

REGIONAL ASSEMBLIES (PREPARATIONS) BILL

1 SUMMARY

- 1.1 This report provides Members with details of the Bill going through Parliament in connection with the above. It also outlines two consultation exercises being carried out by the Government in connection with the content of the Bill and seeks Members' views accordingly. Responses to both consultation are requested by 3rd March, 2003.

2 INTRODUCTION

- 2.1 The Regional Assemblies (Preparations) Bill was published in November. At the time of writing the Bill is completing its Commons Committee stages and it is anticipated will be before the Lords by the end of January.

3 DETAILED CONSIDERATIONS

Content of the Bill

- 3.1 The Bill:
- gives powers to the Secretary of State to order that referendums should be held on establishing elected regional assemblies in any of the English regions outside London. It specifies the referendum question; who is entitled to vote; and the frequency of any subsequent referendum in a region following a 'no' vote (Part 1).
 - requires the Secretary of State, in making an order for a particular region, to direct the Boundary Committee to carry out a local government review in that region with the aim of drawing up proposals to achieve a wholly unitary local government structure in the region (Part 2).
 - empowers the Secretary of State to require the Electoral Commission to give advice on electoral areas for, and the total number of members to be elected to, assemblies following referendums (Part 3).
 - creates a new power for funding the activities of existing regional chambers (Part 4); and

- authorises expenditure on regional referenda and preparations for the establishment of regional assemblies (Part 5).

Referendums

- 3.2 Before a referendum can take place, the Secretary of State must consider the level of interest in a region in the holding of a referendum and the Boundary Committee must have made recommendations for the establishment of a wholly unitary structure for the region. An order for the holding of a referendum must be made within two years of directing the Boundary Committee to carry out a review and must specify the date of the referendum.

- 3.3 The referendum question will be:

“Should there be an elected assembly for the (*insert name of region*) region?”

and the following statement about the purpose of the referendum will have to proceed the question on the ballot paper:

“You can help to decide whether there should be an elected assembly in the (*insert name of region*) region. An assembly would be responsible for a range of activities that are currently carried out mainly by central government bodies, including regional economic development. Where it is proposed to establish an elected assembly, it is also intended that local government should be reorganised into a single tier in those parts of the region that currently have both county and district councils. There would be no such reorganisation of other local authorities in the region.”

- 3.4 The Electoral Commission is required under the Political Parties, Elections and Referendums Act 2000 to consider the intelligibility of this wording and publish a statement of their views on it as soon as practicable after the Bill is published. Clause 5 provides that if a regional referendum results in a ‘no’ vote another referendum cannot be held for at least another 5 years.

Local Government Review

- 3.5 In carrying out a review, the Boundary Committee must consider what wholly unitary local government structure is appropriate for the ‘two-tier’ parts of a region and must recommend a structural change resulting in a single tier for those areas. The Committee cannot consider the boundaries of existing unitary authorities or areas outside the region being reviewed. The procedure for carrying out reviews is similar to that contained in the Local Government Act 1992.

3.6 Funding for Regional Chambers

Part 4 gives the Secretary of State a new power to make grants to fund the activities of regional chambers. This power will be used to fund the chambers and, in particular, their role in scrutinising the Regional Development Agencies. It is also intended that grants will cover the chambers' cost in providing advice to the Secretary of State in respect of regional planning guidance prepared under section 31(6) of the Town and Country Planning Act 1990. The proposal that regional chambers should carry out this role, in the absence of an elected regional assembly, was made in the white paper on the regions.

Consultation Exercise One – Soundings on the level of interest in each English Region for regional assemblies

- 3.7 The Government acknowledge that the Bill is still under consideration by Parliament and may be amended. Nonetheless, the Government considers that it is useful to take early soundings on interest in establishing a regional assembly and hence this consultation.
- 3.8 The Government states that it will consider the feedback from this consultation in deciding which region(s) should be the first ones in which a review of local government should be carried out, with a view to holding a referendum in that/those regions about establishing a regional assembly. Such a decision will naturally be subject to the Bill becoming law in a substantially unchanged form.
- 3.9 A pro-forma for responses has been produced and that is attached as Annex A, which includes a suggested officer response which Members might like to amend or expand.

Consultation Exercise Two – Draft Guidance

- 3.10 The Government's priority for local councils is for them to be strong community leaders and to deliver quality local services. In general, the Government believes that this priority can equally well be achieved by unitary or two-tier councils. The need for the proposed reviews leading to unitary local government throughout certain regions is to avoid the situation whereby, in a region with a directly elected assembly, there would be three principal tiers of sub-national government.
- 3.11 The Bill makes provision for the criteria which is to apply to local government reviews. The Boundary Committee is to be required to conduct reviews with regard to the need to:
- a) assume that there is an elected assembly for the region;

- b) reflect the identities and interests of local communities;
 - c) secure effective and convenient local government;
 - d) have regard to guidance issued by the Secretary of State.
- 3.12 The Bill also provides that these local government reviews are not to affect the boundaries or structure of existing unitary authorities in the region concerned.
- 3.13 The draft Guidance now out to consultation reflects the current provisions in the Bill. A copy of the draft guidance has been placed in the Members' Room.
- 3.14 The Government acknowledge that the consultation is being conducted on the assumption that the relevant provisions in the Bill will remain unchanged and that the possibility that some things will change whilst the Bill is before Parliament cannot be ruled out.
- 3.15 The draft guidance sets out the Government's thoughts on how the Boundary Committee should approach any review, the factors to be taken into account and the process to be followed. In the Government's view, the Boundary Committee will need to have regard to both community identity and interest and also the importance of securing effective and convenient local government.
- 3.16 The Government suggests that in its consideration of community identities and interests, the Boundary Committee may want to give weight to those aspects that have the greatest relevance for local authorities' present role.
- 3.17 The Government does not believe that affinity solely to communities of place is a good basis for drawing-up the administrative boundaries of local authorities. Whilst such feelings can be very strong, the patterns of people's working and social lives and the complex patterns of community that they engender, require a local authority structure that can recognise and respond to the various "communities" that use local services.
- 3.18 The Government is aware that many people attach importance to long-established connections and fully understands the affection in which, in particular, traditional counties are widely held. The Government would therefore hope that the Boundary Committee, when recommending change, would endeavour to reflect tradition where possible and suggest names for the authorities that reflect local people's feelings about historic and county connections. Equally, these considerations should not be seen as preventing recommendations for new unitary authorities that would cross existing county boundaries.

- 3.19 In the Government's view, the Committee should give greater weight to the wider patterns of community within an area and to the economic links between communities. This would ensure that the geographical reach of the new authorities would allow the communities of place and interest who use local authority services to have a say in the decisions which councils take about those services.
- 3.20 Any consideration of community interest and identities might best begin therefore with an examination of the extent to which the structure, geography and size of an authority might influence its ability to exercise community leadership, engage with local communities and work effectively with partner organisations.
- 3.21 The Committee will need to look at the impact of these issues, not only on the authority, but on partner organisations, including the business, voluntary and community sector, where having to deal with a multiplicity of smaller local authorities can impose significant costs and lead to "partnership fatigue".
- 3.22 The Committee may also want to consider whether the alignment of local authority boundaries with those of other significant partners might be helpful in creating the climate for effective partnership and inter-agency working. Where the boundaries of authorities and other key agencies are coterminous, it becomes easier to establish these conditions.
- 3.23 In the Government's view, the Committee should consider carefully the extent to which structure, geography and size of the new unitaries might assist the creation of high-performing authorities. To do this, the Committee may want to consider the track-record of existing authorities in the region and consider whether their structure, geography and size has contributed to their performance in particular services.
- 3.24 Conceptually, it has been argued that larger units of government should deliver efficiency gains and cost savings through:-
- a) the removal of duplication;
 - b) more streamlined and integrated decision-making and resource allocation;
 - c) reductions in overall management and support services; and
 - d) increases in purchasing power.

- 3.25 Against this, the counter-argument has been advanced that smaller units of government can improve economy, efficiency and effectiveness through their capacity to:
- a) be more responsive to the needs of local people;
 - b) lead to improved democratic scrutiny by local service users and taxpayers and, hence;
 - c) inspire greater public confidence in local government
- 3.26 The Government acknowledge that in practice, there seems to be little hard evidence to support either of these propositions. The Government proposes to prepare a cost model which the Boundary Committee, or those making proposals to the Committee, can use to assess the relative cost differentials between different unitary structures.
- 3.27 Government acknowledge that in the final analysis, however, the capacity of authorities to deliver strong local leadership and quality public services may be seen as more important than a necessarily imperfect assessment of costs. The evidence of the cost model might only be a determining actor, where the Committee is judging between options which in all other respects appear to deliver equal advantages in terms of the modernisation agenda.
- 3.28 The delivery of quality public services is a key element of any consideration of effective and convenient local government. Another is the extent to which the structure, geography and size of an authority lend themselves to democratic self-government and the ability of service users to influence the provision of those services that affect them.
- 3.29 The government intends to strengthen the most local tier of administration, the town or parish council, and give it a bigger role. *Quality* town and parish councils, which meet certain criteria including being well managed and good at representing local views, will be able to work closely with partner authorities to take more responsibility for shaping their area's development and running its services. There will be scope for quality parishes to take on the running of the more local functions, thereby ensuring greater responsiveness to local circumstances and needs. The Committee, therefore, might want to look at the relationship of existing authorities with their parishes in assessing the structure, geography and size of the new authorities.
- 3.30 In connection with the review process itself, at the outset of the review, the Committee will be required to take such steps as it considers sufficient to secure that persons who may be interested in the review

are informed of it, and of the period within which representations may be made. The Committee should also use this period to review existing literature and data relevant to the review and to commission any further research or surveys it considers necessary or desirable.

- 3.31 The second stage of the review will be the preparation by the Committee of draft recommendations. During this stage the Committee should consider the views put forward at the first stage of the review, analyse the information it has collected itself and hold such discussions as seem appropriate with the local authorities affected and other representative local organisations in those areas. It may also wish to arrange or attend informal public meetings in the area.
- 3.32 In considering the views and/or proposals that it has received, the Boundary Committee may wish to test them against the need for the newly-created unitary authorities to be best placed to lead and empower communities and deliver quality public services. Where, in the view of the Committee such views and proposals fail to demonstrate that they would achieve this objective, the Committee might consider bringing forward its own proposals.
- 3.33 The Committee may also ask the Audit Commission to provide it with a written opinion on the likely impact of any proposed changes on the economy, efficiency or effectiveness with which local authority services are provided.
- 3.34 The Committee should then publicise its draft recommendations. In the light of responses and other evidence available to it, the Committee should finally prepare and submit to the Secretary of State a report on the region under review, setting out its findings and recommendations.
- 3.35 At the same time as it submits its recommendations to the Secretary of State, the Committee should also send copies to:-
- a) all the principal local authorities and all Members of Parliament in the region;
 - b) such other representative organisations as it seems appropriate to notify;
 - c) to publish advertisements in one or more local newspapers circulating in the region; and to take such other steps as seem necessary to provide suitable publicity, including encouraging and participating in local press, radio and television coverage of the review.

Officer Comment on Consultation Exercise Two

- 3.36 The draft guidance now issued is very similar in a number of ways to that issued in the past in respect of Local Government re-organisation and more recently the District Ward boundary review. Based on those experiences, the process will undoubtedly dominate the Local Government agenda as and when it is initiated and will be extremely resource intensive. It may also prove less than constructive, at a time when partnerships and working together remain high on the Government's agenda.
- 3.37 On the basis of the guidance as written, other than the Government's stated wish not to have an additional tier, there is no real argument put forward as to why retaining the status quo and maintaining a two tier structure may not be the preferred solution in some instances. As the Government itself admits, there seems to be little hard evidence either to support the argument for larger or smaller units of Local Government. In the draft guidance, the Government promises the preparation of a cost model to aid assessment. It will be interesting to see how this develops, given that the Government admits such cost modelling will still represent a "necessarily imperfect assessment of costs".

4 RESOURCE IMPLICATIONS

- 4.1 On the basis of past experiences in connection with Local Government re-organisation and the Ward Boundary Review, the work involved in association with any Boundary Committee review should not be underestimated, both for Members and officers.

5 RECOMMENDATION

- (1) That subject to Members' comments, Committee **RESOLVES** to endorse the officer response to the Soundings Consultation as outlined in Annex A and concurs with the officer's comments outlined above in connection with the consultation on the guidance to be given to the Boundary Committee.
- (2) That a copy of the Council's responses be sent to both local Members of Parliament and also the Local Government Association. (CE)

Paul Warren
Chief Executive

Background Papers:

None

For further information please contact Paul Warren on:-

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

ral Assemblies (Preparations) Bill: Soundings exercise

ANNEX A

PRO-FORMA FOR RESPONSES TO THE SOUNDINGS EXERCISE ON THE LEVEL OF INTEREST IN EACH REGION IN HOLDING A REFERENDUM ABOUT ESTABLISHING AN ELECTED REGIONAL ASSEMBLY

1. Your name, or that of the organisation on whose behalf you are responding (if you are responding on behalf of a representative group, please list the people/organisations you represent): ROCHFORD DISTRICT COUNCIL
2. Please indicate the region that your comments relate to (Please tick one box. Please complete a separate pro forma if you wish to respond in relation to more than one region):

- | | |
|--|---|
| <input type="checkbox"/> East Midlands | <input checked="" type="checkbox"/> East of England |
| <input type="checkbox"/> North East | <input type="checkbox"/> North West |
| <input type="checkbox"/> South East | <input type="checkbox"/> South West |
| <input type="checkbox"/> West Midlands | <input type="checkbox"/> Yorkshire & The Humber |

3. What is your connection to the region for which you are responding (e.g. resident in region, work in region, business in region)?

LOCAL AUTHORITY IN THE REGION

4. Postal address:

COUNCIL OFFICES, BUNTH STREET, ROCHFORD
ESSEX SS4 1BW

5. E-mail address:

paul.warren@rochford.gov.uk

6. Do you want a referendum in your region? Yes ☐ No ☒

7. What is your view on the level of interest in holding a referendum about establishing an elected regional assembly in the region for which you are responding? Please tick the box you believe best represents the overall level of interest:

- | | |
|-------------------------|-------------------------------------|
| Very Strong | <input type="checkbox"/> |
| Strong | <input type="checkbox"/> |
| Neither strong nor weak | <input type="checkbox"/> |
| Weak | <input type="checkbox"/> |
| Very weak | <input checked="" type="checkbox"/> |

8. Please give reasoning, evidence and information to support your answer to question 7.

STILL VERY LITTLE PUBLIC ASSOCIATION WITH CSDR
BEING PART OF THE EUROZONE REGION, VERY LITTLE
INTEREST LOCALLY IN A REGIONAL ASSEMBLY

9. Please use this space to inform us of any information or evidence you have (if any) regarding the differences in the levels of interest in holding a referendum between regions.

Responses are requested by 3 March 2003.

Please send to: referenduminterest@ndpm.gov.uk

If not sending via e-mail, please send your completed response to:

Regional Policy Unit (regions soundings exercise)
Office of the Deputy Prime Minister
Zone 1/A6
Bland House
Brussardon Place
London SW1E 5DU

The Office of the Deputy Prime Minister may wish to make responses to this soundings exercise available to Parliament and for public inspection in the Office's library. We will assume that you do not object to this unless you specify otherwise. Responses that are submitted on a confidential basis will, nevertheless, be included in any numerical analysis of responses.

Thank you for responding.