from the Minister a little more on how we are going to understand that. He said we should not think of it as levelling-up funding, and that is completely right: we do not think of it as that. It is, of course, a whole-Government programme that will require spending in all sorts of spaces. I would not want to think, though, that it is therefore so diffuse that we will never be able to understand what is going into levelling up the country. That would make it impossible to have the debate about whether we are sufficiently committed to it. With the finances we have before us, it would be hard to make the argument that the commitment is sufficient.

Let me finish on the Minister’s point about the inconsistencies that he perceives in our positions. Our positions are not inconsistent; they are entirely clear. We want to move away from the beauty parades and to proper funding, based on need, for communities to shape their own direction. That is our position. The Minister said that contrasts with the points that I made about value for money and the spending so far that pushes us instantly to half a dozen analyses, but that is not the point I was making. I was making the point that the Government spend so far has barely passed even the most basic financial tests.

Neil O’Brien: The PAC reported on the levelling-up fund. Are there any particular levelling-up fund bids that we are funding that the hon. Gentleman would like to say represent bad value for money and should be withdrawn?

Alex Norris: The Minister knows that is unkind. I am not going to stand here and pick at one. We could go down the entire list of 157 local authorities, virtually all of which are significantly worse off, by tens of millions of pounds; I am not going to turn around and say that one of their projects should not happen. Please—of course I am not going to say that. The Minister says that the Public Accounts Committee picked up on the levelling-up fund, but that is not true: it has reported on the towns fund, too. This is a long-running issue and there are more than three years-worth of reports.

Rachael Maskell: It is not just about money that is coming from the centre into individual projects. The Government need to take note of the point that it is surely about enabling and empowering local authorities and bodies to make their own determinations about where the money is best prioritised. Whether it is from the shared prosperity fund, the levelling-up fund or the future high streets fund, a local authority might be in the best position to determine how the pot is spent in its local economy to drive up and level up, as opposed to the Government making a central determination about the governance of that funding.

Alex Norris: That is exactly the argument we have been making. We want that to be locally determined. I would be surprised if the Government in general really want to defend what they see from the Public Accounts Committee. We of course await the Government's response, and if the Minister wants to debate it, we would be very keen to—if he makes a statement, we will all be there—but I suspect that will not happen. The reality is that the basic checks have to be passed, and I am not sure we are fully assured of that yet.

In the spirit of what the Minister said and of ongoing co-operation, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Ordered, That further consideration be now adjourned.—(*Miss Dines.*)

11.21 am

Adjourned till this day at Two o'clock.