

**CABINET – 3rd SEPTEMBER 2002**  
**REPORT OF THE CHIEF EXECUTIVE**  
**REGIONAL GOVERNANCE WHITE PAPER**

**PART A**

**Purpose of Report**

1. The report seeks the Cabinet's approval for a response to the Government's White Paper on Regional Governance, taking into account the East Midlands Regional Assembly's Proposed Position on Regional Governance.

**Recommendation**

2. It is recommended that Cabinet authorises a response to the Government's White Paper and the EMRA's Position Statement based on the contents of paragraphs 21 to 23 of this report.

**Reason for Recommendation**

3. To agree a County Council response to the invitation of the then Department of Transport, Local Government and the Regions (DTLR) to comment on the White Paper, and to respond to the draft Position statement on Regional Governance produced by the East Midlands Regional Assembly.

**Timetable for Decisions including Scrutiny**

4. The report will be considered by the Scrutiny Commission on 4<sup>th</sup> September 2002 and by the County Council on 18<sup>th</sup> September. The East Midlands Regional Assembly is meeting to discuss this issue in Northampton on 6<sup>th</sup> September.

**Policy Framework and Previous Decisions**

5. Some regional policy documents, such as Regional Planning Guidance (RPG) and the Regional Economic Strategy (RES) set an important context for County Council service delivery. For instance the contents of RPG have an important influence on the policies and proposals within the joint Structure Plan. The RES influences the funding of economic development, regeneration and related activities. Other regional documents such as the Integrated Regional Strategy (otherwise known as the regional sustainable development framework) are likely, given the White Paper's proposals, to become increasingly important in the future.

6. On 25<sup>th</sup> June 2002 the Cabinet considered an initial report on the White Paper and commented that ‘the proposals for regional government set out in the White Paper appeared to impede rather than facilitate local democracy’. It was resolved
- (a) That the Chief Executive, in consultation with the Leader and Deputy Leader, be authorised to formulate a response to the White Paper, on the basis set out in the report, and giving consideration to:
    - i) the views of the EMRLGA Planning Forum (meeting 27 June),
    - ii) the supplementary paper concerning the meeting of the Regional Assembly (21 June)
  - (b) That the Chief Executive, in consultation with the Leader and Deputy Leader, be authorised to determine the scale and nature of future County Council input into regional work and areas where involvement should be prioritised;
  - (c) That the Chief Executive be requested to ensure that appropriate mechanisms and arrangements are in place to support Member and officer involvement in regional work, and dissemination of information about regional developments.

### **Resource Implications**

7. The White Paper proposes that direct funding be provided to regional chambers for regional planning guidance and related work, in place of the current arrangements by which funds are provided for this purpose to upper tier authorities. It is proposed this will take effect as soon as Parliamentary time allows and is expected to be in place for 2003/2004. In 2002/3 the County Council is receiving just under £55,000. Currently the County Council supports the regional planning work carried out by the EMRLGA through its annual subscription. In 2001/2 the subscription cost was approximately £22,500 although not all of this was for regional planning work, and the County Council also contributed £10,000 to support RPG-related studies. It is expected that some of the proposed direct funding to Regional Assemblies for RPG work will be allocated to County and Unitary Authorities to help fund their continued input into this activity.

### **Circulation under Sensitive Issues Procedures**

8. None.

### **Officer to Contact**

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## **PART B**

### **Background**

9. The Regional Governance White Paper '*Your Region: Your Choice*' was published by the Government on 9th May 2002. Comments on the White Paper have been invited by the end of August 2002.
10. The White Paper confirms the Government's intention to take forward the regional governance agenda in England, with the stated aim being to strengthen the economic performance of the English regions to achieve regionally balanced growth, and to tackle the inequalities between and within the regions. Initial steps in this direction were taken in 1999 when Regional Development Agencies (RDAs), such as the East Midlands Development Agency (emda), were established in each region. At about the same time the Government enabled the establishment of voluntary regional chambers, which in the East Midlands has taken the form of the East Midlands Regional Assembly. In March 2001, the Department for Transport, Local Government and the Regions (DTLR) published a consultation paper '*Strengthening Regional Accountability*' to gain views on proposals for enhancing accountability within the regions including a proposed funding scheme for distributing additional funds to voluntary regional chambers. Subsequently the chambers have been provided with additional funds primarily to enable them to more effectively scrutinise the activities of the RDAs and to take a leading role in integrating sustainable development into the regions.
11. In addition to the establishment of RDAs and regional chambers, there have been a number of further developments at regional level. In summary these include the establishment of:
  - a) the East Midlands Cultural Consortium in 1999;
  - b) an East Midlands Observatory in 1999; and,
  - c) an East Midlands Rural Affairs Forum in 2002.
12. It should be noted that these recent developments have added to some longstanding examples of regional joint working and policy making. One example has been the preparation of Regional Planning Guidance for the East Midlands, which has been led by the East Midlands Regional Local Government Association's Planning Forum with the involvement of other key stakeholders.

### **The White Paper: 'Your Region: Your Choice'**

13. Attached as Appendix A is a summary of key proposals from the White Paper. These are divided into two categories; proposals relating to the strengthening of the existing voluntary chambers; and proposals relating to the establishment, membership and responsibilities of elected regional assemblies.
14. Further to the publication of the White Paper, the Local Government and Regions Minister, Nick Raynsford, announced on 31<sup>st</sup> July 2002 the Government's plans for deciding which region or regions should hold a referendum first regarding the establishment of a directly elected Assembly. In brief the Government will formally consult "all the eight regions, including regional assemblies, local authorities, MPs and other key stakeholders." Relevant opinion polls will also be taken into account.

The main determinant will be the interest of the people and representative bodies of each region in holding a referendum. The decision on the choice of regions will be made shortly after the relevant Bill gets Royal Assent.

### **East Midlands Regional Assembly and EMRLGA – Reactions to the White Paper**

15. On 21<sup>st</sup> June the Regional Assembly held a special meeting to consider the White Paper. Following this meeting the Assembly has prepared and circulated for comment a paper setting out a 'Proposed East Midland's Position on Regional Governance'. This was considered at a meeting of the Executive Committee of the East Midlands Regional Local Government Association (EMRLGA) on 30 July 2002. The Position Statement, with suggested amendments proposed by the EMRLGA Executive Committee shown in italics, is attached as Appendix B. The Assembly has yet to formally consider EMRLGA's proposed changes.
16. The EMRLGA's Planning Forum considered the implications of the White Paper for regional planning work at its meeting on June 27<sup>th</sup>. These proposals are that the Regional Assembly, directly elected or otherwise, should become the Regional Planning Body responsible for developing Regional Spatial Strategies. It was noted that this was contrary to the EMRLGA Regional Planning Forums view. It was suggested that non-elected regional stakeholders could be invited to the Steering Group on a 70:30 weighted basis, on the basis that those stakeholders had no voting powers, as an interim measure towards these proposals. A number of members spoke against the regionalisation of strategic planning. After a vote it was agreed that the Chairman should enter into talks with Government officials and bring back proposals to the Planning Forum Steering Group.
17. In short the Assembly's Proposed Position Statement is to support a progressive approach to regional governance delivered through an evolving, partnership-based Assembly. It is explicitly stated that the Assembly advises the Government that the region does not wish to trigger the process that could lead to a referendum on introducing a directly elected assembly in the East Midlands.
18. The focus of the Assembly's work "for the foreseeable future" would be to build on the proposals in the White Paper to strengthen the responsibilities of voluntary regional chambers. These are summarised in paragraphs 1 to 5 of Appendix A, but include continuing scrutiny of emda, co-ordination of regional strategies through the Integrated regional Strategy, and formally becoming the regional planning body (taking over from the EMRLGA's Planning Forum).
19. The Assembly's Proposed Position Statement also includes general comments on the White Paper. In particular it is stated that the establishment of unitary local government should not be a prerequisite for introducing directly elected regional assemblies.
20. The changes to the Position Statement proposed by EMRLGA's Executive Committee are shown in italics in Appendix B. In section 3 of the Statement a number of principles are set down to guide future reviews of the Assembly's status in the East Midlands, including that any change must achieve democratic accountability and be in the interests of the people of the region. In section 5 the proposed changes make specific reference to the role of local authorities as key regional stakeholders, require that all partners and stakeholders have proper

accountability and transparency of decision making, that powers should be devolved to Assemblies from Government not drawn up from the local level, and that elected Assemblies must have sufficient powers and responsibilities.

### **Issues for Consideration and Proposed County Council Responses**

21. The Proposed Position Statement of the East Midlands Regional Assembly can broadly be welcomed as it addresses many of the concerns previously expressed by the County Council regarding regional governance. In particular the Position Statement:
  - Supports the continuation of a voluntary, partnership-based regional chamber, and recognises that there is little support within the region to move towards an elected regional assembly;
  - Argues against the Government's stated aim that the establishment of an elected Assembly should be accompanied by the establishment of unitary local government.
22. The changes proposed to the Statement by the EMRLGA's Executive Committee strengthen it by emphasising the importance of regional change achieving democratic accountability, devolving rather than drawing up powers and responsibilities, and recognising the particular roles of local authorities. These changes are also to be welcomed.
23. In responding to the Government on the White Paper support can, therefore, be expressed for the response submitted by the East Midlands Regional Assembly (assuming the current draft incorporating the changes proposed by EMRLGA is agreed). In addition the following key points could be stressed:
  - The County Council does not believe that there is significant demand within Leicestershire or the rest of the East Midlands for the establishment of an elected regional assembly in the East Midlands;
  - The County Council is opposed to the restructuring of local government, which will be costly and lead to disruption to services. The case for a direct link between the establishment of directly elected assemblies and local government reorganisation is not, in any case, convincingly made.
  - It is important that the particular contributions which can be made by local authorities, which are democratically elected bodies representing local communities, are recognised in the emerging regional arrangements.
  - The County Council believe that decisions on spatial planning issues should be taken by bodies comprised only of directly elected representatives. The proposals for strategic planning to be undertaken by bodies comprising non elected representatives is not appropriate, raises issues of probity and will lead to a loss of confidence in the planning system by the public.

### **Background Papers**

'Next steps to establish England's first directly-elected regional assemblies' (ODPM News Release. 31/7/02)

Regional Governance White Paper '*Your Region, Your Choice*' (DTLR, May 2002)

Regional Planning Guidance for the East Midlands (RPG8) (DTLR, Jan 2002)  
DTLR Consultation paper '*Strengthening Regional Accountability*' (DTLR, Mar 2001)  
Integrated Regional Strategy (East Midlands Regional Assembly, Dec 2000)

**List of Appendices**

- A. Summary of the Regional Governance White Paper '*Your Region, Your Choice*'
- B. Current regional structures and arrangements in the East Midlands.
- C. County Council involvement in Regional Activity.

## **Summary of the Regional Governance White Paper 'Your Region, Your Choice'**

### Proposals for Strengthening the English Regions

1. The Government has pursued an active regional policy since 1997 through Government Offices, Regional Development Agencies and regional chambers. Chapter 2, 'Strengthening the English Regions', of the White Paper sets out how the Government is proposing to **enhance existing arrangements** in all the English regions (para 2.3) to:
  - Improve the co-ordination of policies at the regional level by strengthening the way regional institutions work together;
  - Bringing decision making closer to those it affects by giving regional bodies an enhanced role;
  - Recognise that there will be regional variations in priorities and so leading to improved policy making.
2. The Government places great importance on the role of **Regional Development Agencies** (RDAs) as business led strategic drivers of regional economic development. The agencies will continue to work with regional partners both to achieve long-term goals and tackle short-term problems (para. 2.9). In 2000 the Government increased funding to RDAs and since April 2002 the RDAs have been given extra flexibility to allocate these resources to the priorities identified for their regions. In return RDAs must deliver challenging targets in areas such as economic development, regeneration and skills. In the East Midlands, emda has encouraged the establishment of Strategic Sub-regional Partnerships (SSPs) to assist this process.
3. The Government has argued that broader regional interests must be properly represented in the development of regional economic strategies but also in relation to other cross cutting issues such as transport, land use planning and improving quality of life. **Regional chambers** were established to perform this role. The responsibilities of the regional chambers are being strengthened to include in the future (Box 2.5):
  - Continuing scrutiny of the relevant Regional Development Agency
  - Co-ordination and integration of the wide range of regional strategies as well as improving working relationships between regional stakeholders as part of the 'joining up' process. The East Midlands 'Integrated Regional Strategy' is cited as a good example.
  - A formal role as the regional planning body. This is not currently the case in the East Midlands. In relation to the Planning Green Paper (December 2001), the White Paper states that responses (to the consultation) demonstrated support for an inclusive approach to the preparation of the new regional spatial strategies and on that basis a strengthened role in planning for all regional chambers. The Government believes that regional planning bodies which involve only local authorities are not sufficiently inclusive and does not propose to recognise them for purposes of the new regional spatial strategies. In particular, the Government

proposes that direct funding will be provided to the chambers for this function rather than continuing to fund regional planning through county councils. This will take effect as soon as Parliamentary time allows. (para. 2.20).

- A new relationship with the Regional Directors of Government Offices and senior officers in other government-funded bodies in the region to provide Government support.
  - Input to the spending review process, through the relevant Government office.
4. The Government will not prescribe from the centre how different regions should co-ordinate their work. However, it is stated that the **Government Offices** are well placed to bring together relevant public sector organisations working at the regional level. It is intended that they will provide a forum to review high level regional strategies and improving cross cutting issues by identifying mutual aims and removing inconsistencies and duplication between policies and programmes.
5. The role of the Government Offices have been developed in the regions in recent years. They now carry out activities on behalf of nine Government Departments and a stronger role was implemented in 2000 as a result of the Performance and Innovation Unit's report 'Reaching Out'. The White Paper proposes decentralising activities by delegating more responsibilities to the Government Offices in the regions, including (para. 2.31):
- An enhanced role on crime reduction and drugs
  - A new role in supporting the Home Office 'community cohesion' agenda;
  - Working closely with the Department of Health's regional public health teams which from April 2002 have been co-located with the Government Offices;
  - Fully integrating the existing Department of Culture, Media and Sport regional presence;
  - Supporting the drive to get government, public services, citizens and business on-line
  - Extra responsibilities in working with and monitoring the performance of the Regional Development Agencies
  - An enhanced role in a national framework for emergency planning. (para. 2.33).

#### Proposals for Elected Regional Assemblies

6. Chapter 9 of the White Paper sets out the process for **establishing elected Regional Assemblies**. It indicates that the Government will:
- Introduce a Bill to provide for referendums and associated local government reviews when Parliamentary time allows, so that the first assembly referendum(s) can be held during this Parliament (para. 9.12).
  - Decide when regions should hold a referendum primarily by assessing the level of public interest (for an elected regional assembly) in each region (para. 9.3).
  - Take powers so that, in a region where a referendum is to be held, the Boundary Committee would first conduct a review of local government structure (para. 9.8). In any region where an elected assembly is established, the Government proposes that there should be an associated move to a wholly unitary local



government structure. This will only affect two tier authorities in regions where there is to be a referendum on establishing a regional assembly (para. 9.7). The Government believe that voters in existing two tier areas must know the implications for their local authorities before deciding how to vote.

- Implement local government restructuring proposals if the referendum resulted in a 'yes' vote in favour of the creation of a regional assembly.

7. The **functions of elected Regional Assemblies**, set out in Chapter 4, include having responsibility for:

- Developing regional strategies dealing with sustainable development, economic development, skills and employment, spatial planning (see below), transport, waste, housing, health improvement, culture (including tourism) and biodiversity (Box 4.1).
- Preparing regional spatial strategies (taking over this role from the existing regional planning bodies), issuing the spatial strategies (which will remain the responsibility of the Secretary of State in regions without an elected assembly), and having the power to request the Secretary of State to call in for his or her determination strategic planning applications which were not consistent with the regional spatial strategy (para. 4.34).
- Investment in regeneration, improving housing and public transport, and developing tourism. The powers and functions of the elected regional assemblies will largely be drawn from central government bodies such as the Government Offices and a number of other public bodies which are already operating in the regions. Functions are generally not being taken from local government, which will continue to focus on local service delivery and community leadership (para. 4.2).
- Delivering rural regeneration programmes (including the Market Towns initiative), actively engaging with the regional Rural Affairs Forum, and be the lead partner in implementing the regional elements of the England Rural Development Programme (para. 4.50).
- Ensuring the Regional Development Agency properly exercises its functions, develops the regional economic strategy which will then be published by the assembly and appointing the Chair and Board members of the Regional Development Agency (the Regional Development Agencies will become directly accountable to the relevant elected assembly) (para. 4.22).

8. Elected assemblies will also have a **significant influencing role**, including:

- Scrutiny of the impact of higher education on economic development
- Advising the Government on the allocation of local transport funding
- Requesting call-in of strategic planning applications (para. 4.17).

**POSITION ON REGIONAL GOVERNANCE – INCLUDING EMRLGA EXECUTIVE COMMITTEE COMMENTS (SECTION 5)**

**1 BACKGROUND**

The Government published “Your Region, Your Choice – revitalising the English regions” in May. This White Paper set out their proposals for strengthening regional governance in England and proposed that regions could either move towards the establishment of directly elected regional assemblies or build on the existing partnership based regional assemblies to improve regional working.

The special Regional Assembly meeting held on 21 June in Melton Mowbray gave an opportunity for Assembly Members and partners to consider the implications of the White Paper for the East Midlands region. The detailed notes of that day’s discussion have been posted on the Regional Assembly website ([http://www.eastmidlandsassembly.org.uk/documents/CHOIR\\_Commentary\\_Report\\_and\\_workshop\\_notes\\_21\\_June\\_2002.doc](http://www.eastmidlandsassembly.org.uk/documents/CHOIR_Commentary_Report_and_workshop_notes_21_June_2002.doc)) but hard copies are available on request.

The Steering Group considered the balance of views expressed at the 21 June meeting and concluded;

- 1 The balance of views expressed at the 21 June meeting were in favour of retaining and building on the existing partnership approach to regional governance for the foreseeable future.
- 2 It will be increasingly important to ensure that assembly members and partners are better informed about the work of the assembly and regional agencies in order to enable them to play a meaningful part in discussions about the region’s future.

**2 PROCESS FOR AGREEING POSITION**

The Steering Group in issuing this statement would like all Regional Assembly Members and stakeholders to discuss the proposed position within their organisation, sector or geographical area. It is hoped that all Regional Assembly Members will attend the 6 September meeting able to formally consider and agree the proposed regional position.

**3 PROPOSED REGIONAL POSITION**

**The East Midlands Regional Assembly supports a progressive approach to regional governance that will be delivered through an evolving, partnership based assembly.**

***The Assembly will review the region’s future development as circumstances change. Our response to any proposed change will be guided by the following principles. Any change must:-***

- ***achieve democratic accountability***

- *meet the interests of the people of the east midlands*
- *be shaped by the active engagement of all stakeholders*
- *be at an appropriate pace and to an agreed time scale*

#### 4 IMPLICATIONS OF ADOPTING THIS POSITION

Should this position be agreed by the Regional Assembly on 6 September the main implications are;

A The region will have a clear position to steer regional activities “for the foreseeable future” which would enable us to focus our attention on strengthening regional partnership work and we would specifically advise the government that the region **does not wish** to trigger the process that could lead to a referendum on introducing a directly elected assembly in the East Midlands (with the consequent reorganisation of local government).

B The assembly and regional partners can focus on strengthening the role of our existing assembly to drive the improvements needed in the East Midlands region and improve the co-ordination and effectiveness of regional bodies. The 21 June assembly meeting agreed that the Chair and his two Vice Chairs would begin discussion with emda, GO-EM and key regional partners on how to improve partnership working at the regional level. This work will commence and a progress report will be given to the 6 September Assembly meeting.

In effect this work will begin to shape the region’s response to the Government’s following White Paper proposal:

“The Government will also encourage public bodies operating in the regions to improve joining up. However, it will be up to the regions themselves to decide exactly how to take this forward, and the government will invite regional chambers (partnership assemblies) to take a lead in establishing the best arrangements for their region”.

C The regional Assembly will welcome and build on the proposals set out in chapter two of the White Paper which would specifically include strengthened responsibilities to include:

- continuing scrutiny of the relevant Regional Development Agency
- co-ordination and integration of regional strategies
- a formal role as the regional planning body
- a new relationship with the Regional Director of Government Offices and senior officers in other government-funded bodies in the region, who will be ready to discuss their work
- input to the spending review process, through the relevant Government Office.

We will build on the region’s best practice (commended in the White Paper) in developing the Integrated Regional Strategy.

- D The Assembly will have a clear context to undertake a review of its own working arrangements and the activities it undertakes with partners (as agreed in its current Business Plan). The current task group structure and operation will be reviewed to ensure they meet the needs of the evolving roles, responsibilities and regional agenda.

## 5 ADDITIONAL COMMENTS ON THE WHITE PAPER

Notwithstanding the proposed position the Assembly Steering Group felt that there would be some merit in the East Midlands submitting comments on elements of the white paper proposal which relate to elected assemblies as follows;

- 1 The establishment of unitary local government should not be a prerequisite for introducing directly elected regional assemblies.
- 2 The proposed size of elected regional assemblies would seriously constrain their effectiveness and democratic legitimacy.
- 3 Any arrangements for elected assemblies should ensure the effective involvement of the range of partners and stakeholders *including local authorities. It will be important for all partners and stakeholders invited to work with the elected Assemblies to have proper accountability and transparency of decision making.*
- 4 *Powers and responsibilities should be devolved from central government to representative Regional Assemblies and not centralised from local government.*
- 5 *Elected Regional Assemblies must have sufficient power and responsibility to justify the commitment of potential Members.*

## 6 SUPPORT FOR DISCUSSIONS

Any organisation or sector wishing to consider this position either in advance of or after the 6 September meeting is welcome to invite a member of the Assembly staff or Steering Group to attend and should contact me or Simon Brian on 01664 502563.

Barry Horne  
Secretary