



The Constitution Unit



Nations and Regions: The Dynamics of Devolution

Quarterly Monitoring Programme

The English Regions

Quarterly Report
August 2004

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The monitoring programme is funded by the ESRC

Monitoring the English Regions

Report No. 16 (August 2004)

Research supported by the Economic and Social Research Council

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Key issues

This quarter has brought mixed fortunes to the northern regions. The publication of the draft Bill on Regional Assemblies promised *some* new powers and responsibilities. It also set a date for the North East referendum. This historic move towards English devolution has, however, been somewhat overshadowed in the press and elsewhere by the Government's decision to 'postpone' referendums in the other two northern regions, the North West and Yorkshire and the Humber, due to concerns said to have emerged from June's all-postal ballot pilots, and recommendations from the independent Electoral Commission. On the 21st July, Local Government and the Regions Minister, Nick Raynsford, was laying the orders for three northern referendums, and on the 22nd, he announced that those in the North West and Yorkshire and the Humber would not be going ahead, at least not until after the publication of the Electoral Commission's report into June's pilot voting. Many in Parliament and beyond doubted this reasoning, insisting that the true reason behind the postponements lay in a combination of dissident Labour MPs, some of whom have sided with 'no' campaigners (as we have reported previously), and also some MPs supportive of elected assemblies who simply did not believe the referendums were winnable, and that it would be a huge risk for Labour to take before a general election, likely to be held next year.

The Electoral Commission report on June's all-postal pilot elections was published on 26th August and argued that the pilots held were 'marred' by problems, including the tight timescale imposed, the 'complexity' of the voting method, and other logistical problems. It also highlighted reports of abuse in the polling process. The Commission, however, said that the North East referendum should still proceed as an all-postal ballot, which prompted some to doubt the exercise, along the lines of 'if all-postal voting is no good, why is it acceptable for voters in the North East?' Their report calls for greater emphasis on new voting methods offering electors a choice of both postal voting and the polling booth. Nick Raynsford acknowledged the report's conclusions, admitting that the forthcoming North East referendum "may well be the last" all-postal ballot, which has been dubbed by some to be an embarrassing retreat.

July's *Comprehensive Spending Review* brought some good news across the regions for England's nine Regional Development Agencies (RDAs). The Chancellor announced that RDAs are to gain new powers, especially in their support for businesses, whilst also benefiting from an inflationary increase in spending - RDAs will now gain extra funding of £200m from 2005-6, increasing the size of the Single Pot by 10 per cent from 2005-6. The importance of devolving more responsibility to RDAs was mirrored in the publication of DEFRA's *Rural Strategy 2004*. The report builds on the Haskins review of rural delivery (published November 2003), which called for more powers over rural delivery to be devolved to the regional level. It also follows the Government's progress review of the delivery of the *Rural White Paper 2000*. On the economic development front,

England's RDAs are becoming increasingly empowered, despite the recent, somewhat controversial, events surrounding elected assemblies and the fact that now only one referendum will be going ahead.

There has once again been a flurry of media interest during the period of this report, largely in response to the 'postponement of the North West and Yorkshire and the Humber referendums. The publication of the draft Bill, its powers and the potential created to motivate voters in the North East was largely overlooked in the press; in its place were stories that painted a sorry picture of John Prescott's long-held dream being shattered at the hands of fellow MPs and the Prime Minister.

It now remains to be seen how the 'yes' and 'no' campaigners battle it out over the coming weeks prior to the 4th November to persuade those undecided voters in the North East how to vote. As commentators are suggesting, it is these 'floating voters' who will ultimately decide the fate of an elected regional assembly for the North East.

1. Introduction

If a week is a long time in politics, then John Prescott might well reflect that a fortnight is an eternity. Fourteen days after the Deputy Prime Minister announced (8th July) that a ‘great north vote’ - his label for devolution referendums in the three northern regions - would be held on 4th November, subject to Parliament approving the necessary orders, Local Government and Regions Minister Nick Raynsford was forced to backtrack. He told the Commons (22nd July) that, following concerns about the use of all-postal ballots, two of the referendums, in the North West and in Yorkshire and the Humber, would be ‘postponed’, with only the North East going ahead.

In the days beforehand, key advisers in the Office of the Deputy Prime Minister were saying that the issue would “go to the wire” in Parliament amid growing uncertainty about support on the backbenches – yet on 21st July Raynsford was still insisting that all three referendums would go ahead. This, then, was a climb-down at the 59th minute of the 11th hour. For much of the press, it appeared a humiliating U-turn with some national newspapers claiming that Prescott’s plans were in tatters. For Conservatives, it was portrayed as the ultimate humiliation, with much of Prescott’s long-held dream being kicked into the long grass. But as Parliament debated the necessary orders for the referendums, following the earlier passage of the Regional Assemblies (Preparations) Act, it became clear to Downing Street that John Prescott’s plans could not command sufficient support on the Labour backbenches and, crucially, among some ministers. Officially Prescott and Raynsford claimed the ‘postponement’ was necessary because the Electoral Commission had yet to report on the operation of all-postal ballot ‘pilots’ among a third of the English electorate in the three northern regions plus the East Midlands in local and European elections on 10th June. The Commission finally delivered a near 100-page critique on 26th August, arguing that the pilots were “marred” by problems – from the tight timescale imposed, to the “complexity” of the voting method and other logistical problems, alongside reports of abuse in the polling process¹.

Nevertheless, the Commission said the North East referendum should still proceed as an all-postal ballot, in spite of their recommendations throwing considerable doubt on the pilot exercise. Their report - calling for greater emphasis on new voting methods offering electors a choice with the restoration of the ballot box - prompted Raynsford to acknowledge (27th August, BBC Radio 4) that the forthcoming North East referendum “may well be the last” all-postal ballot, dubbed by some to be an embarrassing retreat. “I would certainly be entirely relaxed about a future which gave people the opportunity of voting by post, but also to provide choice and other options,” Raynsford added.

¹ The Electoral Commission. (2004). *Delivering Democracy? The future of postal voting*. London: The Electoral Commission. http://www.electoralcommission.gov.uk/files/dms/DeliveringDemocracyfinalcomplete_14500-10935_E_N_S_W_.pdf

Not surprisingly, the decision to proceed with an all-postal ballot in the North East after such a critical report from the Commission was met with criticism, and a little incredulity. "I totally agree the people of the north east should have their say," the Opposition Local Government and Regions Secretary, Caroline Spelman, told the BBC (27th August). "But why not through the ballot box?" (This appeared to be a slight shift on Tory thinking, from opposition to the concept of a referendum to an acknowledgement that the electorate should at least be consulted).

On the wider front, it is clear that deeper political concerns lay behind the official explanation to 'postpone' two of the three referendums. In his Commons statement (22nd July), Raynsford told MPs that the North East had "longer and more extensive experience of all-postal ballots (in local elections) than any other region...", and added:

We have reflected...on the range of opinions expressed during the debates on the orders. Except where there is a pressing expectation and overwhelming support for an early all-postal referendum, we have concluded that the right course of action is not to proceed with the orders for the north west and Yorkshire and the Humber. Our commitment to referendums in those regions remains unchanged. (*Commons debates*, 22nd July 2004, Col 501).

However, no referendums will be held this side of a general election and in the event of a third Labour term, ministers will need some convincing that there is sufficient demand to revive the process. But a rejection of regional devolution in the North East poll, or an indecisive outcome, will clearly kill the process – although, as we report later, a new opinion poll indicates that support for an elected assembly in the North East could be growing.

John Prescott remains cautious. Visiting Gateshead (18th August) to unveil an official 'Your Say' leaflet which will be delivered to over a million households, the Deputy Prime Minister told journalists: "...We've got to convince the doubtfuls. There are more people 'yes' than 'no', but there are still an awful lot of doubtfuls. That's about getting the case over, (but) I'm still hoping that regional government will be established here in the North East." His caution was underlined by an opinion poll (2nd Sept) undertaken by ICM among 1000 electors for the 'Yes4theNorthEast' which found that while 48 per cent back an assembly, 27 per cent oppose it while 25 per cent are undecided. As *The Guardian* reported (3rd Sept), these 'don't knows' will determine the outcome of the 4th November contest².

² Hetherington, P. Electors unsure as 'safe bet' north-east assembly vote draws near. *The Guardian*. 3rd September 2004.

<http://society.guardian.co.uk/regionalgovernment/story/0,8150,1296480,00.html>

The Labour Party Chairman, Ian McCartney, a North West MP and long-standing supporter of English regional devolution, was bullish about the prospects of a 'yes' vote at the launch of the 'Yes4theNorthEast' campaign in Durham (2nd Sept). "I am absolutely certain it will be won," he said, "It will be a catalyst for the North West and Yorkshire." He blamed a "minority in a minority" of North West MPs for sabotaging John Prescott's 'great north vote'.

The hasty decision to 'postpone' the two northern referendums, leaving the North East to go it alone, prompted headlines of an "embarrassed" Deputy Prime Minister in "retreat", with his pet devolution project "wrecked". But both Prescott and his local and regional government minister Nick Raynsford were at pains to insist that referendums could still be held in the North West and in Yorkshire and the Humber, although Conservatives gleefully claimed that Prescott's pet project has been all but abandoned. Growing unease among backbench Labour MPs, fearful of lively campaigns exposing party divisions seven months before a likely general election, undoubtedly prompted the u-turn. More than half the Labour MPs in the North West, for instance - 27, plus three ministers - had written a joint letter to Prescott in the late summer expressing their concerns and asking for a referendum to be postponed. When one middle-ranking minister close to Downing Street apparently told Labour whips that she was inclined to side with the 'no' campaign in any North West referendum, Blair became nervous, fearing that referendums in the North West and Yorkshire - where there are a string of key marginal seats - could further undermine the party's fortunes following big reversals in local and European elections in June. One source close to the Deputy Prime Minister told us:

A small group of (Labour) MPs in the North West were opposed from the outset but, after the local elections, a wider group were terrified by their own shadows. The opponents had been having little luck in pulling more on board but, after the scale of our losses in local elections, not to mention recent by-elections, they became worried about holding onto their seats and their concerns were exploited. They joined the opponents in asking for the referendum to be delayed and John (Prescott) was then left in a very difficult position.

Worse for Prescott in his home county, the Labour peer Lord Haskins, who chaired a 'Yes4Yorkshire' campaign, had publicly raised doubts in *The Yorkshire Post* over whether a referendum could be won. The Deputy Prime Minister's displeasure was apparent during a visit to Doncaster (17th July). *The Yorkshire Post* reported that Prescott was "fuming" over Lord Haskins reported remarks that the government had not given enough time and resources to a "Great North Vote". While declining to comment directly to Lord Haskins' criticisms, Prescott said: "The mistake he had was to sit down with a journalist...". The newspaper reported Prescott walking away when questioned about the views of the 'Yes4Yorkshire' campaign director Jane Thomas that some supporters and backbench MPs

were getting the “wobbles” and were losing their nerve on whether they could win a referendum³.

Associates of Prescott say he faced covert pressure from the Prime Minister at two meetings leading up to the U-turn. “The PM’s line was ‘if you think you can pull off the referendums, John, then go ahead with them’ – very clever, because it left the decision up to John,” said one. But as a price for backing down, Prescott apparently did extract a promise that Tony Blair would help launch a ‘yes’ campaign in the North East – where, after all, he is a regional MP – a week or so before Labour’s annual conference in September.

Nevertheless, events are moving fast in the North East. On 23rd August, 1.2m households in the region began receiving a leaflet from the Office of the Deputy Prime Minister, under the headline ‘Your Say’, explaining the powers and size of a proposed assembly and stating boldly that a ‘yes’ vote could mean elections for a full-blown assembly being held as soon as 2006.

Officially, this government information campaign will last until 10th September; by 14th September the Electoral Commission is due to announce which organisations it will accredit as ‘yes’ and ‘no’ campaign groups, eligible for £100,000 from public funds (groups will be able to spend a further £565,000 if they can raise such an amount from their own resources!). On top of this, political parties have spending ceilings, based on their proportion of the vote in the last local and European elections. Thus Labour can spend up to £665,000, and the Tories, Liberal Democrats and UK Independence Party up to £400,000 each. On top of this, ‘accredited’ individuals will be allowed to spend up to £100,000 each, raising some concern in the Commission that wealthy sources could spread money around people prepared to act simply as ‘fronts’ for others behind the scenes.

By 17th October, voting packs will be sent to all electors in the North East, which means that by the nominal polling day, 4th November – when counting begins - most will probably have voted. While it is difficult to gauge the temperature of the North East electorate – 1.9 million will be eligible to vote – the evidence of meetings so far under the ‘Your Say’ banner, organised by the Office of the Deputy Prime Minister and chaired by the head of the Government Office for the North East, Jonathan Blackie, show deep divisions, with enthusiasm muted. Privately, ministers recognise that there is much ground to make up over the next few weeks.

³ McGee, S. Prescott walks out after questions over assembly. *The Yorkshire Post*. 17th July 2004.

2. Regional Structures

2.1 Government Offices

Nothing to report.

2.2 Regional Development Agencies

A modern radical agenda for rural England

On 21st July, Margaret Beckett, Secretary of State for the Department for the Environment, Food and Rural Affairs (DEFRA), presented to Parliament the Government's *Rural Strategy 2004*, a "radical agenda designed to deliver genuinely sustainable reforms through an ambitious and targeted set of policy priorities for rural communities and the countryside"⁴. The report builds on the Haskins *Rural Delivery Review* (published November 2003) and follows the Government's progress review of the delivery of the *Rural White Paper 2000*, citing that 74% of the commitments are currently fulfilled and "most of the remaining commitments on track to be delivered."⁵ The strategy sets out three key priorities:

- social and economic regeneration - supporting enterprise across rural England, but targeting greater resources at areas of greatest need;
- social justice for all - tackling social exclusion wherever it occurs and providing fair access to services and opportunities for all rural people; and
- enhancing the value of the countryside - protecting the natural environment for this and future generations⁶

The strategy responds to Lord Haskins calls for more decision-making power to be granted to regional authorities, with Mrs Beckett announcing a £27 million increase in the funding DEFRA provides to the Regional Development Agencies (RDAs), from £45 million to £72 million next year. The Minister said:

I will devolve decision-making and funding for economic regeneration to the RDAs to allow decisions to reflect better the needs and pressures in each region. . . I shall not impose a single structural form - I want to encourage maximum simplification and streamlining, so that regional delivery partners are set free to focus on doing, not talking.⁷

⁴ Department for Environment, Food and Rural Affairs. *A Modern Radical Agenda for Rural England: Government's Rural Strategy 2004*. Press release. 21st July 2004. <http://www.defra.gov.uk/news/2004/040721c.htm>

⁵ See above.

⁶ See above.

⁷ See above.

Further measures currently being imposed by DEFRA to enhance regional delivery are⁸:

- With the Regional Development Agencies - improve the service that Business Links provides to small rural businesses. This year Defra are putting an extra £2m into Business Links for rural areas
- By April 2005, devolve decision-making to regions and funding for economic and social regeneration (rural regeneration) to Regional Development Agencies⁹
- Increasing the amount of funding provided to RDAs for economic and social regeneration, increasing the amount provided to the Single Pot from £45m this year to £72m next year
- From 2007, to give the RDAs control over the economic and social funding from the England Rural Development Programme

DEFRA maintain in the strategy that sustainable development decision making must be embedded at the local and regional levels, which the departments says will be ensured in part by¹⁰:

- Government Offices for the Regions leading on brokering a framework at regional level to achieve better prioritisation and decision-making for rural areas (the process Haskins termed 'Rural Priorities Boards')
- Delivery partners being fully engaged in the decision-making process, including grass-roots customers being given a clear voice through Regional Rural Affairs Forums (or similar bodies)
- Pathfinder 'joint venture' projects taking place in each region to examine in detail how delivery can be improved

It is hoped that these measures will help to ensure "greater local and regional discretion to prioritise and develop delivery mechanisms that meet the particular circumstances on the ground"¹¹ and also to encourage "regional 'ownership' of the processes of defining priorities and improving delivery. . .[to] help spread best practice across different organisations and partnerships."¹². DEFRA envisages these changes being phased in from 2004-6.

⁸ See above.

⁹ The report states that regions have a better perspective and understanding than central Government of where action needs to be taken to tackle economic and social disadvantage, and how best to improve productivity. Devolution will also mean that urban and rural solutions will be looked at together

¹⁰ Defra. (2004). *Rural Strategy 2004 Fact Sheet: Regional Prioritisation*. London: Defra. http://www.defra.gov.uk/rural/pdfs/strategy/factsheets/regional_prioritisation.pdf

¹¹ See above.

¹² See above.

Changes for rural delivery and the enhanced role for RDAs were welcomed across the regions. In brief, the RDAs greater role in rural development will now include¹³:

- The transfer of Countryside Agency funding for socio-economic projects to the RDAs from April 2005, creating integrated rural funding programmes
- Full responsibility for managing the delivery of socio economic projects under the England Rural Development Programme from 2007.
- Additional resources from the Countryside Agency increasing RDA expertise in innovation, countryside issues, research and rural development
- Development of an improved business support mechanism for companies and organisations in rural areas (in line with the existing and emerging regionally-based business support provided by RDAs and partners)
- RDAs working with partners at a regional and local level across the public, private and community and voluntary sectors to achieve better results from programmes benefiting rural areas

Reactions from the regions were very positive. In the South West, Colin Molton, Director of Operations and Development, South West Regional Development Agency, said:

We want to see a more transparent process in rural delivery, and a less centralised approach will enable the RDA and our partners to make decisions locally on how funding and resources are used, drawing on the experience we have gained through running existing support programmes to regenerate rural areas. The RDA's role is to lead sustainable economic development - we need to work closely with partners to ensure that we make a real difference to the rural economy and rural communities. There is no doubt that the additional resources announced today will help us to meet some of the challenges ahead.¹⁴

One NorthEast Chair, Margaret Fay, said:

One NorthEast welcomes this announcement, which will improve the support provided to rural areas with this devolution of power to regional bodies. We already have a track record in rural delivery with some successful projects in place. This announcement will mean we can now build on

¹³ South West Regional Development Agency. *South West RDA welcomes greater role in rural regeneration*. Press release, 21st July 2004.

<http://www.southwestrda.org.uk/news/release.asp?ReleaseID=1140>

¹⁴ See above.

these to provide a better deal for all who live and work in rural areas.¹⁵

John Edwards, Chief Executive of Advantage West Midlands, commented:

By having a less centralised approach, Advantage West Midlands and partners will be able to make decision locally on how funding and resources are used, drawing on expertise we have gained through the support programmes we have been running to regenerate countryside areas.¹⁶

Finally, East of England Chair Richard Ellis, who negotiated with DEFRA on behalf of the RDAs, said:

these reforms will help ensure a more effective use of funding and resources to benefit people living and working in rural areas. The Haskins review clearly showed that the variety of different agencies and funding packages available to rural areas resulted in a very confusing picture for the public and that is exactly what the RDAs, colleagues at DEFRA, local authorities, the Government Offices and other agencies want to tackle. . . by having a less centralised approach, the RDAs and our partners will be able to make decisions locally on how funding and resources are used¹⁷

2.3 Regional Chambers/Assemblies

South East Assembly says 'no' to London Regional Rail Authority

This June, the South East England Regional Assembly (SEERA) formally voiced their opposition to Transport for London's (TfL) proposals to create a London Regional Rail Authority, when Chair Councillor Nick Skellett, wrote to Ken Livingstone with the argument that:

far from helping to improve the planning and operation of the rail network, the proposal would serve only the narrow interests of London to the exclusion of adjoining regions and, arguably, the rest of the country.¹⁸

¹⁵ One NorthEast. *Rural Issues - A North East Affair*. Press release, 21st July 2004. <http://www.onenortheast.co.uk/page/newscentre/index.cfm#815>

¹⁶ Advantage West Midlands. *Government gives increased responsibilities in rural delivery to Advantage West Midlands*. Press release, 21st July 2004. <http://www.wmda.co.uk/government-gives-increased-responsibilities-in-rural-delivery-to-advantage-west-midlands.html>

¹⁷ East of England Development Agency. *RDAs promise a more customer-focused approach to support for rural areas*. Press release, 21st July 2004. http://www.eeda.org.uk/compdetails.asp?id=3947&sec_id=423

¹⁸ SEERA. *Assembly Opposes Rail Proposals*. News bulletin, July 2004. <http://www.southeast-ra.gov.uk/news/bulletins/2004/july.html>

If the plan were to go ahead, Ken Livingstone would have control over all suburban commuter rail services. It argued that, rather than improving co-ordination however, it could fragment the wider network. The Assembly therefore,

considers that London related rail services cannot be treated as a distinct operation as they are part of a complex pattern of services that serve an increasingly diverse pattern of movement between the regions in the wider South East.¹⁹

Under the new Planning Act, SEERA has a statutory role to plan for transport (and land use) in the South East and sees the development of a viable and reliable rail network in the South East, and beyond, in this wider planning context. TfLs proposals may be seen therefore to undermine the new statutory regional planning framework for transport in the region, which provides a context for investment decisions on transport infrastructure, including the development and enhancement of the rail network.²⁰ Cllr Skellet said:

We believe Transport for London's proposal is fundamentally incompatible with the Assembly's transport planning role and could have unfortunate service consequences. We have expressed our views to the Mayor of London. Together with the East of England Regional Assembly and Greater London Authority we have established an Inter-Regional Forum to address planning issues and the aspirations of all three regions. We recently commissioned research to examine cross-regional travel which will be used to assist the development of the planning frameworks and associated investment priorities. We are disappointed that this proposal was not discussed at the Forum which runs counter to the whole spirit of inter-regional partnership²¹

Meanwhile, the first board meeting of SEERA's experimental Regional Transport Board met on 5th July. The Board will be chaired by the Government Office for the South East and will be time-limited, with the Department for Transport (DfT) seeking a report on the exercise at the end of September. Evaluation of this pilot will include examining how the Regional Transport Board's recommendations on future transport spending vary from those DfT officials forward directly to ministers.

¹⁹ SEERA. *Assembly says 'no' to London Regional Rail Authority*. Press release, 14th June 2004. <http://www.southeast-ra.gov.uk/news/releases/2004/14jun.html>

²⁰ See above.

²¹ See above.

3 Regional Politics and Policies

3.1 Referendums for the North West and Yorkshire and the Humber postponed – regional press reactions

Regional media coverage of the announcement that the referendums for the North West and Yorkshire and the Humber are postponed highlighted mixed reactions. In the North West, *The Cumberland News* (23rd July) said of the postponement, “Cumbrians have for the time being lost the chance to say whether they want devolved regional government”²² and quoted Penrith and the Border Conservative MP David Maclean commenting that the situation was ‘diabolical’:

This Government is not only deceitful, it is incompetent. We told them postal voting was dodgy but they didn’t listen. The real reason is they know people don’t want [an elected assembly].²³

He added:

This is an admission the whole thing is bonkers, that they shouldn’t have done it. It was ill thought out with no merit in it whatsoever.²⁴

Carlisle Labour MP Eric Martlew conceded that difficulties with postal voting were not the sole reason for the postponement:

My view is they will wait and see what happens in the North East. . . . If they don’t get an overwhelming ‘yes’ vote there, I don’t [think] they will bring it back.²⁵

In Cheshire, the debate is not so much about the actual assembly but centres around the various arguments around the impending local government reorganisation that would come into effect with a ‘yes’ vote. The *Chester Chronicle* (23rd July) reported that:

Council workers across Cheshire were yesterday breathing a sigh of relief after the Government pulled the plug on a November referendum²⁶

This was due in part to the fact that in the course of a North West referendum, voters would be asked which style of local government they would prefer, both of which, according to the *Chronicle* (23rd July)

²² Regional assembly opponents cry foul as referendum postponed. *The Cumberland News*. 23rd July 2004. <http://www.cumberland-news.co.uk/news/viewarticle.asp?id=118257>

²³ See above.

²⁴ See above.

²⁵ See above.

²⁶ Baker, M. Government postpones assembly referendum. *Chester Chronicle*. 23rd July 2004. <http://iccheshireonline.icnetwork.co.uk/0100news/chesterchronicle/page.cfm?objectid=14454431&method=full&siteid=50020>

“would have led to some job losses due to the high degree of overlapping in council job roles.”²⁷ The Conservative leader of Cheshire County Council, Paul Findlow, commented that the postponement was a “cynical political decision by a desperate Government that knew it could not win”²⁸, adding:

This was the second best piece of news I could have had today. The best would have been that the Government had dropped this ridiculous, highly expensive and totally unwanted idea altogether²⁹

Chester City Council deputy leader, John Price, however, said:

We are disappointed that the referendum has been postponed and that people in Chester will have to continue to put up with this confusing two-tier system of local government where the district councils provide some services and the county provides others. Two-tier local government simply doesn't work. . . A unitary council for Chester and Ellesmere Port - a local council that can deliver local services - remains the best option, and we are as committed now as we ever were to achieving that aim.³⁰

Crewe and Nantwich Borough Council leader, Peter Kent, also expressed his disappointment at the postponement, but vowed to push for the structure of local government best for voters in his borough:

I'm very disappointed that the referendum has been postponed, but will continue to push for what I think is best for Crewe and Nantwich, and the North West.³¹

Even the Conservative leader of Congleton Borough Council, whose party is generally opposed in principal to elected regional assemblies, has “pledged to stay in contact with neighbouring authorities over the plans for local government reform, despite plans for a referendum being scrapped.” Cllr Roland Domleo said, “The borough councils of Congleton and Macclesfield will work together and await decisions when Parliament returns.”³²

Outside of local government, some of the region's MPs and MEPs have expressed their satisfaction with the postponement. Knowsley North and Sefton East MP George Howarth put forward the argument that differences between areas in the North West are too great and that the

²⁷ See above.

²⁸ See above.

²⁹ See above.

³⁰ See above.

³¹ Smith, M. Leader disappointed with postponement. *Crewe Chronicle*. 28th July 2004. <http://iccheshireonline.icnetwork.co.uk/0100news/southcheshirechronicles/page.cfm?objctid=14470182&method=full&siteid=50020>

³² See above.

region only exists “on paper”³³ whilst North West Lib Dem MEP Chris Davies said:

This decision should be welcomed not only by those opposed to regional government, but also by people like myself who are passionately in favour of the North West being able to run its own domestic affairs. The Government proposals were neither use nor ornament. They suggested the creation of a shambolic regional democracy while all the real strings of power would still have been pulled by Whitehall. Tony Blair needs to think again and come back with something which will allow us to meet the real needs of our huge region.³⁴

On Merseyside, the issue was branded “contentious”³⁵, the *Daily Post* (23rd July) commenting that the poll could still go ahead in the New Year but quoting ‘no’ campaigners such as Brian Morris, spokesperson for ‘North West Says No’; “It certainly won't happen soon and it may not happen ever. This is a disaster for the Government.”³⁶ George Howarth MP also said that this now “creates space to develop arguments for city-wide regions”³⁷.

The *Manchester Evening News* (23rd July) challenged the decision to postpone a referendum for the North West, stating that

Not a single north west election result is being challenged in the courts, despite the government blaming worries about the postal vote system for delaying a vote on the ‘mini-parliament’.³⁸

The paper reported that, despite claims that voting fraud was behind the decision to postpone the referendum, there had been no challenges over North West results in the all-postal June elections;

The Department for Constitutional [*sic*] Affairs confirmed last night there was only one petition in relation to the European

³³ Plans ‘in tatters’ claim assembly’s opponents. *Weekly News*. 29th July 2004. <http://iccheshireonline.icnetwork.co.uk/0100news/southcheshirechronicles/page.cfm?objectid=14470182&method=full&siteid=50020>

³⁴ Robinson, P. Referendum pull gets mixed reaction. *Chester Chronicle*. 28th July 2004. <http://iccheshireonline.icnetwork.co.uk/0100news/0100regionalnews/page.cfm?objectid=14474052&method=full&siteid=50020>

³⁵ Merrick, R. Plug pulled on poll for regional assembly. *Daily Post*. 23rd July 2004. <http://icliverpool.icnetwork.co.uk/0100news/0100regionalnews/page.cfm?objectid=14454409&method=full&siteid=50061>

³⁶ See above.

³⁷ See above.

³⁸ Ottewell, D. Assembly fraud fears under attack. *Manchester Evening News*. 23rd July 2004. http://www.manchesteronline.co.uk/news/s/124/124815_assembly_fraud_fears_under_attack.html

elections, in the Eastern region, plus four definite challenges to council results in Birmingham and Yorkshire.³⁹

Graham Stringer, Labour MP for Manchester Blackley and a senior North West 'no' campaigner, said that "blaming complaints about the voting system was being used as 'a fig leaf' for the deputy prime minister", and was quoted as saying "It is time to drop the idea altogether"⁴⁰. A number of figures from across the region came forward with opinions on the decision; 'yes' campaign chair Felicity Goodey expressed anger and frustration but was determined that the referendum and campaign would go ahead. Cllr Derek Boden, leader of the current un-elected North West assembly said "It seems yet again north west citizens are being told what is good for them rather than being asked."⁴¹ Tom Dempster, policy officer for local and regional affairs at the Manchester Chamber of Commerce and Industry said "We think the decision is very interesting, especially with the large sums of money already wasted on the current awareness campaign"⁴² whilst North West policy manager for the Federation of Small Businesses, Paul Henley, commented;

The government has sensed the mood in the north west is not in favour of elected regional government. It has sensed that to go ahead and possibly fail would be an embarrassment it could do without.⁴³

In Yorkshire and the Humber, press covered the postponement decision neutrally with some historical opponents being more fervent. In York, the *Evening Press* (23rd July) stated that

Politicians in York and North Yorkshire have generally welcomed the news that controversial proposals to hold a referendum for a 'mini-Parliament' in Yorkshire have been dramatically dropped.⁴⁴

According to the report, John Greenway, Conservative MP for Ryedale, called the Government "chicken" for not going ahead with the poll with fellow Conservative (Vale of York) Anne McIntosh claiming the postponement was "great news"⁴⁵. Other MPs in the region were in agreement, John Grogan, Labour MP for Selby and pro-devolutionist said "This was a commonsense decision in response to back bench

³⁹ See above.

⁴⁰ See above.

⁴¹ See above.

⁴² See above.

⁴³ See above.

⁴⁴ Dropping of vote on assembly welcomed. *York Evening Press*. 23rd July 2004. http://www.thisisyork.co.uk/york/archive/2004/07/23/york_news_local24ZM.html

⁴⁵ See above.

pressure.”⁴⁶ Fellow Labour MP (York) Hugh Bayley said that “people did not know enough about the regional assemblies to vote on them with certainty.”⁴⁷ Even North Yorkshire County Council leader John Weighill said:

This is a very sensible move in light of the deep and widespread concerns so many people have been expressing for some time.⁴⁸

On Humberside, the *Hull Daily Mail* (23rd July), a self-proclaimed opponent to elected regional assemblies, claimed that David Davis, Conservative MP for Haltemprice and Howden, said the “truth about the assembly is that it is unloved, unwanted and unneeded.”⁴⁹ A ‘senior’ Labour party individual also apparently told the paper that the Government “were scared to death of losing and, after the local and European election results, it was never going to happen in Yorkshire.”⁵⁰ The paper reported, however, that Mr. Prescott remained defiant;

I want to get into the fight. . .I’m disappointed to avoid fights. At the moment we will have that conducted in the North East and I am certainly coming back to Yorkshire and Humberside and the North West.⁵¹

Lord Haskins, Chair of the ‘yes’ campaign in Yorkshire and the Humber also said that, whilst disappointed with the decision, he was not downhearted;

The delay should be seen as an opportunity to fine-tune what is on offer to make sure it is right for the region. The momentum is not lost.⁵²

The *Yorkshire Post* (23rd July), which has been hostile to proposals for elected assemblies, dubbed John Prescott’s postponement as “one of the most humiliating U-turns of his career.”⁵³ The authors state that Selby Labour MP John Grogan, along with fellow Labour MP Clive Betts (Sheffield, Attercliffe) and ‘yes’ Chair and Labour peer Lord Haskins, had warned Mr. Prescott that he was heading for defeat, with reports that “privately, Labour MPs said the Yorkshire and the North West was almost certainly kicked into the long grass beyond the next General

⁴⁶ See above.

⁴⁷ See above.

⁴⁸ See above.

⁴⁹ Is this end for assembly? *Hull Daily Mail*, 23rd July.

⁵⁰ See above.

⁵¹ See above.

⁵² See above.

⁵³ Carlin, B. and McGee, S. Prescott’s home-rule humiliation. *Yorkshire Post*. 23rd July 2004.

Election.”⁵⁴ Clive Betts was quoted as saying that the referendum should not just go “on the back-burner, but for the time being on a low light”, to be delayed for at least a year⁵⁵. Ryedale Conservative MP John Greenway also “complained that with a local government reorganisation in North Yorkshire linked to any referendum, the continuing uncertainty was bad for council staff.”⁵⁶ The authors again quote Lord Haskins and the ‘yes’ campaign as signalling this represents an opportunity to examine what current proposals are on offer and as putting on “a brave face”⁵⁷. ‘Yorkshire Says No’ campaign chair John Watson however, said:

The Yorkshire referendum is off for the simple reason that the Government thought the No campaign would win. There is no other explanation. Obviously, they will hide behind the fig leaf of the Electoral Commission's doubts about postal voting but, in reality, those would never have amounted to a plausible reason for postponement.⁵⁸

In the North East, ‘yes’ campaigners remained confident that the vote can be won in the one referendum that will now be held. Concern was raised, however, by ‘no’ campaigner Neil Herron and Conservative regions spokesperson Bernard Jenkin that all-postal ballots remained no safer for the North East than in the North West and Yorkshire and the Humber – the reason given for the postponement of the two regions’ planned referendums. *The Journal* (23rd July) in Newcastle quoted Mr. Jenkin:

If all postal voting is unsafe for referendums in the North West and Yorkshire, how can it be safe for a referendum in the North East?⁵⁹

However, *The Northern Echo* (23rd July) duplicated the *Journal*’s comments that this was a boost in confidence for the North East, quoting John Prescott as championing the region:

I’ve always known since I made my first speech in 1980 in the North-East advocating regional government that the region has been to the fore. Under these circumstances, it will

⁵⁴ See above.

⁵⁵ See above.

⁵⁶ See above.

⁵⁷ See above.

⁵⁸ See above.

⁵⁹ Linford, P. North-East left on its own. *The Journal*. 23rd July 2004. <http://icnewcastle.icnetwork.co.uk/0100news/thejournal/page.cfm?objectid=14454163&method=full&siteid=50081>

have the first opportunity to make a decision, with consequences for the rest of the country.⁶⁰

So, for now, all eyes will be on the North East this November, whilst it remains to be seen what will become of the plans for the North West and Yorkshire and the Humber.

3.2 **United by history, divided by geography?**

In June, Professor Daniel Dorling and Bethan Thomas from the University of Sheffield published *People and Places, a 2001 Census atlas of the UK*, which compares data from the 1991 and 2001 Census⁶¹. Noted as the first comprehensive study of the 2001 Census data, the report illustrates that the North-South divide in the United Kingdom is getting worse, with no signs of improvement. Amongst other Census topics, the report maps current changes in areas such as age, sex, qualifications, unemployment, poverty, income and wealth. One of the key findings is the “growing dominance of London in terms of attracting the young and well educated, employment and wealth. London’s growth is in striking contrast to the rest of the country. At the same time, the greatest extremes of wealth and poverty are to be found in London.”⁶² Professor Daniel Dorling, co-author, said of the report:

Our conclusion is that the country is being split in half. To the south is the metropolis of Greater London, to the north and west is the ‘archipelago of the provinces’ - city islands that appear to be slowly sinking demographically, socially and economically. On the maps shown here, the UK is looking more and more like a city-state. It is a Kingdom united only by history, increasingly divided by its geography.⁶³

Notable findings from the study include:

- More households overall are now poorer (an increase of 21% in 1991 to 24% in 2001)
- The poorest local authority areas in 1991 are still the poorest in 2001 (the London boroughs of Tower Hamlets and Hackney)
- Almost half the households in these two boroughs live in poverty, an increase of 9% and 7.5% respectively on 1991.

⁶⁰ Merrick, R. Referendum on track despite poll U-turn. *The Northern Echo*. 23rd July. http://www.thisisthenortheast.co.uk/the_north_east/archive/2004/07/23/Aa3nni.newsby.html

⁶¹ Dorling, D. and Thomas, B. (2004). *People and places, a 2001 Census atlas of the UK*. Policy Press.

⁶² Sheffield University. *New study reveals widening north-south divide*. Press release, 30th June 2004. <http://www.shef.ac.uk/mediacentre/2004/217.html>

⁶³ See above.

- Outside London, Glasgow leads with 41% of households living in poverty
- The wealthiest boroughs in 1991 are still the wealthiest (Hart and South Bucks) – with increases in wealth of just over 1.5% of households, in each case, since 1991
- While 1.7 million jobs were created between 1991 and 2001 in London's financial sector alone, skilled trade workers (located almost exclusively in the North) saw the sector contract by over 500,000 jobs over the same period
- Skilled trade workers, based almost exclusively in the North, suffered the biggest decline of any sector over the 10 year period, with a 500,000 drop in the workforce⁶⁴
- Corby in Northants has the highest concentration of unskilled workers at 9.8% whilst Richmond upon Thames has the lowest at 2.5%⁶⁵

Regeneration and social exclusion minister Yvette Cooper MP said:

The divide used to be characterised by high unemployment rates and by economic decline in a lot of the northern regions. That's changed and it's changed already because we're seeing now economic growth taking place in every region. You're also seeing unemployment falling faster in the most deprived districts than in the national average, so we are seeing improvements taking place. And I certainly don't think we should see the divide as inevitable, quite the reverse, we should be doing something about it, as [Deputy Prime Minister] John Prescott has set out.⁶⁶

Professor Dorling however, insisted there was no evidence that the pattern would change:

It's a long and slow and steady trend and has many reasons behind it. The population of Britain has been moving southwards for over 100 years. There's only been a few years in the last century when on average the population hasn't moved southwards. So we should expect this divide to widen over the next 10 or 20 years, unless something dramatic was to happen.⁶⁷

Reactions came from around the regions, for example, Tony McDermott, Chair of the North West Regional Assembly, commented:

⁶⁴ BBC News. *North-south spilt getting wider*. 30th June 2004.
<http://news.bbc.co.uk/1/hi/uk/3852227.stm>

⁶⁵ See above.

⁶⁶ See above.

⁶⁷ See above.

The North West Regional Assembly and Northwest Development Agency are working with the Government to help implement the Deputy Prime Minister's Northern Way Growth Strategy, to create viable alternatives to the business focus on London and the South East. . . But the Government itself acknowledges that Whitehall clearly doesn't know best because despite its best efforts these economic and social divisions have only accelerated. I believe that long-term solutions can only come from within the regions and will require the sort of concerted action which will take many years⁶⁸

One report suggested that Ed Balls, formerly Chief Economic Advisor to the Treasury, now Labour candidate for Normanton, West Yorkshire, has dismissed the report as being out of date as it was based on the 1991 and 2001 censuses:

In other words, the Sheffield report failed to take account of the Government's success since 1997 in ending economic instability which had contributed so much to the prosperity divide and in specific regional policy such as creating Yorkshire Forward and the other regional development agencies to combat skills and productivity problems. But Mr Balls, who has been the Chancellor's key adviser through eight Budgets, conceded that closing the gap was "a long-term process".⁶⁹

4 Media

A flurry of national media attention emerged following the Government's announcement that two of the three northern referendums are to be postponed. Coverage of the announcement of additional powers in the Draft Bill was somewhat overlooked in place of the 'humiliating' postponement decision.

The Independent (23rd July), referring to November's planned polls as "pathfinding referendums"⁷⁰ noted that The Deputy Prime Minister was "grim-faced"⁷¹ whilst Nick Raynsford announced the decision, citing concerns about fraud in all-postal elections. The report noted that Conservative regions spokesperson Bernard Jenkin insisted 'postponed',

⁶⁸ NWRA. *North-South divide getting wider*. Press release, 30th June 2004.

⁶⁹ Carlin, B. Regional Policy is helping north, claims Balls wealth divide in Britain 'can be closed'. *Yorkshire Post*. 2nd July 2004.

⁷⁰ Russell, B. Regional assembly votes postponed. *The Independent*. 23rd July 2004. <http://news.independent.co.uk/uk/politics/story.jsp?story=543746>

⁷¹ See above.

in this case, was synonymous with ‘cancel’⁷². The *Financial Times* (23rd July) perhaps gave the most coverage to the postponement announcement, calling it a “huge personal setback for one of the pioneers of the 20-year push for regional devolution.”⁷³ (John Prescott). According to the report, the decision came following “anxiety about public indifference and political opposition”⁷⁴, with Mr. Prescott admitting that some Labour colleagues “were worried about the impact of a No vote in November on their prospects in the general election, expected next May.”⁷⁵ The report said, “He will hope a Yes vote in the north-east, where the desire for regional government has been strong, can yet resurrect his policy.”⁷⁶ Chris Tighe, of the *Financial Times* (23rd July) also wrote of the Draft Bill,

the long-awaited draft regional assemblies bill, published yesterday, has already earned itself a footnote in history as the first time in centuries that an English region has been formally offered a degree of devolution.⁷⁷

Whilst conceding that the powers are considerably less than those granted to Scotland and Wales in their devolution settlements, the report, rare in the way that it gave coverage to the Bill, says they are “significantly stronger than those outlined in the 2002 white paper *Your Region, Your Choice*.”⁷⁸

The ePolitix news site quoted Bernard Jenkin claiming a party-split was to blame:

With his own party completely split over assemblies, Mr Prescott is now playing fast and loose with dates and rules – in the meantime effectively crippling local government in these regions as the threat of the removal of their powers hangs over them.⁷⁹

The Guardian (22nd July) reported on the Draft Bill, outlining the new powers that have been added to those set out in *Your Region, Your Choice*, whilst also commenting that, regarding the postponement decision, ‘yes’ campaigners in the North West were “livid at the decision, made at a time when the draft bill dangles prospective new powers which would have

⁷² See above.

⁷³ Blitz, R. and Hall, W. Prescott forced to delay regional polls. *Financial Times*. 23rd July 2004. p. 4.

⁷⁴ See above.

⁷⁵ See above.

⁷⁶ See above.

⁷⁷ Tighe, C. North-East will blaze English trail with November referendum on an elected assembly. *Financial Times*. 23rd July 2004. p. 4

⁷⁸ See above.

⁷⁹ Postal ballot concerns prompt regional vote delay. *ePolitix*. 23rd July 2004.

boosted their lobbying efforts.”⁸⁰ The report also referred to the Prime Minister’s involvement, notably in his monthly press briefing where he was said to “reiterate the government line that the decision to postpone was singularly about the voting process, rather than prompted by fears of a ‘no’ vote in the two regions.”⁸¹ Polls have shown that, out of the three northern regions, the North East has the greatest chance of securing a ‘yes’ vote. On this point, Mr. Blair said:

The reason for the difference is because there have been concerns about all-postal ballots in respect of the other two regions. So if John [Prescott] was saying we will go ahead with this irrespective, he would have been attacked for ignoring the concerns.⁸²

The Times (23rd July) also reported on the announcement, claiming it “highly embarrassing”⁸³ for John Prescott and also referring to their claim that the paper uncovered allegations of fraud in the North West and Yorkshire and the Humber, which would seemingly back up the Government’s reason for the referendum postponements. *The Telegraph* (23rd July) also covered the postponement claiming that the “ostensible reason was the allegations of electoral fraud in the controversial all-postal ballots” yet, quoting Bernard Jenkin, said:

This alleged postponement is little more than a cynical ploy to spare Mr Prescott’s humiliation in regions where there is no public demand for another pointless layer of bureaucracy.⁸⁴

In the tabloids, *The Sun* (23rd July) and *The Daily Mirror* also covered the story, referring largely to the ‘humiliation’ caused for John Prescott, with no mention of the proposed new powers in the draft Bill.

5 Public attitudes and identity

Nothing to report.

⁸⁰ Mulholland, H. Government hands more powers to regional assemblies. *The Guardian*. 22nd July 2004.

<http://society.guardian.co.uk/regionalgovernment/story/0,8150,1267084,00.html>

⁸¹ See above.

⁸² See above.

⁸³ Sherman, J. Regional referendum delay. *The Times*. 23rd July 2004.

⁸⁴ Johnston, P. Regional votes postponed over rigging fears. *The Telegraph*. 23rd July 2004.

6 Relations with Westminster and Whitehall

6.1 The Referendum Order...and postponement

On 21st July, The Minister for Local and Regional Government, Nick Raynsford, put before the House the draft Regional Assembly and Local Government Referendums Order 2004, representing:

the package of secondary legislation necessary to provide for the proper conduct of this autumn's regional and local referendums. (*Commons debates*, 21st July 2004, Col 374).

The necessary debate of the Orders was lively and was witness to a number of interventions from members covering issues including voting fraud, the potential for ERAs to reduce regional disparities, cost of referendums and concerns over postal voting and associated provisions. The Conservatives, headed here by **Bernard Jenkin (Conservative, North Essex)** remained negative about the proposals. **Edward Davey (Lib Dem, Kingston and Surbiton)** was supportive but raised a number of caveats to the proposals regarding provisions for people who are visually impaired to vote, the decision over referendums being made ultimately by ministers and not the Electoral Commission, and the incorporation of witness statements into the voting procedure. Following the three hour debate, the Orders were carried.

On 22nd July however, the day after **Nick Raynsford (Labour, Greenwich and Woolwich)** had gained approval for referendums in the three northern regions, those for the North West and Yorkshire and the Humber were dramatically postponed, much to the delight of Tory members and despondence of some Lib Dems. **Mr. Raynsford** outlined the reason for the postponement as being due to the forthcoming report from the Electoral Commission, which evaluated the all-postal voting system used in June's local government and European pilot elections, held in the three northern regions and the East Midlands. **Mr. Raynsford** said:

Approval was given against the background of the Government's commitment to the House that we would not proceed with the all-postal referendums as planned if the Electoral Commission's evaluation report on last June's all-postal pilots produced convincing evidence leading to the conclusion that it would be unsafe to do so. (*Commons debates*, 22nd July 2004, Col 501).

The Minister commented that debates earlier in the week had raised concern about all-postal ballots, "with particular reservations being strongly voiced in certain localities." (*Commons debates*, 22nd July 2004, Col 501). He stated however, that none of the concerns raised referred to the North East,

On the contrary, the experience there of all-postal ballots, both in June and in earlier local election pilots, has been

consistently positive. The north-east has had longer and more extensive experience of all-postal ballots than any other region, and the availability of all postal voting has been consistently welcomed by the voters. (*Commons debates*, 22nd July 2004, Col 501).

He continued:

We have reflected on those developments, and on the range of opinions expressed during the debates on the orders. Except where there is a pressing expectation and overwhelming support for an early all-postal referendum, we have concluded that the right course is not to proceed with the orders setting up referendums on 4 November but to await the Electoral Commission's report before confirming the arrangements. We have therefore decided not to proceed with the orders for the north-west and Yorkshire and the Humber. Our commitment to referendums in those regions remains unchanged, but the timetable for their referendums will be affected. (*Commons debates*, 22nd July 2004, Col 501).

The Minister commented further that when the house returns in September, the Government will make a statement on how they intend to proceed in the North West and Yorkshire and the Humber, with regards to holding referendums and all-postal ballots, and also noting that day's publication of the draft Regional Assemblies Bill, stating:

The Bill will be an important tool to help the electorate in the north-east make an informed decision on whether to vote for or against an elected assembly in the referendum on 4 November. We intend to introduce a final version of the Bill in Parliament once a region has voted to establish an assembly. (*Commons debates*, 22nd July 2004, Col 502).

Bernard Jenkin (Conservative, North Essex) replied, stating, in no uncertain terms his opinion of the Government's proposals:

The statement just delivered by the Minister for Local and Regional Government is quite incredible, completely unbelievable and utterly cynical. Only yesterday, he urged the House to support the principle of three referendums, but he has the gall and temerity to return within 24 hours to say that he has changed his mind. (*Commons debates*, 22nd July, Col 502-3).

Addressing firstly the Minister and secondly the House, referring to the change in the proposals, **Mr. Jenkin** asked:

Can he assure us that when he addressed the House yesterday, he was speaking, to use a well worn phrase, "in good faith"?

Can anyone remember any Government treating the people of this country—in this case, the people of the north-west and of

Yorkshire and the Humber—with such utter contempt and cynicism? (*Commons debates*, 22nd July 2004, Col 503).

Mr. Jenkin further accused **Mr. Raynsford** of not being ‘straight’ with the House and the public, suggesting that

The reasons the Minister has given for pulling the referendums are a fig leaf—chaff to disguise the real reason. The fact is that a majority of Labour MPs were in covert or open rebellion in the north-west and Yorkshire this week because they know what Ministers have been denying. (*Commons debates*, 22nd July 2004, Col 504).

He continued his attack on the government, claiming

What started out as a so-called grand plan for comprehensive constitutional settlement in England is today left in tatters. (*Commons debates*, 22nd July 2004, Col 504).

Following **Mr. Jenkin**’s further questioning of the announcement, **Nick Raynsford** responded with the reasons for the change in proposals:

No concerns have been voiced about all-postal ballots in the north-east. On the contrary, we heard last night impressive evidence from speaker after speaker from the north-east about the benefits of all-postal, the extensive experience they have had of all-postal and the effect that that has had on increasing turnout. Listening to the evidence and responding to the views expressed by the House, the Government have changed their position—I accept that entirely, but that is good for democracy. We have listened to the views of hon. Members and acted logically and sensibly on that. (*Commons debates*, 22nd July 2004, Col 505).

Next was the turn of **Edward Davey (Lib Dem, Kingston and Surbiton)** who expressed his dismay at the government’s decision:

I thank the Minister for the statement, even though I fear this is a sad day for democracy. The real losers are the voters, not just because they have been denied a choice and denied a ballot, but because they have been denied the chance to take down power from Whitehall—to elect a regional assembly instead of suffering regional quangos. (*Commons debates*, 22nd July 2004, Col 505).

Mr. Davey then intimated that it was an intervention of the Prime Minister that shaped the decision, suggesting that the decision:

leaves the Deputy Prime Minister not only embarrassed, but severely wounded. By letting the Prime Minister get his way time and again, his own long-held ambitions have been thwarted. Today, the Chancellor has gained a new ally. (*Commons debates*, 22nd July 2004, Col 506).

Handing over to the backbenches, the debate continued, with **David Curry (Conservative, Skipton and Ripon)** raising the issue of local government reorganisation, asking **Mr. Raynsford**:

Will he further confirm that there will be no local government reorganisation in the absence of elected regional government? (*Commons debates*, 22nd July 2004, Col 507).

to which **Mr. Raynsford** did not directly reply, only adding;

we have made it clear that we will report back to the House in September after we have seen the Electoral Commission's report, and then set out our proposals for the new timetable. (*Commons debates*, 22nd July 2004, Col 507).

Joyce Quin (Labour, Gateshead, East and Washington, West) supported **Mr. Raynsford**, commenting that the

north-east, with its distinct history and culture, and its determination to help to build its own future, will be able to lead the way and to be the pioneer for this new form of government in England. (*Commons debates*, 22nd July 2004, Col 507).

But also putting to the minister:

Will my right hon. Friend ensure that the case for the north-east is made across government with purpose and enthusiasm? (*Commons debates*, 22nd July 2004, Col 507).

Peter Atkinson (Conservative, Hexham) was next to speak, questioning the suggested high levels of support of people in the North East for an elected regional assembly. Another ERA sceptic, **George Howarth (Labour, Knowsley, North and Sefton, East)**, also a member of the North West 'no' campaign, expressed his thanks for the decision:

I congratulate my right hon. Friend, and my right hon. Friend the Deputy Prime Minister, on having the common sense to listen to the voices of Members of Parliament in the north-west and of the public in that region, who, by their eloquent silence, have indicated that they do not recognise that there is any such place as the north-west in terms of politics, economics or culture. I thank my right hon. Friend for giving those of us who believe that city regions are the way forward for devolution the space to develop our arguments, and assure him that that campaign starts now. (*Commons debates*, 22nd July 2004, Col 509).

Graham Brady (Conservative, Altrincham and Sale West) echoed fellow North west 'no' campaigner **Mr. Howarth**, stating:

I welcome this climbdown from a costly, irrelevant and unwanted proposal for an extra tier of government in the north-west. However, I remain concerned that throughout the process the Government have assumed people's support despite having no evidence for it. If they intend to continue

considering the possibility of holding referendums on regional government, can that decision be transferred to an independent body that can make rational decisions without party politics getting in the way and assess the very low level of interest in regional government? That would finally put paid to the whole idea. (*Commons debates*, 22nd July 2004, Col 509).

Fellow North West MP **Louise Ellman (Labour, Liverpool, Riverside)** firmly in the 'yes' camp, stated her disappointment with the government's decision and asked of **Mr. Raynsford**:

Does he agree that the problems of the north-south divide and the unaccountability of regional quangos will continue unless resolute action is taken? When he says that he will listen to people's voices on the matter, will he guarantee listening to those who positively seek change to give a better deal to people who live in the north-west and not solely to negative voices inside and outside Parliament and those who simply want to maintain the status quo, with all its inequalities? (*Commons debates*, 22nd July 2004, Col 509).

To which **Mr. Raynsford** responded:

Of course, I was here last night when my hon. Friend spoke eloquently about the problems of the north-south divide and argued passionately for people in the north-west to have the opportunity to vote for regional devolution. I give her the assurance that she seeks. People in the north-west will have that option. (*Commons debates*, 22nd July 2004, Col 509).

Representing a Yorkshire constituency, **John Greenway (Conservative, Ryedale)** raised the issue of uncertainty over local government reorganisation:

Has the Minister no comprehension of the damage that uncertainty about the matter does to local government in North Yorkshire? Even if we had a referendum on 4 November, civil servants have already left their posts for better pastures because the plans mean that they cannot envisage a future for their local council. If we are considering only a postponement, not a cancellation, the uncertainty will continue. The Minister owes us an explanation of when he believes that the ballot will take place. (*Commons debates*, 22nd July 2004, Col 509-10).

Mr. Raynsford replied again that he was aware of the issue and stated again that the government will be making statement about the postponed referendums to the House in September.

Kevan Jones (Labour, North Durham) supported the decision to go ahead with the referendum in the North East, attempting to dispel previous claims that a decision about the region should also be postponed until after the Electoral Commission publish their report:

My right hon. Friend knows that Durham and other parts of the north-east have had all-postal ballots for the past three years. That has led to dramatic increases in turnout. The Electoral Commission's analysis of the pilots not only congratulated the relevant councils but pointed out that there was no increase in fraud. (*Commons debates*, 22nd July 2004, Col 510).

Expressing his disappointment over the postponement of the North West referendum, **Andrew Stunnell (Lib Dem, Hazel Grove)** said:

It is a disappointing day for those of us in the north-west who believe that devolution is an important way of regenerating the region. Will the Minister say a little more about the timetable? In responding to other hon. Members, he said that the money set aside for the devolution campaign in the north-west will be spent on something else. That strongly implies that the delay is not a matter of weeks or months but perhaps years. It is important for those of us in the north-west who support devolution and want the campaign to succeed to have a much clearer idea of the Government's commitment and time scale. (*Commons debates*, 22nd July 2004, Col 510).

Fellow North West MP **Gordon Prentice (Labour, Pendle)** however, welcomed the statement but expressed concern over the postponement and not cancellation of a referendum for the North West, later being joined by **Tim Collins (Conservative, Westmorland and Lonsdale)** who suggested that the referendums would have elicited 'no' votes anyway in his constituency. **Tony Lloyd (Labour, Manchester, Central)** on the other hand said:

It would, I am afraid, be hard to disguise my considerable disappointment at this announcement, but I have genuine sympathy for my right hon. Friend's predicament in coming to the House today. The arguments about taking the weight of this over-centralised country off the northern regions remain, as does the need to guarantee that the northern regions will never again be crushed by a south-east-dominated Tory Government, should there ever be another. (*Commons debates*, 22nd July 2004, Col 512).

Echoing fellow opponents to ERAs in the North West, **Stephen O'Brien (Conservative, Eddisbury)** stated that

It will come as no surprise to my constituents in Eddisbury or to people in the rest of Cheshire that the breathtaking incompetence of the Government has led to this decision, and they will welcome the opportunity to retain the ability to belong to an area that they love. (*Commons debates*, 22nd July 2004, Col 512).

To which **Mr. Raynsford** responded

The hon. Gentleman seems to be under the illusion that we have abandoned the referendum. We have not; we are simply postponing it. People will be able to take a decision—yes or no—in due course. (*Commons debates*, 22nd July 2004, Col 512).

Further support for the postponement came from **Ann Winterton (Conservative, Congleton)** and **Nigel Evans (Conservative, Ribble Valley)** whilst **Peter Pike (Labour, Burnley)** assured **Mr. Raynsford** that;

many people will be glad to hear that this is a deferment and not a cancellation? Many people in the north-west believe that this is an important opportunity to seize control of certain pots of money and of quangos and other bodies that take important decisions in our region. (*Commons debates*, 22nd July 2004, Col 513).

Clive Betts (Labour, Sheffield Attercliffe) welcomed the decision for the very reasons it has been suggested the referendums were postponed, stating:

I welcome my right hon. Friend's announcement about Yorkshire and Humber. I accept that it was not an easy announcement to make but, in the circumstances, it was the right one. Sadly, at this stage there is no great enthusiasm in my constituency for a directly elected regional assembly. If my right hon. Friend is putting the issue on the back burner, will he leave it on a low light for the time being? We do not want the prospect of a referendum hanging over us for up to 12 months. If the delay is to be for at least a year, we can look at the proposals for a regional assembly and, I hope, build up more support for them. (*Commons debates*, 22nd July 2004, Col 513-14).

It is evident there remain many tensions within the House concerning referendums for the North West and Yorkshire and the Humber, it now falls to the government and Nick Raynsford to present that decision to the House in September.

6.2 Power vacuum?

Certainly Prescott and Raynsford are sensitive to charges that the absence of relatively strong powers, and the continued inter-departmental haggling over beefing them up, makes the task of 'yes' campaigners more difficult. Raynsford made clear at a 'Your Say' meeting with business leaders in Newcastle upon Tyne (31st August) that the Office of the Deputy Prime Minister was pressing for stronger powers, particularly over transport. He revealed that discussions were under way in an attempt to strengthen an assembly's functions in this area, beyond the advisory role. A draft Bill, outlining the powers (22nd July), was meant to clarify

the position. In the event, it merely underlined the uneven gains of John Prescott in negotiations with other departments. “The Bill gives assemblies the power to make recommendations,” Raynsford told one critical questioner who heads a Tyne and Wear Passenger Transport Executive and wants a North East assembly to have similar transport powers to the Greater London Authority (which, after all, is portrayed by Prescott’s department as the ‘model’ for a North East assembly). “We are exploring further devolution of responsibility. I hear the message you give me and I will ensure it is relayed back.”

Elsewhere, the draft Bill sets out broad purposes and powers for the promotion of economic development (through responsibility for regional development agencies) social development, and protection of the environment. Since publication of the White Paper, *Your Region, Your Choice*, in 2002, RDAs – a little-known corner of the public sector, now employing over 2,000 - have been given increased funding, taking combined budgets in the next financial year to £2.2 billion. The Chancellor’s recent three-year spending review, gave the RDAs a few more powers to support new and existing businesses along with an extra £200 million for 2005-6. In addition, a recent government rural policy statement gave the agencies new responsibilities for implementing rural development programmes.

An elected assembly will also assume responsibility for regional housing strategy as well as strategic planning (in other regions, these functions will pass to soon-to-be created housing and planning boards, as recommended by the Barker review into housing supply). But in other areas, responsibilities and functions are blurred. Learning and Skills Councils (LSCs) – as one key specialist, Jo Dungey of the Local Government Information Unit has observed (*Municipal Journal*, 12th August) – “remain an excessively complex pattern of national, regional and sub-regional decision-making”. Under an elected assembly, the skills budget will remain with national and local LSCs, reflecting the success of the Department of Education and Skills in holding onto the reins.

Elsewhere, responsibility for transport is equally complex. Prescott and Raynsford have made clear that an elected assembly, like the Greater London Authority, should have responsibility for public transport and roads. But as things stand, the main budgets will stay with the Department of Transport and the Highways Agency. This means an assembly will merely be able to make recommendations to appropriate bodies.

In the field of arts and sport, the picture is similarly blurred. While an assembly will appoint a regional cultural consortium, budgets will stay with the Arts Council and the Sports Council. As Dungey says (*Municipal Journal*, 12th August), the cultural consortium appears to be “a functional body with no function beyond drafting a cultural strategy to put to the assembly”.

All in all, the confusion over functions, which the draft Bill was meant to clarify, leaves Prescott and Raynsford on the defensive when they address ‘Your Say’ meetings in the North East. It also provides ammunition for

'no' campaigners, and sceptics, who complain that the powers of an elected assembly, as things stand, are weak and insubstantial.

6.3 The regions in Westminster

Source	Date	Column number	Subject	Raised by
Written Answers	10 th May 2004	100W	Committee of the Regions	Ann Winterton (Congleton)
Written Answers	10 th May 2004	105W	Regional Assemblies	Bernard Jenkin (North Essex)
Written Answers	11 th May 2004	246W	Regional Development Agencies	Geoffrey Clifton-Brown (Cotswold)
Written Answers	12 th May 2004	333W	Regional Assemblies	Bernard Jenkin (North Essex)
Commons Debates	13 th May 2004	465	Civil Servants (Relocation)	Paul Farrelly (Newcastle-under-Lyme)
Written Answers	13 th May 2004	486W	Regional Tourism	Malcolm Moss (North East Cambridgeshire)
Commons Debates	17 th May 2004	673	Civil Service Relocation	Hugh Bayley (city of York)
Written Answers	17 th May 2004	728W	Regional Assemblies	Bernard Jenkin (North Essex)
Written Answers	17 th May 2004	729W	Regional Government	Bernard Jenkin (North Essex)
Written Answers	18 th May 2004	842W	Elected Regional Assemblies	Bernard Jenkin (North Essex)
Commons Debates	19 th May 2004	961	Regional Assemblies	Richard Bacon (South Norfolk)
Commons Debates	19 th May 2004	967	Regional Assemblies	Louise Ellman (Liverpool, Riverside)
Commons Debates	20 th May 2004	1077	Haskins Report	Dr. Vincent Cable (Twickenham)
Written Answers	20 th May 2004	1157W	Regional Assemblies	Bernard Jenkin (North Essex)
Written Answers	21 st May 2004	1285W	Regional Government	Bernard Jenkin (North Essex)
Written Ministerial Statements	25th May 2004	76WS	Local Government Review (Boundary Committee's Final Recommendations)	Nick Raynsford (Greenwich and Woolwich)
Written Answers	26th May 2004	1679W	Regional Development Agencies	Stephen O'Brien (EdDISbury)
Written Answers	27th May 2004	1734W	Regional Tourist Boards	Malcolm Moss (North East Cambridgeshire)
Lords Written Answers	27 th May 2004	WA153	Regional Assemblies	Lord Greaves
Written Answers	7 th June 2004	50W	Regional Assemblies	Boris Johnson (Henley)
Written Answers	8 th June 2004	279W	Regional Government	Lindsay Hoyle (Chorley)
Written Answers	9 th June 2004	410W	Regional Development Agencies	Stephen O'Brien (EdDISbury)
Written Ministerial Statements	14 th June 2004	18WS	Regional State Aid Reform	Jacqui Smith (Redditch)
Lords Written Ministerial Statements	14 th June 2004	WS20	Regional State Aid Reform	Lord Sainsbury of Turville

Title

Written Answers	15 th June 2004	822W	Regional Development Agency Funding	Bernard Jenkin (North Essex)
Westminster Hall debates	16 th June 2004	236WH	Regional Government	Ann Winterton (Congleton)
Westminster Hall debates	22 nd June 2004	359WH	Lyons Review	Brian Donohoe (Cunninghame, South)
Written Answers	23 rd June 2004	1460W	Regional Assembly (North-west)	Ann Winterton (Congleton)
Commons Debates	28 th June 2004	15	All-Postal ballots	Harry Barnes (North-East Derbyshire)
Written Answers	28 th June 2004	53W	Civil Service Relocation	Michael Fabricant (Lichfield)
Written Answers	28 th June 2004	4W	Postal Ballot Pilots	Colin Pickthall (West Lancashire)
Commons Debates	29 th June 2004	144	Postal Voting	Ann Winterton (Congleton)
Commons Debates	30 th June 2004	306	Regional Government	Bernard Jenkin (North Essex)
Written Answers	30 th June 2004	308W	Civil Service Relocation	Michael Fabricant (Lichfield)
Written Answers	30 th June 2004	297W	Regional Assemblies	Philip Hammond (Runnymede and Weybridge)
Written Answers	1 st July 2004	384W	Referendums (Leaflets)	Bernard Jenkin (North Essex)
Written Answers	5 th July 2004	457W	Regional Assemblies	Gordon Prentice (Pendle)
Written Answers	7 th July 2004	717W	Regional Assembly Referendums	Bernard Jenkin (North Essex)
Written Answers	8 th July 2004	820W	Regional Assemblies	Gordon Prentice (Pendle)
Written Answers	12 th July 2004	875W	Regional Assembly and Local Government Referendums Order	Gordon Prentice (Pendle)
Written Answers	13 th July 2004	1087W	Postal Voting	Caroline Spelman (Meriden)
Written Answers	13 th July 2004	1088W	Regional Affairs	Bill Wiggin (Leominster)
Commons Debates	14 th July 2004	1411	Regional Assemblies' Referendums (Voting Arrangements)	Charles Hendry (Wealden)
Written Answers	14 th July 2004	1179W	Postal Voting	Caroline Spelman (Meriden)
Written Answers	14 th July 2004	1179W	Regional Assemblies	Gordon Prentice (Pendle)
Written Answers	19 th July 2004	52W	Regional Cultural Consortia	Caroline Spelman (Meriden)
Written Answers	19 th July 2004	13W	Regional Government (West Midlands)	Bill Wiggin (Leominster)
Commons Debates	21 st July 2004	374	Devolution	Nick Raynsford (Greenwich and Woolwich)
Written Answers	21 st July 2004	298W	Regional Development Agencies	Caroline Spelman (Meriden)
Written Answers	22 nd July 2004	395W	Postal Voting	Gordon Prentice (Pendle)
Commons Debates	22 nd July 2004	501	Regional Assemblies	Nick Raynsford (Greenwich and

Source: Hansard.

7 EU issues

Nothing to report.

8 Local government

8.1 East Riding quits Yorkshire and the Humber Assembly

It emerged in August that the East Riding of Yorkshire Council had quit the voluntary Yorkshire and the Humber Regional Assembly, with media reports suggesting it could be “the first in a series of resignations”⁸⁵. The council said it decided to leave the Assembly following claims that it was a waste of money, with leader Stephen Parnaby calling its £3.7m budget “crazy”⁸⁶. He also said that the authority's £87,500 annual payment to the Assembly “could be better spent elsewhere”⁸⁷. The decision came after the Conservative group on the council wanted to withdraw the annual subscription as part of efficiency savings, and, although no party has overall control, the verdict was reached after six independent councillors voted with the 28 Conservatives. Mr. Parnaby claimed:

The assembly is dominated by the metropolitan councils and the major cities in the Yorkshire region, not rural authorities, and our thinking is that our money should be spent elsewhere in local services.⁸⁸

As we reported last year, Lancashire County Council partially quit the North West Regional Assembly but still pays its share for sitting on the planning forum. Now, according to Mr. Parnaby, other councils are considering their position, telling *The Guardian* (23rd August 2004) “My information is that other authorities are giving this serious consideration,” although he “declined to name names”⁸⁹. The council’s Liberal Democrat group leader, Stuart Willie said the decision was ‘short-sighted’, adding

I do not think you can expect to have your voice heard in the region if you are not a member of the club.⁹⁰

A spokeswoman for the Office of the Deputy Prime Minister was quoted as saying:

⁸⁵ Mulholland, H. Yorkshire council quits regional forum. *The Guardian*. 23rd August 2004. <http://society.guardian.co.uk/regionalgovernment/story/0,8150,1289180,00.html>

⁸⁶ Council leaves regional assembly. *Hull Daily Mail*. 21st August 2004.

⁸⁷ See above.

⁸⁸ Mulholland, H. Yorkshire council quits regional forum. *The Guardian*. 23rd August 2004.

⁸⁹ See above.

⁹⁰ See above.

It is disappointing to hear that an authority no longer wishes to be involved or contribute to the assembly's work in representing the interests of their region.⁹¹

8.2 New Local Government Network asks 'Are we ready for Regions?'

This August, independent think tank the New Local Government Network published their report looking at what preparations are being made by public bodies for the potential establishment of elected regional assemblies in the northern regions. Authors of *Are we ready for Regions? Research into the Public Sector's approach to Elected Regional Assemblies*, Kate Turney and Warren Hatter said:

There is currently a lack of engagement with the regional agenda. Many key players have not 'bought into' the regional project – whether it is in terms of being involved in the push for sustainable economic development through developing an economic policy to improve productivity in their region, or developing strategic work by the regional tier.⁹²

The report made clear that it aimed to “find out how ready services are in these [three northern] regions for regional government and to consider the implications”,⁹³ also

to step back from the pros and cons of regional government and stimulate the debate further by looking at what is presently going on in the three 'frontline' regions and offering a number of recommendations for all partners involved.⁹⁴

The research was based on a number of interviews conducted with key individuals in the public sector in the North East, North West and Yorkshire and the Humber. Interviewees included council leaders, council cabinet members, local authority directors of planning, education, social services and housing, chairs of Police Authorities and one Primary Care Trust, and, finally, senior representatives of the Regional Development Agencies and Passenger Transport Executives⁹⁵. The report states:

⁹¹ See above.

⁹² New Local Government Network. *Think-tank survey finds 'little being done to ensure North of England is ready for regional government'*. Press release, 16th August 2004. http://www.nlgn.org.uk/main.php?section_id=5&menu_id=2&mod=media_releases&article=147

⁹³ Turney, K. and Hatter, W. (2004). *Are we ready for Regions? Research into the Public Sector's approach to Elected Regional Assemblies*. London: New Local Government Network. <http://www.nlgn.org.uk/pdfs/upload/Are%20we%20ready%20for%20Regions.pdf>

⁹⁴ See above.

⁹⁵ New Local Government Network. *Think-tank survey finds 'little being done to ensure North of England is ready for regional government'*. Press release, 16th August 2004. http://www.nlgn.org.uk/main.php?section_id=5&menu_id=2&mod=media_releases&article=147

The questions were designed to provide qualitative analysis on whether any of the regions that are to be the test-bed for devolution in England are ready for the possible transferral of public service delivery away from central government to ERAs.⁹⁶

Whilst acknowledging that the report may receive criticism that it is not necessary for the public sector to engage with issues around ERAs until the Bill has been published or the referendum results are known, the authors maintain their rationale for the research, firstly;

Devolution in other parts of the UK has shown that the transferral of powers to a formal structured tier of government would require a lot of pre-preparation by both those responsible for the design of the structures and those who are going to work with (and be affected by) the new arrangements.

Secondly;

There is a need for service providers to be thinking about service delivery on a regional basis. Whatever the outcome of the referenda this autumn, the role of existing regional quangos will be strengthened as more decisions... are moved to the regional level. This changes the landscape within which local authorities and other public bodies are operating. They will need to engage with the regional agenda sooner or later – the sooner the better.⁹⁷

The authors claim that the outcome of the research, a current lack of engagement with the regional agenda, is no surprise;

given the established role of local agencies as delivery agents for strategic decision makers in Whitehall - that there is limited engagement ... However, this is a two way-street. Our findings tell us that consultation has not reached as far as it might. It appears to be restricted to those 'in the loop' and that loop is too small.⁹⁸

⁹⁶ Turney, K. and Hatter, W. (2004). *Are we ready for Regions? Research into the Public Sector's approach to Elected Regional Assemblies*. London: New Local Government Network.

<http://www.nlgn.org.uk/pdfs/upload/Are%20we%20ready%20for%20Regions.pdf>

⁹⁷ See above.

⁹⁸ New Local Government Network. *Think-tank survey finds 'little being done to ensure North of England is ready for regional government'*. Press release, 16th August 2004. http://www.nlgn.org.uk/main.php?section_id=5&menu_id=2&mod=media_releases&article=147

Finance**The Spending Review – implications for the regions?**

July's Comprehensive Spending Review, as announced by Chancellor Gordon Brown, proposed a strengthened role for England's nine Regional Development Agencies (RDAs). RDAs are to gain new powers, especially concerning their support for businesses, whilst also benefiting from an increase in spending. RDAs will now gain extra funding of £200m from 2005-6, increasing the size of the Single Pot by 10 per cent from 2005-6 compared to 2004-5. The Review states:

The Government believes that the development of efficient and accountable sub-national institutions with real freedoms and flexibilities is essential to improving the economic performance of the UK economy as a whole and reducing regional disparities.⁹⁹

The Government views the RDAs as the "key strategic drivers of economic development and regeneration in the regions"¹⁰⁰ and, accordingly, has devolved further responsibilities to RDAs in the Spending Review. In the main:

- Direct responsibility for the delivery of Business Links services from April 2005, working collectively with the Small Business Service
- New responsibilities in managing and delivery of research and development grants
- Promoting enterprise in disadvantaged areas – responsibility for parts of the successor to the Phoenix Fund
- Encouraging collaborative research between business and universities as part of the Government's response to the Lambert Review
- Devolution of additional resources to meet rural socio-economic objectives, previously the responsibility of the Countryside Agency – as part of the Modernising Rural Development Programme and in response to recommendations in the Haskins Review.

Agreeing that there needs to be a "much closer link between the LSC and RDAs"¹⁰¹, on skills, the Review states that the Government will

consider favourably proposals for further integration of planning and funding of adult skills and workforce development at the regional level including, in those regions where the RDA and LSC desire it, a "dual key" approach to

⁹⁹ HM Treasury. (2004). Chapter 23: Regions and Devolved Administrations. *2004 Spending Review – Stability, security and opportunity for all: Investing for Britain's long-term future*. Norwich: TSO. pp. 173-180.

¹⁰⁰ See above (p. 174).

¹⁰¹ See above (p. 175).

the management of adult skills budgets operated by the RDA Chief Executive and the Regional LSC Director.¹⁰²

The Review also states that it is increasingly the case that regional choices on issues including transport, planning housing and economic development cannot be taken in isolation. The Government therefore,

is examining new ways to integrate RDAs' Regional Economic Strategies with regional transport and spatial development strategies, within a framework of indicative long term funding guidelines for each region. The Government will also consider whether devolution on transport could be accelerated in regions which vote for Elected Regional Assemblies.¹⁰³

The Review also makes clear that, in those regions that vote for an ERA (which can now only be in the North East), the RDA will become directly accountable to the Assembly.

Terry Hodgkinson, Chair of Yorkshire and the Humber RDA, Yorkshire Forward, and representative of all nine RDAs to the Treasury said:

Gordon Brown has listened to what the RDAs have been saying about the need to tackle red tape and bureaucracy. Today's announcement is a big vote of confidence in the success RDAs have had in improving regional economies and in delivering support for businesses. We believe these new measures will help ensure business customers get a better and more focused service. We also welcome the fact that RDA resources have been maintained in what has been a very tight spending review and we are pleased to see the high levels of RDA efficiency have been recognised in that we will be able to recycle any savings we continue to make.¹⁰⁴

The RDA Chair of Chairs, Bryan Gray added:

I welcome the Chancellor's continued commitment to ensuring that England's RDAs have the resources and powers necessary to implement our Regional Economic Strategies. We are all committed to ensuring that we continue to deliver in an efficient, focused and commercially robust manner. An appropriately skilled workforce is an important element of our work to drive up productivity levels. The measures announced today in this area are therefore particularly welcome.¹⁰⁵

¹⁰² See above.

¹⁰³ See above.

¹⁰⁴ Yorkshire Forward. *New RDA responsibilities 'good news for business'*. Press release, 13th July 2004. <http://www.yorkshire-forward.com/view.asp?id=2616>

¹⁰⁵ See above.

10 The political parties

10.1 'Regional government is fat government'?

On 2nd August, the Conservatives published a dossier which they said highlighted "the huge bills facing taxpayers financing Labour's obsession with regional government".¹⁰⁶ Shadow Regions Secretary Bernard Jenkin denounced regional government as 'fat government', warning that plans to set up elected regional assemblies in England will send costs soaring, referring to the "massive sums - totalling more than £600 million - already being spent providing special buildings for the new administrations in Scotland, Wales and London."¹⁰⁷ The dossier claims that:

The administration costs of the London, Welsh and Scottish devolved administrations are far in excess of those originally predicted by the Government: costing £60 million, £177 million and £242 million respectively. And the size of the Government Office of London – the central arm of Whitehall – has soared by 70 per cent since the London Assembly was established, meaning more not less Whitehall interference in Londoners' affairs.¹⁰⁸

Alongside the dossier, Mr. Jenkin also launched a poster outside London's City Hall on the 2nd August, depicting an image of Deputy Prime Minister John Prescott and the slogan 'Regional Government is fat government'¹⁰⁹. Mr. Jenkin said:

John Prescott's plans for regional assemblies in England come with a very large price tag. They will not result in one extra nurse, teacher or police officer, but will force up council tax bills via a regional council tax and divert resources away from frontline services.

The experience of the Scottish Parliament, the Welsh Assembly and the London Assembly shows how creating a new tier of regional bureaucrats will spend hundreds of millions of tax payers' money. England does not want more bloated administrations or palaces for politicians. Regional government would be the best example of fat government yet.¹¹⁰

¹⁰⁶ Conservative Party. *Regional government is 'fat government'*. Press release, 2nd August 2004. http://www.conservatives.com/news/article.cfm?obj_id=112539

¹⁰⁷ See above.

¹⁰⁸ See above.

¹⁰⁹ <http://www.conservatives.com/pdf/regionsfatgovtposter.pdf>

¹¹⁰ See above.

10.2 **Opposition grumbles**

The last minute decision to ‘postpone’ referendums in the North West and Yorkshire and the Humber was greeted with some incredulity by Liberal Democrats, while Conservatives seized on what they saw as the apparent disarray in the government. Edward Davey, the Lib Dems Local Government and Regions spokesman, labelled the decision (House of Commons, 22nd July) a U-turn by the government which had not only embarrassed but also “severely wounded” John Prescott. Responding, Nick Raynsford side-stepped a question on whether the Deputy Prime Minister had been forced to retreat on the insistence of Tony Blair.

For the Conservative regions spokesman, Bernard Jenkin, the decision was “completely unbelievable”, coming only 24 hours after the Government insisted the three referendums were on course for 4th November. Tories wanted to know how much Government money had been wasted on an exercise, which had included an expensive information campaign in the three regions. Raynsford replied that out of a total budget of £5 million, £2.2 million had already been spent, with a further £500,000 planned for a ‘Your Say’ campaign in the North East: some pre-booked television advertisements would be used for fire safety publicity instead!

But the opposition had another telling observation. Where, they asked, would just one elected assembly – assuming North East voters back the concept on 4th November – leave the British constitution? It is a relevant question, taking the already asymmetrical nature of British governance to new lengths, and will doubtless be asked repeatedly over the next two months.

But Caroline Spelman’s slight change of tack should not disguise wider Tory concern underlined by a keynote speech given by the Conservative leader, Michael Howard, to the Local Government Association’s annual conference in Bournemouth (8th July). He told delegates from local councils that England lacked “natural” regions:

The English do not want their country broken up into regions that ignore the reality of local traditions, landscape, and county structure. Regional assemblies are unnecessary, expensive and out of date...these assemblies will have vague and undefined powers and a licence to meddle in the affairs of local communities...they will take crucial decisions that are much better taken at the truly local level, in areas like planning and transport. Make no mistake. This is not devolution of power. It is a move away from localism, not towards it.