



meeting	CROSS SERVICE AND EXTERNAL AFFAIRS SELECT COMMITTEE	
date	11 April 2005	agenda item number

Report of the Chair of the Cross Service and External Affairs Select Committee

Regional Government Study Group – Final Report

Purpose of report

- 1 The purpose of this report is to inform the Cross Service and External Affairs Select Committee of the findings and recommendations, based on the evidence from this study, of the Committee's Regional Government Study Group.
- 2 In July 2004 the Select Committee agreed to develop an evidence-based study of Regional Government; the scope of the project was to examine the work of the key East Midlands regional agencies, current links with Nottinghamshire County Council and partners, including impact on partnership working, potential future developments, and including developments around Regional Government elsewhere in the country. An objective of the study was to gather evidence to inform opinion, should a referendum on an elected Regional Assembly be carried out in the East Midlands region.
- 3 A Study Group was set up to develop and examine the findings from this study; the Members of the study group were Councillor Roy Barsley, Councillor Sue Bennett, Councillor Martin Brandon – Bravo OBE, Councillor E Llewellyn – Jones, Councillor James Napier, and Councillor M Suthers OBE. Officer support was provided by Lynn Senior, Head of Scrutiny, Roger Howes, Regional and International Manager, and Chris Gilbert, Scrutiny Officer.

Methodology for the study

- 4 The methodology for carrying out this study was to request and commission presentations to Cross Service and External Affairs Select Committee meetings by a number of representatives from key regional agencies. The presentations were then followed by discussion and questions from Members; on several occasions an invitation to attend the presentations was extended to all Members of the County Council in order to help facilitate the widest possible debate on the issues raised. The smaller Study Group of members also met separately to plan the direction of the study and to distil the main points arising from the evidence into conclusions and recommendations for the Committee's consideration. Study Group members also attended a Debate on the Future of Local Government, which followed the East Midlands Regional Local Government Association General meeting on 29th November 2004, and reported back the main issues to the full Select Committee. The Study Group is grateful for the help provided by the officers and agencies mentioned in this report.
- 5 The key messages arising from this study are shown as **conclusions** and the points recommended for further action, either for Council Cabinet or other agencies, are listed as **recommendations**

Issue 1 - Key Regional Agencies and links to Nottinghamshire County Council

- 6 In order to understand the work of the key regional agencies in the East Midlands, the Select Committee developed two scoping reports which were presented at the 14th July and 22nd September Select Committee meetings in 2004. These reports provide detailed information on the work and remit of Regional Development Agencies and Regional Assemblies. The reports outline how 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 in December 1998. While called Regional Assemblies, members are not directly elected and the Assemblies are not regional government; they are partnership assemblies. A primary purpose of Regional Assemblies – under the Regional Development Agencies Act 1998 – is to scrutinise the work of the Regional Development Agencies.
- 7 The reports also summarised the Government's plans for a referendum on an elected Regional Assembly in the North East Region in November 2004. Regions that vote for an elected Regional Assembly will move to a single tier of local government, with a local referendum 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. The first regional and local referendums subsequently went ahead on 4th November 2004 in the North East Region.

- 8 After discussing the issues in the scoping reports the Select Committee wanted to learn more about the work of the East Midlands Regional Assembly and its relationship to the East Midlands Regional Local Government Association. Therefore at its meeting on 22 September 2004 the Select Committee received a presentation from Nigel Rudd, Chief Executive of the East Midlands Regional Assembly. Janet Ward, Chief Executive of the East Midlands Regional Local Government Association, was also invited to attend the meeting and took part in the discussion.
- 9 The first part of the briefing by Mr Rudd was aimed at promoting common understanding of the current structure of the Assembly, its responsibilities and the management of its main functions of Planning, Scrutiny, and Policy. He also explained how the Assembly works in partnership with the Government Office East Midlands – which represents Central Government in the region - and the Regional Development Agency. The second part of the briefing concerned proposals under discussion for the future development of Assemblies, and how potential changes could affect Nottinghamshire County Council. The Committee learnt that the Assembly is currently a partnership Assembly made up of 111 members, with 70 nominated from the 46 local authorities in the region, 35 from the wider social and business community, and the region's 6 MEPs. The East Midlands Regional Assembly operates through the full Assembly which meets four times a year, and through a system of four boards; the Executive Board, the Policy Board, the Planning Board and Scrutiny Board. Mr Rudd explained that in 2004/2005 a focus is expected on 12 performance indicators to ensure that the Assembly is economical, efficient, and effective. The Assembly's work is funded by a £2 million grant from the Office of the Deputy Prime Minister.
- 10 Mr Rudd also explained that if there was a future change to an elected Assembly, this could mean a smaller Assembly of 25 - 35 elected members. The number of elected members involved could therefore be much lower than in the current arrangements. Having such a small number of Members could lessen an elected Assembly's democratic accountability. Mr Rudd confirmed that the East Midlands Regional Assembly was working to an emerging agenda and at that time was awaiting the results of the referendum on an elected Assembly in the North East. The East Midlands Regional Assembly does not wish to trigger a process which could lead to a referendum on introducing a directly elected East Midlands Regional Assembly and consequent Local Government Review. Mr Rudd welcomed any debate that would confirm the strengths and weaknesses of the current system. In response to questions he agreed that the inclusion of Local Government re-organisation in the referendum proposals had clouded the issues and that it would be wrong to use Regional Government to "mend" problems in Local Government. In discussion, Committee members were keen to examine models of Regional Government in mainland Europe, for example France, and how this impacts on participation in local politics; information on this was subsequently researched as part of this study.
- 11 Janet Ward then explained to the Committee the role of the East Midlands Local Government Association in representing the views of the Local

Authorities at the regional level. The East Midlands Local Government Association is the partnership organisation of all local authorities in the region. The East Midlands Regional Assembly is a separate body. Nottinghamshire County Council has appointed four members to the EMRLGA and has seven votes. Janet Ward explained that local government had the majority representation on the Regional Assembly and that it was important for local government to co-ordinate its views at the regional level and use its strong voice. She explained that the East Midlands Regional Local Government Association has an Executive Committee, as well as General meetings. It also has an Employment Forum Steering Group.

12 Following these discussions at its 22 September meeting the Select Committee decided to further develop its understanding of the relationship between the East Midlands Regional Assembly and the East Midlands Local Government Association. The study group met with Janet Ward on 15 October 2004, and Ms Ward was then invited to attend the Select Committee meeting on 15 December 2004. The Committee learnt that until 2002 the East Midlands Regional Assembly and the East Midlands Local Government Association had joint funding and joint organisational structures. The funding and organisational structures are now split. The EMRLGA receives its funding through subscriptions paid by local authorities, other income from Grants, earned income from Local Authority on site support, and the Assembly pays for corporate services under a service level agreement. The EMRA receives its funding directly from central government. The EMRA currently has no legal structure and is still financially underwritten by the EMRLGA, although it is believed there are proposals for the EMRA to become a limited company. Discussions are on-going about resolving financial liabilities and other administrative issues. The East Midlands Local Government Association currently retains financial responsibility for Assembly staff, although staff appointments and management rests with the Assembly.

13 Ms Ward also explained the appointment system for both bodies and how the local government political balance is achieved. All EMRA appointments are made through the EMRLGA and this takes place at the EMRLGA annual meeting in July. Each of the 46 local authorities has one place on the EMRA. In addition there are an additional 24 local government places which are distributed to achieve balance on the full EMRA and its different boards. Nottinghamshire County Council's representation on the EMRLGA and the EMRA is as follows:

EM Regional Assembly	
Assembly	Cllr Mick Warner – NCC representative. Cllr Terry Butler, Cllr Joan Taylor – EMRLGA added members
Policy Board	Cllr Mick Warner
Planning Board	Cllr Terry Butler
Assembly Board	Cllr Joan Taylor

EMRLGA	
EMRLGA General Meetings	NCC representatives: Cllrs Mick Warner, John Carter, Dick Anthony, Joan Taylor. Substitute: Cllr John Stocks
Chair	Cllr Joan Taylor
EMRLGA Employment Forum Steering Group	Cllr John Stocks (Chair of Steering Group), Cllr Joan Taylor
EMRLGA Executive	Cllrs John Carter (NCC), Joan Taylor (Chair of EMRLGA) and John Stocks (Chair of Employment Forum Steering Group)

- 14** Ms Ward explained that local government has a clear majority on the EMRA so is in a strong position to influence its policies. EMRLGA is keen that local government members act in a coordinated way on the EMRA and that they recognise their regional local government role when they attend EMRA meetings. EMRLGA has limited direct staff and financial resources and is keen to take advantage of the skills and expertise within individual local authorities. Also EMRLGA can only reflect the views presented to it by its local authority membership, so it is vitally important that members are actively involved. The EMRLGA Executive is keen to emphasise that the EMRLGA is a regional organisation in its own right, and that local government needs to be fully involved in its own right in all regional decision making affecting local authorities.

Issue 2 - Future of Regional Government following the North East referendum

- 15** During this study the Select Committee received copies of the leaflet – “ Have Your Say “ - from the Office of the Deputy Prime Minister - on the referendum on an Elected Assembly for the North East; Referendum Day was 4th November 2004.
- 16** The Select Committee noted that in the referendum on whether or not to establish a directly elected regional assembly in the North East of England, the result was:
- | | | |
|----------|---------|--------|
| Yes: | 197,310 | 22.07% |
| No: | 696,519 | 77.93% |
| Turnout: | 47.71% | |
- 17** The Select Committee then decided to examine the issue of how regional Government would or could now develop in light of the “no” vote in the North East region. To discuss the issues, the Committee invited Roger Poole, Deputy Regional Director of the Government Office for the East Midlands, and Martin Briggs, Chief Executive of the East Midlands Development Agency to give presentations to the Committee on 15th December 2004, which was followed by discussion. Janet Ward also attended the meeting.

- 18** The Committee learnt from Roger Poole that, in view of the result of the referendum in the North East, the Government was revising its strategy for devolution in England and information on this should be available in the New Year. The Government has already given statutory powers to existing Regional Assemblies through the Scrutiny of the regional economic activities of the Regional Development Agencies, responsibility for the preparation of regional spatial strategies and the merging of the Housing and Planning Boards. Proposed Government funding to Regional Assemblies for 2007/8 is £21 million. Mr Poole explained that Government Offices work in partnership to promote regional priorities. He assured the Committee that the Government will continue its commitment to bring together national and local levels of government, including decentralising decision making. The Government Office for the East Midlands, the Regional Development Agency, and the East Midlands Regional Assembly are currently looking at roles, strategies, and funding to provide greater coherence in the East Midlands region.
- 19** Martin Briggs, Chief Executive of the East Midlands Regional Development Agency told the Committee that Regional Development Agencies were created in England in 1997 to allow the regions to focus on their own particular needs. The result of the referendum in the North East would mean that the next stage of devolution in England, to which the Government remains committed, would require a new agenda. He commented that devolution and decentralisation was not the same thing. There was discussion at the Committee meeting about whether it is possible to decentralise without devolution, and whether public service reform is needed to manage local and regional responsibilities. In his presentation, Martin Briggs also illustrated the “Regional Trinities” of Policy: economic, social, and environmental, and Governance: Government Office for the East Midlands, Regional Assembly, and Regional Development Agency.
- 20** In response to questions about the measurement of the skills and effectiveness of regional bodies Roger Poole explained that performance evaluation was a continual process. Martin Briggs pointed out that there were 25 key performance indicators agreed between government and regional agencies. In reply to a question from a Committee member Martin Briggs said that some things were better dealt with at a regional level – for example in regeneration, decisions could be decentralised to regional level to encourage collaboration across areas.
- 21** Following a debate about regional government at the full Nottinghamshire County Council meeting on 18th November 2004, the Committee’s Study Group received a copy of a letter, sent to the County Council’s Head of Members Services, dated 24th December 2004, from the Regional Assemblies Division of the Office of the Deputy Prime Minister, which sets out information about the future of elected regional assemblies. Under existing legislation there can be no further referendum on regional assemblies in the North East for at least 7 years. Other proposed referendums in the North West and Yorkshire and the Humber regions will now not take place and no others are planned elsewhere in England. As regards the unelected Assemblies the

Government remains firmly committed to improving economic performance and quality of life across all regions. To achieve this it will continue local government reform and an active regional policy to decentralise power and strengthen the regions through the Regional Development Agencies, the regional chambers and the Government Offices and through stronger local government.

- 22** Throughout the study the Select Committee was keen to examine the issue of co-operation between local authorities, and to look at current requirements for consultation and co-operation between local authorities. One example of the need for cross- border co-operation was raised at the 26th January 2005 meeting of the Select Committee, and is provided as only one illustrative example. The Select Committee received a report on Robin Hood Airport Doncaster Sheffield; the Committee is studying the impact of this new airport on Nottinghamshire, as well as carrying out its study of Regional Government. The Committee learnt the following; at the planning stage for the airport it was anticipated that funding would be built in to the airport's business plan to support public transport. Indeed, at the public inquiry Nottinghamshire County Council identified the need for regular hourly bus services from both Retford and Worksop to be paid for by section 106 contributions from the developer (Peel). Unfortunately, although section 106 funding was made available for public transport by the developer as part of the planning approval, the determining authority Doncaster MBC allocated this exclusively to services within their area, and none to provide transport links to Nottinghamshire. This was not a decision over which Nottinghamshire County Council had any influence.
- 23** As part of this study the Committee's Study Group looked at papers which demonstrated decision making in France. While there was not enough time in this study to carry out a detailed examination of mainland European democratic structures the Study Group believes that there would be merits in undertaking a more detailed examination of this issue in the future. The Study Group began to examine the twin role of the departments, which were created in 1789, and took the place of the provinces. The department is – an administrative constituency of the State, placed under the authority of a Prefect, - and a community representing the people who live in the territory that makes up the department. Initially placed under the administration of the Prefect, the department saw its autonomy progressively increase. The most decisive change came about in 1982 with the so called “ decentralisation “ law which was further modified by various subsequent legislative texts.

Conclusions

- 24** The Select Committee considers that the issue of democratic accountability is currently lacking in Regional structures; there is a clear democratic deficit in the structures. Decision making on key issues should be clearly defined, transparent, democratically accountable, and

located at the most appropriate level of Government. However Members do not recommend going down the route of having an elected Regional Assembly as a means of addressing this issue. Members also wish to continue to work with existing structures whilst they remain, as our prime duty is to Nottinghamshire residents.

- 25** Members also consider that the current structures are unwieldy, and that there is the potential for duplication and overlap between the work of different regional agencies. However Members do believe that these structures are capable of reform assuming we are to retain a regional dimension to our responsibilities as a Local Authority.
- 26** During this study Members have learnt that it is vitally important for the East Midlands Regional Local Government Association to reflect the views of local Councils. Therefore it is important to ensure proper arrangements for reporting back to the County Council the details of business conducted at the East Midlands Regional Local Government Association and the East Midlands Regional Assembly and ensuring that the County Council is fully included in influencing the work of these bodies.
- 27** Members have learnt about the current arrangements between the EMRLGA and Assembly; that the East Midlands Regional Local Government Association currently retains financial responsibility for Assembly staff as the Assembly does not have its own legal identity at the moment. Members believe that these arrangements are unsatisfactory, and are concerned that in the future the EMRA could become a financial liability to the EMRLGA or, through this body, to local Councils. The study has investigated arrangements between Regional Local Government Associations and Regional Assemblies in other parts of the country. Questions asked and answers received are in Appendix 1 to this report.
- 28** Members note the result of the referendum in the North East and that there are currently no plans for referendums elsewhere in the country. Members had been seriously concerned that an elected Regional Assembly of only 25- 35 Members could not have adequately represented an entire region. However Members also note that the Government is committed to decentralising power and strengthening the regions. The Assemblies have a key influence on issues such as housing, planning, and transportation. For example, they review and develop RPG8 including the regional transport strategy and the regional spatial strategy. They have a scrutiny role, for example in areas of economic development, and skills and training. New developments are also proposed such as Regional Skills Partnerships and bringing Regional Housing Board activities under the Regional Assembly. Members are concerned about these proposed new /greater powers for Regional Assemblies, such as the proposals that Regional Housing Boards should be brought within the Regional Assemblies. Members would not wish to see any strengthening of existing Assemblies' powers.

- 29** Members have learnt that the current Assembly has two thirds local government membership. In light of the fact that the regional responsibilities undertaken by Assemblies are set to continue, Members consider that the key roles undertaken by the Assembly should be undertaken by the East Midlands Regional Local Government Association, which is totally made up of democratically accountable elected members from across the region. The key role of scrutinising the Regional Development Agencies should also be undertaken by elected Members. While other regional stakeholders on the current Assembly should be involved in discussions, voting members on these issues should be local government Members.
- 30** Members have learnt about the role of the current regional agencies and how they are intended to examine issues that the Government feels cannot be solved within the boundary of one authority. However Members consider that there should be a legal duty on local authorities to consult their neighbours on matters of clear mutual interest, including strategic planning issues. This should also include consulting neighbouring authorities who do not fall within the same “rigid” regional boundaries. In the example of the Committee’s study of Robin Hood Airport Doncaster Sheffield this would have involved statutory consultation by an Authority in the Yorkshire region with Nottinghamshire in the East Midlands Region.
- 31** Members consider that the discussions at the East Midlands Regional Local Government Association debate on the Future of Local Government, which some Study Group Members attended on 29th November 2004 raised interesting points about the future of local government and the need for democratic accountability ; for example that “ Trust should be two-way. The current relationship with central government is excessively controlling. Regional structures too should be reviewed, to enhance local accountability “.

Recommendations

The Select Committee is asked to make the following recommendations to Cabinet :

- 1** **Members recommend that existing regional structures are reformed as there is a clear democratic deficit. However Members do not recommend that we go down the route of an elected Assembly as a method of addressing this issue.**
- 2** **Members recommend that we do continue to work with existing structures while they remain, as we have a prime duty to the residents of Nottinghamshire. Members recommend that the County Council carries out a study of relationships between the County Council, and District, Town, and Parish Councils. Members also recommend that the County Council carries out a detailed examination of the mainland European**

dimension where we believe that there are examples of genuine decentralisation and devolution of decision making.

- 3** Members recommend that in the interests of democratic accountability the Regional Local Government Association and the current Assembly should be one body, and only that “Elected” members nominated by their respective Local Authorities should have votes in that Forum. Other stakeholders should be involved in discussions but should be non-voting.
- 4** Members recommend that the relationship between Government Office East Midlands and the Regional Development Agency with this Forum should be further examined so that responsibilities and roles are clear and that there is no potential for duplication. The Select Committee has no difficulty in recommending working with other organisations which have a specific remit, but would also wish to ensure that their role is advisory rather than prescriptive when they deal with democratically accountable Local Authorities.
- 5** Members note there are some occasions when it is legally required for local authorities to consult with neighbouring councils and other public bodies, on certain planning matters for example. Members further note that there are occasions when it would significantly contribute to good decision-making to consult with relevant neighbouring councils and other public bodies even though there is no legal duty to do so. It is therefore recommended that the County Council’s Consultation Strategy should include a clear commitment that in any decision-making process, the decision maker should undertake, where relevant, consultation with neighbouring councils and other public bodies as part of best practice to ensure that informed high quality decisions are taken. The County Council’s Cabinet would need to lobby the Local Government Association and Government if it wanted to campaign for additional statutory consultation legislation. Committee Members recommend that Cabinet carries out such lobbying for this necessary additional statutory consultation legislation.

Background papers available for inspection

All Agenda papers and Minutes of the Cross Service and External Affairs Select Committee:

2nd June 2004
14th July 2004
22nd September 2004
3rd November 2004
15th December 2004
26th January 2005
9th March 2005

Electoral Division(s) affected

All

Councillor E Llewellyn – Jones
Chair of the Cross Service and External Affairs Select Committee

Director of Resources Financial Comments (NS 23/3/05)

There are no specific financial implications arising from this report.

Legal Comments (PDH 24/3/05)

It is within the remit of Select Committees to consider matters affecting the County of Nottinghamshire or its inhabitants and to review and scrutinise the performance of other public bodies in the area. This clearly includes scrutiny of issues external of the Council such as the regional governance matters set out in this report. It is also within the role of Select Committees to make recommendations to Cabinet arising from the outcome of the scrutiny process. Any decisions or responses arising from scrutiny exercises are ultimately a matter for Cabinet.