



Adrian Waite (Independent Consultancy Services) Limited

## BRIEFING NOTE

# REGIONAL GOVERNMENT – THE IMPLICATIONS

JUNE 2003

### 1. Introduction

It is often said that Britain has the most centralised system of government in the western world, with local authorities given limited and diminishing autonomy, and no tier of regional government like the States in the USA, Provinces in France or Lander in Germany.

However, there are a large and increasing number of government agencies that work at a regional level, and the European Union has always conceived of Europe in terms of regions as well as of nation states. This has led to the argument being developed that there should be elected regional government in Britain.

Pressure for devolution in Scotland and Wales has led to the establishment of the Scottish Parliament and the Welsh Assembly. This has created an anomalous situation in England. As a result the government has proposed that elected regional authorities should be established in the English regions.

The government's white paper of May 2002 outlined the government's plans. In the Queen's Speech in November week a 'Regional Assemblies (Preparations) Bill' was proposed, which received the royal assent as the 'Regional Assemblies (Preparations) Act' in May 2003. At the same time a public consultation process was held, during which the government tested public opinion on the creation of elected regional assemblies in the different regions.

It was decided that prior to any referendum being held two things would happen: First, the government would publish a bill that would outline precisely what powers would be available to the new regional assemblies; second, the boundary commission for local government would publish its recommendations for reform of local government in county areas. When the referenda are held, two questions will be asked: the first on regional government and the second on local government reform.

This week, John Prescott, the Deputy Prime Minister announced that Northeast England, Northwest England and Yorkshire and the Humber will be the first regions to

ballot on an elected regional assembly. This matter is becoming of paramount importance!

## **2. 'Your Region, your Choice – Revitalising the English Regions'**

The government published its white paper on English Regional government in May 2002. This remains the government's most up to date written statement on its plans for regional government.

The main aims of the government in proposing elected regional assemblies are stated as being:

- Decentralising power from central government and bringing decision-making closer to the people
- Giving regions the freedom and flexibility to meet their own priorities, within a national framework
- Making government in the regions more accountable to people in the regions
- Providing democratic representation in the regions and a new political voice
- Improving delivery by ensuring better co-ordinated government at regional level
- Giving regional stakeholders a clearer decision-making framework to engage with
- Promoting sustainable development and improving quality of life

The government considers that the English regions are all different, and that this demands a diversity of responses at local, regional and national levels. It is considered that the most effective actions to realise the potential of the regions should be determined at regional level. Improving the competitiveness of the regions is considered important for delivering economic prosperity for the United Kingdom as a whole. A sustainable long-term view of regional policy is sought. The government claims that since 1997 they have given regions the chance to reach their own judgments about their needs and priorities within a national framework.

The government refers to their 'active regional policy' pursued through Government Offices for the Regions, Regional Development Agencies and Regional Chambers. They wish to enhance the existing arrangements in all English regions and wish to take further steps to ensure that regional variations in priorities are recognised. As Regional Development Agencies are seen as the drivers of economic performance in the regions, government is giving them extra resources and greater flexibility in allocating them. Regional chambers will be the regional planning bodies, help to integrate regional strategies, scrutinise the work of Regional Development Agencies, and work closely with government offices and other government funded bodies in the region. The Government Offices will bring together key government bodies in their regions to ensure that work is joined up. They will be given extra responsibilities to strengthen regional decision-making.

The government states that it plans to decentralise power to elected regional assemblies and bring decision-making closer to the people. They consider that elected assemblies would add value by providing more effective and accountable regional decision-making. They consider that devolution to Scotland, Wales and Northern Ireland and London-wide governance has been successful and that these proposals will build on that success.

The functions of elected regional assemblies will be:

- To improve the quality of life for people in their regions, particularly by improving regional economic performance.
- The lead role in developing and revising strategies to achieve this, driving implementation and monitoring progress.
- A range of powers including executive functions such as responsibility for resources and influence to promote results that will benefit the region.
- Specific responsibilities for economic development and regeneration, spatial development, housing, transport, skills and culture.
- To appoint the Chair and Board members of Regional Development Agencies that will be accountable to the regional assemblies.

Regional assemblies will be funded primarily by central government grant, but they will have complete freedom to spend their grant as they judge best. However, this will depend on their achieving certain specific targets agreed with central government. Some additional funds will be available if an assembly meets or exceeds these targets. Assemblies will also be able to raise additional funds from a precept on the Council Tax which will be expected to make a contribution to the direct running costs of the assembly, but there will be a 'capping' system to prevent excessive increases. Assemblies will be able to borrow money, subject to certain limits.

The government proposes to use the existing regional boundaries for elected assemblies, but regional assemblies will be able to organise on a sub-regional basis and maintain cross-regional arrangements where these add value. Members of the assemblies will be elected through the 'Additional Member System' where two thirds

AWICS Limited, Appleby Business Centre, Bridge Street, Appleby in Westmorland, Cumbria. CA16 6QH. Tel: 017683-52347 or 52165. Mobile: 07971-321863. Fax: 017683-52546. E-mail: [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk). Website: [www.awics.co.uk](http://www.awics.co.uk)

represent constituencies elected on a first-past-the-post basis, and the remaining third are 'top-up' members elected to achieve proportionality.

Assemblies will have a leader and cabinet chosen by – and accountable to – the assembly. There will be 25 to 35 members with six elected to the executive. The government believes that representatives of stakeholders and other unelected people with experience or expertise should be able to participate in all aspects of an assembly's work that do not directly involve decisions being taken. They are seeking views on how such participation might be encouraged and on the extent to which the Government should stipulate requirements.

The government envisages that local authorities will remain the community champion and the chief service deliverer in their area. They also observe that most English regions already have good connections with the European Union, which could be strengthened further following the establishment of elected assemblies.

The implications for the structure of local government are:

- Where a regional assembly is established, the Government believes that the local government structure in that region should become 100% unitary.
- Where the Government decides that a referendum should be held in a region, the Boundary Committee for England will be asked to review the local government structure and recommend the most effective wholly unitary arrangements in that region, before the referendum is held, so that voters know the implication of a 'yes' vote.

### **3. The Regional Assemblies (Preparations) Act**

The Act spells out the conditions to be met before the Government could require a regional referendum to be held. This includes establishing whether there is enough interest in a region to justify holding a vote.

The Act also provides for local government reviews to be conducted by the Boundary commission before a referendum is held. This will determine the local authority structure where an elected assembly is established, including the creation of unitary authorities to replace the existing county and district councils. The boundary commission will also consider whether it would be appropriate to extend the boundaries of existing unitary authorities to cover areas that are currently served by county and district councils.

The assemblies will have sizeable budgets, funded by central government. Their powers will cover economic development, housing, sport, culture and tourism, planning and public health. Each assembly will have 25-35 members elected by proportional representation.

#### **4. Referenda on Regional Government announced for Northern England**

In June 2003, the Deputy Prime Minister announced that three English regions are to move towards holding referendums for elected regional assemblies.

The northern regions: Northeast England, Northwest England and Yorkshire and the Humber have been selected following consideration of responses to the Government's soundings exercise which aimed to test the level of interest in holding a referendum in all eight English regions. These three regions will now be subject to a local government review conducted by the Boundary Committee - a necessary pre-cursor to referendums on elected regional assemblies.

A summary of the responses to the soundings exercise has been published. Over 8,400 separate responses were received - more than 80% of them were from people responding in a private capacity. It is estimated that at least 50,000 people were involved in some way in the soundings exercise since it began in December 2002.

Before the first referendums can take place in any region, the Boundary Committee for England must carry out a local government review. These reviews are expected to take up to a year to complete. Therefore the earliest referendums could be ordered is summer 2004 which would allow the first referendums to take place in Autumn 2004.

A Bill setting out the powers and functions of elected regional assemblies will be introduced when Parliamentary time allows, once at least one region has voted 'yes' in a referendum. The Government has committed to do its best to publish this Bill in draft before the first referendums.

The Deputy Prime Minister said:

*"An elected regional assembly will give people more say about the issues that affect their region. It can make government more effective and accountable and also represent the specific priorities of that region at a national level.*

*"This is why I am proud that three of our English regions are today taking the first steps towards deciding whether they want to take greater control of their future.*

*"In these three regions, most categories of respondents had more than half of responses in favour of a referendum. Taken together with other views, information and evidence provided about these three regions and such other published material as I have identified, I am satisfied that interest in a referendum is high in all three."*

## **5. Conclusions**

The government's proposals for elected regional government are significant for all parts of England. They are particularly significant in Northern England, and for those who are involved in local government and the other public services that would be affected by the introduction of elected regional government.

The June announcement has identified the regions where the referenda will be held. The dates of the referenda will be dependent on the speed with which the boundary commission can finish their work, but it is expected that this will be complete in the summer of 2004. The intended powers of the elected regional assemblies will be confirmed when the draft bill is published – sometime during this interim period. This gives a period of about a year during which representations can be made regarding the powers of the assemblies and the restructuring of local government.

Serious consideration needs to be given to the following matters:

- What exactly is the government proposing?
- What will be the powers and functions of the regional assemblies?
- Is this devolution or centralisation?
- How will regional assemblies be funded? Will it mean more tax?
- What will be the role of the European Union?
- Will this create more bureaucracy?
- What will happen to the local authorities?
- What will be the effect on economic development, transport, housing, planning and other services?
- How should local authorities (and others) react to the regional government proposals between now and autumn 2004?

**Adrian Waite**  
Director