

Committee on the Office of the Deputy Prime Minister Inquiry on the Draft Regional Assemblies Bill

Submission from
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1. Introduction

- 1.1 I welcome the opportunity to submit evidence to the Committee's inquiry. This submission takes a view on the powers required by elected assemblies to perform their required role in the context of experience under existing powers and partnership working in the South East. Time has not permitted this document to be agreed formally by Assembly members, but they have had the opportunity to input to the first draft and I feel the line taken is consistent with the views of the Assembly to date.
- 1.2 To a great extent the Bill gives effect to the provisions outlined in the White Paper of 2002, 'Your Region, Your Choice - Revitalising the English Regions'. The proposal is for an elected regional assembly (ERA) to be a lean, strategic body whose objective is to improve the legitimacy and coherence of regional governance. This is to be achieved by taking direct responsibility for certain key strategic functions, and in addition by joining up the strategic direction of functions and bodies beyond those integrated within the ERA, by means of regional leadership and accountability for a shared regional vision.

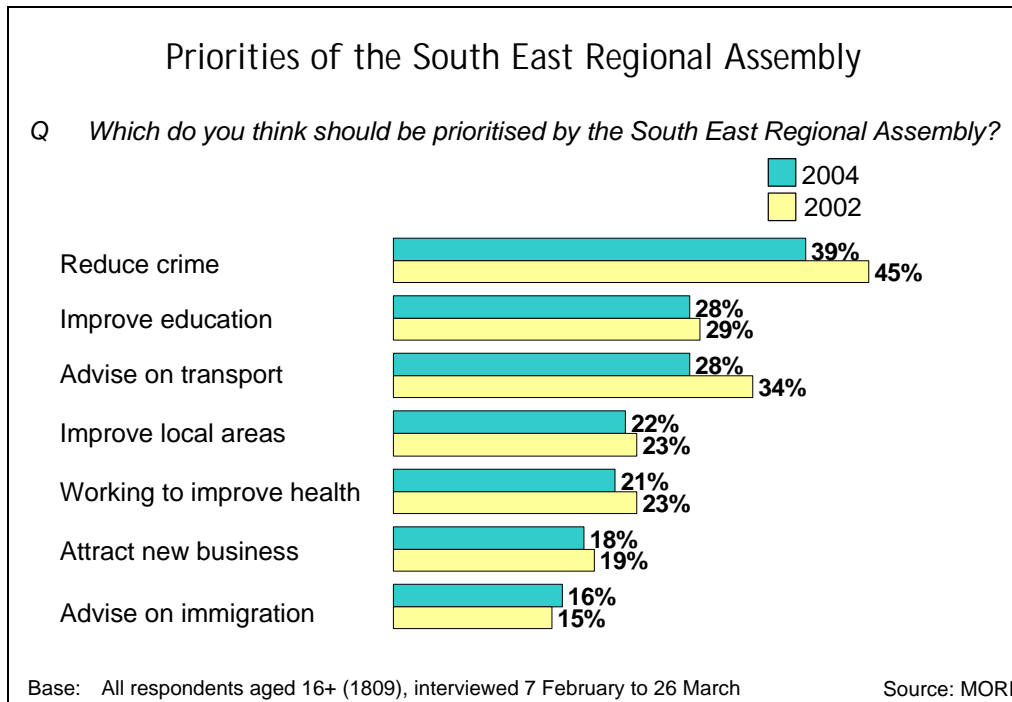
2. General purposes power

- 2.1 The Bill's statement of an elected regional assembly's general purposes, echoing the well-being power already enjoyed by local government, would allow an assembly the freedom to act as a focal point for regional governance and engage in important cross-cutting policy areas. Existing regional assemblies, working in partnership with others, are already well-placed to articulate a vision of regional well-being that responds directly to local issues within a national and international context. The legitimacy, resources, directional authority and leverage that an ERA can bring should enhance the current model of regional governance considerably.
- 2.2 The dimensions of well-being include:
 - Economic factors such as the availability of suitable and high quality jobs, measures to encourage SME formation and success, efficient and effective transport, training and skills development, information and communication technologies, etc;

- Social factors such as the promotion of good quality and affordable housing, community safety, community infrastructure, a healthy voluntary sector, access to the arts and leisure opportunities, etc;
- Health related factors such as the promotion of good physical, social and mental health and developing and promoting policies which have a positive impact on health outcomes, including health inequalities; and
- Environmental factors such as the availability of clean air, water resources, energy, waste management, the quality of the built and natural environment and biodiversity.

2.3 All these are clearly already important concerns for existing regional assemblies. The English Regions Network recently commissioned the University of Warwick to undertake a members' survey across all regional assemblies earlier this year. Eighty four per cent of the total sample thought that the promotion of well-being is a central role for all regional assemblies to perform.

2.4 Over the past few years the Assembly has twice commissioned MORI to undertake opinion research among citizens in the South East to test public awareness of regional organisations and issues. The figure below shows the concerns that the South East public feel should be priorities of the Regional Assembly.



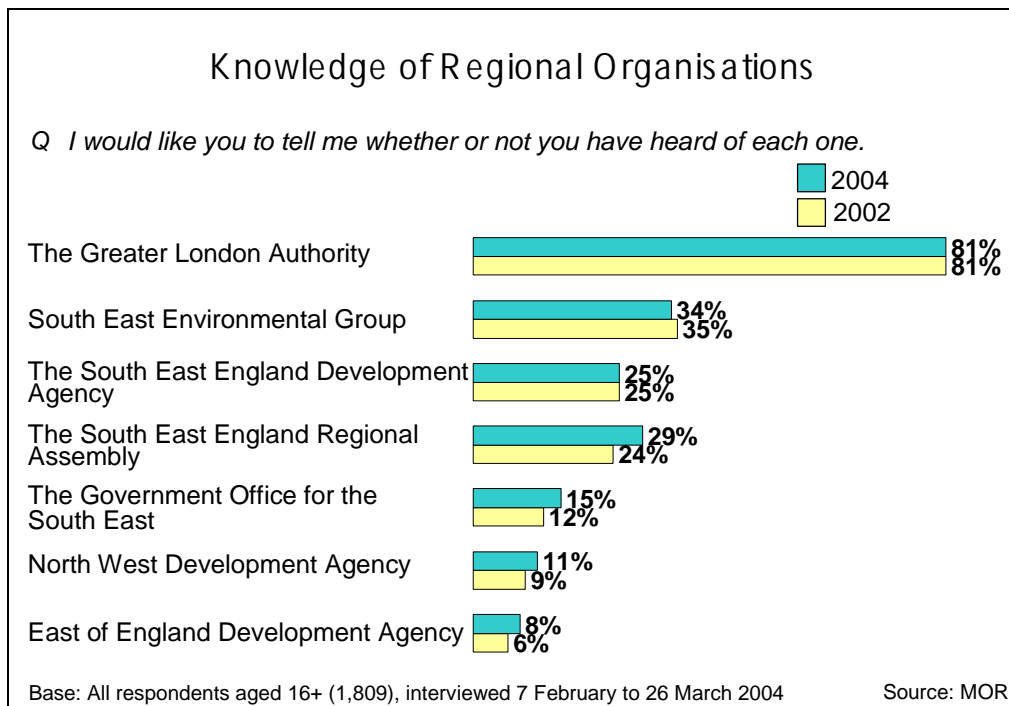
3. Relations between regional and local government

- 3.1 Devolution is not simply a one-off re-allocation of functions but instead triggers a continuing process of negotiation between tiers of government over responsibilities and resources. Already, the Bill offers various levels of delegation to ERAs in respect of different functions. It may be that an ERA's demonstration of competence and enhanced accountability in one policy field may lead central government departments to 'let go' in other areas where only limited delegation to the region is as yet envisaged.
- 3.2 At the same time there is a risk is that central government's proclivity to micro-manage will in turn drive an elected regional assembly, with its wide-ranging general purposes, to encroach upon local responsibilities. The Bill must therefore include sufficient checks and balances to protect the 'settlement' of responsibilities between regional and local levels of government. For example, it should be made clear that an ERA should not duplicate the statutory functions of local authorities or of other local public bodies.
- 3.3 Importantly, under an ERA, local authorities, including town and parish councils, will become stakeholders rather than members. The Bill must include a requirement to consult with local government on areas of mutual concern.

4. Regional geography and the size of an elected assembly

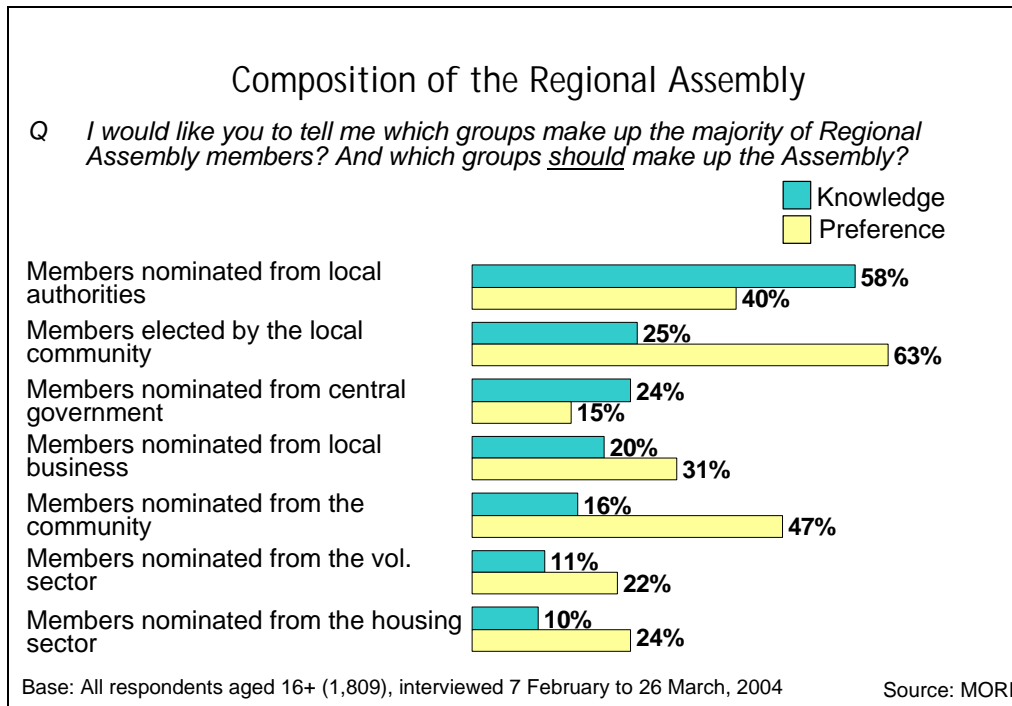
- 4.1 The Bill confirms Government's intention to allow the creation of ERAs on current regional boundaries. This is welcome. While the official regional geography of England still provokes debate, this has considerably subsided as ministers have declared their intent to 'move on' from boundary issues and as the new regional institutions have become more firmly established and more widely known. There is a parallel with many of the new local authorities created in 1974, which are now familiar geography and command legitimacy.
- 4.2 Our public opinion research undertaken by MORI confirms this view. Since 2002 there has been an increase in the proportion of citizens who identify with the South East as a regional entity. In 2004, 61% were able to do so unprompted, compared to 54% in 2002. Overall, four in five (83%) now record - prompted and unprompted - that they live in the South East, and two-thirds (67%) say they are proud to live in the region. Those who think that the South East is too diverse to be thought of as a single region are in the minority (41%).
- 4.3 Recognition of regional institutions has also increased. The figure over shows the percentage of South East citizens who know about existing bodies. It is understandable that those who know about the GLA, directly elected and well established with high profile leadership, is so high. Knowledge of the South East England Regional Assembly, although still recently formed, with very strategic

policy responsibilities and no executive powers, is nevertheless greater than for SEEDA or the Government Office.



- 4.4 The draft Bill restates the Government’s intention to legislate for an ERA of between 25 and 35 members, elected part by constituency and part by regional list. Assuming a regional list elected by proportional representation of 10 out of 35, in large regions such as the South East, constituencies would be vastly greater than parliamentary ones. For example, the average electors per seat in England and Wales in the Parliamentary elections of 2001 was 68,000. If an ERA were introduced in the South East, each assembly member would be expected to represent around 243,000 voters.
- 4.5 Although this level of representation is seen to be working well in London, where the density of population is high, similar arrangements in other large regions would dilute community representation. Meaningful geographical constituencies are important to give residents a sense that they can take part in the governance of ‘their’ community. Elected members would discharge a wide variety of functions. The size of each constituency affects the ability of an elected member to discharge these various roles effectively.
- 4.6 Restricting the size of an ERA also calls into question its representational legitimacy in a large region compared with the existing partnership based assembly or regional chamber. The South East England Regional Assembly has 111 members, 74 of them nominated by local authorities, and the remainder nominated or elected by constituencies of interest, including town and parish

councils. Although not directly elected, these many and diverse members nevertheless have a very broad representative capacity, covering geographical communities as well as communities of interest. This gives the public several 'ways in' to the Assembly membership. In our MORI survey 63% felt that regional assembly members should be elected, but nearly half (47%) supported the idea that members should be nominated from the community.



5. Involvement of stakeholders

- 5.1 Regional chambers have pioneered the democratic combination of geographical constituencies (local authority councillors) with constituencies of interest (regional stakeholders). Stakeholder representation has enriched the regional partnership and strengthened the legitimacy of regional chambers. Stakeholders have been motivated to participate because their contribution has been recognised and they have been accorded equal status with local authority members.
- 5.2 For example the Social Environmental and Economic Partners on the South East England Regional Assembly have diverse backgrounds and cover a wide range of interests. They have come together to understand and work on regional issues and they are at the forefront of the Assembly's work. Business representatives, such as those from the CBI, FSB, Chambers of Commerce and Higher Education, are supported and briefed by policy teams back in their nominating organisations, ensuring a cogent and informed contribution is made to regional dialogue. The same is the case for environmental groups.

- 5.3 At a time when engagement is of serious concern to Government, the Bill risks alienating such key constituencies. The Bill adopts a permissive approach to stakeholder involvement, allowing ERAs to decide themselves how best to effect this. However, such engagement must be required and demonstrated, and reinforced by an effective method of scrutiny and evaluation. For example, the quality of stakeholder engagement could be a criterion in the regular assessment of an ERA's performance.
- 5.4 While election must be the preferable system for the democratic control of public sector bodies, the Bill should give greater flexibility to construct a more balanced and inclusive ERA. Echoing the partnership assembly principle, the 'top up' members could perhaps be elected on the basis of a functional constituency of interest. They might come from the voluntary sector, faith communities or the business community, with particular seats reserved for individuals from those sectors, who then have to face the electorate. This might enable a more effective representation of the various interests in the community, bringing some of the benefits of an appointed system without compromising the democratic principle.

6. Planning and Housing

- 6.1 The Government has already created new regional planning structures and statutory Regional Spatial Strategies, giving assemblies the responsibility for producing them. Allied with the RDA's accountability to the ERA, this should ensure the necessary coordination between the strategies of RDAs and land-use planning.
- 6.2 To achieve sustainable economic development and reduce intra-regional disparities, policy in each region requires the integration of economic development and housing policies with the planning system. This approach has been explicitly recognised in the South East. The South East's Regional Housing Board includes five members of the Regional Assembly and takes a leading role in advising ministers on the distribution of investment for affordable housing across the South East. The strong Assembly representation on the Regional Housing Board was important in securing legitimacy and buy-in to this new approach from local authorities and other stakeholders.

7. Transport

- 7.1 In the region's submission to the Spending Review 2004 we argued that the regional transport agenda – key to linking economic, social and environmental priorities – is too complex to handle at the national level. We saw significant integration benefits from developing the decision making structure for transport

to put more influence and responsibility at a regional level rather than in Whitehall. The Department for Transport responded to this by asking the region to pilot a Regional Transport Board that would, amongst other things, make advice to the Secretary of State on investment decisions across the South East.

- 7.2 The draft Bill takes a cautious approach on transport, and does not appear to move an ERA far beyond the Regional Transport Board idea we are already piloting. Yet there are key opportunities not only to integrate regional priorities across policy areas such as transport, housing and economic development but also to integrate implementation, lining up budgets to deliver common objectives, and releasing alternative sources of funding (e.g. from the private sector). Already HM Treasury and ODPM are thinking about integrated regional budgets for partnership regions; one would expect the Bill to take this to its logical conclusion by having ERAs take control of transport investment as well as housing and economic development resource allocation.

8. The functional body approach

- 8.1 The Bill follows the approach adopted for the Greater London Assembly in making key agencies functional bodies of the ERA. Observers of the GLA have seen this arms-length approach as a constraint on the effective integration of functions. One can envisage that in the case of an ERA, these arrangements would create such constraints in respect both of governance and finance. In respect of governance, the operational priorities of a functional body will be mediated through an arms-length board, creating a distance that may make the joining up of policy delivery more difficult to achieve. This will be reinforced by financial arrangements, where the institutional self-interest and inertia constraining the movement of funds between functional budget heads will be greater with arms-length bodies than with internal assembly departments.

9. Economic development

- 9.1 The provision that the RDA becomes a functional body of the ERA, appointing the Chair and half the board, will nevertheless, with the link to regional planning and other strategic roles, undoubtedly offer the opportunity for the delivery of more integrated economic development. The constraints on flexibility arising from the functional body approach however will be aggravated by the fact that RDAs are now reaching maturity and RDA budgets increasingly tend to be fully committed. In earlier years the challenge had been to develop programmes and deliver expenditure, and end-year flexibility had allowed carry-over.
- 9.2 Because of the path dependencies attached to earlier decisions about economic development programmes, it may therefore be difficult for elected regional

assemblies to build both the legitimacy and the detailed knowledge base needed to shift spending or indeed to identify cost savings in the RDA's operation that would release resources for use in other areas.

- 9.3 Furthermore, the impact of the proposal that ERAs would take control over European structural fund expenditure is likely to diminish. Although structural fund expenditures remain an important element of regeneration funding in the northern regions of England, their significance is likely to decrease after EU enlargement.

10. Workforce skills

- 10.1 Developing the skills of the workplace plays a vital role in the economic development of a region and must be a central component of delivering an elected assembly's objectives. It is encouraging that there are arrangements in the draft Bill for the ERA to address the skills and learning agenda through leadership of the Regional Skills Partnership.
- 10.2 However an ERAs relationship with the main delivery arms for training policy, notably local Learning and Skills Councils, will only be a consultative one (i.e. through appointments to Local Learning and Skills Councils and by being a statutory consultee on guidance to LLSCs and their local plans). Regional economic structures and the issues facing the English regions vary and therefore regional flexibility, in particular in respect of targets, funding and delivery arrangements, will deliver better outcomes for skills and productivity.
- 10.3 The creation of ERAs offers a real opportunity to simplify and strengthen the delivery of the regional skills agenda. Historically the creation of the national LSC and local LSCs on a quite separate basis from RDAs was arguably driven by narrow departmentalism and impeded progress in respect of what remains probably the most important under-performing aspect of the UK economy. The Bill needs to be bolder in uniting regional policy and delivery mechanisms for workforce skills and economic development; ERA nominations to LLSC boards is simply insufficient. For a properly joined-up approach to delivering regional prosperity to stand any chance of success, LLSCs should be integrated, with RDAs, into the elected regional assembly domain.

11. Public health and the environment

- 11.1 Both public health and the environment are areas of policy that lend themselves to regional policy co-ordination. Already partnership assemblies are doing much to promote dialogue on these areas and to ensure that the links between policy fields is made and sustained. This is effected in regional policy terms by Sustainable Development or Integrated Regional Frameworks; the South East's

has been prepared by the Assembly with the active involvement of both Health and the Environment Agency and, and contains shared regional objectives in respect of both agendas. Policy implementation is then promoted through the Healthy Region Forum and Regional Health Summit on the one hand, and, on the other hand, through routine liaison backed an annual dialogue meeting with the Environment Agency. In the South East the Healthy Region Forum is concerned both with health service performance and public health policy and has initiated important research on local strategic partnerships' contribution to tackling health inequalities, while the Regional Health Summit has agreed a joint programme of work with the Strategic Health Authorities. Clearly an elected regional assembly could go much further in helping to ensure health and environmental considerations are integrated and infused across all regional strategies.

- 11.2 It is therefore disappointing that the draft Bill contains no statutory powers, functions or funding in these policy fields. Public health will remain firmly within the remit of central government, albeit within the realm of the Government Offices. Elected regional assemblies will only have the power to nominate members to the Environment Agency's environment protection advisory committees and the Forestry Commission. This may be viewed as a lost opportunity to enhance democratic legitimacy and devolve responsibility for regional funding and accountability. If we can show now that partnership assemblies are uniquely placed to corral the full range of multi-sector organisations and agencies that have such an important contribution to make to the public health and environment agendas, then so much more could be achieved by affording ERAs serious leverage. Although the ERA will need to influence policy through networking and leadership, once more, the ability to nominate to boards risks being a weak and arguably gestural 'joining up' mechanism.

12. Culture

- 12.1 An ERA's role in cultural development rests with the provision that the Regional Cultural Consortium should become a further functional body. Whereas the White Paper envisaged clear responsibility for regional cultural funding to be given to ERAs, the provision that has emerged is by comparison weak and insufficient to enable the ERA to exercise the degree of cultural leadership it needs to in order to reinforce its legitimacy in regional governance more broadly. Regional cultural consortiums continue to search for a role alongside the regional arts, sports tourism boards and other regional cultural networks, such as those for museums, libraries and heritage. ERAs present a chance to clarify and integrate cultural policy and funding as an integral dimension of regional prosperity and well-being. The Bill in draft form misses that opportunity.

13. Conclusion

- 13.1 The experience of the South East England Regional Assembly is that much can be achieved in terms of regional leadership, identity, engagement and policy co-ordination through the partnership model of regional governance that we already have. The additional benefits of moving to a directly elected model have to be worth the costs and upheaval. Too often the provisions in the Bill are too cautious and stop short of the level of organisational and financial integration at the regional level that would make a powerful difference to regional, and therefore national, prosperity.

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