

GOVERNMENT WHITE PAPER ON REGIONS – “YOUR REGION, YOUR CHOICE – REVITALISING THE ENGLISH REGIONS”

1 SUMMARY

1.1 This report sets out the content of the Government White Paper on the regions, for Members consideration and comment. Although not a formal consultation document as such, the Government would welcome views on the White Paper’s content by August. In addition, the Local Government Association is seeking the views of member authorities, particularly on:-

- the powers and functions of the proposed assemblies;
- the proposals affecting local government in those regions which choose to move towards a directly elected regional assembly.

2 INTRODUCTION

2.1 The Government published its White Paper on the regions on 9th May, 2002. It sets out a new regional policy for England. The new approach aims to:-

- strengthen the building blocks for economic growth in the regions
- strengthen regional leadership, through giving regions powers to tackle their own needs.

2.2 However, the Government outlines that the White Paper is about choice, with no region being forced to have an elected assembly. However, where there is public support for one, the opportunity is given to demonstrate such support through a referendum.

3 DETAILED CONSIDERATIONS

Main Content

3.1 In the White Paper, the Government set out its belief that solutions to regional problems need to be rooted in the regions themselves. It is therefore seeking to:-

- improve co-ordination of Government policy in the regions and join up regional strategies to provide for more efficient and effective delivery;
- bring decision-making closer to those it affects, by giving more responsibilities to the regional chambers and the regional Government Offices,
- improve arrangements for regional planning
- ensure a stronger regional input into national policy-making and spending decisions, thus adding to the extra resources and greater freedom and flexibility given to the Regional Development Agencies.

3.2 The Government sets out its belief that elected regional assemblies can improve both the accountability of government and also its efficiency and effectiveness and through the White Paper outlines how this can be achieved. In its mind, the Government feels elected regional assemblies can improve accountability by:-

- making the existing government bodies in the regions more accountable to people in the regions;
- decentralising more power from Whitehall and bringing decision making closer to the people;
- revitalising democracy and giving the regions a new voice, both within the UK and in Europe;

3.3 Assemblies can also improve effectiveness because they offer the potential to:-

- be able to join up – and where necessary rationalise – the many strategies and partnerships in the regions;
- have powers to offer tailored solutions that meet the particular needs of the regions;
- make it easier for regional stakeholders to contribute to decisions; and
- have greater freedom through their block grant to allocate resources and determine priorities in their regions.

- 3.4 The White Paper outlines that elected regional assemblies would develop a strategic vision for improving the quality of life in their regions, in particular improving economic performance.
- 3.5 They would also be responsible for setting priorities, delivering regional strategies and allocating funding. In addition, elected assemblies would have a significant influencing role, including scrutiny powers and making appointments to regional public bodies ('quangos').
- 3.6 Subject to agreeing a small number of key national targets, an assembly would have complete freedom over how to spend the resources at its disposal.
- 3.7 Those areas where the elected regional assembly would have specific responsibilities are:-
- economic development
 - skills and employment
 - housing
 - sport, culture and tourism
 - transport
 - land use and regional planning
 - environmental protection, biodiversity and waste
 - public health
- 3.8 The Government propose that before an elected regional assembly is established in a region, a referendum must be held and a majority of those voting must be in favour of having an assembly. The Government recognises that interest in elected regional assemblies varies across England. Referendums will not be held in all eight English regions outside London at the same time. Instead, the Government would hold a referendum in a region when it considers there is sufficient public interest in one. That interest will be gauged by taking into account the views of members of the public and those of the regional chamber, local authorities and other key stakeholders in the region.
- 3.9 In areas that currently have a county and district council, a regional assembly would add a third tier of elected government below the national level. The Government believe that a single tier of local government should be provided below elected regional assemblies and

thus in any regions where the Government decides that a referendum on an elected assembly should be held, there will first be an independent review of local government structures. The review would recommend the most effective wholly unitary local government structure for the region and will be carried out by the Boundary Committee for England. That review would focus on the two tier structure and exclude the existing unitaries. The restructuring of local government would only take place if the region votes for an elected assembly. The proposal is outlined in Appendix 1.

- 3.10 The Government envisages elected assemblies would have between 25 and 35 members. There would be a leader and cabinet of up to six members chosen by – and fully accountable to – the full assembly.
- 3.11 Regional assemblies would be based on the existing administrative boundaries used by the Government Offices and Regional Development Agencies; thus Essex and Rochford would come within the Eastern Region.
- 3.12 Elected regional assemblies would need to work with stakeholders – including the business community, trade unions, social and environmental partners, and other elected representatives. Stakeholder forums (such as the Scottish Civic Forum and similar arrangements in Wales and London) are suggested.
- 3.13 The voting system for elected regional assemblies would be the Additional Members System (AMS) form of proportional representation (PR). This is the system already used for the Scottish Parliament, the Welsh Assembly and the Greater London Authority.
- 3.14 In terms of funding, most of an assembly's money would come through a single Government grant. Assemblies would be able to raise additional funds through the council tax. The money would be collected on behalf of the assembly by the local authorities in the region as part of their existing arrangements for collecting council tax. Non-domestic rates would not be affected.
- 3.15 The Government suggest that the contribution of council tax-payers to the running costs of an assembly would be equivalent to around five pence per week for a Band D council tax-payer in any region. An elected assembly would be allowed to set a higher charge to fund additional spending if it considered this desirable. However, the Government will, at least initially, limit this amount through arrangements comparable to the existing local authority capping regime.
- 3.16 As to timetable, the White Paper outlines that the Government intends to introduce legislation to provide for referendums and associated local

government reviews when Parliamentary time allows, with the aim of enabling the first referendum to be held during this Parliament. Once at least one region has voted for an elected assembly, the Government would introduce a further Bill allowing them to be set up. Elections for these assemblies, in the regions where there has been a 'yes' vote in a referendum, would be held within months of the Bill becoming law. In practice, this would allow the first regional assembly to be up and running early in the next Parliament.

4. OFFICER COMMENTS

- 4.1 There are already a number of unelected bodies operating at the regional level, e.g. regional chambers, regional development agencies, regional government offices, etc. and thus any move to make the powers and responsibilities carried out by those bodies more accountable is superficially very attractive. However, with the parallel proposals to abolish County and District Councils, there are considerable reservations as to whether the proposals as outlined do represent a devolving of power from the centre. In fact, it seems more likely that a number of powers which currently rest particularly with the County will be passed to the region and thus power will be transferred up rather than down.
- 4.2 There are concerns too around the regional make-up as envisaged. Essex forms part of the Eastern Region, along with Hertfordshire, Bedfordshire, Norfolk, Suffolk and Cambridgeshire. In European terms, Essex is big enough to be considered as a region in its own right and there must be considerable doubts as to whether Essex and Rochford residents feel any affinity towards the Eastern Region as such. There are already tensions within the region around the influence of Cambridge and the characteristics of Cambridgeshire, Norfolk and Suffolk as opposed to Essex, Hertfordshire and Bedfordshire, which have much closer ties to London and the south-east. If an Eastern Regional elected assembly did emerge, one can imagine these tensions and differences coming more to the fore.
- 4.3 The White Paper is largely silent on the initial costs of change, both in terms of the restructuring of local government and dealing with the historical and emotional attachments associated with both County and District Authorities. The Local Government re-organisation of the mid 1990's provides a recent example of how the importance of these issues should not be under-estimated.
- 4.4 It appears that the content and emphasis placed in the White Paper is particularly targeted toward addressing desires more prevalent in the north, and particularly the north-east towards moving towards an elected regional assembly. It will be interesting to see whether moves towards an elected assembly in that area, if realised, will increase

pressure on other areas to follow suit. Even if that did happen, it is difficult to envisage how a disparate region such as the Eastern Region could move towards an elected assembly much before the latter part of this decade.

5 RESOURCE IMPLICATIONS

- 5.1 The White Paper outlines that Regional Assemblies will have running costs of approximately £25 million per year. Some of this cost is already incurred by existing regional bodies which would be replaced by the assembly. The Government also outlines that the costs outlined make no allowance for cost savings achieved from the establishment of a wholly unitary structure of local government. The Government believes that there should be savings in the medium term from such a restructuring, although it acknowledges that there will also be up-front transitional costs. The Government states that it is not practicable to be any more specific on local government costs and savings in advance of any Boundary Committee review of the local government structure in a region.

7 RECOMMENDATION

It is proposed that the Committee **RESOLVES** that subject to Members' comments, the officer comments outlined in the report form the basis of the Council's response to the Government White Paper.

Paul Warren

Chief Executive

Background Papers:

Government White Paper

For further information please contact Paul Warren on:-

Tel:- 01702 318199

E-Mail:- paul.warren@rochford.gov.uk