

# LABOUR'S POLICY AND POLITICS

## Tilt the balance of power back to people

Lisa Nandy MP in conversation with Karl Pike

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*In her new book, All In: How We Build a Country that Works, Lisa Nandy sets out her vision for a radical 'tilt' in the balance of power, from central government to communities. Here she reflects further on her mission to be on the side of people seeking to build up their communities and to take on rent-seeking, and discusses how to deliver 'the right powers in the right places'.*

**Karl Pike:** Congratulations on the book, which brings together your political work and your most recent frontbench roles, as Shadow Foreign Secretary and Shadow Secretary of State for Levelling Up, Housing and Communities. I wanted to start with the narrative of the book, and the story that you tell, which you start – politically – with 1979, neoliberalism and the changes that came from Thatcherism, but were also seen around the world. If that marked a new paradigm, you then say that '1997 was the moment when, for so many of the casualties of globalisation, the political route to a different future felt like it was closing'.<sup>1</sup> And that's quite a striking sentence, I think. Are you arguing that for Labour, specifically as a party on the centre left, accepting some of the norms and rules of globalisation was a defining moment, this kind of feature of the third way? Or are you arguing something else?

**Lisa Nandy:** I don't think the last Labour government accepted globalisation. I think there was a conscious decision to embrace globalisation. I've talked to Blair and Brown and many others, who are the architects of the New Labour projects, and there was a very strong belief that the world was moving into a global era, and Britain had to be at the forefront of that, if it was going to succeed. And everything then flowed from that – that you had huge investment in 'education, education,

education' in order to equip young people to be able to succeed, to win that global race for jobs, to be able to move and travel and study and work wherever they wanted to in the world. Opening us up to supply chains from all over the world, and leading in the G7 on issues like climate change and conflicts, and then in the response to the financial crash - this was all part of an approach that said we're opening Britain up to the world, there are going to be winners and losers. What we need to do is win that global race in order that we can create a sufficiently strong economy that will allow us to then redistribute the proceeds to those who are losers. That included people, but it also included places.

A lot of the work that I've done over the last decade has been about the fact that many cities were winners in that era of globalisation, but many towns around the country, particularly the towns that Labour then went on to lose over the following decade were losers in that settlement as well. And it's a recognition that one of the causes of the huge waves of political upheaval that we've seen in British politics over the last decade has come from the fact that in those places – and I live in one of them in Wigan – people feel that their contribution to this country, the stake in the outcome and their sharing in its success, has been written off and written out of the national story. There was a huge amount of redistribution under the last Labour government, and it was literally game-changing for places like Wigan, where you saw the health service and schools, huge investment, new buildings going up in front of our eyes and investment in the people there. But the choice for most young people was that if you wanted to get on, you had to get out. So they grabbed the opportunities that were opened up to them and their families – for the first time in their family history to go on to university – they grabbed them with both hands, and they left, to go and study all over the country. But when they looked back, they often found there was too little to return home to, and, as a consequence, many of those places have lost their working-age population, because they've lost the good jobs that existed in the mines, the mills, the steelworks, the factories. And with those jobs has gone that sense of pride, contribution, purpose, agency. Places that within living memory were at the centre of the world and the centre of our national story have been written off for too long.

The job of the next Labour government is to put them back at the centre of our national story, not least because in those coastal and industrial towns lies the key to Britain's future. One of our missions in government is to become a clean energy superpower. Somebody has got to lead the world in generating clean energy – why not Britain? And it's precisely in those places where there is a pressing need for good jobs, with purpose and contribution, that stand to benefit the most from that approach. It's not an accident that we've chosen to pursue clean energy as a top goal. It's not just that it cuts people's energy bills, and it helps to secure our resilience against people like Putin. It is the key – it's not the only key, but it's one of

the keys to unlocking the huge potential that exists in communities that for too long have been ignored by central government.

**KP: Shall we jump to today, then? And probably the central argument of the book, which you very often sum up really well when you say that ‘the answers lie in people and communities and they must write the story of our future’.<sup>2</sup> A move to decentralise decision-making power has been underway for some time, on the left, also with conservatism. There’s been a lot of promises and some failure, but the direction is there, and quite clear. The report from Labour’s Commission on the UK’s Future has set out the objective of ensuring the ‘right powers are in the right places’. From your book, and the report, it seems pretty clear that there isn’t one model for the right powers in the right places. So, what might the first two years of reform look like for a future Labour government trying to achieve that objective?**

**LN:** I think the first thing to say is that over the last thirteen years, as the Member of Parliament for Wigan, I have been so struck by the fact that people who have a stake in the outcome, and skin in the game, will work harder, try for longer, think more creatively and crack problems that other people just simply can’t. Because they can do no other. And if we were to tilt power back to those people we would get better outcomes. I think of the mums that have been through my constituency surgery over the last decade, who have children with special needs, who have had to take on opaque systems and bureaucratic hurdles, and fight, and fight, and fight relentlessly for what their children need. And regardless of educational background or levels of income or confidence, they win every time, because they’re not prepared to give up, they can’t give up, there’s too much at stake. And when I look around communities in this country, what I’ve seen is over a decade of decay and decline, huge amounts of money taken out of our communities, and the social fabric really starting to fall apart in many parts of the country. Where is that being rebuilt? It’s being rebuilt from communities. This is what I call, in the book, the quiet patriotism that is at work in every community in the country.

I think of the women in Hendon, in Sunderland, who were watching their community go to rack and ruin. They managed to get a grant – the last people to get a grant under a programme run by the last Labour government – to start buying up houses in the centre of Hendon, because many of them had been bought up by private buy-to-let landlords, who were running them down, who were putting people with huge needs and vulnerabilities into that accommodation and not supporting them. And they were watching the town centre fall apart, and then, of course, austerity hit.

They decided to start buying up the housing stock. They did up the houses. The rental income enabled them to buy up some more. They’ve now bought the library that sits right in the centre of Hendon, this beautiful historic building that was a monument to what Hendon had contributed over the years at the centre of the

industrial revolution. And they've brought it back into use, because it stood in the town centre as a symbol of decay and decline, and fuelled a very powerful and quite destructive sense of nostalgia. They've brought that back into use. They're investing in local people. And it is the most incredible thing to witness. They call themselves 'Back on the Map', in recognition of what they've contributed, and what they've still got to contribute again. And so a lot of the solutions to this are about tilting the balance of power back towards those people, whether it's led by councils or mayors, or communities, or business leaders. And there are examples of all of those across the country, making sure that the system pulls in behind them when they're trying to build and create and invest for the long term – rather than rubbing up against them, which is what often happens now.

One very practical example of that is around housing. We've got a system at the moment where buy-to-let landlords can buy up housing stock, they can then let it out to people, as in Hendon, with those vulnerabilities under something called shared exempt accommodation. It means there's no limit, very little limit, on the amount of housing benefit that they can claim. And they can make a huge amount of profit at the expense of the public by letting entire areas go to rack and ruin. Now that's something you could fix very, very quickly, and the government has acknowledged it's a problem, but after four years in government still hasn't done it. They're the sorts of things that we're going to fix, to try to take on the rent-seekers, the people who come in and extract and take for a quick buck, at the expense of the many, many people across this country who are involved in trying to build.

**KP: What does that look like in terms of the kind of legislative and government changes that you would need? Is it literally going through the tick-box exercise in terms of all of the powers that exist, and working out how you can move those from either a government department, currently going to a housing association, and then it goes from a government department to a local authority, to a cooperative – or to whoever can establish a relationship with the local authority. What does that look like in practice?**

**LN:** We've committed to introducing a 'Take Back Control Act' within the first 100 days of a Labour government, and the centrepiece of that piece of legislation will be to flip the presumption of power away from Westminster and Whitehall to councils and combined authorities across the country. We want every part of this country to contribute to Britain's success. We don't believe that you can grow the economy, and achieve the highest sustained growth in the G7, without having all parts of the country able to make a contribution again. For nineteen out of the last twenty years only two regions, London and the southeast, have consistently had the backing and investment from government to be able to pay in more to the public purse than they take out – and the plan for most of the rest of the country has amounted to

one word: redistribution. That's not just a social challenge, it's an economic challenge as well, and closing that gap is now a pressing imperative in Britain, for whichever party wins the next general election. So the 'Take Back Control Act' will hand powers to drive local growth to mayors, combined authorities and councils, in partnership with business and communities in their areas. We're asking every part of the country to look at their own economic geography, and to work together in order to achieve that change. One council is not going to be able to do this alone, but we see no reason to be prescriptive, to sit in Whitehall and Westminster and draw lines on a map about economic geographies that frankly people hundreds of miles away in London don't have a clue about. People's sense of identity matters, and the governance arrangements that we have, have to be based on consent, in any democracy worth its salt. Those powers will include skills, transport, employment support, as well as longer-term funding settlements and single-pot funding settlements from national government, and the right to keep more of their own tax base. Britain is one of the most centralised countries in the western world, and our councils keep less of their own money than any other country in Europe, which gives them far too little flexibility, far too little ability to shape the decisions that they make around the needs of their own community.

In Wigan, for example, one of the great challenges we've got in terms of health needs is dementia, because we've got an older population, and it's become a really pressing concern. In central Manchester, the issues that Lucy Powell, the MP there, deals with on a daily basis are around mental health, because lots of young people, and very little services around mental health, create different challenges. It is a nonsense that at the moment, councils and mayors are going to government ministers trying to get them to understand the nuance and complexity of that, and being given the same settlement across the country. So we want to change that. But this is not an argument for national government somehow being beyond its purpose. There is a big role for national government here. It just needs to stop micro-managing millions of decisions, that are better served by people in the places that they live, and start doing its actual job to tilt the balance of power back to people, so that they aren't disrupted by rent-seekers and people in it for a quick buck, but also to take the global action that's needed in order to deal with some of the really big challenges that we face. Our trading relationship with China has far more impact on the security, and the resilience in the local economy, and the daily lived experience of a factory worker in Stockton than any high-street grant handed out from Westminster and Whitehall. And so there's a recognition there that we've got to stop doing their job, and we've got to start doing ours.

**KP: That makes a lot of sense. There's one concrete example, which I think can illustrate the shared role of national and local government. If you take childcare provision, there is a proposal to let local authorities, who can, open nurseries. And**

**what you've just described about financial flexibility and allowing councils to make more decisions with the money that they've got might make a difference, in some areas, and allow a local authority to do something like that. But, if you have a national shortage of affordable childcare, and you want to allow local authorities, rather than doing something quite prescriptive from a top-down way, to open lots and lots of nurseries, then they need a lot more money, don't they? And isn't that a good thing, because it's a really good investment in Britain's infrastructure?**

**LN:** After thirteen years of not just a lack of investment, but a lack of thought and care about our public services, and how we need to rethink and rewire them in order to deal with the challenges of the next century, not just the problems of the last – there is certainly, there's a case in every public service for invest to save. But the reality is that the next Labour government will probably inherit the worst economic situation since the Second World War. The tax burden on working people is at its highest rate in a generation, and in order to be able to invest in those planks of the economy that are absolutely fundamental to growth, we've got to start by trying to create growth, which is why we've committed first and foremost to growth, and achieving sustained growth as our top priority. Giving councils more powers over things like transport, for example. Andy Burnham currently has the right to franchise bus services in Greater Manchester. Over in South Yorkshire, Oli Coppard doesn't have that same right. So a kid in Bolton can take up an apprenticeship, because Andy Burnham is able to direct the public transport system to allow that to happen, while a kid in Barnsley can't. That's why we say that these powers have to be available to all and not just some, and that you have to start with the biggest transfer of power out of Westminster and Whitehall in British history. Because if you want to start rebuilding these services that are essential planks of the economy, and of a decent country where people have choices and chances wherever they happen to live, then you have to start by creating that growth. And it will only come from the ground up, from hundreds of thousands of businesses and millions of people across this country coming together in order to create it.

And just one other thing about childcare that I think is really important. We've put breaking down the barriers to young people being able to succeed as one of our top five missions – because we recognise that the problems that young people now have start very early, and they continue all the way through their childhood and teenage years, that limit the aspirations that they have. And so childcare for us is a very central part of this story. There was a really good report by an economist called Diane Coyle, who works at the Bennett Institute at Cambridge, about the everyday economy, and why women are often found in those much lower-paid jobs in the everyday economy. It was because they weren't travelling further afield for work and opportunity. And the top two reasons that they weren't travelling were lack of affordable transport – or, in lots of parts of the country now, any transport whatso-

ever – and childcare. And so this is a big problem for the economy. It's something that will be a priority for a future Labour government. But to get this right, we've got to start growing the economy, and that means moving powers.

**KP: Towards the end of your book you talk about civil society and democracy, and one thing that occurred to me a few times, particularly with this principle of double devolution – going as close to the grassroots as possible in terms of money and power. What does that mean for the Labour Party, and a progressive left, because a lot of people will be used to local constituency parties where councillors play a central role in organising and campaigns, and all of the rest of it. Yet, when politics is concentrated closer to that grassroots, what does Labour have to do to be part of the movement which is aggregating all of those demands, and taking them to the very people who are usually the ones who are knocking on the doors? What does that mean for the future of the left, not just over the next few years, but potentially decades from now, if you succeed in decentralising power in the way that you want to?**

**LN:** The history of the Labour movement has been the history of a grassroots movement that drives change nationally by sending representatives from all over the country to Westminster in order to build and create that change. My town in Wigan, used to be represented by Ian McCartney, the MP for Makerfield, who was one of the architects of the minimum wage, and he often says to me: that didn't fall out of the sky, that came from a clamour for change outside of Westminster. It relied on people across the country coming together in order to try to force that change, and good people like him on the inside, who heeded the call and took that forward in the face of what was enormous opposition from the entire political establishment. People forget now, I think, but there was a moment where it really was argued that the entire country was going to collapse, if the Labour government did something as dangerous and radical as making sure that people had a basic level of fair pay for a fair day's work. And that has never gone away in the Labour movement. Still, now, if you walk into Wigan or any part of the country, you will find Labour Party members organising. They'll be taking skips on to council estates and helping clean up fly-tipping in the community. They'll be volunteering in community centres. They'll be running the local food bank. They'll be organising the local credit union. But they're not doing it under a Labour banner, so often, they're doing it as community activists.

I think what this means for the Labour Party is that will become far more visible, far more, a far more obvious part of our approach. I went to the [Local Government Association] LGA Labour Conference a couple of weeks ago, and said to the councillors there, we're moving into a new era, one where the challenges that have been created by two decades of globalisation, and the geopolitical realities of the rise of

China and the increasingly aggressive behaviour of Russia, are forcing all countries to start thinking far more about how we build our national and our local resilience. And that means a completely different role for Labour councils. We need you to step up. We need every place to have visionary leadership that can drive growth and build resilience into the local economy. That can equip our young people for that world, where we won't just be asking them to grab opportunities and leave, but we'll be asking them to stay and contribute. We'll need the housing, and the culture and the town centres that will help to create that and make it a reality, and the public transport networks and the investment in skills that help to build that up. It's a completely different role. It's a big ask, and after a decade of spinning gold out of thread every single day, I'm asking you to do more, but it will require more, it will require more of all of us.

But the reward is potentially enormous. One of the proposals that we're working up for the next election is about a community wealth building fund, and powers to take back control of nightclubs, pubs, historic buildings, things that make up the social fabric of a place and matter deeply to people, but also are revenue generators for local communities to be able to be far more in charge of their own destiny. We don't believe that the next generation of Labour council leaders will march into their communities and tell people what that change looks like. The next generation of Labour council leaders need to be people who walk in step with their communities, delivering on their priorities, taking people with them on that journey, and working across political boundaries, as well, in the interests of the people that they serve. That's a message actually that I think the Labour movement is incredibly receptive to, because people are already doing it. They just don't have the recognition, the powers, and the resources that they need in order to deliver.

**Lisa Nandy** is the Member of Parliament for Wigan and Shadow Secretary of State for Levelling Up, Housing, Communities and Local Government. Her book, *All In: How We Build a Country that Works*, is published by HarperNorth, and is reviewed in this issue of *Renewal*.

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## Notes

- 1 Lisa Nandy, *All In: How We Build a Country That Works*, HarperNorth, Manchester, 2022, p42.
- 2 Ibid, p121.