

Devolution Working Group – 18 June 2015

Transcript of Agenda Item 3 – Devolution and Public Service Reform

Darren Johnson AM (Chair): That brings us on to item 3, which is our main item today. Welcome to both of you. Before we discuss your proposals for devolution to your respective sub-regions, can we just set out your views generally as to why London as a whole, at all its levels, should be seeking a further set of devolution measures? Who wants to start?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): Thank you for inviting me here today. I think the grouping of London boroughs is not about party politics, it is about group politics and partnerships. We know our neighbourhoods best and I think that is why we think there should be further devolution. To be told that you have devolution in the form of the Mayor of London and that is your devolution is not enough. We need to keep probing. It is about allowing us and giving us the ability to create more jobs, to build more houses and, especially those who are unemployed, to link the training elements and the skills elements, because we know our employers best. Further devolution will allow us to create more jobs, build more houses and have a greater connectivity of transport issues within our boroughs.

Darren Johnson AM (Chair): Thank you. Sir Robin, in terms of devolution for London generally. Anything you want to add?

Sir Robin Wales (Mayor of Newham): What he said. I would say it is fairly obvious from the devolution we have had that we can deliver much better at a local level. We have demonstrated that. Public health has been amazing. Also there has to be an understanding that London was in the lead. We have the Mayor of London, we were in the lead of devolution. Scotland has passed us, Manchester is passing us and everybody is passing us. The passing is for a reason. The passing is because people can see, as you get closer, as you move power down. I do not think it just stops at sub-regions: it is regions of London it is sub-regions and it is councils and it is neighbourhoods. We need to be very clear about that.

One of my arguments is if we are going to devolve power and ask for devolved power, we must be willing to devolve it to neighbourhoods as well, because otherwise it does not make sense. It should stop where it is best to deliver. If you have the right structures in place there is plenty of evidence that we can do things much better, much more efficiently, on behalf of our residents. The evidence is considerable on that that is already set out.

Darren Johnson AM (Chair): Are you concerned then that London is getting left behind when you read the Manchester Agreement and the Scotland stuff?

Sir Robin Wales (Mayor of Newham): Oh yes. They have forged ahead. Well done to them. This is not a criticism, well done them. You have to understand we got moving on that as well and we are not well served in the city.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): On Manchester, I was speaking to Sir Richard Leese [Leader of Manchester City Council] and it is about talking and that is what he has done brilliantly, talking constantly with the local authorities around Manchester. That is what London boroughs are good at, talking to each other, and we have put aside party politics. In my South London Partnership there is the Liberal Democrat Council, Sutton, there is Conservative, Labour and we just

want what is best for our residents. In terms of getting it down to the lowest level we have community forums within our wards. It is not nice when you inform the residents that we cannot do that because it is Transport for London (TfL) or because it is someone else, or because it is central Government. Residents feel very frustrated about that, so the more we can say to them, "Yes, we are in charge of that. We can make that happen" that goes down to the level that Sir Robin was talking about.

Darren Johnson AM (Chair): Thank you. Certainly part of the motivation for doing this piece of work through the Assembly was exactly that point, that we were at risk of getting left behind if we do not move the agenda forward.

Andrew Boff AM: On that point that was raised, are you possibly talking about parishes?

Sir Robin Wales (Mayor of Newham): I do not think parishes particularly in London. We have nine community forum areas. We now carry a number of things out there that we have devolved and it is not just about community activity and sport: there is play we are looking at; we are looking at pushing down adult care in a very different kind of model. We are also working on a model of externalising what we do for small businesses and creating small businesses. We have a very different model from anybody else. The power is massive, the savings we are making are massive and the delivery is considerable and we are looking at pushing everything down. We will be launching shortly, five wards will have their own company doing their cleaning, which will be our staff going into a different company, but being given freedom to operate as they see fit and given the opportunity to take benefits by working harder and being productive, so they take a slice of that. The idea is to get it down into local areas and then the idea is that those people working there will be better able to talk to local members.

You have to be careful of democratic deficits. I want devolution to the lowest level of democratic structure. People need to be elected. If they are not elected we do not know who they represent - we should have learned that from some of the things we have done in the past. We are looking at devolving lots of stuff down to a much lower level. Parishes --

Andrew Boff AM: You are kind of describing a parish, that is all.

Sir Robin Wales (Mayor of Newham): Yes, we could call it a parish instead of a forum, yes, quite.

Darren Johnson AM (Chair): Generally can you say which powers and services should come down to the Mayor, in your view, and which should come down to either individual boroughs or sub-regions of boroughs?

Sir Robin Wales (Mayor of Newham): That is part of the discussion we have to have. Just reminding yourselves, we have examples of where people have worked together. In the Olympics the host boroughs got together and actually we were very, very successful at delivery. I have seen little in terms of credit going, but the local delivery stuff was a really good partnership. London did its bit, the local area did its bit and it was a fantastic example of everybody playing a role and devolving the powers down to the place that they should be devolved down to. Perhaps we could had a little more devolved down us but the International Olympic Committee (IOC) was not really up for some of that.

I would argue that what you do is you bring stuff down and then say, "Where is it best?" My example would be skills: of course you need a London-wide skills element, but if you think that will work in East London of course it will not, we need an East London skills offer. Then you need a skills offer in my borough, because I know the employers.

I can give you an example of that. We run something called Workplace, which is way more successful than the Department of Work and Pensions (DWP), way more successful and much cheaper. We put 4,500 people into work last year, half of them were long-term unemployed.¹ We have had 25,000 move into work with absolutely no support or help from anybody, we do it ourselves with our own money. The way we do it, we go to the employers and say, "What jobs have you got? We will match our people with you". You start with employers and it is voluntary. We have 86% still in work after six months, way better performing than DWP. I would say it is laughable that we are not doing the employment element and that is a low-skill element. For the higher-skill element there should be an appropriate sub-region and appropriate local element, whatever works. It should just be whatever works. We will do our best.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): On skills, we in Merton have a very successful programme for apprenticeships, linking them with employers, and we have a programme called Take One, because a lot of employers, smaller employers in particular, sometimes worry about the bureaucracy, the red tape, the cost of apprenticeships. They should not but they do and that is their wont. Therefore what we have done is created a scheme with the local Chamber of Commerce called Take One and 150 apprenticeships were created last year with small employers. Skills job can be devolved down to groupings, into regions.

Bus routes, bus frequency, bus stops are very simple things. We know our neighbourhood and that kind of area can be devolved easily down to regions and boroughs.

Darren Johnson AM (Chair): You could argue that those are the classic examples of where you have some clear local drivers and local needs in terms of the siting of bus stops, but you also have some very clear strategic drivers in terms of running an efficient and effective transport operation across London. Some would argue that bus mapping and so on is a properly strategic function rather than a local one.

Sir Robin Wales (Mayor of Newham): TfL works very well, but in strategic transport the boroughs must be more heavily involved, because TfL will always go for transport solutions that suit them. Crossrail is a good example: we want an eastern line because that is where the jobs are. It may not relieve congestion in the network but it will give us the jobs, the growth, the employment and the housing. We should have a role in making that sub-regionally. Bus routes, yes of course we should have an input into that, we should be listened to more. Nobody would ever suggest it would be run by anybody other than TfL. Transport is a great example of where we should have more influence in what is going on, but we should not be running it, because that would be nuts.

Darren Johnson AM (Chair): That is helpful. I am going to bring in Joanne now.

Joanne McCartney AM: Thank you. Can I ask about the two different sub-regions that we have information on? What were the drivers that brought together those different boroughs into your new sub-regional groupings? Stephen, perhaps I could start with you.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): Yes. The South London Partnership does not include Wandsworth. I think you have Wandsworth in there.

What drove us together was our angst to build more houses and create more jobs. We came together because we began to share quite a number of services. Four of the South London partner boroughs created the first four-borough legal shared service and that is going really, really well. We are sharing a number of services. We have seen the hunger for devolution. We know that the Chancellor will not give much to an individual

¹ Subsequently corrected to: "We fielded 4,500 jobs with Newham residents last year, half of them were long-term unemployed."

borough, so by grouping together there is greater opportunity to have devolved powers and perhaps seek a bit more money like business rates in particular. It is the fact that we feel that although there is a perception that the South London Partnership boroughs are affluent and everything is OK there are pockets of deprivation there as well, but we feel we know our neighbourhoods best. We feel we can create jobs. The start-up rate amongst the South London Partnership is six times higher than the per head average population of other areas. The survival rate of small and medium-sized enterprises (SMEs) within our sector is 93% within the first three years. That is again a great survival rate. We just feel we have the opportunity, by getting together, to put our hand up, ask for permission to be more in control of our destiny.

Sir Robin Wales (Mayor of Newham): We have a slightly different story. We of course came together, six of us, as the Olympic boroughs and did a lot of work on that, as I mentioned earlier. Subsequent to that we are a joint authority and we work together very well on a number of issues. When we looked around some of us felt that we needed to extend a little bit more. We think if it comes to devolution we need to be looking at geographic areas that people can understand and we did not have Enfield, Redbridge or Havering in it and so we wanted to expand, so we are looking to expand. There is also North East London Strategic Alliance (NELSA) which exists with a number of those boroughs, so I guess we will evolve over a period. As we keep talking – as Sir Richard Leese did – we will evolve into something that can deliver.

Then when you look at it, there is a complete logic of us coming together because we are the growth powerhouse for London. By 2030 we will have 34% of the population, 2.2 million people and all the land in development. Stuff is moving eastwards, that is where the opportunities are going to be and so bringing all those boroughs together we felt was looking forward to the future as well. Newham at the moment is on the cusp of everything but it will not be long before Barking and Dagenham is the really interesting place. Maybe a decade. They are getting it and understanding. We also thought in terms of London, bringing that grouping together it would make some sense. We have a good friend south of the river with Greenwich, because we are told that there are even people south of the river, so we are willing to work with anybody! No, we have worked with Greenwich for years, so it works quite well.

Joanne McCartney AM: That is one of my questions that looking at the map of North London, Greenwich does stick out as being south of the river. How can you deliver services across boroughs that do not have geographical boundaries? Particularly when we talk about transport, for example?

Sir Robin Wales (Mayor of Newham): When we get it together to build the bloody bridge that should have been built eight years ago, between us and Greenwich, it will be even better in terms of our links. Of course we have the Jubilee Line and things, plus Greenwich is a major development opportunity. There is going to be a lot of stuff happening there too. We recognise that they are a big part of what we are trying to do. They want to the part of it, we want them part of it and it works very well. Also they share a vision about wanting to see jobs and skills and so they fit comfortably in the kind of ethos that we are looking for, which is opportunity and aspiration for our residents. Greenwich fits very well and they are certainly one of the South London boroughs we are happy to work with.

Joanne McCartney AM: Obviously it has a geographical boundary with Stephen's [Cllr Stephen Alambritis] patch. Would it not be better in there? Was that discussed?

Sir Robin Wales (Mayor of Newham): You could end up with everybody. I tell you what, we will put all 32 boroughs together and we will call them London Councils.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): We would love Wandsworth to be in the South London Partnership and we are continually talking to them and talking to Bromley as well.

It is about being promiscuous in a nice way by getting together – the more partners you have it may be the better. Also we have the term research and development, but it is research and duplicate. If we are together and working together and someone does something good there is no harm in copying and there should be no shame in that. It is strength in numbers, the more partners the better and that is why I think you are seeing these groupings now flourish. We are a joint committee as well, which gives us the legal vehicle to get things done.

Joanne McCartney AM: Robin, a question for you. Hackney decided not to take part. Looking at the map it seems to be the obvious one that is missing. Is there a reason for that?

Sir Robin Wales (Mayor of Newham): Not necessarily. I think Hackney is still looking at this. There is a perfectly good argument for Hackney looking westwards or looking eastwards. You would have to ask them, but I can well understand why you are making --

Joanne McCartney AM: For transport corridors, it does seem to be on that.

Sir Robin Wales (Mayor of Newham): People make decisions. The whole thing of the groupings coming together is people are making decisions about where they want to be. As I say, we had a choice, many years ago, about Thames Gateway or the Lee Valley and we had to make a decision at that point and we decided Thames Gateway, because that was where things were happening. Sometimes you look in a direction. We happen to be in a particular place where things are happening. Hackney has maybe not so much land and not so many opportunities in those ways. You would have to ask Hackney, but certainly we are still talking to them and they are still looking and considering what to do. Remember they are still part of the growth boroughs, the Olympic boroughs, so that continues. It will evolve, but I can understand them not being there.

We have high hopes now of Tower Hamlets, now that it is sane we have high hopes!

Joanne McCartney AM: So have we.

Sir Robin Wales (Mayor of Newham): Don't we all? You just want to get rid of John [John Biggs AM – recently elected Mayor of Tower Hamlets], that is all it is!

Joanne McCartney AM: No we do not.

You have obviously looked at this in setting up your own particular sub-regional groups, but is there a particular number of boroughs that are needed to get those efficiencies and to be effective?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): No, I think it is a meeting of minds. It could be three, four or five. If Wandsworth come in that will be six, Bromley seven. That is logical. It could be any number as long as you are getting on and you share a vision. Our vision in the South London Partnership is over the next decade 500,000 new jobs, 23,000 new houses, so it is quite an ambitious approach but I think it is about getting together with a vision. There is no minimum or maximum number, it is what works.

Joanne McCartney AM: In part you have answered my next question, Robin, but I am going to ask it anyway. Obviously the Government is not going to devolve any further powers unless it can be assured that there are cost savings or improvements to service delivery, so they will want to see an evidence base. Are you collecting that evidence base together across all your different asks? Can you just give us some key examples perhaps? I think, Robin, you did about job schemes before and skills.

Sir Robin Wales (Mayor of Newham): It is laughable for a Government to even ask if we can run things better than them. Laughable. The Government are absolutely incapable of running it. We should ask them what makes them think they should be running things. Did the Prime Minister not say, before the 2010 election, that local government was the most efficient part of the government structure? Since then we have taken huge chunks of money out and we are by and large trying to protect services.

If I was looking at examples I would point you to Workplace [Newham Workplace]. Workplace found jobs for 4,500 people last year, half of them long-term unemployed. We compared ourselves for two years to the DWP Work Programme, where in Newham, they got 350 young people in and we got 1,500 young people into work. We start by going to employers. We go to employers and we say, "What are you looking for and we will present people to you?" We do not have target incentives. The jobs are the jobs that are created by employers. Our task is to try to get our people in front of those employers and give them a change to be selected.

When we send out CVs 2% of residents get work, because there is international competition in a city like this. When we present people, 90% - 95% of the jobs are filled by our people. That tells you quite a lot. It tells you that when they actually get in front of employers people can demonstrate they are good because we prepare them. We will do two or three weeks training, whatever it takes to get them ready. When they get the job - a good example was John Lewis was talking to us some time ago and they filled all the jobs from Workplace and the head of the store there said to me, "Normally by this time we have had 10% wastage". Yes? He said, "We haven't had that here, we have had one". Not 1%, one person has left. The people get in and they stay. 86% are still in jobs six months later, I think it is 76% after a year. It is enormously successful and much cheaper than DWP. We think it is partly because it is voluntary. We really invest time in people, unlike Jobcentre Plus. All we have to do is walk into Jobcentre Plus, you do not even have to talk to them, just look at what they are doing and you will see the difference between that and what we do. We can give that as the example. We could talk public health and the massive improvements we think we are making in public health once we get hold of that.

I have talked a bit about devolving to neighbourhoods. My view is we are going to try to set up some social options for mental health. They do not exist, they are not part of anything anybody does. Our big selling point is we are in the communities. We are in there with them, so anything that needs to go there can be much better done. Anything that is delivered locally - we have a lot of people locally - we are much better to do it. We can just look across the whole of England, well the Prime Minister said it so --

Joanne McCartney AM: Do you think it has a good evidence base?

Sir Robin Wales (Mayor of Newham): Yes. Then I would say that it is then to negotiate what is going on. My argument would be, for example, the model should be it should be devolved to London, London should then devolve but the Mayor should be saying, "I will devolve to you but these are the results I expect" which is not unreasonable. That, if I may say, is one of the roles that I think the Assembly should play, which is then to scrutinise that in a whole range of different areas, rather than just some of the ones you have at the moment. There should be a whole range of additional stuff coming in that I think the Assembly should play a role in.

Joanne McCartney AM: I am coming to Stephen [Cllr Stephen Alambritis] in a second. Are you, as part of this, asking for any of the powers that are currently devolved to the Mayor to come down to local authorities?

Sir Robin Wales (Mayor of Newham): I would argue we have not done enough to share those things. I think it can go both ways. The Mayor should be saying, "You have got the powers, you deliver them". I think the Mayor should be actively looking at that. It cuts both ways. We should be looking at some of the things

we have responsibility for and saying, "Is it better than a sub-region or pan-London role?" If you think of London Councils, which is operating successfully since the Mayor was appointed, there is a real attempt to work things on a London-wide basis there too, some of the things. Whatever works best, wherever it works best to deliver that is where it should go.

Joanne McCartney AM: Stephen, I am aware that I have taken up a bit of time. My last question. I presume you are saying you have an evidence base. You mentioned housing particularly before, which I think is useful. Are you actually seeking additional powers from Government which might require legislative changes, or is it more a matter of devolved budgets and co-commissioning around national programmes?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): We have to look for what is achievable. We must not ask for too much too quickly. There is the dangling of stamp duty, capital gains tax and national insurance. The business rate is there, that is achievable in terms of asking to keep more the business rates. That is far down the line. We must not scare the horses, so I think we should do what is achievable.

Darren Johnson AM (Chair): Is there a danger that so far London has concentrated too much on those big prizes in terms of fiscal devolution and kept its eye off the ball in terms of some of the smaller programmes that could potentially be more deliverable?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): Yes, with skills and employment we can do a better job than Jobcentre Plus. That is achievable, very, very possible. Capital gains tax, stamp duty, business rates, they are all postcoded, so that is the attraction that we know where the money is coming from, but I think you need to just take it easy. Let us get the groupings working, let us show we are serious and let us show we are talking to each other, because central Government does hopefully want to give over for it not to come back. We need to debate about finances, about those taxes and what happens to them in the future. That is down the line, that is down the motorway. There are some tributaries we should be exploring at the moment, that are achievable, where we can arrive at.

Darren Johnson AM (Chair): I will bring in Caroline now.

Caroline Pidgeon MBE AM: I just want to move on to my set of questions. Robin, you gave very, very clear examples of the evidence base around jobs and stuff and that really is a very strong case. You said, "Public health, yes, we do that better". What is the evidence you do it better? We could potentially argue that while there is talk about top-slicing the public health money so that the Greater London Authority (GLA) could some London-wide campaigns and sub-regional, what is it that you are delivering on the ground? I am not aware of it in the same way.

Sir Robin Wales (Mayor of Newham): To be fair, we are still working through some of the contracts and some things that were there.

Caroline Pidgeon MBE AM: Right.

Sir Robin Wales (Mayor of Newham): The sexual health and the substance misuse stuff is just atrocious, absolutely hopeless. The other argument we would have is, and we once asked our health colleagues, "What is the single best thing you can do for public health?" The answer was, "Get somebody a job" or, "Get somebody into work". Single best thing in public health. We do massive amounts of public health and we should understand that. We have looked at what they do and the things they were doing were ineffective, they were expensive. We have just been looking at the smoking stuff and they are just pouring money into, at that point, the GPs. We are saying now we will do pharmacy-led things. We have not had it long but we can see the

money that we have saved from the way things were being done. We are using that then to support things like Workplace, support more sporting activity. We are trying not to cut those things. Even at a difficult time we want to keep doing those things, because the legacy from the Olympics we're supposed to be keen on, and it is important in terms of trying to keep encouraging people to get healthy. It is a bit early, if I am being fair, to show you that, but we can see the money we have saved and the programmes we have stopped that are completely ineffective.

Caroline Pidgeon MBE AM: Presumably cross-borough you can look at that, and presumably you might be working with some of your neighbouring boroughs.

Sir Robin Wales (Mayor of Newham): We do. We question things like campaigns. Preaching to people does not work. What are you actually trying to do? One of the questions we had is what about smoking - do you run a campaign against smoking? I do not need to. You cannot go anywhere without seeing it. People smoke for other reasons, so what do we do? We have the biggest number of trading standard checks for the sale of tobacco to young people, certainly in London, and we prosecute every time. We stop them from selling cigarettes to kids, or stop them selling knives and alcohol and all the rest, and you are doing a really important public health service, but it is trading standards that is doing it, not public health. It makes a huge difference - potentially we think. To be fair that the evidence base on that, you think that is right, but sometimes one of the frustrating things in public health is getting an evidence base, because there is not one. One of the things we should be very careful of is "first do no harm". We have got the Sir Ludvig Guttman Centre with University College London Hospitals as partners. They did some research that said kids whose birthweight is a bit low you should feed them, should you not? No. Because they then are more likely to be obese later on. "First do no harm" in public health, that is a complete failure. We fail on a whole lot of things, but public health and social care and elsewhere we do things that may damage people, not help them. Sorry, that is me preaching things.

Caroline Pidgeon MBE AM: No, but the evidence will be interesting. Stephen, have you got any examples?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): On public health I agree it is early days but we are working very, very closely with neighbouring boroughs. For example, one of the pushes we have is obviously on litter. Someone is smoking, they have a cigarette butt, they throw it on the floor and they are fined £75. We are going then to introduce an opportunity not to fine them if they go on to a smoking ceasing course, rather like the motorway fines and points.

Caroline Pidgeon MBE AM: Yes, that is interesting.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): That is the kind of innovation that local authorities can come up with.

Caroline Pidgeon MBE AM: Yes, fantastic. It will be good to get --

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): You do not get your fine but you go on a course to stop smoking.

Sir Robin Wales (Mayor of Newham): That is the way local government works. That is a great idea. I am going to go back and say, "Why are we not doing that?" That is great.

Caroline Pidgeon MBE AM: That would be good to share. That is fantastic. Right, I am going to move on to my questions which are around governance. Obviously the Mayor and London Councils are discussing putting a London package, as it were, to Government about what our ask is and for devolution for the capital. Are you separately, with your partnerships, making your representations to ministers?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): There was a piece in the *Local Government Chronicle* following a series of write-ups there about the groupings of boroughs. Rt Hon Greg Clark MP [Secretary of State for Communities and Local Government] apparently has gone on record to say he wants to meet groupings of boroughs. We do not know whether he wants to meet us together or individually. Yes, the London Councils' policy at the moment is to look at the Bill, because it does not mention London.

Caroline Pidgeon MBE AM: Absolutely.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): That is where our officer time will be expended in making sure London is mentioned in that Bill.

Caroline Pidgeon MBE AM: At the moment you have not made separate representations to Government?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): No. We are getting that evidence base, as you say.

Caroline Pidgeon MBE AM: Getting it together.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): It is important to get that evidence base.

Caroline Pidgeon MBE AM: What about you, Robin, for yours?

Sir Robin Wales (Mayor of Newham): I think you have all had copies of this. We are just trying to build from ground up the sort of things we want. We really, really welcome what the Mayor and London Councils are doing. It is very positive and it is the right thing to do. We are seeking representation from us separately, just to keep putting pressure on. It is really important that we are aligned across London and we are very clear about that. We think we are adding to the voices. We do not think we have a separate voice. Indeed, if you go back, some of the papers said we are going to have to look at groupings of boroughs to devolve powers to. One of the things we are saying is if we get people that devolve down to the Mayor, which is the logical place to go, we are ready to step in and do things and we are getting ourselves ready. We are setting structures up that can handle things. Yes, we are seeking representation, but we very much want it to be very clear that it is within supporting the London initiative. We do not see ourselves as separate from that. If I thought that was the case we would not seek separate. We need to be lined up as London. We need to be joined up and they need to understand that we are joined up and speaking with one voice. Therefore, I think what is happening with the Mayor and the London Councils is very good at the moment, very helpful.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): The fact that the Bill is going through the House of Lords first that is good. Sir Robin is quite right: when you are looking at a Bill you can amend, you can delete, you can change, but when you add clauses it is much better received because you are adding value and we want to add London's voice into that Bill.

Caroline Pidgeon MBE AM: You are very, very clear that everything you are doing fits in with what the Mayor and London Councils are asking and you are just trying to add value to that and show that you are ready to take on.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): Yes.

Caroline Pidgeon MBE AM: That is reassuring, because when you suddenly hear groups popping up here, there and everywhere you think, "Hang on, where is this all --"

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): The group is like forming your battalions and then, when we are all ready, hopefully we will be led by Jules Pipe (Chair, London Councils and Mayor of Hackney).

Caroline Pidgeon MBE AM: The Bill that you have talked about, the Cities and Local Government Bill, talks about devolution to combined authorities. You have talked about you have set up formal joint committees. Are there any intentions in your partnerships to create more formal links, such as combined authorities?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): No, that is a step too far. We are not combining, we are not merging, we are sharing and we are grouping together and we are partnering together. Partnering, sharing, grouping. Those are the terms we are using. We are not combining or merging.

Caroline Pidgeon MBE AM: Robin?

Sir Robin Wales (Mayor of Newham): I thought we were not able to in London anyway. One of the lessons from Manchester is that if you are offered enough power you are quite prepared to do whatever you have to do. Therefore, mayors are suddenly acceptable in Manchester, where they were not before. That makes sense. We are all politicians, we are all sensible if we have an opportunity to do something better for our residents. If the Government came to us and said, "If you join as combined authorities I will give you power in a few things" I would bite their hand off. Do I want to do it? Not particularly, we work quite well together and we are very happy with the way we work. It comes down to what is the price that we have to pay to improve things for our residents and we would be saying together it is whatever improves residents' experiences is what we have to be saying.

Caroline Pidgeon MBE AM: Your intention at the moment is that is not the route you would be looking to go down.

Sir Robin Wales (Mayor of Newham): If that was the price that is the price. Yes?

Caroline Pidgeon MBE AM: Yes.

Sir Robin Wales (Mayor of Newham): Government are entitled to the exact price. I think it is a foolish price. The price the Government should exact should be, "We want the following outcomes".

Caroline Pidgeon MBE AM: Outcomes.

Sir Robin Wales (Mayor of Newham): If I am going to give you employment, what are you going to give me in terms of getting it to work? That is an outcome that is worth asking for. Saying you have to form a structure is, I am afraid, fairly typical of Government, that they resort to structures. I can prove that by pointing to the health service reorganisations that happen every so often. It is what Government does because they do not know how to run thing and the politicians who run Government do not know how to run things.

Caroline Pidgeon MBE AM: Yes, that is very helpful.

Sir Robin Wales (Mayor of Newham): Central Government, by the way.

Caroline Pidgeon MBE AM: Yes, that is very helpful. For me, I am quite reassured actually from your comments about how this is all of us different tiers working together for the common goal to get more powers and funding down to London so we can have local solutions. Thank you.

Darren Johnson AM (Chair): Before I move on to Andrew [Andrew Boff AM], Joanne wanted to come in.

Joanne McCartney AM: I did actually. In your respective groupings, are you currently delivering services across that group? If you are, what scrutiny arrangements do you have in place to check what is being done across those wider groups?

Caroline Pidgeon MBE AM: Good question.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): We are supplicants. We are seeking funding from the European Social Fund, in terms of training. I do not think we are running services together, apart from where we share services like legal with four boroughs. That is as far as it goes. However, we are ambitious, we want to be imaginative and innovative and that is probably where it would lead to without that combination or merger.

Sir Robin Wales (Mayor of Newham): Because the growth boroughs have been around longer, we both put a bid in for European Social Funding for employment and skills. We have also done a transport strategy that we have all signed up to. That is interesting. In fact it was for growth boroughs, but the other boroughs now within the East London grouping have signed up that as well. We are in a shared service with Havering on support services so we are working with Havering to develop that.

I will just caution again and say one of the things that we have come to believe is that the delivery of services is best done through smaller independent organisations. As I said, we are currently in the process of taking everything we deliver, the services we do, to small businesses. Initially we did not really want to do that, but it will free them up to operate in a very different way.

Technically our savings are 25% - 40% getting them ready to go out. You have to grow them embryonically for a while. The opposition to it is insane. The number of hoops you have to jump through that Government put in your way is incredible. We think we have a very different way of working which will also remove most of our middle management. I do not think the private sector is very efficient. It is a bit more efficient than us but they take a profit. Middle management is not an effective system of working, as a system. We have some interesting thoughts, so we are actually going down a route that we think is quite radically different. We will work with anybody. Where we think it makes sense we will work with people and we have some evidence on that.

Joanne McCartney AM: I assume your scrutiny arrangements are with your individual committees and individual boroughs. Is that right?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): The joint committee element does allow for each individual borough to continue to do what it wants to do itself, where it is for itself, but it does allow a scrutiny role as well there. The joint committee terms of reference, and we can send those to you and you can have a look at those, that does allow a joint scrutiny element to it.

Joanne McCartney AM: That would be helpful. Thanks.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): What has changed with local authorities that perhaps has not been realised by central Government is our readiness to

work with anyone and not be possessive or organisationally jealous. Years ago if an organisation volunteered to run libraries we would tell them to go and take a running jump. Now we are looking for those organisations to run things for us wherever possible. Love Wimbledon, for example, is the Business Improvement District (BID) organisation for Wimbledon and we love them to bits and they do things. Our libraries are all kept open because of the Merton Voluntary Service Council. In the old days councils kept everything to themselves. These days we are very, very happy to see whether others can run things for us. It is that lack of organisational jealousy that should allow mayors and the Chancellor to relax about giving us more to do.

Joanne McCartney AM: OK.

Darren Johnson AM (Chair): Thank you. Before Stephen has to go, I am going to move on to Andrew's area of questioning and then we will obviously let you go in a few minutes time.

Andrew Boff AM: I am going to cover the skills and employment budgets. The alliances have indicated that they want those devolved. We have heard some anecdotes and we have heard you say that it is much better local. Do you have an evidence base for that assertion, or is it just anecdotes?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): We have the evidence base on apprenticeships throughout the boroughs. We have the evidenced base based on survival rates amongst SMEs. We have the evidence base based on getting a job, staying in a job, getting on in that job, so we can get that to you. We are continually collecting. We just feel that we would do a much, much better job than central Government and Jobcentre Plus.

Andrew Boff AM: For the North East Alliance as well, do you have an evidence base that it is better done locally?

Sir Robin Wales (Mayor of Newham): Workplace is the best jobs brokerage in the country by a country mile, if you look at it. The other thing I will say is that skills is harder, because getting access to the money and we have to change the nature of how we do skills because it is just "send them on a course and that is it". The skills offering in the country is hopeless. Newham won the national award for apprenticeships, for our apprentice scheme.

Andrew Boff AM: With respect, that is just Newham.

Sir Robin Wales (Mayor of Newham): Yes.

Andrew Boff AM: We are talking about devolving powers down to all the boroughs and then the boroughs may have different views. They may not want to set a Workplace. We have been to Workplace, we have come to see it and it is a fine institution. Very expensive.

Sir Robin Wales (Mayor of Newham): It cost us £6 million but it gets 4,500 people into work. Yes, it is expensive in the sense we put a lot of money into it, but that is because we believe in it.

Andrew Boff AM: Per job.

Sir Robin Wales (Mayor of Newham): The actual cost per job is about £1,000 less than I think DWP do. I need to check the figures but we are much, much cheaper than anything else, because we start with employers. That is Newham.

I will give you an example that may be easier. We started doing borough-wide licensing on the private rented sector. All the other boroughs around us are starting to do it as well now, because that is what happens. If we get to a place where money is devolved, I would expect people to be saying, "We will take the Workplace model and do it for some of our employers". We would also then be talking about sub-regional employers. One of the conversations I would love to have now, and will be able to have with the new Mayor of Tower Hamlets, is the role of Canary Wharf in pulling employment skills forward across East London, just as Westfield does it; just as the role of Westfield is very similar to that. Therefore, yes, we will do that. Given the money and the opportunities that is exactly the things we would want to do.

We put a bid in across the growth boroughs for European money so that we can work together in different areas. We are looking at different areas of work. It might be a local authority, it might be health. There is a high tech end. Of course in the growth boroughs Hackney would lead on that. You would be nuts not to have Hackney leading on it. Yes, there is plenty of evidence we can do that and we are trying to build it, but at the moment it is mostly down to individual boroughs because we do not have the --

Darren Johnson AM (Chair): Just on the skills agenda, what is your main ask then? Is it about devolving specific programme budgets from national to the local and the sub-regional rather than formal powers, legislative change, whatever? Can you just be a bit more specific about what the main aspects are?

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): It would be a combination of both. It is allowing us, as local authorities and as groups of local authorities to match employers with potential employees, allowing us to work more closely with further education colleges, so we know the kind of skills that our employers want and we know the employers better. Then there is the funding element, so the training and funding element. We can run Jobcentre Plus better than Jobcentre Plus itself can.

Andrew Boff AM: Forgive me, I absolutely agree with you and pushing an open door on that one, but this is about making a case to Government, is it not? For instance, Workplace is a good example. Has the North East Alliance in its ask to Government said that it has a policy over those boroughs to introduce a certain way of working? Or are you just saying, "Look at Workplace, that is a good example, now give us the money"?

Sir Robin Wales (Mayor of Newham): I am a great fan of people doing things the way it works best for them. Barking and Dagenham is very different from us and they would approach it in a different way but it would work for their area. My view is you devolve to sub-regions and then as a sub-region you say, "Well what is it we want to do sub-regionally?" There are some big things like --

Andrew Boff AM: I get what you are saying but if you are asking for a devolution of power down to a sub-region and then you are saying all the boroughs are going to do everything differently, then do we not just devolve down to the boroughs?

Sir Robin Wales (Mayor of Newham): Because Government has to deal with something of that, yes, we get that. It does not follow everything would just be devolved to boroughs. What we are saying is that as a sub-region we will decide the best way of delivering things. Some things will be best done sub-regionally, some skills will be best done sub-regionally and some things will be best done locally. If you were doing, for example, skills in retail, you would probably come to us because we have lots of experience in that with Westfield there. As I say, on the tech stuff you might say, "Hackney will you run that for the sub-region?" It is about looking at the best way of doing things and not saying, "We must have the same model all the time". As a group of boroughs we understand that we will deliver it the best way we can.

It is what I said the other day as well, some stuff should be delivered in neighbourhoods. I think mental health and large elements of care need to be delivered through the neighbourhoods.

Darren Johnson AM (Chair): We are going to come on to health in a few moments. What I want to do is thank Stephen for his contribution.

Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership): You are very welcome.

Darren Johnson AM (Chair): We will let you go now so you are not late for your next appointment. Thank you.

Andrew, was there anything else you just wanted to do on skills, and then we will move on to health?

Andrew Boff AM: Yes, just on skills, the very last thing I want to do is one of the things that you have accepted is that devolution to the London Enterprise Panel (LEP) on skills funding is a necessary first step. Does the LEP need to reform in order to better represent the views of the boroughs? Are you on the same page with the LEP or are there some changes that are required?

Sir Robin Wales (Mayor of Newham): The answer would be of course you need a London-wide body. There are some London-wide sills they should do. The LEP is the obvious body. I would change it, others might not. It is one of those things.

Andrew Boff AM: You would change it how?

Sir Robin Wales (Mayor of Newham): Yes. I think the sub-regions should be reflected in a different way. If we are going to get significant devolution of power and money then our structures need to change to reflect that. I said earlier that if that happens the Assembly needs to think what its role is in what would be, hopefully, if we get everything right, a massive shift. That takes the Assembly to a different place, because you have to think about the new structures. Similarly, if you are looking at the LEP and you think, "If we are devolving down to sub-region, where do the sub-regions fit into this in terms of having a sensible voice?" One of the arguments we have, for example, is we think Newham should have a place on the LEP because of our particular position at the moment. Much of the money is being generated by us.

Andrew Boff AM: Can I be clear though? We are in danger of agreeing on too many things, which is unfortunate. Are you arguing for basically the North East Alliance to be a LEP itself?

Sir Robin Wales (Mayor of Newham): Kind of, if you want to call it that, yes.

Andrew Boff AM: It is fine. It is just that we do not agree or disagree with on the Mayor on anything, my group, but one of the things we do disagree with him on is the shape of the LEPs. We thought it should much more represent the economic centres.

Sir Robin Wales (Mayor of Newham): It should.

Caroline Pidgeon MBE AM: Could it also be though that the LEP, if it is restructured, should represent all the different sub-regional partnerships?

Sir Robin Wales (Mayor of Newham): I may think that, but I think one of the things that is really important is to try to get consensus around this. Stephen [Cllr Stephen Alambritis] made a really important point:

Manchester just kept talking; just talking to each other. They are quite lucky because transport is so diffuse there that that has given them a driver to bring things together. If only TfL was an inept as the transport there we would have a driver to bring things together. To some extent we did, and that is why we got the Mayor. We took the first step and now we are being bypassed.

I would probably view that as being a logical step, but I would not wish to take that step unless everybody was kind of agreeing and saying, "Yes, that makes more sense". Does that structure deliver anything better for you in terms of outcomes is the only question I would ask. I would have thought it is fairly obvious that devolving to sub-regions that they need to then have a place back at the central table.

Caroline Pidgeon MBE AM: On the LEP, yes.

Darren Johnson AM (Chair): Joanne quickly wanted to come in on this before we move on to health.

Joanne McCartney AM: It is sort of the same question. The London Development Agency that existed did have sub-regions of activity. I remember at that stage Enfield argued that it should not be in the North East sub-region, actually it should be in the North West sub-region. I suppose my question is does the LEP operate on sub-regions at the moment? Looking at the website it does not seem to, but it would seem it would be sensible to. Secondly, if we have these conglomerations of boroughs what is going happen to the rest of the boroughs in London? Are they talking to each other as well, as far as you are aware, about setting up sub-regions or not?

Sir Robin Wales (Mayor of Newham): Interestingly, we have made arrangements to meet the West London Alliance boroughs after the next London Councils, when they meet. We are going to join them and talk to them. There is quite a few alliances and when you get that they will cover most of the boroughs. There are one or two boroughs that are very difficult to work with, and at least one that we have no intention of working with, not that far away from us. We are quite prepared to go south of the river to some extent. We are not working with Bexley. They did not want our bridge, we have had enough. Yes. Does that help?

Darren Johnson AM (Chair): Right. Let us then move on to health, the final topic. Andrew.

Andrew Boff AM: To get this covered, and Councillor Alambritis almost mentioned it earlier, but the Greater Manchester Agreement sets out the proposals for integrating health and social budgets across the region. Should that be a goal for London's sub-regions? If it is, what do you see as the necessary first steps?

Sir Robin Wales (Mayor of Newham): It is happening now anyway. It is happening certainly with us. We are aligning the care budgets with health and with the council. I think we have to be a little careful not to be too big. I have a view that we have a democratic mandate and a democratic mandate puts us in a place that should be recognised. One of the weaknesses we have is we are seen as an arm of government and we should be seen as something more. We have a democratic legitimacy to be involved in the sessions that affect our residents and, therefore, it makes sense to pool these budgets because it should be recognised. Especially once you get into the community that is where we have our strength. Yes, the budgets should be pooled and we should be getting together.

The one we never talk about is mental health, which is a disaster, in my opinion. You can get the pharmacology stuff, but people are sitting isolated in their homes and we do nothing about it. The only people that can do something about that are councils, because we have those links.

Darren Johnson AM (Chair): Has the North East region talked about this as a serious bid to Government, or is it just, "We have observed what Manchester has done and we are going to wait"?

Sir Robin Wales (Mayor of Newham): We would be foolish to reinvent the wheel. Manchester is in there, they are leading the charge. We should be saying, "Yes, we are really interested in doing that and developing the same things". We are saying we are interested in the developments and we are interested in seeing what Government is willing to do. It is about having conversations with them. Once it is Manchester why is that not right for London? Our sub-region is 2.2 million people. That is an awful lot of people. London is too big to handle some of these things. That is why you need sub-regions. The size of it is Manchester or Liverpool or East London. My view is that as Manchester have led on this let us not reinvent the wheel. We would like what they are getting please because we fundamentally believe we can do it better and we have got plenty of evidence on that.

Darren Johnson AM (Chair): Would that be acute care as well as primary care?

Sir Robin Wales (Mayor of Newham): No, it gets more difficult there. Our justification for that becomes less because the acute services are not community based. There is less of a case. There is a stronger case for us to be in saying, "We do not think you are doing a very good job on this".

Darren Johnson AM (Chair): Is there not then a danger that we start then much better aligning social care and primary care but then we have a disjoint then between primary care and acute?

Sir Robin Wales (Mayor of Newham): Indeed. One of the problems I have is the health service talks about saving money and it cannot. Therefore, if we go in and do stuff for primary care and free up beds in the local hospital there are no savings because the hospital will not be able to take the people out and do the things it has to do. Therefore, there is an argument about aligning some of that. It is a very, very big ask to be doing that straightaway. For me, I would like to see us organically grow.

When we started Workplace we spent three years pumping money into it and building the relationships. We knew it would take time and at times some of our members were saying, "We are not getting anything". We said, "No, no, but we are building the relationships. We are building forward. It takes time to do these things sometimes". Nobody will ever turn down power, but I would just be nervous about too much, but if you can get the social care element and the mental health social aspects, if you could move those forward you would then have an organisation that could say now we could maybe see how we could interact with the acute services.

Andrew Boff AM: If I can move on from health. It is going over a question I did earlier. You have been a great advocate for Newham. One would expect that, but I am not getting a message from you that there is a North East London agenda: a set of policies that are agreed. I am hearing about how things are done better by the boroughs. I get that, but I am not hearing how this group will have a set of policies. Tell me I am wrong, this is just from what you say, but it looks to me like you are arguing for the North East London area to be a stop for the money until it then gets handed out into the boroughs, which is a completely different thing from having a sub-regional organisation.

Sir Robin Wales (Mayor of Newham): No. Again, I would point you in the direction what happened with the growth boroughs and the Olympic boroughs, when we operated together we did it jointly. We had a joint team that worked and we brought things together in a different way. My answer would be it depends on each area. For some skills: I know we need a sub-regional aspect of that, but I also know there is a local aspect to it. I believe we will need a structure that will work in a sub-region. I have mentioned for example the high tech stuff that Hackney does. Clearly you would want to do that across the sub-region. If you are doing hospitality we may lead on that, but it depends on each area what you are trying to do. I am entirely a fan of you do the thing where it works best. I believe that in skills you need a London-wide thing as well.

I believe you should push things down to the lowest level you can possibly manage at all times, which is why I have talked about, and we really must not miss it, it should not just come to boroughs but go down further and down lower. I am entirely a fan of delivering where things are best. We have talked about the small business stuff that we are doing, which I think is a radical, radical innovation that delivers things in quite a different way from anything anybody has ever done and it would take it down to lower, lower levels. I have come across that way I do not mean to. There is a role for the sub-region it does not exist at the moment because we do not have those powers but I can point to the transport plan and I can point to the European bid that came from the growth boroughs because we came together and we worked on that together.

Andrew Boff AM: One of the reasons that the Manchester bid actually worked, after I personally looked into it, is that there is between the ten councils in the Manchester Agreement, there is actually a Manchester message.

Sir Robin Wales (Mayor of Newham): Yes.

Andrew Boff AM: All of those local authorities sign up to that. Is there a North East London message?

Sir Robin Wales (Mayor of Newham): Yes. We think we are the growth area for London. As a group of councils we come together on things like aspiration. You know resilience is what we push very hard in Newham. That is what we believe we should be there for. I think many of us sign up to that kind of vision of the future. We would sign up to a vision that there is quite a lot of common ground across us in terms of what we want to do and where we want to go and we want to do things better on behalf of our residents. Most of us do not care whether that is sub-region, regional, we will do whatever is best and we will look at each thing that comes down and say, "Well, who is best to do this? What is the best way to do it?" I think there is a message there. The only other thing, I have always thought we should make a bid for is defence procurement, because we could do that so much better.

Darren Johnson AM (Chair): On that note, moving things forward, so thank you very much, Robin.

Sir Robin Wales (Mayor of Newham): Thank you.