



meeting	CROSS SERVICE AND EXTERNAL AFFAIRS SELECT COMMITTEE	
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Report of the Chair of the Cross Service and External Affairs Select Committee

Regional Government, including partnership working - a project scope for examining the potential impact of Regional Government on Nottinghamshire

1 Purpose of report

- 1.1** This report provides information on the possibilities for Regional Government in England, and suggests a project scope for the Committee to investigate the potential impact of Regional Government on Nottinghamshire. A scoping paper on this issue was requested by the Committee at its first meeting on 2nd June 2004.
- 1.2** An earlier version of this report was then presented at the second meeting of this Select Committee on 14th July 2004; Members of the Committee agreed on 14th July that the report would be discussed in greater detail at this September meeting of the Select Committee. The report has therefore been updated to include current information relevant to regional government; updated information, regarding referendums on elected Regional Assemblies, is in sections 3.2 – 3.7 of this report.
- 1.3** As requested by Members on 14th July, the Committee will also receive a presentation at this meeting, which will be given by Nigel Rudd, Chief Executive of the East Midlands Regional Assembly. The presentation will focus on the role the Assembly plays in the region now, including links to the County Council and partners, how the role either is changing / or could change in the future and, linked to this, how issues around regional government could impact nationally and regionally. Janet Ward, Chief Executive of East Midlands Local Government Association, will also attend the meeting, and will take part in the Select Committee discussion following the presentation.

2. Background

2.1 Regional Development Agencies

2.1.1 East Midlands Development Agency (EMDA) is one of 9 Regional Development Agencies set up by Government to bring a regional focus to economic development. The East Midlands is made up of the five 'shire' counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, and Nottinghamshire, plus the county of Rutland. Following the Regional Development Agencies Act 1998, EMDA was set up in April 1999 from three main bodies – East Midlands Development Company, English Partnerships and the Rural Development Commission.

2.1.2 Regional Development Agencies are non-departmental public bodies; their aim is to co-ordinate regional economic development and regeneration, to enable regions to improve their relative competitiveness, and to reduce the imbalance that exists within and between regions. Their business-led Boards are selected by Ministers using an open selection process, and are also made up of members from a mixture of backgrounds.

2.1.3 EMDA's Board leads the agency in a wide ranging strategy and business programme, focusing on the following 3 Key Drivers:

- Enterprise and Innovation
- Climate For Investment
- Employment, Learning and Skills

Full details of EMDA's plans can be found in their Regional Economic Strategy (RES) - Destination 2010

2.1.4 EMDA's work is carried out in partnership with organisations and individuals from across the East Midlands. In 2001 business led sub- regional strategic partnerships were launched which brought together a wide range of interests; business, public sector, voluntary sector and community groups. SSPs will see the Regional Economic Strategy delivered in local communities at a sub regional level. The SSPs are: The Northamptonshire Partnership, Lincolnshire Enterprise, Leicester shire Economic Partnership, Greater Nottingham Partnership, The Welland Partnership, and Alliance SSP (North Derbyshire and North Nottinghamshire). The East Midlands Regional Assembly has just completed a scrutiny panel report on SSPs that went to the Assembly at the end of July.

2.2 Regional Assemblies

2.2.1 The East Midlands Regional Assembly is one of eight regional chambers that the Government established in England (outside London). The Assembly's first meeting was held in December 1998. While called Regional Assemblies, members are not directly elected and the Assemblies are not regional

government; they are partnership assemblies. Membership of the Regional Assemblies is mainly local councillors, along with representatives of other sectors such as business, unions, education and training, and the voluntary sector. Local government is required to fill two-thirds of the places.

- 2.2.2** The East Midlands Regional Assembly is made up of 111 members; 70 are nominated from the 46 local authorities in the region, 35 from the wider social and business community, and the region's 6 MEPs. Apart from five places which have been used to ensure representation for those often under-represented in public life, and places for the region's MEPs, all other representatives are nominated by member bodies. The Assembly is managed by the Assembly Board, which is made up of 19 Assembly members. It manages the business of the Assembly and makes decisions as delegated or authorised by the Assembly. A number of task groups and forums have also been established.
- 2.2.3** The primary purpose of Regional Assemblies - under the Regional Development Agencies Act 1998 - is to scrutinise the activities of the Regional Development Agencies. In 2001 the Government made funding available of £15 million over three years for the specific purpose of supporting this scrutiny role. The creation of Regional Assemblies also enabled local government and economic, environment and social partners to actively participate in the development of regional economic strategies. The other main function of Regional Assemblies is regional planning; the new Planning Act increases their planning role.
- 2.2.4** The East Midlands Regional Assembly is responsible for scrutinising the development and delivery, by EMDA, of the economic strategy for the East Midlands. And as the regional planning body, the Assembly advises the Government on strategic land use planning and transport issues and has responsibility for the preparation and review of regional planning guidance, taking into account the views of local authorities, organisations and residents. The Assembly also plays a leading role in ensuring that the East Midlands is positively engaged with the European Union. At its first meeting in January 1999 the East Midlands Regional Assembly resolved to co-ordinate the preparation of the Integrated Regional Strategy (IRS) which focuses on the four themes of sustainable development: Economic, Social, Environment, and Spatial Planning, - as well as promoting the region. The regional economic strategy fits within this framework.
- 2.2.5** The Assembly works closely with the East Midlands Government Office (who represent central government in the region) and with other agencies and partnerships. The Assembly has undertaken a review of its own working arrangements and the activities it undertakes with partners (as agreed in its current Business Plan). Its task group structure and operation have been reviewed to ensure they meet the needs of the evolving roles, responsibilities and regional agenda.

3.0 The Regional Assemblies (Preparations) Act 2003

- 3.1** This Act takes forward the commitment in the regional governance White Paper, *Your Region, Your Choice* (published in May 2002) to allow each of the English regions to establish an elected assembly, if approved in a referendum. It enables regions that want to hold a referendum to have the chance to do so.
- 3.2** And on 22nd July 2004, the Deputy Prime Minister presented a draft Bill and policy statement on elected Regional Assemblies to Parliament. This draft Bill and policy statement set out the purposes, powers and responsibilities that the Government envisages elected regional assemblies will have. They also cover the establishment, election, constitution and funding of elected assemblies. Since 1997 the Government has devolved decision-making from UK Ministers and Whitehall to Scotland, Wales and Northern Ireland - each with different arrangements to match its circumstances - and restored strategic city wide government to London. The draft Regional Assemblies Bill now sets out provisions for the establishment of elected regional assemblies in the rest of England.
- 3.3** As the White Paper explained, Assemblies would have 25 to 35 elected members who would be directly elected by the people of a region under a system of proportional representation (the 'Additional Member System'); this would provide for some members to be elected for constituencies in the region and some members elected across the region as a whole. Clause 1 of the draft Bill provides for assemblies to be established and clauses 3 to 27 provide for their electoral arrangements. Each Assembly would have an executive of between three and seven elected Assembly members, who would be chosen by the full Assembly. The leader would be chosen by the Assembly as a whole and other executive members would be selected by the leader. The Executive would be monitored, scrutinised and held to account by the "back bench" members largely through the review and monitoring committee.
- 3.4** Regions that vote for an elected Regional Assembly will move to a single tier of local government. The 2003 Act provides for the Boundary Committee to review two tier local government before a referendum is held in an area. Local referendums will be held in the two-tier parts of a region on the same date as the regional referendums, on a choice of options for unitary local government. Once the Government has received the Boundary Committee's final recommendations, they will publish proposals for the regions concerned so that voters will know the implications for local government when they vote in the referendum.
- 3.5** The first regions to proceed towards having a referendum on an elected Regional Assembly will be the North East, North West, and Yorkshire and the Humber. On 22nd July 2004 the Government announced that referendums on elected regional assemblies in the North West and Yorkshire and the Humber

would be rescheduled, following concerns expressed about postal voting in these areas. But the Government said referendums in the North East will go ahead on 4th November because there is strong support for all-postal voting in the region. They also said that this would allow the Government to consider the report from the Electoral Commission on all-postal ballots, before announcing new timings for the two referendums.

- 3.6** The Electoral Commission are an independent body set up by the UK Parliament in November 2000. The Electoral Commission “aim to increase public confidence in the democratic process within the United Kingdom – and encourage people to take part – by modernising the electoral process, promoting public awareness of electoral matters and regulating political parties.” On 1st April 2002 the Boundary Committee for England became a statutory committee of the Electoral Commission.
- 3.7** On 26th August 2004 the Electoral Commission published their report, titled *Delivering Democracy? The Future of postal voting* - and a statement on the implications for the proposed regional assembly referendums. The Commission has recommended that all-postal pilot schemes at elections should not continue, and that a new model of voting reform needs to be developed to enhance the degree of choice available to voters and to provide a more robust legal framework. However the Electoral Commission believes the North East referendum on an elected regional assembly and local government restructuring should go ahead as planned on 4th November as an all-postal ballot, and without major changes to the process. In reaching this view, the Commission said that they were strongly influenced by the fact that the referendum process is already underway. Their judgment was also based on a number of additional factors that are specific to this referendum.
- 3.8** The level of interest in each region in holding a referendum was the most important factor in deciding which regions should go first and the Government took soundings from all the English regions before deciding whether or not there is sufficient interest. The Government received views from people in the regions, local authorities, regional chambers, MPs, MEPs, businesses, and other organisations before reaching decisions on where referendums should be held. The East Midlands Regional Assembly agreed in March 2003 that the Assembly did not wish to trigger a referendum on a directly elected assembly, with the proviso that it would keep the situation under constant review.
- 3.9** Elected Assemblies would be responsible for the preparation of regional strategies as well as having executive functions in areas such as economic development, spatial planning, and housing capital investment. They would also have “influencing functions” over issues such as regional employment, business support, transport, and health improvement. They would inherit their powers from Whitehall and Government quangos. The current responsibilities of local government would remain with the new unitary authorities. A key point is that the Regional Development Agencies would become directly accountable to the Regional Assemblies.

4 Recommendation

It is recommended that:

- i) The Committee agree to develop a study of Regional Government; the scope of the project would be to examine the work of the key East Midlands regional agencies, current links with Nottinghamshire County Council and partners, including impact on partnership working, and potential future developments, including developments around Regional Government elsewhere in the country.
- ii) A key objective of the study would be to gather evidence to inform opinion, should a referendum on an elected Regional Assembly be carried out in the East Midlands region.

5 Background papers available for inspection

Report of the Chair of the Cross Service and External Affairs Select Committee: Regional Government, including partnership working - a project scope for examining the impact of Regional Government on Nottinghamshire: Cross Service and External Affairs Committee 14th July 2004.

Councillor Roy Barsley

Chair of the Cross Service and External Affairs Select Committee