

Scrutiny Commission

5th November 2003

Regional Institutions and Policy in the East Midlands

Report of the Chief Executive

Purpose of the Report

1. This report describes recent developments at regional level and summarises the roles and responsibilities of regional institutions and agencies in the East Midlands, in particular the East Midlands Regional Assembly (EMRA), the East Midlands Development Agency (emda) and the Government Office for the East Midlands (GOEM).

Background

2. The regional tier of governance has become increasingly significant in recent years. The establishment of regional government offices in 1995 including the Government Office for the East Midlands was subsequently followed by the establishment of regional development agencies (including emda) and voluntary regional chambers (including the East Midlands Regional Assembly) in 1998/9. Many government agencies are now organised on a regional basis (eg the Countryside Agency) and new joint working arrangements on specific issues have been created (including regional cultural consortia such as Culture East Midlands, and regional rural affairs forums such as EMRAF in this region).
3. Developments since 1997 have taken place within the context of the Government's approach to regionalism. The regions White Paper 'Your Region; Your Choice', published in May 2002, confirmed 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.
4. One chapter of the White Paper deals with enhancing existing arrangements in all regions, including by strengthening the roles of the voluntary regional chambers/ assemblies. The remaining chapters deal with proposals relating to the establishment, membership and responsibilities of elected regional assemblies, including by setting out a process by which regions could move towards this status.

5. The first stage in this process was a 'soundings exercise' within each region to gauge whether there was significant interest in holding referenda for the establishment of elected regional assemblies. Within the East Midlands a broad consensus was reached that a referendum should not be held in the region. This consensus was summarised in a position statement issued in 2002 by the East Midlands Regional Assembly. In short the agreed position was that the Assembly supports "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." This position statement was supported by the County Council.
6. The White Paper explicitly linked the issue of elected regional assemblies with local government reorganisation, with the government requiring that any referenda for the establishment of elected Assemblies should be preceded by a review of local government structures with a view to creating a unitary structure below the regional level. In its response to the White Paper the County Council expressed its opposition to costly and disruptive local government reorganisation, and also indicated that it did not consider that the case for a direct link between the establishment of elected assemblies and local government reorganisation had been convincingly made.
7. Following the soundings exercises in the English regions the Government announced that referenda would be held in 2004 in three regions; the North East, North West and Yorkshire & Humber. These regions are currently undergoing reviews of local government structures.

Regional Governance in Context

8. Whilst there has been an increase in the significance and influence of regional bodies and agencies it is still the case that they only control or influence a very small part of managed public expenditure in each region. According to a joint Local Government Association report on regional developments published this month the combined spend of regional development agencies, regional assemblies and government offices in the English regions currently makes up between 2% and 5% of total identifiable public expenditure in the regions.

A Summary of Key Regional Bodies in the East Midlands

East Midlands Regional Assembly

9. The East Midlands Regional Assembly has 111 members of whom 70 are local government Members, and the remainder a mix of social, environmental and economic partners. The main roles of the Regional Assembly are to provide a regional partnership for regional stakeholders to develop a clear vision for the future of the Region and to help in the promotion and delivery of this vision, to scrutinise the activities of emda,

and to produce Regional Planning Guidance (or Regional Spatial Strategies). The Assembly is based at Melton BC's offices in Melton Mowbray, has a budget of £1.6m for 2003/4, and when fully staffed will employ 18 people.

10. In July 2003 Mr Parsons CC was elected to become the next Chair of the Regional Assembly, and he will take up this role at the next full Regional Assembly meeting in December 2003. Mr Miller CC is also a Member of the Regional Assembly.
11. Mr Sprason CC and Mr Barber CC also represent the County Council on Regional Assembly sub-groups. Mr Sprason CC is a member of the Regional Planning Board and Mr Barber CC a member of the Transport Task Group.
12. At the last Regional Assembly meeting on the 12 September 2003 a new structure for the Regional Assembly was agreed upon, which will streamline the current arrangements which include a large number of topic based task groups. The new structure will consist of an Executive Board under the Full Assembly, and under the Executive Board will sit a Regional Planning Board, Regional Scrutiny Board and Regional Policy Board. The Assembly will consider more detailed proposals at its next meeting with a view to implementing the new structure in the early part of 2004.

East Midlands Development Agency

13. The role of the Regional Development Agency, known as emda, is to:
 - champion the Region's economy and its development,
 - increase business competitiveness,
 - develop people's skills,
 - attract new businesses and create new jobs,
 - regenerate local communities, and
 - create the right climate for investment.
14. Emda groups its work into three main areas:

Economic Development - a range of economic policy and specific development issues, including the promotion of business growth, broadband technology, learning and skills, land reclamation, business cluster development and coalfield regeneration. Emda also works to develop enterprise and innovation, sub regional strategic partnerships, and provide support for market towns, business births and ICT.

Corporate Services and Investment - attracting overseas investment, developing international trading opportunities, supporting tourism initiatives and analysing and informing on European Union policy.

Strategy and Communications – including developing a regional economic strategy and monitoring/ researching the region's economic performance through the East Midlands Observatory. Emda also seeks

to support the development of sustainable communities, including through addressing economic inclusion, transport, housing and planning issues, environmental sustainability, energy, diversity, crime & disorder and health.

14. Emda's annual budget for 2002/2003 was £104 million. There are 15 Board members formed into teams under the five themes in the Regional Economic Strategy (RES).
15. Since April 2003 Sub-Regional Strategic Partnerships (SSPs) have been set up to receive part of emda's budget to fund economic development at sub-regional level, and in Leicester and Leicestershire this has been mainly through the Leicester Shire Economic Partnership (LSEP). Mr Parsons CC is a member of the LSEP Board. There is also a SSP covering the Welland area meaning that Melton and Harborough districts are covered by two SSPs. It is worth noting that as part of its scrutiny role the Regional assembly is planning to scrutinise the operations of SSPs in the near future, and the LSEP/ Welland overlap issue is likely to be considered as part of this.
16. The new resources (over and above inherited SRB commitments) being made available to the LSEP by emda is £3.3m in 2003/4 rising to £7.3m in 2004/5 and £9.7m in 2005/6. The equivalent figures for the Welland SSP are £841k (2003/4), £1.9m (2004/5) and £2.5m (2005/6).

Government Office for the East Midlands

18. The Government Office brings together the regional activities of the Office of the Deputy Prime Minister, the Department for Transport, the Department of Environment, Food and Rural Affairs, the Department for Education and Skills, the Department of Trade and Industry, and the Home Office. It also hosts from the Department for Culture, Media and Sport and the Department of Health. In 2002/3 it was responsible for expenditure amounting to £435m.
17. GOEM's role is to "work with regional partners and local people to maximise competitiveness and prosperity in the East Midlands, and to support integrated government policies for an inclusive society." It is also responsible for a range of specific activities, including:
 - approving and administering various national and European grant programmes such as the European Social Fund (ESF), European Regional Development Fund (ERDF), neighbourhood renewal funding, New Deal for Communities and the Home Office's targeting policing agenda, as well as several smaller funding programmes;
 - supporting local highway authorities in the production, and subsequent monitoring, of Local Transport Plans, including the planning of major public transport and road schemes.
 - scrutinising development plans (include structure plans) to ensure consistency with national and regional guidance;

- assessment of local authorities' asset management plans and administration of the single capital pot; and
- working with local authorities to raise standards in education and skills, including through following up OFSTED inspections.

Other regional bodies

19. The East Midlands Regional Local Government Association (EMRLGA) represents the interests of local authorities in the region. Other regional forums and groupings have been established to look at particular issues from a regional perspective – examples include Culture East Midlands (the region's Cultural Consortium) and the East Midlands Rural Affairs Forum (EMRAF) both of which report to Govt Departments (DCMS and DEFRA respectively). Increasingly other Government agencies and quangos are organised on regional lines in line with the emerging regional structures.

Current Key Policy documents

20. On its launch in December 1998 the East Midlands Regional Assembly decided to develop an Integrated Regional Strategy. This has since developed as a framework document within which other key regional strategies and policies can be developed in a consistent and co-ordinated fashion. The IRS, which also doubles up as the region's Sustainable Development Framework, is structured around 4 key themes; Economic (led by emda through its Regional Economic Strategy); Spatial (led now by the Assembly's Planning Board), Environmental; and Social (both led through Assembly task groups). The Assembly has recently commenced a review of the IRS and a consultation draft of a revised IRS will be issued in early 2004. Whilst the IRS has proved a useful document to assist collaboration between bodies at regional level it has had much less impact on sub-regional and local organisations.
21. The revised Regional Economic Strategy (Destination 2010) was published by emda in March 2003. The RES aims to move the East Midlands into the top 20 regions (in terms of GDP per head) in Europe by 2010. The East Midlands is currently placed 35th.
22. Regional Planning Guidance (RPG) will, under the proposed planning reforms, become Regional Spatial Strategies (RSS). The Draft Revised RPG8 contains the Regional Transport Strategy, and during November 2003 a Public Examination will be held on the Draft Revised RPG8. There will be a separate Public Examination held in March 2004 on the Milton Keynes and South Midlands Sub-Regional Strategy and the findings of the two public examinations will inform the update of the current RPG8 issued in January 2002.
23. There are also other regional strategies such as the Regional Strategy for Housing Investment which is of growing importance because of the

influence it will have over resource allocation, and the Regional Cultural Strategy.

European Funding context

24. The current main European funding programmes in the region are due to end in December 2006. Within the EU, the future economic and social cohesion policy for an enlarged Europe post 2006 is being firmed up, with a progress report on Economic and Social Cohesion due in early 2004. The principle of achieving economic and social cohesion through the concentration of resources in the poorest member states will be retained, with regions falling outside of this category likely to choose from a number of themes focusing on employment issues. It is growing increasingly likely that regions themselves will have a greater role in the management of EU funded programmes.

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