



The Constitution Unit



Nations and Regions: The Dynamics of Devolution

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The English Regions

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Key issues

The government launched its information campaign at the beginning of November designed to raise public awareness of its proposals for elected regional assemblies. At events across the three northern regions slated to have referendums in next October, the Deputy Prime Minister dubbed 2004 the year of the 'Great North Vote'. Fleet Street had one of its occasional spasms of interest in the English regions, but expressed almost universal disdain for the proposals.

Yes and No campaigns continued to take shape across the North. The No campaigns in the North West and Yorkshire will be led by former Conservative MPs, Sir David Trippier and John Watson respectively. No figure of equivalent stature has emerged in the North East, where the main No voice continues to be a self styled 'metric martyr', Neil Herron. The North West Yes campaign already counts the support of Sir Alex Ferguson, but senior Labour MPs there have declared their opposition to an assembly. The Electoral Commission is now preparing for the task of managing its first set of referendums under the terms of the Political Parties, Elections and Referendums Act 2000.

The National Audit Office issued a report on the activities of Regional Development Agencies, which among other things, suggested that too many Whitehall targets were hampering the ability of RDAs to deliver genuine regional strategies.

Sir Michael Lyons, who is undertaking a review of the relocation of public sector activities in London and the South East to other parts of the UK, published his interim report. Although chiefly concerned to find cost savings for central government, Sir Michael indicated his intention to find ways for his review to add to the governance of capacity of regions in the context and to avoid a narrow focus on the relocation of back office jobs.

The Boundary Committee for England continued its review of local government structures in two tier areas in the three northern regions. Although the legislation — the Regional Assemblies (Preparations) Act — means that in theory a No in any of the northern region would end the process of local government, in practice the appetite for it across the north appears to be growing. Those involved in the current process appear to believe that the case for local government reform may become unstoppable, irrespective of the debate about regional assemblies.

1. Introduction

With a largely hostile national press breathing down his neck, and the new Conservative leadership smarting for a battle linking devolution in England with European federalism, John Prescott probably does not need reminding that 2004 will be make or break year for his regional project. But regardless of the outcome of three referendums in the northern regions on elected regional assemblies next autumn, it is clear that many involved in the process to create unitary local councils in six two-tier counties — the necessary quid pro quo for English devolution — believe the local government map will change sooner rather than later. The Boundary Committee of England, which is conducting a review of these counties for the Office of the Deputy Prime Minister, can already detect a momentum building up in favour of reforming local government. Significantly, its soundings — with the help of opinion polling from MORI — generally point to people identifying more with districts (or an amalgamation of districts) than with county councils.

Events are now moving so fast that people close to John Prescott joke, only half-heartedly, that some senior Labour MPs and ministers are only now waking up to the prospect of profound changes in the governance of England — the potential for re-structuring local government and the consequent re-working of boundaries within Cumbria, Lancashire, Cheshire, North Yorkshire, Northumberland and Durham. A source close to the review process has told us that there is now an appetite for change.

Yet with European, local council and Greater London mayoral and London assembly elections all being held next June 4th ('all-out' elections, due to boundary revisions in metropolitan districts, could see Labour losing its grip in parts of the north and the midlands) — probably four months before devolution referendums in the three northern regions — there is an air of uncertainty, if not nervousness in the governing party, particularly with a sprinkling of Labour MPs joining 'no' referendum campaigns in the north west and Yorkshire and the Humber. Labour faces the prospect of the local election and referendum campaigns becoming 'merged' in an 'anti-federalist' onslaught linked to the threat to 'historic' county councils.

Much is riding on the back of the Regional Assemblies (Preparations) Act, the legislation which allows for the referendums among 11 million voters in the north west, Yorkshire and the Humber and the north east: the authority of the deputy prime minister who has doggedly, yet diplomatically (in meetings with more sceptical Cabinet colleagues) stuck to his regional agenda: the structure of local government in the six counties and, to some extent, the reputation and credibility of the government. It is striking in the pre-campaigning skirmishes over the past few weeks that devolution opponents, both the Conservatives and sections of business (and by no means all the business lobby is in the 'no' camp) repeat the mantra that regional assemblies will mean more bureaucracy

and more politicians — when the creation of all-unitary local government structures was meant to stifle this argument. On the contrary the alleged costs of local government reform are being emphasised. All this proves is that the emerging ‘yes’ campaigners have much ground to make up. The other argument surrounding the cost of the enterprise — estimated £25 million, or so, in start-up costs for the assemblies and an extra 5p per week for the average council taxpayer — could prove harder to challenge, in spite of the argument from the local and regional government minister, Nick Raynsford, that democracy does involve a small price-tag.

For the opposition and most of Fleet Street, English regionalism, is becoming inseparable from the wider arguments over a constitution for the European Union. Criticism in the *Daily Telegraph* (“while we cannot be trusted to vote on the European constitution, the Government will allow referendums on whether to split England into...regions”) is replicated in *The Times*, the *Daily Mail* and *The Sun*, with *The Independent* arguing that the devolution project is ‘flawed’ and only *The Guardian* offering broad support, while bemoaning the absence of a proper debate. Significantly, the Electoral Commission, which has the task of distributing probably £600,000 to support ‘yes’ and ‘no’ campaigns — £200,000 for each region — is pondering on this front; it does not want to begin its distribution process until there is clear evidence of these campaigns emerging and, privately, thinks the whole process is remarkably slow off the ground.

This, then, is the background against which the deputy prime minister launched an “awareness campaign” — to publicise what he labelled “the great north vote” - in the splendour of Durham Castle on November 3, followed by similar events in York and Warrington, (all considered ‘neutral’ territory away from the rivalry of bigger cities). Leaflets, small booklets, lapel badges, bearing the slogan ‘elected regional assemblies: your say’ around two thumbs pointing up and down, have been produced by the Office of the Deputy Prime Minister (ODPM)¹.

The ODPM has a difficult balancing act: putting the case for referendums on the one hand while appearing to be non-partisan on the other — hence, all photographs in publicity material feature an equal number of people displaying both thumbs up and thumbs down; indeed, a variation of thumbs, surrounded by the circular ‘your say’ slogan, has become the symbol of the ‘awareness’ campaign. The leaflets, likely to be followed by information sheets or packs sent to every household in the three regions before a likely referendum next October, firstly tell electors: “...you have the opportunity to have a greater say in the future of your region”. They talk about a “new form of government”, which will give a region a “voice”, be more inclusive, and “provide a balance” by using a system of proportional representation. They outline vague powers from jobs, business and skills to housing, planning, transport, fire, public health, culture and the environment, before making the qualification five pages later that some of the powers will either be shared or consultative.

¹ See for instance: www.yoursay-northeast.odpm.gov.uk.

Conservatives, who launched a leaflet criticising the plans (featuring a Napoleonesque John Prescott, astride a throne, dispensing cash!) at their annual conference in October, think the deputy prime minister is treading a fine line between information and campaigning material, or what they claim is “propaganda”². David Davis, Mr Prescott’s former Conservative ‘shadow’ (now shadow home secretary) has complained to the cabinet secretary, Sir Andrew Turnbull). Indeed, at the awareness meeting in York the chairman of the ”Yorkshire Says No’ campaign, the former Conservative MP for Skipton and Ripon John Watson, gently told Prescott he thought the Government had overstepped the mark and was straying into dangerous partisan territory. The deputy prime minister reportedly told him: “The lawyers have gone through all the material with a fine tooth comb to make sure it is OK.”

Nevertheless, at the three “awareness” meetings, all attended by several hundred regional stakeholders, the deputy prime minister, accompanied by Nick Raynsford – who steered the referendum legislation through Parliament - was upbeat, hailing his “great north vote” as representing “the most significant step forward in English devolution in the history of this country” while promising that (in the event of a ‘yes’) that elected assemblies “could be up and running early in the next parliament”. They will, or course, require further legislation. Placing his devolution package in a wider context, Prescott added:

The people of Scotland have a parliament. The people of Wales and Northern Ireland have elected assemblies. Now it is the turn of the English regions.

Prescott outlined what he called the “simple enough” question on the referendum ballot paper — “should there be an elected assembly in the north west/Yorkshire and the Humber/the north east?” — a month after Raynsford announced that the referendums would be conducted by postal-only ballot in an attempt to boost turnout.” (Significantly, after the success of a string of postal-only pilots in local elections, the government is probably moving to extend the system throughout local government – perhaps, some have speculated, signalling the end of the ballot box in English local elections.)

Taking questions from an audience in Durham Castle, Prescott appeared relaxed and confident, winding up by departing from a script to remind people — in a way that no other minister would dare — that his project, more than anything, is about creating regional structures – “a northern voice of some scale and substance” — to counter a central government which had become “too powerful”. Shortly beforehand, Mr Raynsford told one sceptic questioning the cost of the exercise that...”democracy is absolutely fundamental...we do not think it is wrong to spend a little money to ensure as many people as possible participate.”³

² See: http://www.conservatives.com/news/article.cfm?obj_id=77776

³ Source: Authors’ notes

In earlier reports, we have noted that the white paper, *Your region, your choice*, (May, 2002) which laid out the initial powers and structures, represented the uneven gains made by Prescott in the cabinet's committee of the nations and regions. And while the deputy prime minister might have settled for less than he initially wanted, his Durham remarks underline the fact that at least he regards the assemblies as a foundation on which to build stronger institutions. But with powers for proposed bodies still vague, ministers recognise that, ideally, they should give a firmer idea of where responsibility will lie and what will be devolved before the referendums (Unlike Scottish and Welsh devolution, powers will almost certainly be tied to Whitehall targets, similar to public service agreements). With this in mind, the ODPM hopes to publish a draft bill, setting out firmer powers for the assemblies, next July.

In the meantime, the reality of devolving some political power to the three northern regions of England, subject to the approval of the electorate, it at last beginning to be taken seriously — if not enthusiastically embraced - in the Westminster 'village' and sections of the national media. But more significantly, a beefed-up shadow cabinet — with David Curry, a former housing and local government minister in John Major's government now shadowing Prescott — may give the 'no' campaigns a sharper focus.

While Curry, pro-EU in a Euro-sceptic party, might avoid linking the referendum issue with wider arguments surrounding the European constitution, he told one of the authors that the proposed assemblies would have few powers — “whenever someone says they have a strategic job they are being paid for nowt” — and threatened to diminish the role of local government. “This is token politics at its worst,” he added. “The powers envisaged would make the Welsh assembly a behemoth of competence.”⁴

2. Regional Structures

2.1 Government Offices

No report

2.2 Regional Development Agencies

The eight regional development agencies (nine, including London) complain they have been hamstrung since their creation (in April, 1999) by Whitehall breathing down their necks and by sponsoring departments — first the former Department of the Environment, Transport and the

⁴ For a report of a more sympathetic treatment of regionalism from Mr Curry see our February 2002 report.

Region, then the Department of Trade and Industry (DTI) — demanding a tight rein on spending. Regional-central relationships became more complicated after the 2001 general election when the DTI assumed responsibility and required the RDAs to perform according to public service agreements (PSAs), a series of centrally-imposed targets covering everything from job creation to land reclamation. Confusingly, at the same time, the agencies believed they also had to work under the umbrella of regional economic strategies they had devised.

Although the RDAs were eventually granted a 'single pot' of Whitehall funding, rather than juggling with a series of pre-determined departmental spending 'silos', in reality they had precious little room for manoeuvre; departmental permission had to be sought for every spending decision above £5 millions. Soon, however, they will be able to approve projects worth up to £10m without prior approval. This is seen as progress. But there were wider tensions. Concerned by conflicting signals from Whitehall, the nine RDAs — with budgets worth £1.6 billions — took the unusual step of asking the National Audit Office (NAO) to look at their relationship with Whitehall because of unease that the PSA targets were impeding progress on regional growth strategies, tailored for individual regions.

On November 19, the NAO responded with what amounted to criticism of Whitehall. In a lengthy report, it said that interference from the centre is undermining their efforts to tailor individual programmes for regions: in other words, serving the targets was getting in the way of — indeed conflicting with — regional economic strategies, which all the RDAs had drawn up as a working template. Edward Leigh, the Conservative MP who chairs the Public Accounts Committee — to which the NAO reports — noted in a statement that the South East of England Development Agency (SEEDA)... "actually went so far to produce two plans; one to show they were meeting the targets imposed by central government, and one that they could actually use." He added: "This is a preposterous situation. Of course there must be national aims, but these must meet the needs of the people on the ground. If RDAs are to continue their success, they need to be released from the straightjacket of centralised bureaucracy...and I am pleased to see that central government is, in many ways, giving the RDAs the freedom they need while safeguarding the taxpayers' interest."

The NAO report, in some respects, highlights RDA complaints about delays in communicating with Whitehall and, what the *Financial Times* called (Nov 19) a "lack of support from civil servants and the difficulties of departments in seeing the relevance of RDAs to national priorities." Whatever the tensions, the NAO says businesses; councils and voluntary groups are unsure who calls the shots in the regions. The East Midlands Development Agency, for instance, reported that Whitehall's delay in approving a large regeneration project had damaged relationships with the community. Similar delays had held up work on a national manufacturing centre at Speke, on the outskirts of Liverpool, the North West Development Agency reported. Some criticism was levelled at the RDAs

for failing to evaluate projects; the report did not examine whether the agencies were providing value for money. The report said the DTI needed to work more closely with other departments and the RDAs to "manage more tightly the bureaucratic burden faced by RDAs in their interactions with other government departments." Departments, moreover, needed to pay more attention to the RDA's regional economic strategies, especially when making policy and setting targets "so there is a better fit between regional and national priorities." The NAO's observations will be closely studied by regional lobbyists critical of similar central-regional targets which the Government had planned to impose on elected regional assemblies⁵.

2.3 Regional Chambers/Assemblies

Nothing to report

3 Regional Politics and Policies

3.1.1 The emerging Yes and No camps

Slowly, 'yes' and 'no' campaigns are beginning to emerge although — aside from the launch of John Prescott's 'awareness' campaign — publicity nationally and, to some extent regionally, has been minimal. But evidence so far suggests that feisty contests will be held in the north west and Yorkshire, partly because several dissident Labour MPs have said they will campaign alongside Tories; indeed, a former Home Office minister, George Howarth, MP for Knowsley North and Sefton East, appeared on the BBC's Politics Show (Nov 2) alongside the Conservative MP for Tatton, George Osborne, to proclaim that some issues transcended conventional party politics. Elsewhere in the north west, a broad coalition of show business, the media and sport, have combined in a 'yes' campaign in which the Manchester entrepreneur, Anthony Wilson, (television personality as well as founder of a Factory Records and the Hacienda night club) is a key player. Pitched against them is a 'no' campaign, embracing Labour dissidents and led by the former Conservative MP for Rossendale (and a former junior minister) Sir David Trippier.

Across the Pennines, the Yes 4 Yorkshire campaign has broad support, with lieutenants of John Prescott (MP for Hull East) playing a role. But they have to contend with a 'no' campaign chaired by John Watson, former Tory MP for Skipton and Ripon, who has a long business background in Leeds. At least two Yorkshire Labour MPs could be

⁵ National Audit Office (2003) Success in the regions. Report by The Comptroller And Auditor General (HC 1268 Session 2002-2003: 19 November 2003) http://www.nao.gov.uk/publications/nao_reports/02-03/02031268.pdf.

preparing to break cover and campaign against. In the north east, the former Labour minister, Joyce Quin, is a key player in a 'yes' campaign while, up to now, Neil Herron, the self-styled 'metric martyr' from Sunderland, is the main spokesman of the 'no' campaigners. Mr Herron, a populist, provides an uneasy bedfellow for the region's Conservatives, who appear reluctant to throw their hat in with him. On the one hand, arguments against elected assemblies, which will be supplemented by a broad national Conservative campaign, are that the proposed new bodies will be a drain on local council taxpayers and will draw powers from local government, whatever ministers say to the contrary; on the other hand, opponents argue that the proposed assemblies will be rendered relatively powerless, with too few powers. A four-page Conservative leaflet produced at the party's annual conference in October, asked in large red type: "If the answer is an army of extra politicians and an army of extra bureaucrats...what on earth was the question?" Above a cartoon of John Prescott dispensing cash in Napoleonic garb, it added: "Labour believe the way to solve your problems is by creating more politicians and more bureaucrats. That is why John Prescott has been campaigning to build an empire of regional assemblies for years."

3.1.2 Referendum campaigns and the Electoral commission

The agency charged with preparing the ground for referendums, allocating funds to designated campaign organisations, and ensuring the fairness of the three contests, has its work cut out. This is uncharted territory for the Electoral Commission, created after the Political Parties, Elections and Referendums Act 2000, (known as the PPERA), which was designed to bring some order to a system in which rules have differed in the six referendums held in Britain since 1975. For instance, in the 1975 referendum to help determine whether the UK should remain in the then Common Market, and in Scottish and Welsh referendums of 1979 and 1997, 'yes' and 'no' campaigns were clearly defined well before the government sought to allocate campaigning funds. But for the forthcoming contests, likely to be held next October, campaign groups are only now emerging, and some are barely skeletal organisations. If this state of affairs continued, the commission recognises it would have some difficulty deciding how to allocate funds: in organisational terms, 11 months is not a long time!

As we reported above, defined pro and anti campaigns have emerged in the north west and Yorkshire and the Humber where veteran Conservatives, former MPs, have taken a lead in emerging 'no' organisations. The picture is more blurred in the north east; while a 'yes' campaign is clearly defined, as yet 'no' campaigners have failed to find a figure with the stature of a former MP. Broadly, campaigning proper will not take off until the Boundary Committee of England has submitted its final report to the Office of the Deputy Prime Minister (ODPM) on the structure of local government in the six northern counties next May. After that, the ODPM will have to make an order to formalise the date of

referendums and decide how much the Commission should have to fund the campaigns overall. Once it receives a grant from the ODPM, the Commission will then allocate funds.

It has yet to decide on the mechanics of this process although John Prescott, the deputy prime minister, has talked — prematurely, perhaps — of £600,000 being available for the three regions (i.e.: £100,000 for each 'yes' and 'no' campaign). In fact, on a UK basis, the Commission can award equal grants of up to £600,000 to designated organisations. But the process is not so simple because political parties, as well as pro and anti groups, could be eligible for funding. In a briefing paper, the Commission calculates that if a UK-wide referendum were to be held based on the 2001 general elections results, spending by Labour and Conservatives would be capped at #5 million each (which could include some state funding), with the Liberal Democrats at £3m — leading some to believe that the Commission might make a calculation based on the division of votes in 2001 among the 11 million electors of the north.

Aside from party funding restrictions, however, 'yes' and 'no' campaigns can apply for designated status. If granted they will also be eligible for funds — and again, on a UK basis, they would have a spending limit of £5 million. The Commission says it has yet to decide on a formula to determine how much will be allocated, although Prescott's #600,000 might not be wide off the mark. But on the organisational front, it is moving fast. Shortly after the ODPM order setting the date of the referendums, the formal process will swing into action with a formal campaigning period of 10 weeks. This is how it should work:

- From day one, the Commission will start to register permitted participants and says that spending restrictions will apply (no individual, or organisation, may spend over £10,000 without registering as a permitted participant). There will be a four week registration period.
- During the following two weeks, the Commission will consider appointing 'yes' and 'no' organisations and then make a firm designation.
- The remaining four weeks will be the main campaigning period, assuming an overall referendum period of 10 weeks. Beyond direct funding, designated organisations will have other advantages: they will be eligible for free postal distribution of one piece of campaign literature; referendum campaign broadcasts, and free use of public rooms.

3.1.3 The Cornish Constitutional Convention

Although only the three northern regions have been granted referendums to decide whether they should have elected regional assemblies, there has been some activity in other regions in England. The Cornish Constitutional Convention (www.senedhkernow.com) reiterated its case

for political and economic autonomy from the South West region. At its monthly meeting in September, the steering group of the Convention voted to support Cornwall County Council “in making a stand at the self-appointed South West Regional Chamber . . . over proposals to merge Cornwall with much of Devon to form a sub-region within the south west.” This was in response to Government legislation which would see planning decisions transferred to the Assembly, arousing fears in Cornwall that strategic planning will be taken away from Exeter. The Convention underscored its desire for a referendum for an elected Cornish Assembly, quoting Cornwall County Council’s own MORI poll figures which concluded that 55% support the establishment of a Cornish Assembly and 70% want a referendum in Cornwall. Andrew George, MP for St. Ives and Vice-Chair of the Convention maintained that the South West Assembly would be “little more than a talking shop”. He maintained, “It is high time the Government acceded to the will of Cornwall’s community and local authorities and agreed to hold a regional assembly referendum in Cornwall.” The Convention believe that Cornwall will not be served well while it remains part of a south west region, as Convention Press Officer and Penwith District Councillor Phil Rendle suggested: “The battle for Cornwall to be designated as a Region is moving to a critical stage . . . Our case is founded on democratic, economic and social realities — Cornwall can either prosper as its own Region or decline as a forgotten corner of a huge, dysfunctional and artificial economic zone.”⁶

3.1.4 The West Midlands Constitutional Convention

In October, the West Midlands Constitutional Convention launched a report with proposals for the establishment of regional government in the West Midlands. Entitled ‘Our Region – Our Choice – Making a Difference’, the Convention seeks views on the report by 31st March 2004⁷. The Convention was founded as a voluntary association in 1999 and in 2002 was formally constituted as a Company Limited by Guarantee, with the aim of promoting and encouraging informed debate about democratically elected regional government. The report argues that the West Midlands is losing out to London, Scotland and Wales, each which have their own directly accountable national or regional Governments. The Convention expresses concern that, with the three northern regions to hold referendums to decide on having regional government, the West Midlands will continue to lose out. The report draws comparisons with Wales (the West Midlands neighbour), which, it states has been able to make major policy decisions which have benefited the region such as in higher education, transport and health. In Wales, the report states, public investment per head is £5052 per annum compared

⁶ See: Cornish Constitutional Convention. *The Battle for Cornwall*. Press release. 22nd September 2003.

⁷ See: www.wmccweb.org.uk

with £4203 for the West Midlands, a difference of £849 per head of the population⁸. The Convention suggests that local government in the region lacks sufficient solidarity or clout and that central Government is too distant to be able to address the problems of the West Midlands. Thus the report suggests a regional tier of government to be the solution. This, it suggests, would be able to address the region's transport, education and training, public health, housing and key public service needs by drawing power away from Whitehall, Westminster and the unaccountable quangos. Reflecting on the report, Colin Beardwood, Chair of the Convention stated: "Only with directly elected Regional Government can we expect to provide the leadership and focus that is needed to draw power from Westminster and Whitehall and engage voters in the better government of their locality and the region."⁹

4 Media

4.1 The National Press — Fleet Street Says No

From the right to the centre-left, the national press responded on November 4th to the launch of John Prescott's 'awareness campaign' with cynicism and hostility. In the case of the *Daily Mail*, the deputy prime minister's arguments for elected regional assemblies were linked with the soaring costs of the Scottish Parliament — £400 millions and possibly rising — under the headline 'McMonstrosity', over the sub-line..."Prescott wants more local assemblies. Look at the way Scots have wasted YOUR money on their obscene vanity." That was just the start. The Euro-sceptic tabloid reported in a news story on the opposite page that..."council tax bills will rise dramatically if plans for elected assemblies in three English regions get the go-ahead..." The *Mail* noted that while the government was committed to signing away the EU constitution, the deputy prime minister "refused to give an inch over calls for a referendum on the issue." Its main editorial - headline: 'An affront to local democracy' - began: "Break it up. Tear it down. Throw out a framework of local government that has lasted since Saxon times. The scheme for regional assemblies shows New Labour's control-freak tendencies at their worst...who actually wants these assemblies, apart from our bumbling deputy prime minister...?"

While less hysterical *The Independent*, from the centre-left, noted in an editorial that, for more than 20 years, John Prescott had tirelessly campaigned for regional assemblies - "and, sad to say, for all that time he has been wrong." It argued that the Prescott project, while plausible, remained floored for the most powerful reason: it was simply not the best way to devolve power. Recalling local government reorganisation in the

⁸ West Midlands Constitutional Convention. (2003). *Our Region – Our Choice – Making a Difference*. (Summary of full report). p. 6.

⁹ West Midlands Constitutional Convention. *WMCC – launch of Our Region – Our Choice – Making the Difference*. Press release 24th October 2003.

early 70s, and the creation of 'vast' metropolitan authorities, such as Greater Manchester, Merseyside, West Yorkshire and Tyne and Wear, it said: "We have seen this sort of giantism before... (they) became bywords for failure and were abolished 20 years' later...a devolved structure of government already exists at the county, city and borough level; the challenge is to make it work."

Like the *Mail*, the *Daily Telegraph* linked the government's proposals with Europe. "While we cannot be trusted to vote on the European constitution, the government will allow referendums on whether to split England into nine regions (eight, actually, and three initially!)", its editorial said. "These new assemblies will not draw their powers from Whitehall, but from local authorities. In order to make space for them, Mr Prescott proposes to demolish a system of county administration which has existed in England for 12 centuries...people feel an affinity with their shires and with their country. But when is the last time you heard someone describe themselves as a south easterner?"

Both the *Telegraph* and *The Guardian* - which earlier this year supported the broad concept of elected regional assemblies, while bemoaning their limited powers - had prominent news stories outlining Prescott's plans. But the *Financial Times*, which has usually devoted significant space to arguments for and against regional government, appeared unimpressed. In a short news story, it headlined a report 'Apathy threat to regional Yes vote', noting that the government would pull the plug on plans if a referendum turnout was 'derisory'. *The Times* devoted less space on its news pages, with a short news story - Prescott hails the 'Great North Vote' - accompanied on its opinion pages with comments from the columnist Michael Gove..."The deputy prime minister started a tour round the country...seeking to persuade millions of our fellow citizens that it was worth shelling out billions of their money on some marvellous innovations of his: a range of devices that produce nothing but hot air, red tape and cushioned employment for trade unionists. He calls them regional assemblies...they will not be directly responsible for raising the money they spend and are thus fatally unaccountable."

4.2 Regional press – ‘The Great North Vote’

On the 3rd and 4th of November, John Prescott travelled to the North East, North West and Yorkshire and Humber regions, on his ‘great north battlebus’, to launch an information campaign ‘Your Say’ aimed at equipping the electorate with the knowledge with which to vote yes or no in next year’s proposed referendum. The visits gave rise to a spattering of commentary from the regional press.

In the North East, *The Journal* was characteristically supportive of the visit from the DPM, proposing that this was an “historic opportunity” for the region to “help shape its destiny.” But *The Journal* also called for Tony Blair to make a bigger role for himself in the drive for elected regional assemblies, instead of “leaving it to his deputy John Prescott.”

According to the paper, Newcastle Central MP Jim Cousins had urged Tony Blair to “make a keynote speech about the issue when the actual date of the referendum is announced.” *The Journal* drew attention to ten tests that have been drawn up by North East business organisations that must be passed by the government for the assembly issue to receive their backing. But *The Journal* also reported that Alan Ferguson of the North East Chamber of Commerce told John Prescott in Durham, “The business community wants to back the proposals for a regional assembly but we need these answers first. We are encouraged by what we have heard so far.”¹⁰

The Journal also reported John Prescott’s call, made in Warrington, for all three northern regions to unite to give the north a stronger, unified voice with which to lobby central government, drawing attention to the DPM’s alleged support for scrapping the Barnett funding formula. It reported Mr. Prescott as saying: “People would not be able to ignore issues facing the North and demands for more money if there was a powerful voice telling them to help”¹¹ The call to unite came on the second day of the ‘great north vote’ tour which took the DPM to the North West.

In the North West, the local press was more critical. The *Chester Chronicle* focused on the potential break up of Cheshire County Council. Claiming that John Prescott’s ‘grand design’ for a North West assembly had already caused divisions in the region, the *Chronicle* suggested: “It’s a straight choice between whether Cheshire County Council or the six district councils should go. . . This is causing friction between Cheshire County Council, which argues it could run services better as a single authority, and the districts. . .who believe they are closer to the communities they serve.”¹² Author of the article David Holmes suggested that discussion at an informal lunch with Mr. Prescott and editors of the region’s media was dominated by issues affecting the Liverpool and Manchester and it is this issue that remains a worry for Cheshire as a partially rural area of the North West.

Some local papers used the DPM’s announcement as an opportunity to provide their readers with basic information about the proposals and the arguments behind them. The *Liverpool Echo* reported on John Prescott’s visit to Warrington to launch the information campaign for the North West, again quoting the DPM as stating that this is “a historic time for the

¹⁰ *The Journal*. Prescott heralds historic election. 4th November 2003. <http://icnewcastle.icnetwork.co.uk/0100news/thejournal/page.cfm?objectid=13588191&method=full&siteid=50081>

¹¹ *The Journal*. Unite and fight for a fairer deal. 5th November 2003. p. <http://icnewcastle.icnetwork.co.uk/0100news/thejournal/page.cfm?objectid=13591624&method=full&siteid=50081>

¹² *Chester Chronicle*. No more tiers formula. 7th November 2003. p. <http://iccheshireonline.icnetwork.co.uk/0100news/chesterchronicle/page.cfm?objectid=13601001&method=full&siteid=50020>

North West”¹³. The Liverpool *Daily Post* focused on the DPM’s assertions that the North West is losing out because too many decisions are being made in Whitehall. The *Ormskirk Advertiser* outlined the information campaign and the ways in which the debate would unfold¹⁴

In Cumbria, the *News and Star* focused on John Prescott and Nick Raynsford’s companion to the region, Phil Woolas, deputy leader of the Commons. Mr Woolas’ parents live in Seascale, Cumbria where his brother also runs the post office. According to Mr Woolas: “I’m fed up with people hundreds of miles away taking decisions about things they don’t know about.” Discussing the region’s devastating foot and mouth outbreak, “a regional authority would have been much quicker to move and would have been more flexible and responsive.”¹⁵

The Yorkshire and Humber regional press once again seemed divided over their support for an elected regional assembly. In Hull and York the media seemed generally supportive of the issue whilst the *Yorkshire Post* sustained its aversion to a Yorkshire and Humber assembly. An article in the *Hull Daily Mail* was largely a satirical (but benign) piece on John Prescott yet was supportive of a regional assembly, summarising the proposition as to “take some of what Whitehall does, send it up here and make it more directly accountable”¹⁶. The *Yorkshire Evening Press*, based in York, was supportive of John Prescott’s visit to the city as part of his information campaign. York MP Hugh Bayley was quoted as saying: “It is great that the Deputy Prime Minister has chosen York to launch the information campaign. . . If the people vote yes to a Yorkshire Assembly there could be no better place to base it than in York – the country’s historic capital.”¹⁷

The *Yorkshire Post* described the purpose of John Prescott’s visit to the region as being to “combat huge public apathy over his dream of creating a Yorkshire mini-Parliament.” The *Post* declared its scepticism that the information campaign is impartial and echoed Tory arguments that Mr. Prescott has an “unnecessary Napoleonic obsession to create more bureaucrats and politicians.” Elsewhere, the *Yorkshire Post* stated that there is not enough information on the powers that an assembly would

¹³ *The Liverpool Echo*. Have Your Say. 4th November 2003. p. <http://icliverpool.icnetwork.co.uk/0100news/0100regionalnews/page.cfm?objectid=13589555&method=full&siteid=50061>

¹⁴ *Ormskirk Advertiser*. Prescott kiss of life for regional voting debate. 6th November 2003. <http://icliverpool.icnetwork.co.uk/3300icormskirk/newsandsport/page.cfm?objectid=13595768&method=full&siteid=60252>

¹⁵ *News and Star*. Have Your Say’ on local assembly. 5th November 2003. <http://www.news-and-star.co.uk/viewarticle.asp?id=46319>

¹⁶ *Hull Daily Mail*. Power-sharing packs a punch. 6th November 2003. <http://www.thisishull.co.uk/displayNode.jsp?nodeId=61023&command=displayContent&sourceNode=60575&contentPK=7676096>

¹⁷ *Yorkshire Evening Press*, Prescott backs power to people. http://www.thisisyork.co.uk/york/archive/2003/11/04/york_news_local24ZM.html

have: “Over the year ahead, a full and wide-ranging debate must be held, yet this cannot be achieved without answers to some hard questions.”¹⁸ In North Yorkshire, in *The Ryedale Press* Yorkshire and Humber MEP Timothy Kirkhope (Con) argued that the DPM was “proposing a costly talking shop with few actual powers, which would be a drain on taxpayers in Yorkshire and the Humber.”¹⁹

4.3 The Lyons Review

The Lyons Review of public sector relocation made its interim report in September. The Chancellor and Deputy Prime Minister have invited Sir Michael Lyons to lead an independent review to examine the scope for relocating a significant number of public sector activities from London and the South East to other parts of the United Kingdom. This was announced in the 2003 Budget on 9th April. The terms of reference for the review are ‘in light of the need to improve the delivery and efficiency of public services, and the regional balance of economic activity, and taking account of departmental pay and workforce strategies, *to make recommendations to the Deputy Prime Minister and the Chancellor for the relocation of civil service and other public sector workers by November to inform the next spending review.*”

Interestingly Sir Michael linked his task to the issue of regional governance.

Alongside these developments, a broader debate is emerging about the kind of country we want to live in - the future shape of governance in the United Kingdom; how it connects with the individual both as a consumer of public services and as a citizen; and how Government can promote thriving communities and social cohesion. For example, the think-tanks, *IPPR* and *Catalyst*, have both recently recommended the wholesale relocation of Government Departments in the furtherance of broader Government objectives. These themes are being explored and advanced through the Government’s agenda for regionalism, decentralisation and devolution and form a critical context for my study. Indeed, relocation makes little sense except as part of a broader agenda of public sector reform (page 6).

...

My remit is to look at the opportunities for decentralising rather than devolving Government activities. However, devolution is a crucial backdrop...The potential for successful

¹⁸ *Yorkshire Post*. Time to justify it, John. 3rd November 2003. p

¹⁹ *The Ryedale press*, The Parliamentary divide. 5th November 2003.

http://www.thisisryedale.co.uk/ryedale/archive/2003/11/05/ryedale_news_local6ZM.html

future devolution of responsibilities to regional and local tiers of Government will be linked to progress in developing a coherent and joined up machinery of service delivery at local and regional level. The view has been put to me that, in many instances, the delivery of programmes on the ground is poorly co-ordinated and under-resourced. I am keen to explore what role relocation might have in addressing such deficiencies, drawing on the views of key regional and local players such as the Government Offices for the Regions, the Regional Development Agencies and local authorities (page 15).

... The preference for policy making to be based in London has a prominent human dimension. There seems to be a widely held view that people outside the Whitehall village are 'outside the loop' in terms of communications and career opportunities. Some public servants may feel they need to be near Ministers and where 'the political action' takes place. This view should change as devolution advances to the point when 'political action' is felt to take place not only in London (page 18).

5 Public attitudes and identity

Nothing to report

6 Relations with Westminster and Whitehall

6.1 Westminster Hall: Regional Disparities

On 16th October, **Andrew Bennett (Denton and Reddish)** opened a debate in Westminster Hall on the Ninth Report of the Select Committee on the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions, "Reducing Regional Disparities in Prosperity", of which he was chair. The debate highlighted the concerns of northern MPs about persistent regional inequalities and the ways in which this issue is being linked to the question of regional assemblies.

Mr. Bennett noted that:

The report has been well received on the whole, although I notice that since it came out various people have been keen to produce their own figures, some of them suggesting that great amounts of wealth really are produced in London, and that the regions should be thankful for the few crumbs and sops that are thrown to them." (*WH Debates*, 16th October, Col 137WH).

Drawing attention to the need for the report, **Mr. Bennett** stated:

The English regions have lost substantially in the past 50 years, and they have not received the compensation that they should have had. Throughout the time in question, whichever political party has been in charge, and when the Bank of England has set interest rates, the United Kingdom economy has, on the whole, been dominated by the problems of London and the south-east. Whenever the economy starts to overheat, interest and exchange rates move to take that dominant part of the economy into account. I do not have a difficulty with that, except that often it means that interest rates have often been one, two or sometimes many points higher than they needed to be for the English regions (*WH Debates*, 16th October, Col 138WH).

Mr. Bennett continued:

I praise the Government for coming up with the public service agreement, which states that they want there to be growth in all regions but that they also want to reduce the gap. . . The central issue is whether the Government will (*sic*) the means to get anywhere close to that target. Many people question that (*WH Debates*, 16th October, Col 139WH).

Mr. Bennett chastised some Whitehall departments for a lack of concern with regional policy:

. . . the recognition must be seamless across the Government. It was worrying that the Department for Work and Pensions and one or two other Departments did not realise that their activities should have a regional dimension. For example, the money going to the north-east does not look too bad if we consider all Government expenditure, but if we take out the amount that is being paid by the DWP, we find that the position in the north-east is that much worse, because almost all the money that makes the north-east look not too bad is paid as benefits and compensation for lack of jobs, rather than in other ways. I hope that there will be a regional dimension to the forthcoming spending round and that English regions — particularly the northern regions — will get more money.” (*WH Debates*, 16th October, Col 140WH).

Before handing over the debate to the Hall, **Andrew Bennett** directed his speech to the issue of regional assemblies. Whilst acknowledging that “that devolution alone will not deliver an extra penny to those regions.” he stated that:

In a sense, it is a separate argument and we must recognise that, although it may well be that strong regional elected assemblies will have a stronger voice than some Members have had in the House of Commons for their region . . . I leave the Chamber simply with this thought: it is time we got justice for the English regions (*WH Debates*, 16th October, Col 143WH).

Alan Beith (Berwick-upon-Tweed) raised the issue of the Barnett formula funding mechanism, maintaining that there needs to be:

a mechanism to examine the allocation of public expenditure throughout the United Kingdom and to build into that a recognition of needs, which, if satisfied, will lead to a reduction in the disparity and in the need for such a formula (*WH Debates*, 16th October, Col 144).

Mr. Beith outlined his support for regional assemblies but warned that that the government's proposals for assemblies are not powerful enough:

The more powerful an assembly can be in its ability to use resources effectively and productively, the more chance there is that it can get a region moving through a strategy that tackles the problems that we have been discussing today, which are so well identified in the Committee's report (*WH Debates*, 16th October, Col 146WH).

Graham Stringer (Manchester, Blackley) also commended the recommendations in the (forthcoming) Lyons report on civil service relocation but expressed his support for a central, rather than regional, solution to the regional problems:

Some people regard elected regional assemblies as the solution to the problem, but I am strongly opposed to them, because I see them as a diversion. . . . We are facing a huge and costly local government reorganisation that will take power upwards and divert a lot of attention from important economic and social problems. Although it is, I suppose, a paradox, the problems of regional disparities are so strong that they can be dealt with only at the centre (*WH Debates*, 16th October, Col 149WH).

In the face of northern concerns some London voices were raised. **Karen Buck (Regent's Park and Kensington, North)** argued:

London is a driver of the UK economy and should be supported in that role . . . It might sound perverse, but the only way to deal with the overheating of the economy of London and the south-east is to tackle the causes of the pressure that brings the difficulties. By making such investment, we shall release the brakes on the London economy, which will be good news for the rest of the country. I know that that is a contentious argument, but I believe that is right (*WH Debates*, 16th October, Col 160WH).

Ms. Buck concluded that:

In the final analysis, we cannot kill the goose that lays the golden egg. We need to increase investment and employment opportunity in all sectors. We must tackle the chronic, desperate problems of Liverpool, Newcastle, the north-east

and the regions, but we cannot afford to do that at the expense of the capital city (*WH Debates*, 16th October, Col 161WH).

Edward Davey (Kingston and Surbiton) related the issue of regional inequality to the UK system of government:

I want to argue for regional devolution. One must look at it from a dynamic point of view. The reason why there have been such regional imbalances over such a long period—50 years according to the report, although it is probably longer than that—is that we have a centralised system of government. Everything is decided in the capital, and with political power so rooted in centre, business and finance are of course attracted there. Once power is devolved, and assemblies and politicians in the local government areas are given real power, we shall see not only the public sector but the private sector responding. The process involves a dynamic. One of the greatest reasons for regional devolution is the failure of centralism to tackle the problems that many hon. Members have been concerned about today (*WH Debates*, 16th October, Col 167WH).

Mr. Davey suggested that regional devolution should be strengthened by breaking up governmental bodies that already have a regional dimension such as the Highways Agency and the Learning and Skills Councils.

If we had that richer devolution, we would see financial power and public sector jobs being pulled to the regions. We have the Lyons report, but if we really broke up Whitehall and gave power to local communities by empowering local government and regional assemblies, we would see the jobs go. They would have to follow the political power. We could have Lyons report after Lyons report, but that would not tackle the real problem. We must get rid of political centralism. That is what is holding back the regions, and we must deal with that (*WH Debates*, 16th October, Columns 168-169WH).

For the Conservatives **Philip Hammond (Runnymede and Weybridge)** echoed **Ms. Buck** in expressing concern that regional disparities are not addressed at the expense of London's economy. **Mr. Hammond** denotes London as our 'champion', claiming:

I really do believe that we should back our champions, not seek to undermine them, because that is good for the whole of Britain (*WH Debates*, 16th October, Col 171WH).

Moving on to discuss the issue of regional assemblies, **Mr. Hammond** said:

I do not know what lies behind the Deputy Prime Minister's long-running obsession with elected regional assemblies. However, if the answer to the question is an extra tier of bureaucrats and an extra phalanx of politicians, the question

was certainly not, "What can I do to stimulate regional economic growth?" (*WH Debates*, 16th October, Col 174WH).

Phil Hope (Corby), Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister, responded for the government. **Mr. Hope** concluded his speech in support of regional assemblies:

I want to emphasise the importance of devolution and support for the elected regional assemblies. . . Regional assemblies are crucial to the success of the economic regional strategies that we are developing and I hope that when the campaigns get under way next year hon. Members will be in the forefront of championing their constituencies not only here, but out there when regional assemblies are elected in the future (*WH Debates*, 16th October, Col, 181WH).

6.2 Regional Government (North East)

On 12th November, a debate on Regional Government (North East) was secured in Westminster Hall by **Joyce Quin (Gateshead, East and Washington, West)**, noting that it was timely given the launch of the Deputy PM's information launch in the region the previous week.

Considering the media coverage of the launch of the 'Your Say' information campaign, **Ms. Quin** claimed:

I was interested to see the media reaction to the Government's information campaign, which was launched last week. In many cases, it was disappointing if not surprising. Many national newspapers seemed to fail to understand that there is a sense of regional identity in an area such as the north-east, and simply decried the proposed regions as artificial. That charge is impossible to substantiate for the north-east." (*WH Debates*, 12th November, Col 102WH).

Ms. Quin underlined the sense of regional identity in the North East, stating that:

There is a strong shared cultural heritage, which goes back many centuries to the days of the kingdom of Northumbria. That region was a centre of learning and civilisation, and it was epitomised in the dazzling Lindisfarne gospels. . .

There is also a strong shared industrial heritage, which goes from Tweedside in the north to Teesside in the south and which was built around the industrial revolution and the important industries of coal, steel, shipbuilding and heavy engineering." (*WH Debates*, 12th November, Col 102WH).

For the Conservatives **Peter Atkinson (Hexham)** emphasising the need to convince the business sector of the merits of regional government,

“they will have to answer some tough questions. So far, those questions have not been answered.” (*WH Debates*, 12th November, Col 107WH).

Mr. Atkinson sought to defend the Conservative record of regional development in the North East, concluding:

If you want an assembly, you should watch your pockets and count your silver spoons (*WH Debates*, 12th November, Col 108WH).

A feature of the debate was a strong showing of MPS from Teesside emphasising the relevance of the devolution to the sub-region. Dr. Ashok Kumar (Middlesbrough, South and Cleveland, East), outlined the role for Teesside in a potential elected regional assembly, claiming that the sub-region remains the “industrial powerhouse of the region” (*WH Debates*, 12th November, Col 109WH). Summarising, Dr. Kumar stated:

In short, Teesside needs a renaissance, and a regional assembly could be the focus for it to achieve that. However, a regional assembly can do more—not just for Teesside, but for the north-east (*WH Debates*, 12th November, Col 110WH).

Dr. Kumar also drew links between the centralised UK state and regional disparities:

An over-centralised state is prone to fall into the trap of making decisions inappropriate to regions such as the north-east, because it tries to square the circle by making the same rules apply to both the south-east and the north-east. Such a one-size-fits-all approach can make the regional disparities wider . . . we want the ability to make our own future. We want autonomy and the ability to manage our own affairs. We need management by the people of the north-east for the people of the north-east. A regional assembly will give us that power.” (*WH Debates*, 12th November, Col 111WH).

Vera Baird (Redcar) attempted to dispel the Teesside concern that the area would be the junior partner to Tyneside in the event of a regional assembly by suggesting the two sub-regions have a great deal in common such as economic decline and unemployment:

What is key is that there is more in common between the twin riverside conurbations of the Tyne and the Tees than there are differences between them (*WH Debates*, 12th November, Col 114WH).

6.3 The regions in Westminster

With the Regional Assemblies (Preparations) Act having completed its passage the profile of the regions in Parliament diminished in the last quarter.

Table 1: the regions in parliament

| Source | Date | Column number | Subject | Raised by |
|--------------------------------|----------------------------|---------------|---|--|
| Commons | 8 th September | 8WS | Regional Development Agencies | Patricia Hewitt (Leicester West) |
| Written Answers | 8 th September | 135W | Regional Assemblies | Graham Brady (Altrincham and Sale West) |
| Lords Written Answers | 8 th September | 49WA | Regional Assemblies | Lord Fearn |
| Written Ministerial Statements | 10 th September | 28WS | Reducing Regional disparities in Prosperity (Select Committee Report) | Nick Raynsford (Greenwich and Woolwich) |
| Commons | 15 th September | 588 | Boundary Reviews | Bill O'Brien (Normanton) |
| Written Answers | 15 th September | 521W | Regional Tourism | Harold Best (Leeds, North-West) |
| Written Answers | 15 th September | 596W | Regional Pay | Alex Salmond (Banff and Buchan) |
| Written Answers | 15 th September | 607W | Regional Assemblies | David Heathcoat-Amory (Wells) |
| Written Answers | 6 th October | 1032W | Regional Assemblies | Joyce Quin (Gateshead East and Washington, West) |
| Commons | 15 th October | 117 | Representation of the People (Consequences of Devolution) | Andrew George (St. Ives) |
| Westminster Hall | 16 th October | 137WH | Regional Disparities | Andrew Bennett (Denton and Reddish) |
| Commons | 22 nd October | 628 | Regional Government Referendums | David Borrow (South Ribble) |
| Written Answers | 27 th October | 104W | Regional Assemblies | Gordon Prentice (Pendle) |
| Written Answers | 28 th October | 201W | Regional Assemblies | Gordon Prentice (Pendle) |
| Written Answers | 28 th October | 202W | Regional Housing Boards | Laura Moffat (Crawley) |
| Written Answers | 29 th October | 300W | East Midlands Regional Assembly | Eric Pickles (Brentwood and Ongar) |
| Written Answers | 30 th October | 335W | South West Regional Assembly | Adrian Flook (Taunton) |
| Written Ministerial Statements | 3 rd November | 24WS | Regional Referendums | Nick Raynsford (Greenwich and Woolwich) |
| Written Answers | 3 rd November | 499W | North West Regional Assembly | Lindsay Hoyle (Chorley) |
| Written Answers | 5 th November | 608W | Regional Assemblies | Gordon Prentice (Pendle) |
| Written Answers | 6 th November | 737W | Regional Development Agencies | Win Griffiths (Bridgend) |
| Written Answers | 6 th November | 767W | Regional Development Agencies | Harold Best (Leeds North West) |
| Written Answers | 6 th November | 794W | Regional Housing Boards | David Drew (Stroud) |

Source: Hansard.

7 EU issues

Nothing to report

8 Local government

As we have previously reported, the creation of a single-tier of local government throughout the three regions selected for referendums must follow the election of regional assemblies. Consequently, the Boundary Committee of England is reviewing the structure of local government in Cheshire, Lancashire, Cumbria, North Yorkshire, Durham and Northumberland (the former metropolitan counties of Merseyside, Greater Manchester, South and West Yorkshire and Tyne and Wear, already have single tier local government as well as selected former districts — Middlesbrough, Darlington, Warrington, Blackburn with Darwen, for instance — in the former county of Cleveland, as well as in Durham, Cheshire and Lancashire). The review process is proving a fascinating exercise, not least because the Boundary Committee has appointed MORI to conduct extensive qualitative and quantitative research in each of the 44 districts in the six counties. Altogether, 13,500 people — an extensive sample by any standards — have been asked for their views about how they identify with existing communities, neighbourhoods and local councils. Significantly, more than half said they knew little or nothing about local councils and the services they provide!

On the surface, the results found that people identified more with historic county areas — greater Yorkshire, for instance — than with county councils, such as North Yorkshire. MORI found that while people identified most strongly with communities within existing local authority boundaries, they did not necessarily associate as strongly with their local councils.

In a second referendum question, the Boundary Committee has to present electors with at least two options to transform local government into a unitary structure — probably counties on the one hand and enlarged districts on the other. It has to make draft recommendations by early December, 2003, and full recommendations no later than May 25, 2004. By the end of October, the committee had completed a tour of the two-tier areas in the six counties gaining, according to officials, "a good geographical and topographical overview of how communities and areas fit with each other."

Officially, those close to the process are giving little away. Pamela Gordon, the committee chair and former chief executive of Sheffield City Council said cautiously in a press release (Oct 17): "The research conducted by MORI has provided us with some useful insights into attitudes and behaviour patterns in those communities being reviewed..." Unofficially, however, it is clear that a head of steam is building up in favour of creating unitary councils, regardless of the outcome of the three referendums. This is significant. The Government has up to now insisted

that the reform process will be shelved if electors vote against elected regional assemblies. That, however, does not answer two questions: what happens if the turnout is so low ("derisively low" in the words of local and regional government minister Nick Raynsford) that the government decides that the referendum lacks legitimacy, regardless of a 'yes'; and how will ministers respond if the Boundary Committee reports that it has discovered strong support for the creation of unitary authorities, regardless of the vote on the substantive question for or against regional government?

Sources have told us it is now clear that some councils — districts have formed themselves into groups of potential unitaries — have developed such an appetite for change that the government could be hard-pressed to resist the call for reorganisation. During the last reorganisation exercise in the mid-90s, the Banham Commission (chaired by the former CBI director-general Sir John Banham) made a string of recommendations to create unitaries and abolish counties, such as Cleveland, Berkshire, and Avon. This time reorganisation would be easier: ministers could simply ask the Boundary Committee to conduct a post-referendum structural review (fast-tracked because of the ongoing current review) and make full recommendations, rather than present at least two options.

9 Finance

A major study was published in September 2003 which investigated the flow of domestic and European expenditure into the English regions²⁰. The study "in large part ... a feasibility study: to identify what expenditure data exist and what methodological techniques might be applied to enable regional estimates to be produced". The study demonstrated the weakness of the data available at the regional level in England and made a series of recommendations to improve it.

²⁰ I MacLean et al. (2003). *Identifying the flow of domestic and European expenditure into the English regions*. Report to the Office of the Deputy Prime Minister. Oxford: Nuffield College. (<http://www.nuff.ox.ac.uk/projects/odpm/Identifyingtheflow.pdf>)