

CABINET – 4 SEPTEMBER 2002

YOUR REGION, YOUR CHOICE WHITE PAPER

1. INTRODUCTION

- # 1.1 The White Paper, which runs to over 100 pages, was published in May 2002. A summary is attached as Appendix 1.
- 1.2 The White Paper does not include specific consultative requirements in terms of a deadline or views on individual proposals. General comments are invited. This report is intended to give Cabinet the opportunity to debate the White Paper and decide what views it wishes to make.

2. THE PROPOSALS

- 2.1 The Government intends to move gradually to an elected system of regional government in England. Eventually they intend there to be 8 assemblies based on the existing Government Office areas, in our area the GOSE boundaries. However, no region will be forced to have an elected assembly.
- 2.2 Before an elected regional assembly can be established, a referendum must be held and a 'yes' vote by a simple majority obtained. The Government will determine in each region when the time is right by 'assessing the level of public interest'. In two tier local government areas, a review of the structure of local government will be undertaken in advance to determine the appropriate form of 'unitary' local government to be implemented upon the successful outcome of the regional assembly referendum. The number of members to be elected to the new Assembly will range between 25 and 35. They will be elected partly by geographical representation topped up with a form of proportional representation (Additional Member System).
- 2.3 The main functions of the assemblies are envisaged to be:
- economic development
 - skills and employment
 - land use and regional planning
 - housing
 - transport
 - arts, tourism and sport
 - public health
 - rural policy
 - environmental protection, biodiversity and waste
 - crime reduction

3. SOME ISSUES

3.1 DEVOLUTION OR CENTRALISATION?

The White Paper states that, "Almost all the elected assemblies' functions will be taken from central government and not from local government". However, this does not seem to be consistent with the insistence that any regional assembly must be preceded by a review of the local government structure. There is also evidence from other recent proposals, eg on planning to support the view that powers will actually be taken from local government.

3.2 DEMOCRACY AND ACCOUNTABILITY

Generally the addition of a democratic element to the current regional structures, which already exercise control over large and growing budgets, appears something to be welcomed. However, there must be severe doubts as to whether a regional assembly of 35 members for a population of 8m, combined with a possible reduction in local government accountability, really does address the issue of a 'democratic deficit'.

3.3 SCALE AND TIMING

The White Paper envisages that there will be at least one 'yes' referendum held during the current parliament. This is generally expected to be held in the North East where there is a largely unitary structure and a measure of popular support. However, even if this is the case, the earliest date for an assembly to be up and running is probably 2006 or 2007. Early discussions in the South East, with a population of 8m compared to the North East's 2.6m and a largely two-tier structure, do not indicate any widespread support for a regional assembly. This appears to be supported by a Mori survey canvassed by Hampshire County Council which indicates that only 35% of residents support the idea. Although some commentators expect this to change if regional assemblies are successfully implemented elsewhere, there appears little prospect of a regional assembly in the South East in this decade.

3.4 THE UNITARY QUESTION

New Forest District Council has a very strong argument to be a unitary council. It was recommended to be so in the last reorganisation review. It is the second largest district in the country. It shares boundaries with other important public agencies, not least the Primary Care Trust. It has a very strong identity. It is a key player in the emerging Local Strategic Partnership. However there is certainly no guarantee that it would be granted unitary status in any future structure in the South East. There will also be considerable disruption and cost attributable to any overall review of the government structure prior to a regional assembly. Therefore, given the likely timetable above, there is perhaps an even stronger argument for building a current good relationship with other local members of the local government family, particularly Hampshire County Council, the Town and Parish Councils of the New Forest and neighbouring authorities, and making these relationships work rather than being distracted by hypothetical structural debates.

4. FINANCIAL CONSIDERATIONS

- 4.1 There are no immediate financial implications for the District Council. If approved, regional assemblies are to be funded primarily by Central Government grant to meet their direct funding costs estimated to be around £25m pa. This will be in addition to the programme expenditure they will supervise (estimated at £349m for the North East and covering items such as housing capital allocations).
- 4.2 The white paper also states that, “people in any region with an elected assembly should make some contribution towards its running costs” and “will expect (by precept on local authorities) council tax payers to contribute the equivalent of around five pence per week for a Band D council tax payer”. An elected assembly will also be allowed to set a higher precept within the region to fund additional spending if it is considered desirable, although some capping regime will be put in place. Capital expenditure will generally be funded by central government grant although borrowing powers will be given “to fund capital expenditure where they (the Assembly) can afford to finance it from their revenue budgets.”

5. A PARISH COUNCIL VIEW

- 5.1 The District Council has formally received one comment on these proposals, from Lyndhurst Parish Council. The Parish Council is not in agreement with the proposals, feels they are a retrograde step for local democracy and believe the opportunity for local input will be removed from the grass roots community.

6. ENVIRONMENT AND CRIME AND DISORDER IMPLICATIONS

- 6.1 None immediate although the Government believes these proposals will have significant benefits in these areas.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 Will be made in the Cabinet debate.

8. RECOMMENDATIONS

- 8.1 It is recommended that Cabinet debates the White Paper proposals and decides what comment it wishes to make to Central Government.

For further information

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Background papers

None



The White Paper sets out a new regional policy for England. It explains how we will decentralise power and strengthen existing regional structures. And it offers people living in England the chance to have an elected regional assembly.

An elected regional assembly will give people more say about the issues that affect their region. It can make government more effective and efficient. And it can enable regions to build on their unique strengths, to improve economic performance and quality of life.

Devolving power

Britain has had one of the most centralised systems of government in the western world. Decisions affecting our regions are often taken far away from the people and places they will affect. But there must be real doubt whether this has led to better government.

In a geographically small country, we have also seen wide economic disparities both between regions and within them. Regions have not had the chance to build on their strengths or to tackle their weaknesses. If we are to enjoy increasing prosperity in the UK we need strong economic growth in all our nations and regions.

This means a new approach:

- strengthening the building blocks for economic growth in all regions; and
- strengthening regional leadership – giving the regions powers to address their particular needs.

Decisions on issues which affect a region, such as planning and how to generate economic development, are often best dealt with in the region itself. Decisions made at the regional level can take better account of the unique opportunities and challenges faced by an individual region. This can lead to better results both for the region in question and the country as a whole.

This Government has worked hard to decentralise power and decision-making. Power has already been devolved to Scotland, Wales and Northern Ireland, and London-wide Government has been restored to the capital. Regional Development Agencies (RDAs) have been created in England as economic powerhouses in each region with a network of regional chambers to scrutinise them.

We believe that successful solutions to regional problems need to be rooted in the regions themselves. We are therefore:



- improving co-ordination of Government policy in the regions and joining up regional strategies to provide for more efficient and effective delivery;
- bringing decision-making closer to those it affects, by giving more responsibilities to the regional chambers and the regional Government Offices;
- improving arrangements for regional planning;
- ensuring a stronger regional input into national policy-making and spending decisions, thus adding to the extra resources and greater freedom and flexibility we have already given to the RDAs.

But some regions may want to go further than this, and may judge that an elected regional assembly will allow them the best chance to improve decision-making and accountability. We believe regions that want that chance should be given it.

A step further – elected regional assemblies

We believe elected regional assemblies can improve both the accountability of government and also its efficiency and effectiveness.

They will **improve accountability** by:

- making the existing government bodies in the regions more accountable to people in the regions;
- decentralising more power from Whitehall and bringing decision-making closer to the people; and
- revitalising democracy and giving the regions a new voice, both within the UK and in Europe.

They can **improve effectiveness** because they will:

- be able to join up – and where necessary rationalise – the many strategies and partnerships in the regions;
- have powers to offer tailored solutions that meet the particular needs of their regions;
- make it easier for regional stakeholders to contribute to decisions; and
- have greater freedom through their block grant to allocate resources and determine priorities in their region.



What will elected regional assemblies do?

Elected regional assemblies will develop a **strategic vision for improving the quality of life** in their regions, in particular improving **economic performance**.

They will be responsible for **setting priorities, delivering regional strategies and allocating funding**. In addition, elected assemblies will have a significant **influencing** role, including scrutiny powers and making appointments to regional public bodies ('quangos').

Subject to agreeing a small number of key national targets, an assembly will have complete freedom over how to spend the resources at its disposal.

There are many areas of policy where a regional dimension could improve both the decision-making process and successful implementation.

Among those areas where the regional assembly will have specific responsibilities are:

- *economic development*
- *skills and employment*
- *housing*
- *sport, culture and tourism*
- *transport*
- *land use and regional planning*
- *environmental protection, biodiversity and waste*
- *public health*

Delivering in the region

Successful redevelopment of an area depends on an integrated approach that provides jobs, homes, transport links and other facilities.

At present, responsibility for these issues rests with a number of different bodies, including the Regional Development Agency, the Government Office, the regional chamber and the Housing Corporation. This can mean duplication, disagreement and delay.

An elected regional assembly will produce integrated strategies covering all these issues. It will have direct responsibility for the Regional Development Agency and influence over other regional agencies and public bodies. It will also have money and other powers to help it implement its strategies.



As well as drawing up – and delivering – regional strategies for each of these individual policy areas, their task will also be to ensure they all fit together effectively so they improve people's living standards and quality of life. This is where we believe elected regional assemblies can have an important new role. They will be able to look at 'cross-cutting' issues such as sustainable development across the region.

Your region, your choice

Before an elected regional assembly is established in a region, a referendum must be held and a majority of those voting must be in favour of having an assembly.

Interest in elected regional assemblies varies across England. So we won't require referendums to be held in all eight English regions outside London at the same time. Instead, we will hold a referendum in a region when we consider there is sufficient public interest in one.

We will gauge that interest by taking into account the views of members of the public and those of the regional chamber, local authorities and other key stakeholders in the region.

Democracy, not bureaucracy

Elected assemblies will provide direct accountability over key regional public bodies ('quangos'). Almost all of their functions will be taken from central government, not from local authorities. By providing stronger scrutiny and improving co-ordination between existing bodies, they should reduce bureaucracy, not add to it.

Even so, in areas that currently have a county and district council, a regional assembly would add a third tier of elected government below the national level. We believe that moving to a single tier of local government would:

- simplify relationships for both local authorities and regional assemblies; and
- make it much clearer to the public who does what.

So in any region where the Government decides that a referendum on an elected assembly should be held, there will first be an independent review of local government structures. The review will recommend the most effective wholly unitary local government structure for the region and will be carried out by the Boundary Committee for England. But restructuring of local government would only take place if



the region votes for an elected assembly.

Size and constitution of assemblies

The Government wants elected regional assemblies to be:

- democratic and responsive;
- inclusive and representative;
- small and streamlined;
- effective and efficient.

We envisage assemblies will have between 25 and 35 members. They will have a leader and cabinet of up to six members chosen by – and fully accountable to – the full assembly. It would be the task of the cabinet both to develop policies and, after gaining approval for them from the full assembly, to implement them.

Regional assemblies will be based on the existing administrative boundaries used by the Government Offices and Regional Development Agencies.

Stakeholder involvement

The aim of the elected regional assemblies is to improve local decision-making. So they will need to ensure they harness the experience, expertise and commitment of others in their region. We want to see them

making full use of all stakeholders – including the business community, trade unions, social and environmental partners, and other elected representatives.

Close working with regional partners should ensure that an assembly's policies are soundly based and have widespread support. Such stakeholder forums (such as the Scottish Civic Forum and similar arrangements in Wales and London) have worked well.

We would like to hear your views on how prescriptive the Government should be in setting out how regional assemblies should involve key stakeholders.

Elections

The voting system for elected regional assemblies will be the **Additional Member System** (AMS) form of **proportional representation** (PR). This is the system already used for the Scottish Parliament, the Welsh Assembly and the Greater London Authority. It ensures the overall composition of an assembly would broadly reflect the votes cast for the different parties at the assembly election.



Funding of assemblies

Most of an assembly's money will come through a single Government grant. The assembly will decide how it should use this to address key regional priorities. Based on figures for 2001/02, an assembly in the North East would be responsible for around £350 million. And it would influence decisions on how more than £500 million more is spent by its key partners.

Assemblies will be able to raise additional funds through the council tax. The money will be collected on behalf of the assembly by the local authorities in the region as part of their existing arrangements for collecting council tax. Non-domestic rates will not be affected.

The contribution of council tax-payers to the running costs of the assembly would be equivalent to around five pence per week for a Band D council tax-payer in any region. An elected assembly would be allowed to set a higher charge to fund additional spending if it considered this desirable. We will, at least initially, limit this amount through arrangements comparable to the existing local authority capping regime.

Timetable

We intend to introduce a Bill to provide for referendums and associated local government reviews when Parliamentary time allows, with the aim of enabling the first referendum to be held during this Parliament. Once at least one region has voted for an elected assembly, we intend to introduce a further Bill allowing them to be set up. Elections for these assemblies, in the regions where there has been a 'yes' vote in a referendum, would be held within months of the Bill becoming law. In practice, this would allow the first regional assembly to be up and running early in the next Parliament.

Sending us your views

We want to hear your views on the proposals on stakeholders set out in the White Paper. Please let us know if you wish your response to remain confidential. You can email responses and any other comments to regions.whitepaper@dtlr.gov.uk or send paper responses to:

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