



LABOUR PARTY CONFERENCE, 24-27 SEP: KEY POINTS

We ran two fringe events at the Labour Party conference in Manchester – a Cities Question Time (with Ken Livingstone, Ruth Kelly and Richard Leese) and one on UK Enterprise (with Ian McCartney, Phil Redmond and Margaret Hodge).

We also spoke at and attended a number of other events on cities, regions and local government – with speakers such as Ed Balls, John Healey and David Frost.

Headlines

- Gordon Brown set the tone, with a strong emphasis on devolution. He promised "a reinvention of the way we govern" and "a radical shift of power from the centre".
- Ruth Kelly stuck to her guns on elected mayors. She said that city leaders will get more powers only if they can show they are more accountable, preferably via a direct mandate. And she confirmed that the Local Government White Paper is just weeks away.
- Ed Balls was a lot more cautious. He welcomed city-regions as the right model for economic collaboration, but is opposed to city-region mayors. He was also sceptical about the prospect of local authorities raising lots of their own revenues locally.
- John Healey said that the cities agenda cannot focus just on London and the 8 core cities of Manchester, Leeds, etc. There has to be something on offer for places like Doncaster and Rotherham.

So what should we expect from the forthcoming Local Government White Paper?

- It will say all the right things, but the substance will have to wait until later - for the string of Treasury announcements between now and the summer, and also for the new Prime Minister.
- Elected mayors will be encouraged, but not imposed. They're not the only model of city leadership.
- The regional tier of government - including Regional Development Agencies - will survive. But we will also see plans for the delivery of transport and skills to be pushed down further - whether it's the city-regional, sub-regional, or multi-area level.
- The White Paper will have to focus on our biggest cities, but also offer something for everyone - including places like Burnley and Bradford.
- And fifth, the proposals on financial devolution will have to wait until Michael Lyons' report - but are likely to be more realistic than radical.

Here are the key points in more detail...

Ruth Kelly MP (Secretary of State for Communities and Local Government):

- Govt should move from "instinctive centralisers" to "instinctive devolvers".
- White Paper - will publish in "weeks, not months".
- Leadership matters. More powers require more accountability. Direct mandate is useful. Ken shows that Govt is willing to devolve more to directly elected mayor.
- Need to rethink role of ward councillor.
- Support more regulation of buses.

Ed Balls MP (Economic Secretary to the Treasury):

- Need to reshape relationship between centre and regional/local govt.
- Labour Govt was excessively centralised early on, e.g. New Deal.
- City-regions are "absolutely the right way to go for economic collaboration", but must be within RDA strategies. Can't support city-regions as political entity. Northern Way was the first champion of city-regions.
- Can't focus exclusively on core cities. Manchester should not be funded differently from elsewhere. Leeds city-region does not have a coherent identity. Very cautious about elected city-region mayors.
- Need to strengthen local authorities' financial toolkit. They need far more flexibility over funding, e.g. skills. And they should be able to borrow more.
- But how much extra local tax are voters willing to pay? Need an honest debate on this.
- Adult skills are far too centralised.

John Healey MP (Financial Secretary to the Treasury):

- Governance matters. But some were initially too prescriptive on city-region governance.
- Now arriving at a consensus: (a) cities operate within regional economic framework, (b) local authorities should have a greater economic role, (c) need to respect identity, (d) relations with private sector are key, and (e) Whitehall is the biggest obstacle.
- Need further decentralisation and devolution. Sub-national review is looking at how to improve powers, accountability and incentives.
- Can't just focus on the Big 9. Can't exclude other places. But can recognise special place of cities. And that local economies are not limited to council boundaries. Doncaster and Barnsley need a successful Sheffield.
- Globalisation will reward high-skilled, well-connected big cities. HMT publishing PBR paper on 5 global challenges.

Sir Richard Leese (Leader, Manchester City Council):

- "Political suicide" to focus only on the Big 9. Need better understanding of links between core cities and hinterlands. Blackburn's economic future is entirely dependent on Manchester.

David Frost (Director-General, British Chambers of Commerce):

- Business wants more local determination, but lack of trust with local authorities.
- Transport - will have to raise more funding locally, but how?
- Local govt needs stronger powers, to attract excellent people.
- Personally believe in elected mayors.
- "Birmingham going backwards." B'ham/Coventry/Black Country city-region is laughable.

Michael Parkinson (Liverpool John Moores University):

- Regions are too big to do economic planning. Voluntary city-region arrangements are best, e.g. Multi-Area Agreements.
- Big 9 matter, but need to build up trust with smaller places.
- Elected mayors won't improve quality of leadership.

Tom Riordan (Chief Executive, Yorkshire Forward):

- RDAs score 9/10, but are doing too much - need more subsidiarity. RDAs should move out of micromanagement. RDAs lack accountability - need to work more closely with local authorities. Highways Agency and Network Rail also need to be more accountable.
- Transport and skills are the priority - need better integration of sub-regional structures.
- LAAs - give 4th block to RDAs.
- No appetite for city-regional mayors.

Geoff Mulgan (Director, Young Foundation):

- Realisation that Labour centralised too much, which damaged public engagement and public services.
- White Paper is a key moment - double devolution etc.
- Labour has to capture this agenda, or the Tories will.

Simon Jenkins:

- Need to uncap rates. "Local taxes have got to soar."
- Postcode choice is fine. Need regional and local diversity.
- Need direct election of council leaders.

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