



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** To provide information on the possibilities for Regional Government in England, and to suggest 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.

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 will go 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. Once, or if , at least one region votes for an elected Assembly, the Government intends to introduce a further Bill enabling Assemblies to be set up.
- 3.2** The Government has said that Assemblies will only be established in regions where there is support for them through a local referendum. The members of the Assemblies would be directly elected by the people of the region. There would be a system of proportional representation (where the percentage of seats held by a party is related to its percentage share of the vote). The assemblies would have between 25 and 35 members depending on the size of the region. Each Assembly would have an executive of up to six elected assembly members, who would be chosen by the full Assembly. Each Assembly would also have scrutiny committees.
- 3.3** Regions that vote for an elected Regional Assembly will move to a single tier of local government. The 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.

- 3.4** 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. The Government intends to lay Orders in Parliament in July 2004 which will set the date of the referendums. The referendums are expected to take place this autumn by all-postal ballot. The Boundary Committee has considered how local government might be reorganised, and published their final recommendations on local government reorganisation in these areas. The Government will decide in July whether to accept these recommendations.
- 3.5** 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.
- 3.6** 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.

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Chair of the Cross Service and External Affairs Select Committee