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BRIEFING NOTE

REGIONAL
GOVERNMENT – THE
IMPLICATIONS

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Regional Government – The Implications

Briefing Paper

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 outlines the government's plans. In the Queen's Speech this week a 'Regional Assemblies (Preparations) Bill' was proposed. Earlier, John Prescott, the Deputy Prime Minister announced that Northeast and Northwest England would 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.

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 next step in the government's programme of constitutional change is to give people the opportunity to choose whether they want to have an elected assembly for their region. They state that they plan 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 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 about 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 proposed process for implementation is as follows:

- A 'yes' vote will be needed in a referendum before an elected assembly is established in any region
- The timing of the referendums will vary between regions. Following consultation with all eight English regions (outside London), the government will decide which should hold a referendum first. It is possible that a referendum may take place initially in only one, two or three regions.
- Subject to parliamentary approval of the necessary legislation, the first referendum(s) should take place during this Parliament. Referendums could take place in other regions later.
- 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.
- Local government restructuring will go ahead where a region votes for an elected assembly, but not where a region votes against.

3. The Queen's Speech of November 2002 and the Regional Assemblies (Preparations) Bill

The Queen's Speech included a proposal for the introduction of the 'Regional Assemblies (Preparations) Bill' to be introduced in the next session of parliament. Referenda will be held in those regions of England that are deemed to want one.

The Bill was introduced to parliament in November 2002 and 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. Favourites for the first referenda are the Northeast and the Northwest.

The Bill also provides for local government reviews to be conducted by the Boundary commission before a referendum is held. This would 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 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.

The government also confirmed that it would press ahead with a planning bill that will effectively remove the existing planning powers of county councils.

Consultation is currently underway to establish the strength of support for regional government in the different regions of England. This consultation closes on 3rd March 2003.

4. Conclusions

The government's proposals for elected regional government are significant for all parts of England.

Serious consideration needs to be given to the following matters:

- What exactly is the government proposing?
- What are the existing regional structures, what do they do and how are they controlled?
- Is this devolution or centralisation?
- What will be the difference between a Regional Assembly, the Scottish and Welsh parliaments and the Greater London Assembly?
- How will regional assemblies be funded? Will it mean more tax?
- What is 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?
- Will the government go ahead with regional government?

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