



The Constitution Unit



# Nations and Regions: The Dynamics of Devolution

Quarterly Monitoring Programme

## The English Regions

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# Monitoring the English Regions

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## Key issues

Quietly and unobtrusively, the Regional Assemblies (Preparations) Bill became law on May 8<sup>th</sup> 2003. With the government occupied with contentious issues of war and European integration, very little attention was paid to a piece of legislation that could prove significant for the shape of Government in England.

The legislation's passage through the House of Lords saw the original Bill changed in a significant way. This was the result of an amendment, agreed as a compromise between the government and the Liberal Democrats, which will give voters in areas currently governed by two tier local authorities a choice over the type of single tier local government they would have in the event that voters choose a regional assembly in a referendum. Without this compromise, it is clear that Ministers believed the Bill would not have completed its passage.

Attention now turns to the prospect of referendums being held, according to Minister's predictions, in some English regions in October 2004. The results of the Government's 'soundings exercise' had not been announced at the time of writing, but there were some indications that all three northern regions — the North East, Yorkshire and the North West — may have done enough to be included in any first wave of referendums.

At the time of writing the results of the sounding exercise had yet to be discussed in Cabinet, when the prime minister may finally turn his attention to the issue. In an interesting development, though, Ian McCartney, a longstanding and strong supporter of regional assemblies was appointed Labour Party chairman.

In related developments, following a complaint, the District Auditor gave his opinion that the North East assembly had exceeded its authority by campaigning for an elected Assembly. Neil Herron, a 'former market trader' and 'metric martyr', apparently with the support of the UK Independence Party, brought the complaint.

In the North West, the local government issue continued to cause tension with county councils threatening to withdraw their subscriptions from the regional assembly. The shape of future referendum battles is becoming a little clearer.

## 1 Introduction

The new Regional Assemblies (Preparations) Act, which received the royal assent on May 8 after a little-publicised eleventh hour deal between Labour and the Liberal Democrats, might have been expected to cause a ripple of interest in the corridors of power. Instead, with the Westminster village focussed entirely on the vagaries of a yet-to-be-determined referendum on the Euro, it was barely noted.

But while supporters of regional assemblies were clearly delighted, ministers were notably more cautious, with some privately acknowledging that the outcome of regional referendums was by no means a foregone conclusion. Not surprisingly, some local councils, which could be profoundly affected by boundary reviews and the prospect of yet more reorganisation, were generally unenthusiastic. They are gearing up for a fight.

While the Local Government and Regions Minister Nick Raynsford hailed the relatively speedy approval of the act (almost a year to the day since publication of a regional white paper, *Your Region Your Choice*, which set the whole process in train) as evidence of the Government's commitment to creating strong regions, misgivings are clearly emerging about the ability of regional stakeholders to seize the opportunity and deliver a Yes vote.

Raynsford, who steered the bill through parliament and did the necessary deal with his Liberal Democrat shadow Ed Davey to stifle dissent among Lib-Dem peers, has one overriding concern: namely, will the turnout may be so low in any referendum(s) to render a technical Yes illegitimate (an ICM survey for the County Councils Network in February suggested a 26 per cent turnout, probably just enough to pass any yet-to-be determined ministerial threshold)? Raynsford's comments during a question and answer session at a meeting in Newcastle upon Tyne on May 6 might serve as a warning to devolution campaigners: "If the result is derisively small, then we should not feel bound to proceed, even if there is a majority in favour." He declined to elaborate<sup>1</sup>.

Earlier, in a prepared speech, he was equally blunt, perhaps giving vent to a little frustration: "The government has created the opportunity for the (north east) region to decide what it wants for the future. The opportunity is there, so my question is: is the region up for it? Does the region believe it's the right way forward?"

Afterwards he expanded on concerns that the issue had yet to become a talking point, even in regions like the north east where ministers had always assumed there was demand for elected regional government. "I am concerned the debate has not yet reached out to all sections of the community," Raynsford added. "It is not just a debate for the political and

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<sup>1</sup> Interview with Peter Hetherington, 9<sup>th</sup> May 2003

the chattering classes...but it hasn't gone as wide as it should, but there is time to put that right."

The message seems to be clear. Ministers believe they have gone as far as they can to honour Labour's manifesto commitment to set the wheels of English devolution in motion. Now they imply that pro-assembly campaigners, who have been assuring the government of a latent demand for regional government, should quickly begin mobilising to publicise a case which has yet to be made.

The government's more immediate concern is taking forward the legislation. After a lengthy consultation process, which brought 6,000 responses to the Office of the Deputy Prime Minister – Mr Raynsford's boss – will announce in June which regions he has chosen to pilot referendums. Officially ministers' lips were sealed. But the north east can be taken as read. Where next? In an interview with one of the authors, Mr Raynsford, significantly, talked in the plural of "regions having referendums". This has led to informed speculation that Yorkshire and the Humber would go alongside the north east; a logical move, perhaps, because 89 per cent of the population is already served by unitaries, with only North Yorkshire standing out as a two-tier county; the north east figure drops to 68 per cent. Across the Pennines (where 67 per cent are covered by unitaries) ministers have to contend with three two-tier counties (Cumbria, Lancashire and Cheshire), in addition to wrangling between Lancashire and the regional assembly (on which we report later).

This comes to the nub of the dilemma. As we have previously reported, on the insistence of Tony Blair, regional assemblies cannot be established until completion of a review of local government structures in the selected regions by a committee of the Boundary Commission, leading to a single (or unitary tier) of local council administration.

As soon as Prescott announces his selected regions in June, the boundary committee will begin work. But we understand there is concern about the Commission having sufficient capacity to undertake simultaneous reviews in three regions. Sources confirm this "capacity issue" has been raised at ministerial meetings. But excluding – say – the north west in the first wave selected for a referendum could well be challenged by leading devolution campaigners in the region. One of them, Louise Ellman, Labour MP for Liverpool Riverside, said it would be wrong for decisions to be taken solely on the capacity of the Commission. "It is up to the Government to ensure there is the capacity," she insisted.

Further pressure has been placed on the committee by the eleventh hour deal brokered between Nick Raynsford and Ed Davey. Under this, electors in two-tier counties will have two votes in a referendum – one to approve or reject an elected assembly, and another to decide on the unitary structure they prefer. The boundary committee, after a regional inquiry, will present them with two options – possibly either retaining a county, with additional unitary functions (such as refuse collection and housing provision), or breaking it up into several unitaries based on existing districts or, more likely, an amalgamation of them.

Co Durham gives a flavour of the battles ahead. The county's seven small districts have commissioned the Institute of Local Government (Inlogov) at the University of Birmingham to prepare a report putting the case for – say – the county to be broken up into three unitaries through an amalgamation of districts. “We regard unitary local government as inevitable,” John Turnbull, a senior member of the management team at Sedgefield Borough Council told *The Guardian* (May 21). “But we don't accept that Co Durham should be that authority...it is far too remote from the people.” But the chief executive of Durham County Council, Kingsley Smith, insists his county is the ideal size to create economies of scale: the seven districts, he says, have combined annual budgets of only £53 millions compared with Durham's of £500 millions. “The 16,000 staff we employ are up for the challenge,” he says.

So far, there is no record of a county-wide unitary emerging from any local government review, notably the Banham Commission's deliberations in the mid-90s in which Berkshire, Avon, Humberside and Cleveland all disappeared. But, in the minds of some in the Office of the Deputy Prime Minister (ODPM), Co Durham is already “over-represented”. Its seven districts have 308 councillors combined; the county council has 61. With this in mind, there are those in local government who believe that after the boundary review a powerful case will have been made for reforming local council structures, regardless of the outcome of a referendum. Significantly, in his Newcastle upon Tyne speech (May 6<sup>th</sup>) Raynsford's draft spoke of “considerable advantages in having a single tier of local government.” The minister subsequently crossed this.

The Raynsford-Davey deal effectively broke the deadlock in the Lords, where Lib-Dem peers had been protesting that the greater number of (mainly urban) voters in unitary areas could ride roughshod over the wishes of the minority in the counties. Davey, the MP for Kingston and Surbiton, is convinced that, but for the deal, the bill would either have been badly delayed — pushing back the planned date for referendums well beyond October, 2004 — or fallen altogether.

The background to the deal provides a fascinating insight into the informal contacts between government and opposition. At a local government awards ceremony on March 17 Raynsford and Davey, both guests, exchanged a few pleasantries with the minister asking his Lib-Dem shadow why his party's peers were holding up the bill. Discussions followed and a compromise emerged which, according to Davey, proved acceptable to most of the Lib Dem peers. “It was a close-run thing,” Davey observed afterwards. “Make no mistake, the bill could have been lost, either by being put back considerably or simply being dropped because it had run out of parliamentary time.”

But echoing the views of Raynsford, Davey does not regard an acceptable ‘yes’ vote (and the minister will not say what turnout he will regard as unacceptable) as a foregone conclusion. “This is not a done deal,” he added. “Labour is split on the issue, particularly in the north west, and it will be no pushover – and we haven't exactly got the prime minister

nailing his colours to the mast. We are not offering people a huge amount at the moment.”

Part of the price of the Labour-Lib-Dem deal is a commitment from Raynsford to produce a draft bill for the next stage of the devolution process – legislation to create assemblies in the event of an acceptable ‘yes’ – before the first referendums. Davey says he has drawn some comfort from the minister’s insistence that powers (outlined in last year’s white paper) will not be the “final word”. But he also accepts that realpolitik dictated compromises by Raynsford and Prescott in dealings with more sceptical colleagues in the government. In an interview with one of the authors, Raynsford indicated that the insistence on future assemblies achieving certain Whitehall-set delivery targets – similar to public service agreements (PSAs) in local government – is necessary to placate other key departments. He said:

The aim is to have a framework whereby there’ll be a very few, high level targets for a regional assembly and then it gets a block grant and it decides how to allocate funding...to give the maximum degree of freedom, subject obviously to the anxieties that some of my colleagues have got...about delivering. They feel they are responsible for delivering targets. It’s entirely understandable. The only way you can square this circle is to have this mixture of PSA targets together with the financial freedom for the assembly to decide how to use its resources<sup>2</sup>.

The minister says a commitment to produce a draft bill “subject to a parliamentary timetable” before a referendum is to give people in the selected regions clarification of powers to be devolved. They would generally follow those set out in last year’s white paper (economic development, spatial planning, housing, waste, health improvement as well as elements of transport, skills and employment, culture and tourism), but would not be “set in stone.” But he cautioned: “It’s not our intention to open up a Pandora’s Box for loads of other additional things to be bolted on that didn’t contribute to the regional focus. It is certainly not our intention to start blurring responsibilities between local service delivery – which we see as local government’s responsibility – and the regional assembly. We’re not saying there won’t be any changes to what’s in the white paper but I would not want to give the impression there’s going to be a free-for-all, with loads of extra powers, because there isn’t.”

However, one area up for discussion could be the regional role of the Highways Agency. Some insiders argue that the case for devolving at least some of its powers to an assembly is becoming more powerful, particularly in the light of mayor Ken Livingstone’s Transport for London offshoot now the capital’s highways and public transport authority.

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<sup>2</sup> See footnote 1



But Raynsford's more immediate task is preparing the ground for the referendums with what amounts to a 'road map' leading up to polling day in October, 2004. As in the referendum campaign for a mayor and a Greater London Authority in 1999, 'yes' and 'no' campaigns will be registered with the Electoral Commission and, Raynsford stressed, be eligible for grants from it.

The government also had a role. "There will obviously be the report of the boundary committee and its options for wholly unitary local government...that will require a lot of extra information in those two-tier areas," Raynsford added. "We will certainly be wanting to ensure that neutral information is made available prior to the referendum itself, spelling out the implications for a region, both in terms of local government reorganisation and the powers of the assembly and that'll be an important role for us. But it will be very much up to the campaigners then onwards to argue the case."

As the minister who steered through legislation for a mayor and a Greater London Authority — the model for regional assemblies — Raynsford remained cautiously optimistic about the prospects of regional government elsewhere, predicting that at least one region would have an elected assembly in the next parliament. "My own view is that it will begin a process which will lead to more elected assemblies in other regions," he added. "I sense that some regions are holding back, waiting to see what happens with those that go first. Assuming it is successful — and I think it will be — there will be an appetite to go wider. It will be a process over a period of years. It won't be a big bang."

In the south east, members of the regional assembly regard such views as wishful thinking. It said in a statement (March 10<sup>th</sup>) that a strong partnership delivering "real benefits" to the region was preferable to the "disruption and damaging effects of the local government reorganisation which a directly-elected assembly would bring" But Paul Bevan, the assembly's chief executive, acknowledged in an opinion survey published by county councils in the south east, 52 per cent of respondents supported the idea of a referendum while only 25 per cent opposed it. But when asked whether they would subsequently support an assembly, 43 per cent said yes and 25 per cent no. This, the assembly insisted, did not warrant the Government proceeding with a referendum. Bevan maintained it would "only provoke controversy about whether two-tier local government should be reorganised."<sup>3</sup>

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<sup>3</sup> South East Regional Assembly, 'Let's stick with what works', Media Release, [http://www.southeast-ra.gov.uk/reference\\_library/news\\_releases/2003/10mar03b.html](http://www.southeast-ra.gov.uk/reference_library/news_releases/2003/10mar03b.html).

## **2 Regional Structures**

### **2.1 Government Offices**

Nothing to report

### **2.2 Regional Development Agencies**

Detractors once accused the eight Regional Development Agencies, effectively business-led quangoes, of being little more than agents of the centre, meekly serving the ministers responsible for setting them up and appointing their board members. While the RDAs, collectively, will see their budgets rise from £1.6 billions in 2002-3 to £2 billions by 2005-6 – with distribution from a single Whitehall ‘pot’ and greater flexibility to spend as they see fit — reservations persisted, chiefly because the agencies will be subject to rigorous monitoring and centrally-determined performance targets.

But slowly the RDAs appear to be gaining credibility. More significantly, they are developing a new assertiveness, not only advising the Treasury on regional policy — and drawing a glowing approval from the Chancellor for their contribution to his last Budget – but also challenging the Government, collectively and individually.

In his Budget on April 9<sup>th</sup> Gordon Brown went out of his way to acknowledge the RDA’s contribution. In a statement after his Commons speech, he said:

For the first time, the Treasury asked the Regional Development Agencies to make a formal contribution to the Budget. This strong regional input...has ensured that this Budget responds to the needs and the problems of the English regions<sup>4</sup>.

Not everything in the Budget was to the liking of regional stakeholders, particularly a reference to make nationally-agreed public sector pay “more responsive to regional labour market conditions”. Observers think this idea to break-up national public sector negotiations in favour of local agreements may be short-lived, pointing out that the northern economies — with their heavy dependence on the public sector — disproportionately depend on the spending power of public workers.

But that apart, Gordon Brown’s regional agenda was broadly welcomed, although a string of RDA suggestions – outlined in a Treasury report accompanying the Budget statement – were knocked back. For instance, a suggestion to write off student loans for graduates setting up businesses in

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<sup>4</sup> HM Treasury (2003) ‘Promoting flexibility across the regions’, Budget Press Notice 02, 9<sup>th</sup> April ([http://www.hm-treasury.gov.uk/budget/bud\\_bud03/press\\_notices/bud\\_bud03\\_press02.cfm](http://www.hm-treasury.gov.uk/budget/bud_bud03/press_notices/bud_bud03_press02.cfm)).

disadvantaged areas drew a negative response. “The Government does not believe that partially writing-off student loans would be the most cost-effective way of targeting business support,” the Treasury responded<sup>5</sup>.

On a whole range of issues, the RDAs made clear that, in constructively engaging with the Treasury, they were determined to be challenging. Collectively, they have a delicate balancing act because the agenda of the three northern RDAs (North West, Yorkshire and the Humber, the North East) differs markedly from, say, the South East and Eastern regions. Consequently, there is inevitably an element of ‘agreeing to differ’, particularly over John Prescott’s plan for four large new growth areas in and around the south east (see our previous report No 10, February 2003).

To some extent, matters came to a head on March 11 when the Yorkshire RDA, known as Yorkshire Forward, presented evidence to an ODPM (Office of the Deputy Prime Minister) Select Committee inquiry into reducing regional disparities. Tom Riordan, an executive director of Yorkshire Forward, told the MPs “there should be an instinctive reaction in Whitehall to boost the north”. He accused civil servants of being “apathetic” to a plan to house a next generation neutron research centre in Selby, North Yorkshire, to boost regional growth.<sup>6</sup>

The Selby bid, from the White Rose Consortium of Leeds, Sheffield and York universities – part of a wider European project - would need a £300m contribution from the UK government. Lord Sainsbury, the science minister, has said the UK would not get involved until the view of European governments became clearer. The Yorkshire view is that the UK should become far more proactive.

Its tougher approach was apparent in a joint submission to the ODPM committee with the Yorkshire and Humber Assembly. This noted that the focus of economic growth in the south east and east of England was creating knock-on problems affecting the northern regions which, unlike the south, suffered from long-term structural unemployment, low demand for housing, “and reduced life chances”

The message appeared clear: to achieve the Government’s long-term goal of “reducing the persistent gap in growth rates between the regions”, set out in a public service agreement with the RDAs, ministers also needed to take tougher action at the centre.

Significantly, the three northern RDAs, frustrated by poorly performing north-south rail links and growing road congestion, will unveil a joint transport study later this year which, conceivably, could challenge the Department of Transport’s (and the Strategic Rail Authority’s) investment strategy.

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<sup>5</sup> See previous footnote

<sup>6</sup> ODPM Committee inquiry into 'Reducing Regional Disparities in Prosperity' [HC 492-i] Evidence of Tom Riordan, Yorkshire Forward, 11<sup>th</sup> March, 2003, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmodpm/uc492-i/uc49202.htm>.

But in Whitehall, the Treasury, Department of Trade and Industry and the ODPM, are developing a delivery plan for the RDAs and a joint policy framework. By this autumn, they will be considering what further analysis and research is needed to address regional economic performance and disparities.

In this context, one key Budget announcement could have far-reaching consequences. Gordon Brown has asked Sir Michael Lyons, former chief executive of Birmingham City Council, to examine prospects for re-locating Government departments and agencies away from London and the south east. He told *The Guardian* (April 9) he did not regard his task as no token gesture and that concrete recommendations would be made.

### 2.3 Regional Chambers/Assemblies

Regional Assemblies/Chambers played a key role in orchestrating responses to Government's 'soundings', which is designed to assess interest in holding a referendum. Although the official results of the Soundings Exercise were not available at the time of writing, some regional assemblies coordinated responses in their regions as well as expressing their own views.

#### Soundings responses from the regions, May 2003

| Region                   | In favour of a referendum?                 | Web link  |
|--------------------------|--|---|
| East of England          | Unclear as yet                             | <a href="http://www.eelgc.gov.uk/Category.asp?lsection=1&amp;ccat=77">http://www.eelgc.gov.uk/Category.asp?lsection=1&amp;ccat=77</a>   |
| East Midlands            | Unclear as yet                             | <a href="http://www.eastmidlandsassembly.org.uk/">http://www.eastmidlandsassembly.org.uk/</a>   |
| North East               | Yes  | <a href="http://www.northeastassembly.gov.uk/news/2003%20releases/030303.htm">http://www.northeastassembly.gov.uk/news/2003%20releases/030303.htm</a>   |
| North West               | Yes  | <a href="http://www.nwra.gov.uk/whatsnew/pressreleases.php?full_article=yes&amp;release_id=52&amp;archive_start=0&amp;page_number=1">http://www.nwra.gov.uk/whatsnew/pressreleases.php?full_article=yes&amp;release_id=52&amp;archive_start=0&amp;page_number=1</a>   |
| South East               | No   | <a href="http://www.southeast-ra.gov.uk/reference_library/news_releases/2003/10mar03b.html">http://www.southeast-ra.gov.uk/reference_library/news_releases/2003/10mar03b.html</a>   |
| South West               | Yes  | <a href="http://www.southwest-ra.gov.uk/swra/assemblymeetings/2003papers070303.shtml#">http://www.southwest-ra.gov.uk/swra/assemblymeetings/2003papers070303.shtml#</a> (See paper-E)   |
| West Midlands            | In favour but more information/time needed | <a href="http://www.wmra.gov.uk/news_press.htm">http://www.wmra.gov.uk/news_press.htm</a>   |
| Yorkshire and Humberside | Yes  | <a href="http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=30">http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=30</a><br><br><a href="http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=33">http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=33</a><br><br><a href="http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=36">http://www.rayh.gov.uk/press/pressreleaseitem.asp?newsid=36</a> |

### ***North East***

In the North East, the North East Assembly claimed 87% of soundings responses were in favour of having a referendum in the region, whilst 11% were in opposition and 2% indicating 'don't know'. 34% of responses believed there was a 'very strong' level of interest in holding a referendum in the North East. The North East Regional Assembly claimed that there had been a wide breadth of responses in the region including those from Assembly members, local government, MPs and MEPs, public sector, private sector, voluntary sector, political parties, arts/culture/sports sector, universities/colleges/skills and training organisations, black minority ethnic communities, faith groups, charities, trade unions, health sector and transport sector. Tony Flynn, Chair of the North East Assembly concluded that:

This Government is providing people in regions with an historic opportunity to influence their own future. The North East region is leading the way with an unequivocal message that we wish to have that chance and to have our say through a referendum. (See web link above).

### ***North West***

A MORI telephone survey of over 1000 people was conducted in February in the North West as part of the North West Assembly's official soundings response. 71% (39% 'strongly') of respondents were shown to be in favour of regional government providing the powers that would be devolved following a referendum are explained to them. The support for a referendum before being made aware of its functions was 58% (31% 'strongly'). The top 5 reasons for supporting regional government in the North West were:

- More localised
- More committed to getting things done in the area
- Would help with specific local issues
- There would be a better knowledge of local needs
- Have a greater voice

Leader of the North West Assembly, Cllr Derek Boden stated:

Our survey sends the government a clear message that the North West is ready for a referendum. This demonstrates the popularity of the government's regional devolution proposals, and shows the will of the people in the North West to be among the first to be offered the chance to choose. (See web link above).

### ***South East***

Although research conducted in the South East suggested the public are in favour of an elected regional Assembly, the South East Regional Assembly felt that the majorities were not strong enough to warrant a referendum. In a MORI public survey, 52% of responses in the region were in support of a referendum with 25% in opposition. 43% said they would support a directly elected assembly whilst 35% said they would oppose it. Within the existing assembly, 63% of members would oppose a referendum and 37% would like to see a referendum held. The actual soundings response presented by the Assembly claimed the level of interest for holding a referendum in the region was 'neither strong nor weak', stating:

It seems to be widely held that the appetite for a directly elected regional assembly for South East England is not strong and that there is accordingly little appetite for a referendum on the question. However the evidence that we have shows that public opinion is probably more evenly balanced on both these issues than received wisdom presumes.

### ***South West***

The South West Regional Assembly commissioned research to gauge the level of interest in holding a referendum and to look at regional identities in the South West. This research conducted via telephone surveys concluded that 71% of respondents were in favour of having a referendum on a directly elected regional assembly for the South West while 20% were in opposition and 9% indicated a 'don't know' response. The in-depth independent research also suggested that the main reason for those in favour wanting a referendum (61%) was based on a 'constitutional argument' (that they wanted to 'have their say'). Following this, 37% believed in the view that 'decisions should be taken at local and regional levels'. The primary reason for not wanting a referendum was stated as 'don't want to have directly elected regional assemblies' (33%) with other reasons in the 'no' group being lack of interest and lack of information.

### ***West Midlands***

The West Midlands Regional Assembly agreed in February that although there appears to be consensus in favour of an elected regional assembly, the public require more information about the issue and may also need to see how regional government may work in the regions most likely to gain referendums. Chair of the Assembly Cllr Philip Davis said:

I believe there is a consensus in favour of a referendum, but also felt that more time is needed to engage the public in the devolution debate.

Cllr Davis upheld the view that interest in devolving power to an elected assembly will increase when the public in the West Midlands sees people voting in regions such as the North East and North West, continuing:

This will help people to see the need for more power in the regions and help them realise that it will give the West Midlands region greater control over its future..

### ***Yorkshire and Humberside***

In the Yorkshire and Humber Assembly's quarterly meeting in February, Assembly members voted 19 in favour 7 against holding a referendum in the region. A range of activities was carried out in the region to gauge support/opposition to holding a referendum. These include 2 web sites, a telephone poll, focus groups and a series of presentations and seminars raising the issue, in order for the Assembly to tell people about the referendum and to gather views so the issue could be fully debated. Peter Box, Chair of the Assembly said:

The Assembly has voted to support a referendum because we believe it's the most democratic way forward – by letting the people of Yorkshire and Humber decide through the ballot box whether they want a directly elected regional government.

The key finding of the research seemed to be that there was support but that the public want to know more about the issue – this research was presented at a House of Commons briefing concerning the possibility of holding a referendum in Yorkshire and Humberside. Peter Box concluded that:

We were delighted both to be able to explain our work and our support for a referendum to MPs, Lords and MEPs, but also to tell them that people in the region want to know more about the issue ... That has been one of the key findings of our work and something which we firmly believe the Government needs to address to allow voters to make a Balanced choice.

## **2.4 Other bodies**

### **2.4.1 *Regional Housing Boards***

Questions have been raised about the democratic accountability of the Governments efforts to 'regionalise' planning and housing policy in England. The questions are being asked by the Local Government Association (LGA), and other national organisations, as new regional housing boards are being established around the country — and as the Planning and Compulsory Purchase Bill passes through parliament (see our previous Report No. 9, November 2002). Among other things, the

latter will remove strategic planning powers from county councils and hand them to new, non-elected regional planning bodies.

According to Sir Jeremy Beecham, chair of the LGA, the new planning regime runs the danger of “looking like the old centralism” in a regional branch office. His grouse is that while strategic planning will eventually pass to elected regional assemblies – assuming a ‘yes’ vote in a referendum next year and subsequent legislation to create regional government – powers in the meantime will be taken from directly elected councils and handed to appointed regional bodies. “With this democratic deficit, the distance between the local and regional level will make it very difficult for local residents to influence regional planning policy,” he said in a statement.<sup>7</sup>

Other concerns are emerging on the housing front. In the recent Sustainable Communities plan for England, regional housing boards – which, again, will come under the umbrella of any future elected assemblies – were seen as a way of addressing the specific needs of regions with widely-differing problems, from tackling low demand and housing abandonment in the north to addressing a shortage of affordable homes in parts of the south and London.

But the debate about who should sit on the boards (*Housing Today*, April 17) is already causing unease even before the organisations are up and running. The Communities Plan stated that the core membership of the boards, which will allocate funds and steer housing strategy, should be drawn from the national quangos English Partnerships and the Housing Corporation, as well as Government Offices, RDAs and regional assemblies (currently non-elected bodies, comprising mainly councillors) where appropriate.

However, *Housing Today* reported that these bodies have been supplemented by a broad spectrum of groups including tenants’ associations and housebuilders. Richard McCarthy, chair of the National Housing Federation, said they were nervous about “conflicts of interest”. He added: “It seems there is a bit of a clamour for people to get on the regional housing board. If we are not careful, this will get in their way of formulating high-level strategy.”

On May 16, *Inside Housing* reported that the Office of the Deputy Prime Minister had bowed to concerns over the way its regional housing policy is developing “and is preparing to issue guidance on the membership of housing boards.” It said the ODPM and the Housing Corporation are worried about the “random membership” of the nine boards. Questions had been raised when it emerged that both the housebuilders and the Confederation of British Industry could become members. This means that some boards face the prospect of “expelling” recently appointed members to comply with new guidance. The guidance will also stress the ODPM’s power of veto if it feels a regional housing strategy fails to come

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up to scratch. But Sarah Webb, director of policy at the Chartered Institute of Housing, warned: "If the ODPM intervened because the boards' priorities were different to national priorities we would be concerned."

## 2 Regional Politics and Policies

### 2.1 Regional Chambers funding rows

In the North East and North West regions, there was controversy over the issue of funding of the Regional Chambers and their alleged 'campaigning activities', sparked respectively by Lancashire and Cheshire County Councils and Neil Herron, a 'former market trader', hitherto spokesperson for the 'Metric Martyrs' campaign and an opponent of a North East Assembly.

Further developments in the dispute between the North West Regional Assembly, Lancashire County Council and Cheshire County Council, played out with each seeking legal advice, albeit apparently unclear in its conclusions. Lancashire County Council stressed its previous support for devolution to the region, with County Council leader Cllr Hazel Harding claiming: ". . . we have supported the concept of an elected regional assembly from the start."<sup>8</sup>

In March however, the council became increasingly concerned with the North West Regional Assembly and the ways in which it was using public money to 'campaign' rather than 'inform' over the issue of a directly elected regional assembly. On the 6<sup>th</sup> March, Lancashire issued a press release detailing their departure from the North West Assembly, claiming the council had known "for some time that the NWRA has been crossing the dividing line between "informing" the public and "campaigning" for a political objective."<sup>9</sup> This decision was evidently made following advice from 'leading counsel' Eldred Tabachnik QC that the Assembly's publicity was based around a campaign aimed at persuading, a campaign which would render Lancashire's continuing subscriptions illegal. The NWRA receives £80 000 annually from Lancashire County Council who are also pressing to recover the £47 470 subscription fees given in 2002. £28 510 given by the council to the NWRA for regional planning however, is deemed legal by Counsel as long as the money and planning functions are unrelated to 'campaigning'. Cllr Hazel Harding concluded that ". . . this decision has been made purely on the legal principle that public money should not be used for political campaigning."<sup>10</sup> Under the Local Government Act 1986, Code of Practice, paragraph 19 states:

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<sup>8</sup> Lancashire County Council press release 6/3/03 - ref: PR194 ([http://www.lancashire.gov.uk/corporate/news/press\\_releases/2003/03/06/0002.asp](http://www.lancashire.gov.uk/corporate/news/press_releases/2003/03/06/0002.asp))

<sup>9</sup> Lancashire County Council press release 6/3/03 - ref: PR194 ([http://www.lancashire.gov.uk/corporate/news/press\\_releases/2003/03/06/0002.asp](http://www.lancashire.gov.uk/corporate/news/press_releases/2003/03/06/0002.asp))

<sup>10</sup> Lancashire County Council press release 6/3/03 - ref: PR194 ([http://www.lancashire.gov.uk/corporate/news/press\\_releases/2003/03/06/0002.asp](http://www.lancashire.gov.uk/corporate/news/press_releases/2003/03/06/0002.asp))

Legitimate concern is caused by the use of public resources for some forms of campaigns which are designed to have a persuasive effect. Local authorities should not use public funds to mount publicity campaigns whose primary purpose is to persuade the public to hold a particular view on a question of policy.

The NWRA were quick to respond, issuing a press release on March 17<sup>th</sup> with counterclaims to Lancashire's allegations.

Leading Counsel Roger Henderson QC has advised that Lancashire County Council was wrong to claim the North West Regional Assembly was campaigning illegally and has rejected suggestions that the NWRA has acted unlawfully.<sup>11</sup>

The Assembly were unhappy that eleven days on from the press release claiming illegal spending of public money and despite requests, Lancashire still had not provided the NWRA with a summary of their Counsel's advice. Advice sought by NWRA concluded that there was no legal point for justification of this claim of illegal spending, and also maintained that council were not entitled to any return of money nor a cancellation of payments. Cllr Derek Boden, leader of the Assembly concluded:

Leading Counsel's view is that the NWRA had acted lawfully and our activities did not constitute a reason for Lancashire County Council's withdrawal from the Assembly. We will therefore be insisting that Lancashire pay subscriptions that are owed to us.<sup>12</sup>

The following day, Lancashire County Council issued a press release denouncing the defence provided by the NWRA with further allegations. Lancashire claimed that, in a draft letter to the Chief Executive of the County Council, prepared by their QC, the NWRA were ready to accept that "in the future, a much tighter reign is necessary in respect of statements by or on behalf of the NWRA than existed hitherto."<sup>13</sup>

Following Lancashire's withdrawal and the ensuing feud with the NWRA, Cheshire County Council, on March 17<sup>th</sup>, also issued a press release claiming their Assembly membership was 'hanging in the balance'<sup>14</sup>. The Council stated they were demanding answers from the NWRA concerning allegations of using Council tax funds for political campaigning. This decision was arrived at by Council leader Cllr Paul

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<sup>11</sup> North West Regional Assembly press release 17/3/03: *Lancashire Wrong – Leading Counsel* (<http://www.nwra.gov.uk/whatsnew/pressreleases>)

<sup>12</sup> North West Regional Assembly press release 17/3/03: *Lancashire Wrong – Leading Counsel* (<http://www.nwra.gov.uk/whatsnew/pressreleases>)

<sup>13</sup> Lancashire County Council press release 18/3/03 – ref: PR217 ([http://www.lancashire.gov.uk/corporate/news/press\\_releases/2003/03/18/0002.asp](http://www.lancashire.gov.uk/corporate/news/press_releases/2003/03/18/0002.asp))

<sup>14</sup> Cheshire County Council press release 17/3/03 – ref: 82/03 (<http://www.cheshire.gov.uk/PR/march03.htm>)

Findlow following discussions with Chief Executive Jeremy Taylor and County Solicitor Gerry Budd. The Council claim that:

Unless and until a satisfactory explanation is provided, the authority will withhold its £28,000 membership subscription and seek an immediate investigation.”<sup>15</sup>

Cllr Findlow continued:

We have a duty to ensure that public funds are spent wisely and lawfully, including Cheshire peoples’ money paid as subscription to the NWRA.<sup>16</sup>

Cheshire, like Lancashire, made it clear that it believes the subscription money paid into the Assembly by the Council was being spent unlawfully, and aside from withdrawing this money, threatened to approach the District Auditor “and other appropriate bodies to launch a full investigation of the situation.”<sup>17</sup>, if no satisfactory explanation was offered by the NWRA. Cllr Findlow, summarising the objective of the County Councils stated:

As the debate on Regional Government continues, it is the duty of directly elected, publicly accountable bodies like Cheshire and Lancashire County Councils to seek to ensure that proper standards in dealing with public money are maintained.<sup>18</sup>

In a further press release (27<sup>th</sup> March)<sup>19</sup>, Cheshire County Council underlined the potential to bring in the District Auditor with a view to a full investigation of this volatile situation. In a statement on Cheshire County Council’s website, it claimed to “feel very strongly that the Deputy Prime Minister should be advised **NOT TO HOLD A REFERENDUM**”<sup>20</sup>.

On the other side of the Pennines, a similar dispute developed over the funding of the North East Regional Assembly. This began in mid-March with claims put forward by Neil Herron, encouraged it seems by the dispute in the North West. Suggesting that the (existing) North East Assembly was using some of its money for “propaganda” to campaign “in favour of a directly elected regional mini-Parliament”<sup>21</sup>, Mr Herron suggested “The NEA now has no option but to disband its activities after

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<sup>15</sup> Cheshire County Council press release 17/3/03 – ref: 82/03 (<http://www.cheshire.gov.uk/PR/march03.htm>)

<sup>16</sup> Cheshire County Council press release 17/3/03 – ref: 82/03 (<http://www.cheshire.gov.uk/PR/march03.htm>)

<sup>17</sup> Cheshire County Council press release 17/3/03 – ref: 82/03 (<http://www.cheshire.gov.uk/PR/march03.htm>)

<sup>18</sup> Cheshire County Council press release 17/3/03 – ref: 82/03 (<http://www.cheshire.gov.uk/PR/march03.htm>)

<sup>19</sup> Cheshire County Council press release 27/3/03 – ref: 93/03

<sup>20</sup> <http://www.cheshire.gov.uk/regional/haveyoursay.htm> (Emphasis authors’ own)

<sup>21</sup> *The Journal* 10/3/03 ‘Assembly in Funding row’ (<http://icnewcastle.icnetwork.co.uk/>)

compromising all the North-East councils and ratepayers.”<sup>22</sup> Assembly chairman Tony Flynn dismissed Mr. Herron’s claims as “not really worthy of a comment.”<sup>23</sup> Over a month later, it was revealed that Sunderland City Council was seeking legal advice from Michael Supperstone QC following the mis-spending allegations. A council summary of this advice stated that NEA material examined “clearly suggests that it has been produced and used as part of an active campaign for a directly-elected assembly.”<sup>24</sup>

Two weeks later, District Auditor David Jennings delivered a report into the allegations over the unlawful spending of public funds by the NEA, stating:

So far as I can see, some of the publicity issued by NEA could be seen to be contravening Part II of the Local Government Act 1986 and DoE Circular 20/88 – Code of Recommended Practice on Local Authority Publicity. The Code specifically states that public funds should not be used to mount publicity campaigns whose primary purpose is to persuade the public to hold a particular view on a question of policy. . . It seems to me that elements of the NEA publicity could be interpreted as being designed to be persuasive rather than informative on a question of policy and as such would contravene the publicity code.<sup>25</sup>

Mr. Jennings did not believe it would be in the public interest to take any legal action but a BBC report<sup>26</sup> stated he was considering some kind of further action. The NEA responded to this report with director Stephen Barber assuring that the Assembly’s web site would be updated and all material would be double checked for compliance with regulations. He also maintained that a small amount of publicity had come from local authority funds with the rest from the Government initiative Strengthening Regional Accountability<sup>27</sup>. In a formal response to the report from the District Auditor, the North East Assembly issued a press release on the 6<sup>th</sup> May outlining that its intention was to inform the people of the North East and to create awareness of the regional issue:

Our aim has been to create awareness and understanding of the issue through education and information. The North East Assembly is not involved in propaganda or direct campaigning on regional government.<sup>28</sup>

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<sup>22</sup> As above

<sup>23</sup> As above

<sup>24</sup> *The Journal*, 25/4/03 ‘Legal wrangle over North-East Assembly’, (<http://icnewcastle.icnetwork.co.uk/>)

<sup>25</sup> *The Journal* 6/5/03 ‘Assembly lobby group slammed’ (<http://icnewcastle.icnetwork.co.uk/>)

<sup>26</sup> BBC News 6/5/03 ‘Public money “misused”’ (<http://news.bbc.co.uk/1/hi/england/3003143.stm>)

<sup>27</sup> *The Journal* 6/5/03 ‘Assembly lobby group slammed’ (<http://icnewcastle.icnetwork.co.uk/>)

<sup>28</sup> North East Assembly 6/5/03 (Statement in response to media enquiry)

Stephen Barber underlined this effort, stating:

I am pleased that the District Auditor considers that there has been a clear intention by the Assembly to ensure compliance with statutory requirements relating to publicity. Our activities linked to raising awareness of the implications of regional government. . . is a role that central Government and Government Office for the North East expect us to fulfil.<sup>29</sup>

The Assembly agreed with Mr. Jennings that it would not be in the public interest to take legal action but assured that they will continue full co-operation in discussing the “next steps regarding this issue.”<sup>30</sup> The Assembly did not however appear to have any concern over the campaign headed by Neil Herron.

#### **4 Media**

Nothing to report

#### **5 Public attitudes and identity**

A poll of attitudes to regional government was conducted by MORI for the County Councils Network (ICM, 2003). It made sobering reading for the advocates of devolution. Government proposals on the introduction of regional assemblies are yet to permeate common public consciousness, although there are some notable regional differences. Exactly half (50%) have not heard anything at all about the proposals, and a further one in three (31%) say they have heard something but not could explain what they are about. Only one in five (18%) say they have not only heard about the proposals but know what they are about.

Awareness of the proposals correlates highly with likely vote intentions on the matter. The more people know and understand them, the more likely they say they are to reject them in any future referendum. The other side of this coin is obviously that those people who have not heard about them say they would support them in a referendum (80%). However, overall, 60% would support the idea of a referendum being called on regional assemblies, with only 19% against the idea.

Despite this, the levels of turnout, according to ICM, are likely to be low. Only a quarter (26%) say they are 10/10 certain to vote in such a referendum. This compares to 68% who were 10/10 certain before the referendum on Scottish Devolution (actual turnout 60%) and 58% 10/10 certain in the 2001 General Election (actual turnout 59%).

When based on only those people certain to vote (26% of the total sample), two in three (67%) would support the idea of regional

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<sup>29</sup> North East Assembly 6/5/03 (Statement in response to media enquiry)

<sup>30</sup> North East Assembly 6/5/03 (Statement in response to media enquiry)

assemblies. This rises to 78% in the East Midlands and 74% in Yorkshire and the Humber. The lowest levels of support are found in the southern most regions, with support falling to 59% in the East of England, 62% in the South East and 64% in the South West.

When respondents were presented with the type of structural reform of local government that would accompany the introduction of assemblies, they displayed quite a high level of concern about the likely potential effect on the delivery of key public services. Six in ten (62%) say they are 'concerned' with only one in five (22%) 'unconcerned'. The level of concern in two tier areas (63%) is higher than in unitary authority areas (59%)

Somewhat contradictory attitudes are held on the issue. While more people agree (46%) than disagree (31%) that regional assemblies would improve public services, the public still don't want to pay for the change themselves.

Indeed, there would be sizable resentment if they were made to pay through their council tax, especially if more than 5p a week were needed to implement it. In fact, two thirds (69%) agreed that if regional assemblies are about devolving power from Westminster then central government should pay for it.

## **6 Westminster and Whitehall**

### **6.1 Regional Assemblies (Preparations) Bill**

The Regional Assemblies (Preparations) Bill was returned from the Lords to the Commons with 35 amendments for consideration. Many of these concerned local government reorganisation under a referendum. As Nick Raynsford (30<sup>th</sup> April) stated:

We have before us 35 amendments arising from consideration of the Bill in the other place. On the surface, that number may seem large, but in fact it mainly reflects just one extension of our policy: to give people a choice about their regional governance arrangements. . . The other 18 amendments in that group and the 10 amendments in the final group simply give effect to the main amendment (HC Debates, 30<sup>th</sup> April 2003, Col: 305).

All amendments were agreed to on 30<sup>th</sup> April, the most significant of which are detailed below:

#### *6.1.1 Referendums*

The minimum period following a no vote in a referendum before a further referendum can be held is increased from 5 to 7 years. Nick Raynsford stated:

Clause 5 sets out the minimum period, following a no vote in a referendum on establishing an elected regional assembly, before a further referendum can be held. Lords amendment No. 10 was tabled by the Conservatives and accepted by the Government on Third Reading in the other place on Monday. It changes the minimum period from five to seven years. The Government listened carefully to the arguments adduced in support of that amendment, particularly by Lord Hanningfield, and were persuaded by them.

Lengthening the minimum period by two years will ease the possible distraction to local authorities of a local government reorganisation without imposing an unduly long period before the population of a region can be given an opportunity to change its mind about establishing an assembly. In effect, there will be at least five years between a referendum and the point at which the Government might initiate the process for a further referendum (HC Debates 30<sup>th</sup> April 2003: Cols 306-7).

Voters in 2-tier local authority areas will now have a say in the form of unitary local government, relating to their authority area, that would be established if an elected regional assembly was introduced:

**Nick Raynsford:** those in two-tier areas should be given a say in the form of unitary local government arrangements that will be implemented if an elected assembly is to be established. As I have made clear on many occasions, we do not wish to see any increase in bureaucracy or duplication of tiers as a result of the introduction of elected regional assemblies. We believe that two tiers of government below the national level are enough. We also believe that unitary government will streamline government and lay the foundation for an effective working relationship between the regional and local tiers.” (HC Debates, 30<sup>th</sup> April, col 317).

Amendments 5-16 were based around the logistics of this local government reorganisation including 15 and 16 to amend clause 8 to ensure the Electoral Commission could provide information to voters concerning the local government options.

### 6.1.2 *Exclusion of Legal Proceedings*

Amendments 21 – 23 concerned the ‘ouster clause’ (clause 10) which would prevent legal moves that might delay Government responding to a referendum result. These amendments clarified this matter, also allowing a six week period for a judicial review, as the minister Christopher Leslie explained:

Legal challenges to the certification of referendum results will now be clearly allowable in two specific circumstances—if they are brought by a claim for judicial

review, and if they are brought within six weeks of certification (HC Debates, 30<sup>th</sup> April 2003, Col: 366).

### 6.1.3 *Local Government Review: Supplementary*

Amendments 25 – 33 concerned the Boundary Committee and were largely a consequence of the changes in deciding the shape of local unitary government. Now, the Boundary Committee will be able to:

- Consider the boundaries of existing unitary authorities (where it makes sense to do this).
- Make changes to the local government review process to ensure different options for unitary government (in 2-tier systems).

These changes, and minor technical adjustments advised in amendments 26-30, will allow the Electoral Commission to change its recommendations after drawing up constituency boundaries for an assembly, depending on the options available in light of local government reorganisation.

*All Lords amendments were agreed to.*

## 6.2 **Debating the Bill**

Central to the debate on the second reading in the House of Lords on 20<sup>th</sup> February 2003 was the link between the creation of regional assemblies and the proposal to create unitary local government. The central objection of Liberal Democrats to the Bill's original proposal was outlined by Baroness Hamwee:

I have never fought a "Yes, but" or a "No, but" campaign, but the Government are proposing referendums that weld together the separate issues of regional government and the structure of local government. In doing so, they propose a question that many will find incapable of a single straight answer (Lords Debates, 20<sup>th</sup> February 2003, Column 1255).

The Liberal Democrats opposition led to the amendment on referendums noted in Section 6.1 above.

The debate on the Lords' amendments on the Regional Assemblies (Preparations) Bill threw up a number of issues that looked likely to get an airing in any future referendums. The debate in the Commons also revealed the background to government's acceptance of the Lords' amendments on the process for achieving local government reform insisted upon by the Liberal Democrats, as evidence by an exchange between the former and current Liberal Democrat spokespersons.



**Don Foster (Bath):** The Government, and in particular the Minister, knew that without such a compromise the Bill would be lost for the very reasons set out by the hon. Member for Runnymede and Weybridge [...]

**Edward Davey (Kingston & Surbiton):** I can confirm that that was our position. We agreed as a team that we would have to kill the Bill if the Government did not give way. We did not want to do that, but we were prepared to act in that way (HC Debates, 20<sup>th</sup> April 2003, Cols355-356).

Otherwise the debate was interesting for the way it raised issues that might form aspects of the debate in regions slated for referendums.

**Peter Atkinson (Hexham)** complained about the destabilising effects of local government reform:

I wish to try to reinforce my hon. Friend's point. Northumberland county council and the local district councils already have a problem with recruitment and retention, and people are looking over their shoulders and wondering whether they will have a future in a few years' time. That is causing considerable problems to local authorities today (HC Debates, 20<sup>th</sup> April 2003, Column 308).

The Lords amendment proposed by Lord Hanningfield, the Conservative leader of Essex County Council, and accepted by the government, was welcomed by the Conservative's chief spokesperson on the Bill, **Philip Hammond (Runnymede & Weybridge):**

I remain of the view that 10 years would be a sensible period. Clearly, however, seven years is better than five (HC Debates, 20<sup>th</sup> April 2003, Column 309).

Opposition to the government's approach was not restricted to the opposition benches. From the North West **Graham Stringer (Manchester, Blackley):** cast doubt on the Government's 'Soundings Exercise':

I would find it easier to accept my right hon. Friend's arguments if we were clear about the objective basis by which the Secretary of State would determine the level of interest in a region before the referendum process was set up. In Committee, my right hon. Friend repeatedly failed to explain what the objective basis would be. If we do not know what the objective basis is, how will we know whether it has changed? (HC Debates, 20<sup>th</sup> April 2003, Column 311).

The Minister, **Nick Raynsford (Greenwich & Woolwich),** sought to defend the 'Soundings Exercise':

... we had received 5,500 [soundings responses] by the end of the initial period, many of which came from organisations that had consulted widely, meaning that their responses covered the opinions of more people than would be indicated by the

number of immediate responses. The exercise is important and we must await its outcome and responses to the extended soundings (HC Debates, 20<sup>th</sup> April 2003, Column 316).

Thinking ahead to potential local government reform **Alan Beith (Berwick-upon-Tweed)** obtained assurances about the criteria for reform:

May I counsel the Minister against contemplating using the power to reject radical approaches by the boundary committee on the basis of traditionalist conceptions in Whitehall about the appropriate size for a local authority? Such conceptions may not take account of the fact that local authorities now contract out much more of their work rather than provide all their services directly. For example, if the committee makes the radical recommendation that unitary authorities can be relatively small, will he not simply reject the proposal out of hand because it does not fit the traditional philosophies of his Department?

**Nick Raynsford:** I can give the right hon. Gentleman exactly the assurance for which he is looking. We have no preconception about the potential outcome. We have been very clear about not putting such criteria into the guidance about size, which we have already consulted on and which we intend to issue to the boundary committee. There is a strong focus on the need for local government to be effective. Clearly, the boundary committee will need to take into account factors relating to size when considering that need. There is no preconception one way or another and certainly not against a radical solution, but there is a practical concern: as the Secretary of State has to implement the recommendations, we must be able to query a proposal that does not seem satisfactory or implementable (HC Debates, 20<sup>th</sup> April 2003, Cols322-323).

Some Members welcomed the link between local government reform and the creation of regional assemblies, suggesting it could simplify governance:

**Kevan Jones (North Durham):** I, too, welcome Lords amendment No. 3, as it will give my constituents in North Durham a say not only in a tier of regional government but in their local government structures, which, as we have heard previously, they have been denied in the past. I know that my right hon. Friend the Member for Gateshead, East and Washington, West (Joyce Quin) is a passionate advocate of regional government, which is a passion that I share. We disagree, however, about reorganisation of local government. I have always argued that having a tier of regional government necessitates a review of local government. The

reason is that I do not accept that voters in any area will vote for more politicians or an extra tier of government on top of what already exists. A clear case exists that Durham is currently over-represented in local government. In the seven parliamentary constituencies that cover Durham, we have 421 councillors: an average of 60 councillors per constituency. The neighbouring area of Tyne and Wear has 13 parliamentary constituencies and 339 councillors: an average of 26 per constituency. It would be difficult to argue to the electorate that putting another tier of regional government on top of that would be efficient. There is also an opportunity to address some of the disparities that already exist in local government in County Durham. In County Durham, a strong case exists that the county area should be that of the new unitary authority—at present, it spends 80 per cent. of the local government budget in the county—and I shall argue strongly for the new unitary authority in that regard. Currently, the two-tier system does not work, it is inefficient, and I simply do not accept the idea that local people somehow identify closely with Derwentside or Chester-le-Street district councils as bodies for which they will do or die. We are now at an historic moment in the development of regional policy in this country (HC Debates, 20<sup>th</sup> April 2003, Column 351)

Another interesting exchange appeared to prefigure debates about the structure of local government in Northumberland:

**Peter Atkinson (Hexham):** The huge disadvantage of a unitary county is that the whole of Northumberland would be run from the centre, which is many miles away from the people of Berwick, Haltwhistle or the west of my constituency.

**Alan Beith (Berwick-upon-Tweed):** I am grateful to my neighbour for giving way. Is the hon. Gentleman saying that he would prefer to keep the present system in which most local government decisions in Northumberland are taken by Northumberland county council, dominated, as it is, by the urban south-east? Would he prefer the continuance of that to, for example, a unitary authority based on the boundaries of his constituency, which would be a substantial area and similar in number to some existing unitary authorities?

**Peter Atkinson (Hexham):** At the time of the last proposed reorganisation of local government, I was certainly in favour of dividing Northumberland into three unitary authorities if that was the option for change. However, it became clear that the boundary commission would not have that. It was pointing to a very out-of-touch unitary county (HC Debates, 20<sup>th</sup> April 2003, Col 353)

Speculating on the potential shape of local government in Northumberland after a referendum, **Mr Beith** said:

That is where the argument and discussion will run in a county such as Northumberland. People will be asking whether there should be county-based government involving a lot of devolution to area committees and parish and town councils — the option for which the county council is trying to argue — or whether it would be much better to recognise that local government can be run with smaller units nowadays because local authorities are not trying to provide services directly as much they used to do. Previously, they had vast staffs, but they are now enabling or contracting out more services and ensuring that a variety of other bodies put those services in place. Thus rather smaller districts are now considered more feasible than Whitehall civil servants, who like dealing with a relatively small number of authorities throughout the country, used to argue. Reference has been made to the large number of councillors needed under the two-tier system. There are almost 70 councillors in my constituency. In the current elections, 12 of them have already been elected unopposed; most of them are Liberal Democrats. In one ward, only two candidates stood for three seats, so there is a vacant seat. It is increasingly difficult to find people to take on the heavy responsibilities of local government. Many would argue that we do not need as many councillors as the two-tier system necessitates (HC Debates, 20<sup>th</sup> April 2003, Cols: 358-360)

*The regions at Westminster*

| Source                         | Date                      | Column number | Subject   | Raised by   |
|--------------------------------|---------------------------|---------------|---|---|
| Written Answers                | 12 <sup>th</sup> February | 777W          | Greater London Assembly                                       | Tom Cox (Tooting)                                 |
| Written Answers                | 12 <sup>th</sup> February | 840W          | Regional Government   | George Osbourne (Tatton)                          |
| Lords Written Answers          | 17 <sup>th</sup> February | WA162         | Elected Regional Assemblies: Representations                  | Lord Smith of Leigh                               |
| Lords Written Answers          | 24 <sup>th</sup> February | WA4           | Elected Regional Assemblies                                   | Lord Faulkner of Worcester                        |
| Written Answers                | 27 <sup>th</sup> February | 734W          | Sustainable Communities                                       | Oona King (Bethnal Green & Bow)                   |
| Lords Written Answers          | 28 <sup>th</sup> February | WA74          | Elected Regional Assemblies: Soundings Exercise on Referendum | Lord Tebbit                                       |
| Commons Debates                | 5 <sup>th</sup> March     | 801           | Regional Government   | Ian Liddell-Grainger (Bridgwater)                 |
| Lords Debates                  | 5 <sup>th</sup> March     | 812           | Regional Assemblies   | Baroness Blatch                                   |
| Written Answers                | 5 <sup>th</sup> March     | 1009W         | Regional Government   | Andrew Mackay (Bracknell)                         |
| Written Answers                | 8 <sup>th</sup> March     | 112W          | Regional Government   | Gordon Prentice (Pendle)                          |
| Commons Debates                | 10 <sup>th</sup> March    | 4             | Regional Theatres   | Alan Whitehead (Southampton, Test)                |
| Commons Debates                | 10 <sup>th</sup> March    | 14            | Regional Museums  | Joyce Quin (Gateshead, East and Washington, West) |
| Written Answers                | 12 <sup>th</sup> March    | 330W          | Sustainable Communities                                       | Philip Hammond (Runnymede & Weybridge)            |
| Written Answers                | 12 <sup>th</sup> March    | 327W          | Regional Assemblies   | Hugo Swire (East Devon)                           |
| Written Answers                | 12 <sup>th</sup> March    | 327W          | Regional Government   | Matthew Green (Ludlow)                            |
| Written Answers                | 12 <sup>th</sup> March    | 327W          | Regional Planning Guidance                                    | Helen Jones (Warrington North)                    |
| Written Answers                | 14 <sup>th</sup> March    | 429W          | Regional Cultural Consortiums                                 | Edward Davey (Kingston & Surbiton)                |
| Written Answers                | 17 <sup>th</sup> March    | 517W          | Regional Museums  | Tony Colman (Putney)                              |
| Written Answers                | 17 <sup>th</sup> March    | 614W          | Regional Governance   | Philip Hammond (Runnymede & Weybridge)            |
| Written Answers                | 17 <sup>th</sup> March    | 615W          | South West Regional Development Agency                        | Adrian Flook (Taunton)                            |
| Commons Debates                | 20 <sup>th</sup> March    | 1076          | EU Regional Funds   | Joyce Quin (Gateshead, East and Washington, West) |
| Written Ministerial Statements | 25 <sup>th</sup> March    | 7WS           | Local Government Reorganisation                               | Nick Raynsford (Greenwich & Woolwich)             |
| Written Answers                | 25 <sup>th</sup> March    | 182W          | Regional Chambers   | Matthew Green (Ludlow)                            |

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|                                   |                        |       |  |   |
|-----------------------------------|------------------------|-------|--|---|
| Lords Written Answers             | 25 <sup>th</sup> March | WA67  | Regional Assemblies:<br>Functions          | The Earl of Caithness                                   |
| Commons Debates                   | 26 <sup>th</sup> March | 422   | Regional Government<br>(North-West)        | Louise Ellman<br>(Liverpool, Riverside)                 |
| Written Answers                   | 27 <sup>th</sup> March | 319W  | East of England<br>Development Agency      | Mark Prisk (Hertford &<br>Stortford)                    |
| Written Answers                   | 27 <sup>th</sup> March | 363W  | Regional Cultural<br>Consortiums           | Edward Davey<br>(Kingston & Surbiton)                   |
| Written Answers                   | 28 <sup>th</sup> March | 420W  | Regional Development<br>Agencies           | Barry Sheerman<br>(Huddersfield)                        |
| Written Ministerial<br>Statements | 31 <sup>st</sup> March | 40WS  | Regional Planning<br>Guidance (North-West) | Tony McNulty<br>(Harrow East)                           |
| Written Answers                   | 31 <sup>st</sup> March | 508W  | Regional Assemblies                        | David Davis<br>(Haltemprice &<br>Howden)                |
| Lords Written Answers             | 31 <sup>st</sup> March | WA103 | North West: Regional<br>Planning Guidance  | Lord Campbell-<br>Savours                               |
| Written Answers                   | 1 <sup>st</sup> April  | 626W  | East of England<br>Development Agency      | Mark Prisk (Hertford &<br>Stortford)                    |
| Written Answers                   | 1 <sup>st</sup> April  | 678W  | Area-Based Initiatives                     | Matthew Green<br>(Ludlow)                               |
| Written Answers                   | 2 <sup>nd</sup> April  | 709W  | County Councils                            | Stephen O'Brien<br>(Eddisbury)                          |
| Written Answers                   | 2 <sup>nd</sup> April  | 710W  | Regional Referendums                       | John Randall<br>(Uxbridge)                              |
| Written Answers                   | 2 <sup>nd</sup> April  | 710W  | Regional Assembly<br>(East of England)     | Andrew Selous (South<br>West Bedfordshire)              |
| Written Answers                   | 2 <sup>nd</sup> April  | 713W  | Regional Assemblies                        | Ian Liddell-Grainger<br>(Bridgwater)                    |
| Written Answers                   | 3 <sup>rd</sup> April  | 867W  | Regional Government                        | Adrian Flook<br>(Taunton)                               |
| Lords Written Answers             | 8 <sup>th</sup> April  | WA35  | Regional Assemblies:<br>Functions          | The Earl of Caithness                                   |
| Written Ministerial<br>Statements | 8 <sup>th</sup> April  | 10WS  | Regional Development<br>Agencies           | Alan Johnson<br>(Kingston upon Hull<br>West & Hessle)   |
| Written Ministerial<br>Statements | 8 <sup>th</sup> April  | 12WS  | Regional Government                        | Nick Raynsford<br>(Greenwich &<br>Woolwich)             |
| Written Answers                   | 9 <sup>th</sup> April  | 253W  | Area-based Initiatives                     | Matthew Green<br>(Ludlow)                               |
| Written Answers                   | 11 <sup>th</sup> April | 418W  | Regions White Paper                        | Joyce Quin (Gateshead,<br>East and Washington,<br>West) |
| Written Answers                   | 11 <sup>th</sup> April | 420W  | Regions White Paper                        | Joyce Quin (Gateshead,<br>East and Washington,<br>West) |
| Written Answers                   | 14 <sup>th</sup> April | 504W  | Regional Assemblies                        | Jonathan Djanogly<br>(Huntingdon)                       |
| Written Answers                   | 28 <sup>th</sup> April | 11W   | Regions White Paper                        | Joyce Quin (Gateshead,<br>East and Washington,<br>West) |
| Written Answers                   | 28 <sup>th</sup> April | 18W   | Regions White Paper                        | Joyce Quin (Gateshead,<br>East and Washington,<br>West) |
| Written Answers                   | 28 <sup>th</sup> April | 70W   | Regions White Paper                        | Joyce Quin (Gateshead,<br>East and Washington,          |

|                 |                        |      |                               |   |
|-----------------|------------------------|------|-------------------------------|---|
|                 |                        |      |                               | West)   |
| Written Answers | 30 <sup>th</sup> April | 415W | Regions White Paper           | Joyce Quin (Gateshead, East and Washington, West) |
| Written Answers | 30 <sup>th</sup> April | 430W | Regions White Paper           | Joyce Quin (Gateshead, East and Washington, West) |
| Written Answers | 30 <sup>th</sup> April | 435W | Regions White Paper           | Joyce Quin (Gateshead, East and Washington, West) |
| Written Answers | 1 <sup>st</sup> May    | 441W | Regional Pay                  | Dave Watts (St Helens North)                      |
| Written Answers | 1 <sup>st</sup> May    | 453W | Regional Development Agencies | Anne McIntosh (Vale of York)                      |
| Written Answers | 1 <sup>st</sup> May    | 495W | Regions White Paper           | Joyce Quin (Gateshead, East and Washington, West) |

## 7 EU issues

England's nine Regional Development Agency Chairmen travelled to Brussels on 12<sup>th</sup> May to raise the profile of the English regions on the eve of the enlargement on the European Union. They met with the EU's Commissioner for the Regions, Michel Barnier. With ten new countries joining the EU in 2004, they discussed the future of European regional funding including support for the poorer areas including South Yorkshire and Cornwall and the Scilly Isles and progress in delivering the current Objective One and Two funding programmes.

England's regions currently received around £4.46bn in Objective one and two funding which is due to end in 2006, an obvious concern for the English regions. The UK Government published a consultation paper into the future of EU Regional Policy and the structural funds in March 2003 (HMT/DTI/ODPM 2003) and the RDAs are currently preparing their response.

Sir Graham Hall, Yorkshire Forward Chairman and Chief spokesman for the English regions said:

The Government's document demonstrates that both the European Commission and the UK Government see effective regional policy as the key to delivering the Lisbon agenda of creating a Europe that would be 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion':

There is a clear role for regions to play in the realisation of this ambition.

Derek Mapp, Chairman of East Midlands Development Agency who leads the RDAs on European issues, said there is a need to improve the

understanding within the European Commission of the RDAs' role and remit:

This is a prime opportunity to ensure the Commissioner and his Cabinet who have a lead role in developing regional policies for the EU develop an understanding of the Regional Economic Strategies and the role of the RDAs in delivering regional policy<sup>31</sup>.

## 8 Local government

### 8.1 Local authority attitudes to regional governance

The Local Government Association undertook a survey of local authority chief executives' attitudes to current and potential regional governance arrangements. The survey was carried out between October 2002 and February 2003 and elicited a response rate of 68 per cent (LGA, 2003)

Overall, local authorities reported positive relationships with regional bodies:

- 78 per cent of authorities report an excellent or good relationship with their government office for the region;
- 64 per cent of authorities report an *excellent* or *good* relationship with their regional development agency (RDA); and
- 43 per cent of authorities report an *excellent* or *good* relationship with their regional assembly.

Overall, local authorities also felt well informed about the services provided by a range of regional bodies:

- 86 per cent feel *very* or *fairly* well informed by their government office for the region;
- 83 per cent feel *very* or *fairly* well informed by their regional development agency; and
- 73 per cent feel *very* or *fairly* well informed by their regional assembly.

Looking forward, 70 per cent of authorities believed that the regions white paper (Cabinet Office/DTLR, 2002) would be *very* or *fairly* important in increasing the accountability of regional institutions. As far as strengthening the role of Government Offices was concerned, most local authorities believed this would lead to better public policy outcomes in areas such as RDA performance.

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<sup>31</sup> England' Regional Development Agencies, News Release, 'English Regions make their case to Brussels', 12<sup>th</sup> May 2003 (<http://www.rdauk.org/rdauk-pressreleases/DisplayArticle.asp?ID=1006>).



Local authorities generally held favourable views on the likely impacts regional assemblies would be in key policy areas. The following figures show the percentage of local authorities who *strongly agreed* or *agreed* that existing regional assemblies would:

- increase policy co-ordination - 70 per cent;
- ensure better regional strategies - 66 per cent;
- improve regional planning - 63 per cent;
- make the region more regionally accountable - 61 per cent;
- ensure better joint working in the regions - 54 per cent;
- increase the influence of local government on regional policy decisions - 44 per cent;
- improve local service delivery by councils - 16 per cent.

As far as directly elected regional assemblies were concerned:

- 54 per cent of authorities agreed that a directly elected assembly would improve effectiveness;
- 63 per cent of authorities agreed that a directly elected assembly would improve accountability;
- 62 per cent of authorities agreed that an elected assembly would give the region a stronger voice at Westminster;
- 61 per cent of authorities agreed that an elected regional assembly would help improve the economic conditions in the region;
- 35 per cent of authorities agreed that an elected regional assembly would mean a significant devolution of power from central government to the regions;
- 72 per cent of authorities agreed that an elected regional assembly will reduce the powers of local government;
- 34 per cent agree of authorities agreed that an elected regional assembly would bring government closer to the people; and
- 42 per cent agree of authorities agreed that there will be an elected regional assembly in their region by 2007.

## 8.2 LGA response to prospect of regional assemblies

Responding to the government's announcement of referendums on regional assemblies in the three northern regions, the LGA reiterated its view that elected assemblies should take powers from Whitehall not local councils<sup>32</sup>. Commenting on the government's announcement that referendums would take place in the North East, the North West and

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<sup>32</sup> <http://www.lga.gov.uk/PressRelease.asp?id=SX9E3B-A7818F87>.

Yorkshire and the Humber Sir Jeremy Beecham the chair of the LGA said:

I welcome the fact that the people in three regions will be given the opportunity to vote on the establishment of directly elected regional assemblies in referendums. But the association is concerned that local government in those regions will be faced with more reorganisation and distraction from the drive to improve services.

The LGA Conservative Group has reiterated its opposition to the establishment of regional assemblies.

Sir Jeremy also said:

We are particularly concerned that elected regional government is being linked to the re-organisation of local government and we will continue to use independent research which shows that there is no need to make this link, to lobby against this aspect of the proposals. If regional assemblies are going to be introduced it is important that their powers should be cascaded down from Whitehall and not taken away from local government and we will be working to influence the next government bill that will outline the form and function of elected regional government. The LGA will be holding the government to account on its regions white paper promise that no powers will be drawn up from local government, to ensure that local government is the front line deliverer of many of the proposed regional strategies and to ensure that communities have proper representation and involvement. This is the start of a long process for all regions. The government needs to be mindful of ensuring that the focus is not purely on these three regions and that they continue to work with the remaining six regions towards improving public services.

### **8.3 Elected mayors**

North Tyneside elected its second mayor on June 12<sup>th</sup>. The incumbent Conservative Mayor Chris Morgan had resigned following his arrest by Northumbria Police on indecent assault and child pornography charges. This controversy though appeared not to impact on the Conservative Party. Linda Arkley, a Conservative councillor for the Tynemouth ward won the election. She beat Labour Euro MP Dr Gordon Adam with a majority of 4,861 and a total of 21,288 votes compared with Labour's 16,427 (see below). Voters in borough seemed keen to punish Labour for its past performance in the council, which it controlled prior to the new mayoral system being introduced. They may also have been influenced by the fact that Dr Adam, aged 69, proposed to undertake the job alongside his responsibility as a MEP until the next elections to the European Parliament. The election saw turnout drop from 42 per cent in May 2002

to 31 per cent. The National Front candidate Robert Batten polled 2,554 votes.

Among Mrs Arkley's policy priorities is opposing regional assemblies. Labour's Dr Adam said:

I am disappointed at the turnout. It isn't a happy state of affairs when so many people don't feel engaged in such an important process. There are lessons to be learned from this. We have to listen to the people and ensure we are discussing issues important to them ('Tory triumph in race to be mayor' *Evening Chronicle*, 13<sup>th</sup> June 2003).

## Mayoral Election Results

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### North Tyneside - Byelection, 12 June 2003

Elected: Linda Arkley (Conservative)

Electorate: 139451 Turnout: 43,718 (31%)

#### First Count

Linda Arkley (C) 18,478

Gordon Adam (Lab) 13,070

Michael Huscroft (LD) 8,404

Robert Batten (National Front) 2,554

Louise van der Hoven (Soc All) 400

**Eliminated:** Gordon Adam, Michael Huscroft, Robert Batten, Louise van der Hoven

#### Second Count

Distribution of Adam's, Huscroft's, Batten's and van der Hoven's votes

Linda Arkley (C) 21,288

Gordon Adam (Lab) 16,427

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## Finance

Nothing to report

## 10 The political parties

The Liberal Democrats spokesperson announced their Lords' amendment victory, in ways which indicated they would seek further to radicalise the Government's proposals.

Edward Davey MP, Liberal Democrat Shadow ODPM Spokesperson, explained the party had insisted on the regional referendum ballots including a second question, giving local people a choice on the structure of unitary local government in areas now with both county and district councils.

The Government's original proposal, of only one ballot question, meant a "Yes" vote in the regional referendum would automatically have led to unitary government as proposed by the Boundary Committee for England. Voters unaffected by council reorganisation would have determined local government structure in the few areas where change will take place. Edward Davey MP said:

These important changes will for the first time ever give local people a voice in their form of local government. These concessions prevent the absurd situation whereby voters unaffected by local government reform would effectively be imposing changes on voters elsewhere in the region.

This is a victory for democracy and significantly improves the chances of referendums on regional assemblies actually being won.

Of course, Liberal Democrats would have done things differently, but it's clear Number Ten's lack of enthusiasm for devolution has set strict constraints on what is possible. However, these changes are real gains and build on past co-operation on constitutional reform between our two parties.

Describing the full agreement, Baroness Hamwee, Lib Dem Lords ODPM Spokesperson, added:

While Government's plans for English regions remain too weak, it's now clear the White Paper "Your Region, Your Choice" is not Labour's final word on devolution.

Ministers have now agreed to publish a draft "powers" Bill before the first referendum and have clarified that the White Paper allows for a review of regional assemblies' powers in the future. By also agreeing to include existing unitary councils in the Local Government review, where they themselves wish to, the potential for more sensible local government settlements is increased<sup>33</sup>.

Meanwhile, the Conservatives are in the throes of developing an alternative regional policy (*Municipal Journal*, April 17). The Tory

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<sup>33</sup> <http://www.libdems.org.uk/index.cfm/page.homepage/section.home/article.4509>.

leader, Iain Duncan Smith is heading up a policy group, including Gordon Keymer, Tory group leader on the Local Government Association, Sir Sandy Bruce-Lockhart, leader of Kent County Council and LGA vice chairman, and Eric Pickles, Tory local government spokesman. It will report to the party's conference in the autumn. Philip Hammond, the Tories regions spokesman, says the review is considering which functions exercised by Government Offices in the Regions could be devolved to local government.

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