HOUSE OF COMMONS

MINUTES OF EVIDENCE

TAKEN BEFORE

JUSTICE COMMITTEE

DEVOLUTION: A DECADE ON

Tuesday 8 July 2008

KEN LIVINGSTONE

TONY TRAVERS

Evidence heard in Public Questions 700 - 743

4.
Prospective witnesses may receive this in preparation for any written or oral evidence they may in due course give to the Committee.

Oral Evidence

Taken before the Justice Committee

on Tuesday 8 July 2008

Members present

Sir Alan Beith, in the Chair

Mr David Heath

Mrs Siân C James

Alun Michael

Jessica Morden

Julie Morgan

Dr Nick Palmer

Mrs Linda Riordan

Mr Virendra Sharma

Mr Andrew Turner

Mr Andrew Tyrie

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Witness: Ken Livingstone, former Mayor of London, gave evidence.

Q700 Chairman: Welcome, Mr Livingstone. This could be one of those occasions where I just get my question out and then we get called to vote, giving you a quarter of an hour to think of the answer.

Ken Livingstone: More evasive than normal then!

Q701 Chairman: I am sure you will not be evasive in front of us, especially when I ask you to give us some kind of thumbnail sketch of how your relationships with ministers in the UK Government actually operated during your time as Mayor?

Ken Livingstone: I must have met a government minister about once a week for eight years, and it was a regular round of I wanted more money and I wanted more powers, and what I found was that, even when broadly the minister agreed with what I was doing, it was difficult to get a decision in under two or three years. If there was any point of disagreement, nothing ever got resolved. Even on relatively small issues, like whether or not we should require utility companies to put down a duct so that any duct furrowed out once could then be used indefinitely, where the minister agreed. This rumbled on as a debate for years and did not get resolved, and still we wait for such things to happen. There was a moment when Jackie Smith had just become Home Secretary, and I was at my second meeting with her when I realised most of the items on the agenda had been at my first meeting, seven years previously, with Jack Straw. You got something that got you through for another year but never really getting resolved; and I thought there was an unbelievable inability to get a decision out of government, even when it was not controversial. I think, because as a local government councillor I had been involved in deputations to ministers going right back to Peter Walker's time under Edward Heath, it was the worst government of my lifetime to get a decision out of, and I suspected that was because so much power had been sucked to the centre in Downing Street and within Downing Street there was a conflict between Number Ten and 11, so even when it got to Downing Street you could not resolve the issue unless the Chancellor and the Prime Minister broadly agreed.

Q702 Chairman: Does that mean that these problems relate to a particular government, or would that be a bit unrealistic? Are they not going to happen in some form or other under most governments where the powers that you are talking about require a government decision as well as your own decision?

Ken Livingstone: I think this Government is worse than others, because so much was centralised. Relatively minor decisions, which Mrs Thatcher and other Prime Ministers would have left to their Cabinet ministers, still had to be agreed at the centre. No, I think there is that institutional problem that the Civil Service really does not want to let anything go. Even when you could get a minister to agree with you, they would often come back and try and block it. I think there was an institutional problem that they knew any power they gave up was a bit less of their empire. I can think of the one that is still running on and Boris Johnson has to resolve, which is the question of who lets the franchises for the suburban services serving London. Most of them go a few stations over the boundary, which always gave civil servants the ability to point out dozens of reasons why the Mayor could not possibly let the franchise. We eventually persuaded Tony Blair's Government to give the Mayor the power to let the franchise for Silverlink and we were still negotiating with Ruth Kelly about whether or not we could take over the southern franchise, almost wholly contained within London, and that was still rumbling on when I left. It had gone on for about two years, the Silverlink decision, about two or three years. If I think back, I cannot remember if it was the northern or western ticket hall at Kings Cross, but the Treasury suddenly got in a panic - it was costing too much - and put a stop on it. We then had two years of meetings discussing it, eventually recognising you had to build it. It is the interchange: it is a box under ground where people coming in on the Thameslink could interchange. They came back and decided, after two or three years had been wasted, yes, it would have to go ahead. I cannot remember, but I think it most probably ended up costing more than when they stopped it. I should imagine the biggest single item of my job was not dealing with the Assembly, it was just trying to coax ministers, working my way all the way up to the Prime Minister and the Chancellor, to take relatively minor decisions which in almost any

other city in Europe or America would be, at most, an issue between the Mayor and the Governor or the Mayor and the Länder but certainly would not have involved the central Government.

Q703 Chairman: Do you think, and did you ever compare notes to find out, that you were in a weaker position than, let us say, Scottish and Welsh ministers trying to get decisions out of government at Westminster?

Ken Livingstone: We are in a much weaker position, because there was a real devolution of powers both to Scotland and to Wales. The Government was much more nervous about London and much more inclined---

Q704 Chairman: Because it is London.

Ken Livingstone: Because it is London, and also the worry that you might have someone there that would not do what you wanted, and there were huge numbers of reserve powers in the Act setting up the GLA that allowed ministers to step in and overturn the Mayor, plus 55% of the income to the Greater London Authority was direct or indirect grant from the Chancellor. So you always were in a position that, if you ever really upset the Government, they could make your life very difficult. It has left me totally committed to a federal structured government, like, say, West Germany or the United States of America, so these powers get really devolved to people who are much more directly accountable.

Q705 Chairman: What were relations like further down between officials?

Ken Livingstone: The difference between the devolution to London and Scotland and Wales: Scotland and Wales were the traditional relationship between politicians and civil servants. Basically, the officials at the GLA were my officials. I was able to sack them and get rid of them indirectly because it was done through the Assembly, and, therefore, I did not inherit something like the Scottish or Welsh Office with its deeply ingrained institutions, we created it from scratch, and that is why now Boris Johnson is making substantial changes amongst the layer of civil servants, as he is entitled to do, because the Mayor is the elected executive. It is my signature on the lease for the building, it is my signature on the photocopier contract. You are not working through somebody, and had we been, we would never have got the congestion charge or the expansion of the buses. The Mayor is responsible. There is no-one else to blame when it goes wrong.

Q706 Chairman: If there had been some kind of English structure you were dealing with, as opposed to a UK structure, would it have made any difference?

Ken Livingstone: I do not know. I think such a head of steam built up over decades for Scottish and Welsh devolution that there really was not much civil servants could do about it. It was what John Smith called "the settled will". In the GLA it was really starting from scratch and, I have to say, many civil servants, particularly in GOL, at that stage were arguing for a real aim.

Q707 Chairman: Government Office for London.

Ken Livingstone: Government office for London. There was a strong rear-guard action from the Home Office to have any real mayoral power over the Commissioner of Police or even over the Metropolitan Police Authority. So the only power the Mayor has, which is a big one, is to set the budget. I remember Jack Straw saying to me, "I would like to have gone further, but you could not let London be too out of line with the rest of England." They did not think London might be an experiment that would switch the rest of England. Of course, I now find myself in agreement with

the Conservative Party and Boris Johnson in that I do believe it is right that the Mayor should appoint the Commissioner of Police and should be answerable to someone who is answerable to London.

Q708 Chairman: How significant was Government Office for London? You have spoken about having endless meetings of ministers to resolve difficulties. Is Government Office for London an irrelevance?

Ken Livingstone: In the times before it was thought that---. If you think back, in the run-up to the first mayoral election, for a long period the presumption was that I would not be allowed to stand, and I would not think of leaving the Labour Party, so they structured it on the assumption that I would not be there, and even then they built in very strong constraints. When I did turn up there, suddenly the Government Office, which had been quite keen to devolve and try this experiment, was under real pressure to watch everything I was doing and for about three years the mantra was there could be no reopening of this settlement for years to come, "We want to see several terms", and so on. Certainly, once I came back into the Labour Party, that became more relaxed and we got a second round of legislation. The Government Office for London at that point started to fade a bit into the background, but they were quite active as a presence between the period between my first election and my second; much less so in the second term.

Q709 Mrs James: You have talked a little bit about how the role changed, et cetera. Would you say that the powers of the Greater London Authority have changed since 1999, and how do you perceive they have changed?

Ken Livingstone: I remember during the debates, because I was on the committee passing legislation, Nick Raynsford repeatedly said that the prestige of the post will allow the Mayor to do more, and I was deeply cynical about that, but it did turn out that, simply because you were the directly elected Mayor, you had access to business and to foreign governments and to international institutions in a way that, I think, would not be the case if you simply had the leader of a council. American politicians clearly understood the nature and role of the mayoralty. Immediately after my election we were facing the closure of Ford. I was able to pick up the phone and get straight through to the boss of Ford in America, meetings were set up and I do not think that would have been the case. I think they thought the Mayor of London was most probably as powerful as the Mayor of New York - sadly, this was not the case - and it got a very good response, and once the Government settled down and it was not so nervous about me, we started lobbying for more powers. I was quite careful in this. I only lobbied to takeover from central government the things that central government was doing badly - housing policy in London, skills, and so on, and waste. I did not waste my time trying to persuade them to give me things that were not a problem, just to focus on the ones that were not working well.

Q710 Mrs James: Do you think that impacted in a way upon your successor and that he is going to possibly have a better time of it or a more defined role?

Ken Livingstone: I think Boris will have quite a good two years, because a whole series of financial commitments have been given to the Mayor and, if the Labour Government was seen to renege on any of those, it would be catastrophic for their public standing to be seen to be punishing Londoners for having elected someone they did not like. I think Boris may have more of a problem if there was a change of government and it was looking for major cuts in public spending. I think these might be the best two years of Boris Johnson's mayoralty and he should make the most of it.

Q711 Mrs James: And for the Assembly in general?

Ken Livingstone: I think that the weakness of the GLA system was that it is a purely American system, so the executive power rests with the mayor. If you look at many of the American cities, there the City Council has real powers over planning and has the power to have minor legislation, like the writing of by-laws and so on, so I do not think they were really given enough to do. Also, I think the Assembly would tend to come into its own much more if you had a mayor that was personally grumped or following a very extreme ideological agenda. We have broadly created a consensus about where London was going. Therefore, there was not much aim for them to get dug into, and I think as well that they would have been more effective looking at things, not specifically GLA powers. Often when they did, when they looked at the state football clubs, they tended to get more attention with their advice on things like that, or the state of borough parks and so on.

Q712 Alun Michael: You have already referred to comparisons with the Scottish Parliament and the Welsh Assembly. Your role as mayor was an executive role. In the case of Scotland you have got the Executive and in Wales they have moved in that direction from originally a single body to a split between the Executive and the Assembly. How would you compare the role of the executives in those two cases and your role and that of your team, as it were?

Ken Livingstone: The job is so demanding. I had occasional contact with the Welsh and Scottish bodies, but they were very limited. It is a 24/7 job, and you just got on with what you had and made the best of what you had got. Whenever I bumped into people from the Scottish and Welsh authorities I was always rather envious of their wide-ranging powers, certainly Scotland's taxation power.

Q713 Alun Michael: You would have used that, would you?

Ken Livingstone: I would have used it. I would have preferred it if it could have been more progressive than just two pence up or two pence down. That is the reason the Labour Government seems to have so many problems today. It tied itself into not redistributing tax through a progressive system.

Q714 Alun Michael: That model of the Mayor and the Assembly, what are the advantages and disadvantages of it?

Ken Livingstone: I remember for five years as the leader of the GLC my focus was wholly internal to the Council and managing the Labour corpus and making sure we won all those votes. As Mayor, my focus was completely outside to Assembly and coalition of business interests, to lobbying for Crossrail, with the Greens, and so on, so I think I went from being the manager of the party corpus, which is really what every council leader is - even in hugely safe majorities often you have to manage it more than where you have got a narrow one - and I do not believe that we would have been able to get the congestion charge or the consistent expansion. We had a seven-year expansion of buses and policing. If I had had to win votes from the Assembly, there would have been those who would have said, "We cannot afford it. The boroughs are too pressed", or whatever. I think as well the ability to get so much done so quickly, having been totally hostile to the idea of a directly elected executive, I am now completely besotted with the idea. Tony Blair was the only person in the Labour Party who had this idea. The others were all broadly unsympathetic. I think he saw it as a substitute. He actually could not be a directly elected Prime Minister with executive powers. This at least gave him an idea of experimenting at a lower level, and I have to say, I think most probably recruiting a government from Parliament is not the best place to look. I think the executive role of government might very well be a better place to look, as the Israelis have done. They have kept a Prime Minister but directly elected somebody whose job is the role of government and the legislator

should be the role of oversight and legislation, the actual day-to-day executive managing: because if you come to look at people as talented as, say, Charles Clarke or Alan Milburn, managing huge bureaucracies like the Home Office or the Health Service, I do not believe you can manage stuff from Westminster, not direct services.

Chairman: The committee will be suspended for 15 minutes. I expect it only to be one vote.

The Committee suspended from 4.34 p.m. to 4.48 p.m. for a division in the House

Q715 Alun Michael: You did quite a good job, Ken, of telling us the pros of the system that is there in place. What about the cons?

Ken Livingstone: I actually have to say that I have just been through an election where I was constantly asked: "What has been your biggest mistake?" and I think on all the major issues we took the right decision. It may not be perceived that way nationally, but you are there to make the case for London.

Q716 Alun Michael: I am sorry, this is about the Mayor and Assembly model.

Ken Livingstone: It is quite interesting. When this was first going through Parliament the original idea was that it would not be a paid job. Then we had a change of heart, it was going to be a paid job, and I remember Nick Raynsford talked about it being an almost permanent session, discussing all the things that mattered to London, and we envisaged---

Q717 Chairman: You are talking about the Assembly.

Ken Livingstone: The Assembly, yes. It was set up and part of the problem was that a lot of the members still had local government interests - some were in the House of Lords, others were standing for Parliament. I think the weakness is that they never set out to give it the---. It was not the first call on people's time.

Q718 Alun Michael: So it is the role of the Assembly rather than the role of the Mayor?

Ken Livingstone: If you ever get a mayor that takes an extreme ideological and divisive role or was a bit dubious financially, the Assembly really come into their own and that is when they grind them down and bring them down. It is very difficult when you have got a broad consensus that covers 90% of political policy, most of green policy and quite a chunk of Liberal, Tory policy tacked on to the Labour Party. Also, looking at legislation, I would go back to saying it should be your primary job, not one you tack on to something else you are doing. I think that is part of the reason it has never got into the public consciousness. I was on the GLC, where you were paid just your attendance allowance, about £2,000 a year. I was in there all the hours God sent because I loved it and I was stirring up trouble all over London. Assembly members: a lot get incorporated into the Mayor's administration, and that may be wrong actually, being part of the administration and supposedly having a scrutiny role, but it is very difficult to see people not having other major outside interests until they are given more to do, which is why it seems to me absolutely ridiculous that the by-law on pigeons in London ended up being determined by the Government of the day. All those sorts of things do seem to me to be devolved.

Q719 Alun Michael: That is helpful. One of the questions is the relationship to the boroughs. You have seen this in two contexts, because, obviously, you saw it in the old GLA situation and you have seen it now as Mayor of London. What is the relationship to the boroughs like?

Ken Livingstone: In the public domain it looks very hostile. I have to say, behind the scenes there is much closer collaboration. There are things we are not going to agree on and we will denounce each other, but, say, in 2006, when the Conservatives gained many London boroughs, some of those borough leaders were in my door so quick saying, "How can we work together?", and even, "Can we build more affordable housing?", and this was not a party issue. I found there was a Labour borough, and it is difficult to work with, as the most extreme of the Tories - and it is not really a Labour, Tory or Liberal issue - those people who think the whole world should go away and allow them to manage that borough all on its own, it would be like a nirvana within one borough, and there are others that recognise----. If I take Westminster Council where Simon Milton is the leader, he knew Westminster could not do its best if it was not working closely with the Mayor, because the Mayor's powers were most concentrated in central London. If I take another extreme, the Labour Council of Greenwich, it broadly had a view that they were sufficiently far from the centre and if everyone else could go away they could create socialism in one borough. At the other extreme is Hillingdon. I never met the leader of Hillingdon Council in eight years and I thought this was a terrible snub, and then I discovered most of the Tory leaders had not met him either! So there is a sort of insularity in some of the boroughs. I think there are really messy areas where Londoners are not aware who is running things. You have got 32 boroughs with different parking policies, residential zone times, different policies relating to bus lanes. The only roads the Mayor runs are 5% of the red routes, and that is why you have a wonderful cycle lane going through one borough and it stops at the borough boundary.

Q720 Jessica Morden: Can I ask you what you think of the new Local Government Network idea that the Mayor be scrutinised by the 32 leaders of the London boroughs rather than by the Assembly?

Ken Livingstone: I was actually in favour of that, because I think the cost of the Assembly, which I think is the best part of six or eight million pounds a year, the borough leaders would have done it for virtually nothing, and because the borough leaders represent a degree of executive power in their own right, there are the deals that politicians are always going to do at that level. At one point, when the Government was reviewing the powers of the GLA, I was quite keen and said perhaps one saving we could make would be to get rid of the Assembly and just have a committee of the 32 borough leaders. It might have given the Mayor more problems but it would have represented a real balance of the real powers in London.

Q721 Julie Morgan: What do you think would be the advantages and disadvantages for having City mayors throughout England, throughout the country?

Ken Livingstone: Whether you have mayors or whatever, for me it is about devolution. All my life politically I have been in favour of a proper federal structure like you have in Germany or in the United States of America, and Spain is moving in that direction, where the bulk of the spending of the state is done at a regional and local level. I have watched every government of my lifetime fail to get control of the Home Office. Prisoners are always escaping, whoever is in power. The Ministry of Defence budget is always grossly overrun. There is so much being managed from Whitehall, and not very well, and I think it is better to break it down into manageable chunks where the lines of accountability are much clearer. Whether you call them mayors, I broadly would just say, whether it was the general constitution or the American, impose it, because I think Whitehall is getting worse at delivering, not better.

Q722 Julie Morgan: Do you think if you had city mayors throughout England that this would in some way address the problems of devolution?

Ken Livingstone: If government gives some real powers and financial independence. When I met the Mayor of Moscow the first time round, when he told me that he would not dare introduce the congestion charge in Moscow and doubted whether I would survive if we did it here, we were discussing his requisite powers and the range of taxes he can use, which I think is more extensive than the Mayor of New York. When I pointed out to him that in Britain 97% of all tax is raised and collected by the Chancellor of the Exchequer, he simply said, "That is worse than Russia under Stalin", and this is true. Where else in the Western world is all the money funnelled into one pot with the result that council leaders and everyone else is constantly on a pilgrimage to Whitehall to ask for a bit of this and a bit of that. When I was Housing Chairman in Lambeth in the early 1970s, I would come up to the DoE to discuss with Peter Walker, or whoever his housing minister was at the time, the cost of modernising six terrace properties in Vauxhall. This is bizarre. I sometimes think civil servants like this because it keeps ministers busy, too busy to actually take real charge of their departments.

Q723 Julie Morgan: We have now got devolution to Scotland and Wales. Do you think greater powers and city mayors would make that a more satisfactory system all round?

Ken Livingstone: It is. If you go to somewhere like Newcastle or Birmingham, there are huge cultural differences with London. If you go to the south-west or the north-west of Britain, because of the concentration of power in Whitehall and media power here, there has been a suffocation of the regional diversity and the strong distinctive differences within England, and I think that is regrettable and I would like to see it flourish. You hear ministers and shadow ministers on the radio talking about a postcode lottery. If you want devolution and decentralisation, things will happen differently. It may be nobody else in Britain ever does a congestion charge, but why is that a problem? People should be able to get what they want locally. If we were to break up the NHS and make it accountable to regional government in the first instance, we would take different decisions about how to spend the money and what the priorities are. There is a real disease in British politics: the idea that everything must be absolutely uniform. If we were to impose that economically, it would be very deadening. We accept that different parts of the economy grow differently, regions rise and fall, and yet to decide to have an absolutely universal code that is absolutely identical wherever you are in the country, I think, damages all the dynamism that comes from strong regional and city identities.

Q724 Mr Turner: Can I just slip in 8A before I go on to nine. City mayors are fine, but what about the areas without cities, like the Isle of Wight, like Somerset, like Devon? Are you ruling them in the same way, or do you have ideas as to how else they might be ruled?

Ken Livingstone: I have always been in favour of regional government because, clearly, in the way that organised crime now is, there is a regional dimension. If there had been a regional government of Yorkshire over the last 40 years as its traditional industries declined, the primary role of the people leading it - I suppose it would be David Blunkett - would have been to modernise and rebuild their economy locally, but too much of that got stymied in Whitehall. In actual fact, if you go back to the Maud Report on local government, there was a minority report by Derek Senior, which I still have, where he talks about having basically unitary local authorities, the city with its rural surroundings and also regions, and I think that is the best structure. People come from around the region to get the services of what is their major local city. I think there was a reluctance to go down that route from the Labour Party side because they saw areas that they controlled in those cities perhaps being controlled by the Tory surrounding hinterland. I think if you are going to go down this route, it requires proportional representation so that everyone feels they have a stake in what emerges.

Q725 Mr Turner: What are your views on the English question and how it should be resolved?

Ken Livingstone: If the Labour Government had gone for full regional devolution, it would not be a problem. As we have not, I think---. I know I felt real anger when I watched a Labour Government using the votes of Scottish MPs to drive through policies in areas where they had opted out, such as student grants and foundation hospitals. I thought it was outrageous and, I should imagine, had I still been an MP, I would have had really unpleasant rows watching Scottish MPs, who have been spared these horrors in their own areas, being dragooned to override their English colleagues. I think it is completely unacceptable, and the failure to resolve that leaves the Labour Party vulnerable to a real Tory onslaught in this area.

Q726 Mr Turner: But your problem is actually that regional schemes are not terribly popular, it would appear anyway.

Ken Livingstone: Yes, but then there are the people who campaign for an English Parliament. We should be as large and bureaucratic and unmanageable as our present structure of government. If you look at the Spanish post Franco, there were the strong Catalan and Basque identities and they had really good, strong devolved government, and there was the rest of Spain, pretty much like our south-east, it was never quite clear where it was or which region they were in, but when they saw what the Catalans and Basques had got, they started---. Different parts of Spain have moved at different speeds towards devolution, but all of them, having started off on the journey, want more, and that might be the way here. There are several ways you could redraw south-east England, but there are very strong and distinct identities for everything north of Birmingham. That is not so difficult.

Q727 Mr Sharma: What lessons can be learnt from the process of devolving power to London which could be applied to a scheme of devolution within England?

Ken Livingstone: It was easy to do this in London because Mrs Thatcher had abolished the GLC. If there had been something there, all the vested interests of the politicians and the civil servants would have been hostile to it. Everyone recognised, after 14 years, there was a real gap. We were underperforming, we were not getting investment, there was no-one speaking for London, and even in Bromley at the referendum there was a majority, I think, of 54% in favour. Everybody recognised, after they had nothing, that this was not working and, therefore, there was a real problem. If I was a councillor, if I was the leader of a Labour group on a city somewhere outside London, unless I could be fairly certain I was going to be the new mayor, I would personally be very hostile to the idea. There is no way of doing this without offending a lot of colleagues in your own party. Mind you, this is the best possible chance for Labour to do it. They have almost got nobody left to offend in our party's play on this. This must be the ideal time for a Labour Government to impose directly elected mayors.

Q728 Dr Palmer: It is probably true to say that there are only two politicians, in principle, who are instantly recognisable by their first name, and they are the current and former Mayor of London. Is that not a general feature of direct election and does it not worry you that, despite the advantages that you have described, as a paid up member of the amalgamated union of grey politicians, I do have concerns that the effect of direct election is to focus attention on the personalities of the candidates rather than on what they are going to do? It depoliticises politics in a way that we have seen much more developed in the United States. Should we not pause for thought before we start generalising it to cities all over Britain?

Ken Livingstone: But we have drifted into exactly that problem in our national politics as well. It is all personality driven. I think this is the absence of the Cold War. During the Cold War, if it went wrong we were going to be dead: the question of who got elected was a life and death matter. We had been through a long period of time when it did not seem to matter and when you did change governments not very much changed. It might be, with climate change, we will be moving into a situation where politics is much more important about what people really stand for. I agree with you: I abhor the fact that people voted for Boris Johnson because they think he was nice rather than what the policies were. I do not think that is the fault of the devolved structure, I think that is the fault of our media's obsession on trivia.

Q729 Mr Tyrie: Coming back to the England/Scotland relationship again for a moment, you have stood up for the London taxpayer on many occasions, pointing out that London taxpayers provide a disproportionate share to the Exchequer, and, of course, Scotland collects a disproportionate share. Do you have a view about how to reform that?

Ken Livingstone: I think transparency would be a good start, because I have no idea what the real figure is. At the beginning of my mayoral period, the general presumption was that the subsidy London gave to the rest of the country was somewhere between 10 billion and 20. As we hit the downturn in the economy, those figures moved down to somewhere between two and ten. I suspect they are back up somewhere between ten and 20, but when you are having an argument where the range of figures is somewhere between ten and 20 billion, we are not seriously in a position where---. There are so many ways of cutting this cake up. Clearly, the dynamism of London's economy and the fact we are still one nation means there has to be some element of redistribution from the richest part of Britain to the poorer parts. The weakness of the mayoral system in London was I had no power to redistribute wealth from the richest parts of London to the poorer parts, I had to come back to government and argue for that. That is the weakness. I always said I thought London put a bit too much in, and I think in terms of what we have done in getting the Government to pick up the tab for the Olympics and making a big contribution to Crossrail we have done a lot to redress that, but I am much more concerned that government should be putting investment in rather than revenue support, getting that long-term investment going in. I have always honestly said to London it is right that we make some contribution to the rest of the country, we will always argue about how much, but our real problem is we are all talking about figures that are so imprecise.

Q730 Mr Tyrie: The Barnett Formula and Scotland?

Ken Livingstone: I seem to recall being told the Barnett Formula was set up to slowly reduce that subsidy. Unfortunately, it then hit Mrs Thatcher, who was cutting back everything so dramatically I do not think the effect worked. I am saying I think there is a real danger of demagoguery in English politics, that you have a really nasty anti-Scottish campaign, but I honestly do not know what the real figures are and I am not certain anybody does. Tony Travers may have a more objective view on this when he follows me here, but I honestly cannot tell you whether it is ten billion or 20, but I know it is something big.

Q731 Chairman: Did you feel, by the way, that you had any real capacity to divert resources within the budget available to you or had a greater ability to do that than, let us say, a local council leader would have had?

Ken Livingstone: No. One of the reasons that the Greater London Council was abolished was because the business rate meant that 60% of the GLC's expenditure came from Westminster, Kensington and the businesses in the City of London, overwhelmingly. They must have put up about half the business rate between them, if not more. Therefore, for a socialist like me, the

Greater London Council was a marvellous mechanism of redistribution of wealth because you had the business rate, this really expensive core at the centre. Therefore, when you cut the fares, you could actually see a real benefit for individual Londoners: even though their domestic rates went up, their fares came down dramatically more. With the removal of the commercial business rate, there is really nothing. I abolished fares for under-eighteens on the buses, and given that 40% of London's children live below the poverty line, that was some small help (about £300 per child) for parents, but it was a very crude redistribution of wealth. I would be much happier to be in the position of, say, the Mayor of New York or Moscow. The Mayor of Moscow has a supplement on the national state pension for Muscovite pensioners because living in Moscow is the most expensive place in Russia. If I had that power, I would have done the same in London. We have a London living wage. We calculate that you need to earn £7.20 an hour in London not to be in poverty. That is two pounds difference from the national minimum wage. Given the differences between London and the rest of the national economy, I am sure the national minimum wage may provide a decent standard of living in Newcastle, but it does not in London, and the Mayor needs to be able to reflect this.

Chairman: Mr Livingstone, thank you very much indeed. I think Mr Travers will want to take up your invitation to follow you, or, indeed, our invitation.

Witness: Tony Travers, London School of Economics, gave evidence.

Q732 Chairman: Mr Travers, I think perhaps the easiest way to start would be to say whether, having listened (as I know you were) to Ken Livingstone's presentation, you differ from him at all in your perception of the advantages and disadvantages of the structure of London government which has created the Mayor/GLA structure?

Tony Travers: I did not hear the very beginning, so I may comment only on part of it. First, I should say thank you for inviting me to give evidence. I agree significantly with what Ken Livingstone said, particularly about the weakness of the Assembly part of this Greater London Authority structure.

Q733 Chairman: I was not quite clear whether, listening to him earlier, that was a virtue or a fault.

Tony Travers: I should imagine, as a powerful mayor, he saw it arguably as a virtue. Whether democratically it is a virtue to have a very powerful executive not fully checked by what in an American system - which is what we are talking about here - would be a legislative arm of government, I think, is a wide issue, possibly beyond the remit of this inquiry. The Assembly was given only the single annual power to stop the Mayor's budget, and then only with a two-thirds majority for an alternative proposition, an alternative budget, but that power is nuclear and it is actually very difficult, given the proportional representation method of electing the Assembly, to imagine any one party in London, as in Scotland and Wales, getting an overall majority very frequently, if ever. So getting a two-thirds majority for an alternative proposition to the Mayor's budget, I think, will always prove extremely difficult and, therefore, even that check is limited, but beyond that the Assembly has no capacity to stop the Mayor's policy-making in a way that would be more normal in a fully American system of government.

Q734 Chairman: But in an American system, if you are making a comparison, what is the analogous power that you would be looking for? Clearly, legislative power would reside with the Assembly, it could pass by-laws and so forth, but otherwise are you talking about appropriation power, this kind of thing, or what is the comparison?

Tony Travers: There are two things, I think, that one might do. I think it would be well worth considering giving the Assembly something akin to legislative powers and certainly a power to vote on mayoral policy and, indeed, perhaps to lower the bar on the budget. These would be ways of strengthening the Assembly without stopping the strong mayor model working, because I think that is what we are looking for here. It is a balance between the executive power of the Mayor and the legislative power of the Assembly.

Q735 Julie Morgan: Mr Travers, what are your views on city mayors and city regions throughout England? Do you feel that would tackle the devolution issue?

Tony Travers: I should declare, I was always a supporter of the idea of directly elected executive mayors and, having seen both the London Mayor and other mayors operate in England - as I think they are all in England so far - I am still broadly enthusiastic and I do think that the London model, although it could not be moved precisely to any other part of the country, would offer the potential for city regional government if other Metropolitan areas wanted this to happen. So I do think it would be transferable, though probably not in every single aspect. London is not like everywhere else and everywhere else is not like London, but, yes.

Q736 Julie Morgan: Do you think that would help address the English question?

Tony Travers: It could do, though I think it would risk not quite answering Mr Turner's question about the non-urban parts of England, to which I could return, but I think there is no question that larger cities, potentially, could be made significantly more powerful and, indeed, I would argue in the late nineteenth century they were: not with a mayoral system of government, but when the Imperial Parliament was focused on the dominions and the Empire, then city government, local government, shire government, was much of what governed England, Scotland, Wales and Northern Ireland.

Q737 Alun Michael: Could I ask a supplementary question about this relationship between a directly elected mayor and the Assembly. In the mayoral model, the directly elected mayor, there is a similar situation to the London model of what is the Council or what is the Assembly there for, and if you tinker at the edges, you address today's problems. So if you gave more powers to the Assembly to intervene on the budget, that is fine unless the numbers change, in which case you have a situation, not of challenge, but of instability. How do you resolve that, because it is not an easy one to resolve, is it?

Tony Travers: No, and those of us who watch American politics indirectly and as a recreation are aware of the risk of gridlock; and I am not talking getting to a point where gridlock occurred, but, in fact, with something such as the budget, local authorities are required by law to pass budgets by a certain date, so my suspicion is that that would stop gridlock occurring for and of itself, so I think we could be spared that.

Q738 Alun Michael: But that is more a hope than a necessary consequence?

Tony Travers: I honestly think that the requirement that precepts and council tax are set by a certain date - a consequence of earlier battles between central and local government - would ensure that gridlock did not result, at least insofar as the budget is concerned. When it came to the possibility of a greater set of powers over policy, I can see that there is a risk, but as there is in this institution and with the House of Lords, a bit of a check and an argument and the capacity to negotiate is an essential element in the way in which democratic institutions resolve their differences. I do not want

to weaken the directly elected mayor or the strong mayor model, but I think that if we are going to have it, it would be better to consider developing the other parts of that model to ensure that they have sufficient power for me to check this strong and powerful office.

Q739 Mr Turner: I would like to hear his other half of the answer on the non-rural areas.

Tony Travers: Certainly. Personally, I am very strongly pro-localist, and I would not want to force shire areas to do things that shire areas did not want to do. So, if a county is a recognised unit of government, as it is in many places, and districts may be as well, then that structure may be the best one in rural areas. I would not, however, personally rule out the idea of taking the directly elected official model to the county level in the form of something that could have a different name. It might not be mayor, but governor, sheriff - we are creative about these things. So the Sheriff or the Governor of Somerset, I think, would be something that it would be perfectly reasonable to offer, but I would not want to impose it.

Q740 Dr Palmer: What do you see as the key differences between the revenue and funding base for local government and for the GOL and do you reckon that one ought to be adjusted to match the other?

Tony Travers: I share many of Ken Livingstone's previously expressed views about weakness of local government finance in England but separately in Scotland and Wales. I think that, in fact, the Mayor of London, in a classic UK asymmetry, was arguably given somewhat greater financial powers than either the Welsh or Scottish Governments, and by that I mean the Mayor does have access to the precept but also has access to a very large income from fees and charges, particularly the very buoyant yield of London Transport fares. This gives the Mayor of London significantly greater freedom to act in terms of changing his spending than arguably is true for either the Scottish or Welsh institutions, and that is an asymmetry, an oddity, given that those institutions have significantly greater power. That is not the answer quite to the question of whether it would be better if this institution had greater fiscal autonomy, to which my answer would be, yes, but I also think that would be true for local government as a whole.

Q741 Dr Palmer: Actually you favour something like the Scottish option where they could raise a lower tax at county level?

Tony Travers: The Scottish Government does, indeed, have the power to raise income tax and also to reduce it by three pence in the basic rate of income tax. Yes, I do. I would accept that, and I think it would lead to beneficial effects on turn-out in elections. I think if that was at stake, if income tax rates were at stake, it would make elections even more contested.

Q742 Mr Sharma: How could provision be made for local government to have similar powers to the GLA to determine the allocation of resources?

Tony Travers: I think that the rest of local government, although it is a different model, within its cabinet, as they mostly now are, does have pretty significant freedom. It does not have much freedom in the setting of its council tax, but they have freedom within the resources that they collect from council tax and government grant, and they have been given slightly greater freedoms in the last year or two to use the total of the resources that they have. I am not sure that the Mayor of London is that much less constrained or has that much more freedom, to put it the other way round, than most local authorities. My personal view is that it would be better for devolved government in Britain if both the GLA and local authorities were to be given greater freedom to raise and lower their own taxes, but also greater freedom then to decide how they dealt with their budgets. So I

think it is all of them taken together, and in many ways the Mayor of London, other than the fact that he does have access to this huge set of fees and charges from public transport fares and, indeed, the congestion charge, is not in such a significantly different position from local government as a whole.

Q743 Chairman: Thank you very much indeed. We are very grateful to you. It has been a brief session because we were interrupted earlier.

Tony Travers: I understand. Thank you very much for inviting me.

Chairman: Thank you very much, Mr Travers. We have work to do in private session.