



House of Commons

ODPM: Housing, Planning,  
Local Government and the  
Regions Committee

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# The Draft Regional Assemblies Bill

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Session 2004–05

***Volume II***

*Oral and supplementary written evidence*

*Ordered by The House of Commons  
to be printed 14 December 2004*

HC 62-II  
[Incorporating HC 972-i, ii, iii and iv, Session 2003-04]

Published on 5 January 2005  
by authority of the House of Commons  
London: The Stationery Office Limited  
£14.50

## **The ODPM: Housing, Planning, Local Government and the Regions Committee**

The ODPM: Housing, Planning, Local Government and the Regions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Deputy Prime Minister and its associated bodies.

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## Taken before the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee

on Wednesday 8 September 2004

Members present:

Andrew Bennett, in the Chair

Sir Paul Beresford  
Mr Clive Betts  
Mr Graham Brady  
Mr David Clelland

Mr John Cummings  
Mr Bill O'Brien  
Christine Russell  
Mr Adrian Sanders

*Witnesses:* **Professor Robert Hazell** and **Mr Mark Sandford**, Constitution Unit, University College London, examined.

**Q1 Chairman:** I see your colleague is delayed.

**Professor Hazell:** I apologise for that, Chairman. I came by bicycle and he is coming on public transport.

**Q2 Chairman:** Perhaps I should make it clear to everybody that because of the short timescale we have not yet been able to publish all the evidence that we have received. We hope that it will be on the Internet by very early next week and in published form certainly by Tuesday or Wednesday of next week. The evidence for today's sessions is on the side, if anyone wants to consult it. May I welcome you to the Committee and ask you to identify yourself for the record.

**Professor Hazell:** I am Professor Robert Hazell and I am the Director of the Constitution Unit at University College London.

**Q3 Chairman:** Do you want to say anything by way of introduction or are you happy for us to go straight to questions?

**Professor Hazell:** I am happy to go straight to questions. Perhaps I may just explain my expertise and that of my colleague, Mark Sandford, for when he arrives. Mine is in devolution generally and Mark is an expert in regional chambers and regional assemblies and also the Greater London Authority, subjects which he has researched and written about for several years, and he is the author of the Unit's commentary on the Draft Regional Assemblies Bill which I believe we have submitted as evidence to the Committee. I will do my best without him, but if I am a little reticent once he has joined us, forgive me. It is because he is our real expert on regional assemblies and regional government and you will get more value from him than from me.

**Chairman:** Thank you very much. John Cummings.

**Q4 Mr Cummings:** The Government have announced in the draft policy statement its intention to restrict elected regional assemblies' powers in order to prevent them, for example, providing education and health services. What experience do

you have from other elected authorities in England and Wales about the nature and effects of these restrictions in powers?

**Professor Hazell:** I was surprised to see that restriction. I am not sure that it is at all necessary given the very small budgets which regional assemblies are proposed to have. They are simply not going to have the money to provide health or education in any serious kind of way and I would be very surprised if any of them were tempted to try to do so. Perhaps I could make a brief comparison with Wales since you specifically mentioned Wales. There is really no comparison of any meaningful kind between the powers proposed for regional assemblies in England and those of the Welsh Assembly. The Welsh Assembly is responsible for running all public services effectively in Wales including health and education. It has a huge budget relative to that proposed for regional assemblies; I believe it is now some £9 billion a year. It has a huge staff running to thousands. Regional assemblies in England will not be playing in the same league.

**Q5 Chairman:** It is true, is it not, that the population of Wales is very similar to the population of the northeast?

**Professor Hazell:** Indeed, and that is why I am making the comparison with its budget and the size of its staff. One could make other comparisons with the size of the Assembly. Wales has 60 members and even that has been strongly criticised, most recently by the Richard Commission, for being too small.

**Q6 Sir Paul Beresford:** Both the people in favour of regional assemblies and those against are in agreement that this Bill is going to set up an assembly that talks, consults and responds to consultation. It is effectively a talking shop, absorbing money and doing nothing and to many people on either side of the argument it is a waste of time. Would you agree with that in essence at least?

**Mr Sandford:** Apologies for being late. I do not think Ken Livingstone wanted you to hear what I have to say today. It is certainly true that a lot of the tasks of a regional assembly as set up under this Bill

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will be to act as the voice of the region, which is a fancy way of saying doing a lot of talking and lobbying. I would not be completely dismissive of that as a role. I think that recent events in London, for instance the huge increase in the budget of Transport for London and the events surrounding the Olympic bid, demonstrate that having a concentrated voice in a regional area can make a difference to the way the Government views that area. However, the amounts of actual influence over public services that an assembly will be able to have under this Bill are very small and influence takes place over many years and in a very attenuated fashion, it takes a long time to get things done and it takes a long time to prove that you are doing anything.

**Q7 Mr Cummings:** What visible outputs will ERAs be able to deliver to the electorate?

**Mr Sandford:** I think the number of visible outputs to the electorate that ERAs will deliver is very small. One of the problems with the proposals as they have been made throughout the Government's development of its policy is that the functions as they are laid out both in the White Paper and the draft Bill are what I call 'back room' functions relating to the allocation of housing, capital finance, the development of land, the reclamation of land and business birth rates. These are all useful and interesting parts of public policy but they are not things which get the electorate excited unless they know already about those issues. I think this is one of the major problems in terms of gaining public acceptance and indeed public interest in the proposals.

**Q8 Mr Cummings:** Are you excited with the prospect of regional assemblies?

**Mr Sandford:** I am sure I am.

**Q9 Sir Paul Beresford:** Do you think those people going to the referendum are going to understand it, are going to be interested, are going to be bothered or will they even turn up because they think it is a complete waste of time?

**Mr Sandford:** I think people will turn up more than is commonly expected. I do not think there will be a derisory turn out in the referendum, but I doubt it will be due to an in-depth understanding of what the assemblies can offer.

**Q10 Mr Clelland:** How many elected organisations in terms of government in this country do you know of whose powers have remained the same or diminished over the years?

**Mr Sandford:** Is that a question?

**Q11 Mr Clelland:** Yes. Is it not a fact that it is not a question of where we start, although obviously we are looking at the draft Bill in terms of the principles which I think Sir Paul was relating to of regional government, but what the future holds?

**Professor Hazell:** I entirely agree. Ron Davies famously said, "Devolution is a process, not an event." It is well known that he was by no means

satisfied with the powers offered to the National Assembly for Wales when it started in business, and indeed in Wales there has been a lively debate in the last five years about the powers of the assembly and quite strong demands for those to be increased. One case being made to those who will vote in the referendum in the northeast in November by those in favour of regional government is that this may be a slightly weakly looking creature at the moment but it is the best we can get to get started, so please help us get started.

**Q12 Sir Paul Beresford:** Would those who have any experience of London not think the opposite to that, which is that we started off with a small council tax etcetera, the ambitions of the Mayor and the GLA are growing like crazy and the prospect is that in time to come the council tax version derivative from this assembly will also be progressively outrageous?

**Mr Sandford:** I think there is a risk that the fabled 5p a week on a Band D council taxpayer is likely to rise. I do not think it will rise that far because that is an issue about which the assembly will no doubt be sensitive. The reason why I think that will rise is actually specific, it is not a general desire to increase powers. The nature of the funding settlement and the elected regional assemblies is such that a lot of the money which will come from the central government grants will be pre-committed to general areas such as regional development, housing and capital allocations, the regional fire and rescue service. If the assembly wants to address other areas it has got to have a supply of what is known in the jargon as 'soft' money, which is money that is not pre-allocated to any particular area. The most obvious supply of such soft money—it will be in small quantities, do not get me wrong—is through the council tax precept.

**Q13 Mr Brady:** Does it not follow from what you have been saying that even if the northeast were to vote for an elected regional assembly, even taking the most charitable view, it would be a very long period before the electorate in Yorkshire, the Humber or northwest could be expected to see any benefit whatsoever accruing to the people of the northeast? Does it not make it even more likely that people in the northwest and Yorkshire and the Humber will see costs but no benefits in the whole regional government experiment?

**Mr Sandford:** It depends on your view of why people vote for regional governments. I am not convinced that people take as logical a view as you are outlining. I think that the voice of the region aspect of regional assemblies to which we were referring a moment ago will be just as catalytic a factor in encouraging the electorate of the northwest and Yorkshire and the Humber to vote for the assembly. There has been talk of the "me too" thesis, the dominant theory already in regions such as the West Midlands and the East Midlands which have not even been lined up for a referendum yet. I would not under-estimate the degree to which what the assemblies can do at the moment will be taken on board by the electorate.



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**Q14 Mr Cummings:** English regional assemblies will share with the National Assembly for Wales a statutory duty to pursue sustainable development. What, if any, are the lessons to be drawn from the National Assembly in Wales in pursuing this particular aim?

**Mr Sandford:** I think the most important lesson from the National Assembly is that the existence of that statutory duty was really a vital form of impetus in getting the assembly to take notice of sustainable development at all. What the assembly has done, as I understand it, is adopt a kind of a framework of targets, not a strategy as such, across departments which allows sustainable development to be progressively inserted into the wider work of the assembly. Sustainable development fanatics will tell you that this is what sustainable development is, it is not a policy but a way of doing policy. Having that statutory requirement there has encouraged this to be done where it might otherwise simply have gone by the board. It is quite a highly theoretical way of thinking about policy. I think we can anticipate a similar sort of commitment to achieving that in the English regional assemblies.

**Q15 Mr O'Brien:** The composition of these assemblies is very important. They are going to be demographically elected, so they will be accountable to the electorate. Do you think that 25 or 35 members on each elected regional assembly is sufficient?

**Mr Sandford:** There are two ways of looking at this. First of all there is the question of representation. If you look at regional assembly membership from the point of view of representing the electorate, I would argue quite strongly that 25 to 35 members is not enough. If you take a 25 to 35 member assembly, because of the Additional Member System there will be no more than 15 to 22 members elected by the first-past-the-post element of the system. It will have constituencies as we understand them. Those constituencies are going to be anything from 150,000 people in the northeast to something like 300,000 people in the northwest or Yorkshire and the Humber. Those are very large constituencies and it will be hard for a single member to represent the interests of 150,000 or 300,000 people, they will be several times the size of parliamentary constituencies. On the other hand, it is quite hard to see what kind of constituency role elected regional assemblies are going to have. It is quite hard to imagine members of the electorate turning up to regional surgeries and saying things like for instance, "The RDA has not cleaned up the land next to my house properly. Please can you do something about it." I cannot see that elected members are going to have to address those kinds of concerns from members of the public. The more likely answer to the question is that the membership of the assembly should be related to the functions of the assembly which, as we have been saying, are very small and on those grounds there are probably better arguments for going for a smaller figure, something in the region of probably 25 or 35, perhaps a little higher, 40 or 45. I say a little higher for a specific reason,

which is that the assemblies are expected to have Cabinets of seven members. That leaves anything from 18 to 28 backbench members to carry out committee work and scrutiny, either scrutinising the functional bodies of the assembly, scrutinising the Cabinet ministers or whatever they may be called, and carrying out work such as orders and standards, which is done in the Welsh Assembly and the Greater London Authority. I am not convinced that 18 to 28 members is enough to do all those things.

**Q16 Mr O'Brien:** After all is said and done, most of the backbench members will be part-time and they are going to be serving between 200 and 300 electorates. How do you see the profile of the backbench members developing? If they are not going to be accountable to the electorate then there is little purpose in having them there.

**Mr Sandford:** I am not sure I understand.

**Q17 Mr O'Brien:** If the backbench members of the assembly have to play a role and most of them will be part-time, how do you see the profile of these people developing in the regions?

**Mr Sandford:** I think it will be very difficult for that profile to develop. My guess is that the fact that the backbench members will be part-time will be an encouragement to dual mandate holders, people who are already MPs or perhaps county or unitary authority councillors, to take on those roles as well. The members may be able to develop their profile as political actors within the region generally. I think the part-time nature of the membership is going to make it very difficult not only to develop a profile of the members but actually to do the job.

**Q18 Mr Clelland:** Quite often in local government there are people who are retired, unemployed or who work for public services where they can get more generous time off to deal with their duties. Does this imply that we are going to have the same problem in terms of part-time members of regional authorities, and should this Bill contain new beefed up statutory rights for people to have time off from work to carry out their duties in elected authorities?

**Mr Sandford:** It is going to be the same problem. I am quite curious as to why the Government has made so much of the part-time nature of assemblies. I think it is only fair to say that the part-time requirements I do not think appears in the current policy statement. It was mentioned in the White Paper two years ago but it has not been mentioned in the policy statement that was released with the draft Bill and I do not know whether that is an oversight or whether it has been re-thought. Yes, I think there is a risk that people will be coming predominantly from the categories you mentioned. As to whether this is the correct place to introduce requirements to allow people to have more time off, I am not sure I can comment on that.

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**Q19 Sir Paul Beresford:** You sound so enthusiastic. I am being sarcastic. Do you not think you should have a 'sunset referendum' in the Bill so that after three sessions the public can vote again on whether or not they want the regional assembly?

**Mr Sandford:** I am not sure I can comment on that.

**Professor Hazell:** As Mark said, the size of the assembly must relate to its functions and the way that it does its business and to the number of committees and sub-committees which the assembly will be required under the Bill to establish. It is worth noting that in Wales one of the main arguments for increasing the size of the assembly from the present 60 is because the assembly members are seriously over-stretched in each having to serve on typically three, sometimes four, committees and they are not being able to do justice to all those different committees. It is difficult to work out from the Bill how many committees a regional assembly will have or want to have, but it is quite an important guess to try and make in order to work out how many members the assembly then should have to staff an appropriate number of committees.

**Q20 Mr Clelland:** Is it not the case that this is where the stakeholders would come in, in helping to man the committees so that the committees do not consist entirely just of elected members but also of all of the other stakeholders, but at the end of the day it will be the assembly itself which makes decisions based on recommendations from the committees? The actual assembly, although it has a core of 25 or 35 members, will actually be a much bigger body.

**Professor Hazell:** Forgive me. I overlooked that and that is a very important point.

**Q21 Christine Russell:** Could I ask you for your views on the electoral system that is proposed. I know that we have a commitment in some parts of the country to the Additional Member System. Do you envisage that that could cause any problems, having some members elected by traditional constituency seats but others from regional lists?

**Professor Hazell:** Can I suggest that you might like to put that question also to Professor Tony Travers who I believe is the next witness today, because I do not have so much experience of how the Additional Member System has operated in the Greater London Assembly. Something we should stress very clearly is that the GLA is far and away the most relevant model for regional assemblies in England. It is a slim line, strategic body and its numbers are small. It is quite clearly in almost every clause in the Bill the model which the Government had in mind in drafting their proposals for regional assemblies. Coming to your question and the difficulties experienced in relation to AMS, there is no doubt there has been tension between the two classes of member in Scotland and in Wales which is mainly, I have to say, because of strong resentment by the Labour Party, which is overwhelmingly predominant in constituency members, against the list members who predominantly are representatives of the opposition parties. I do not know, and this is

why I am suggesting you ask Tony Travers, whether there is any similar kind of resentment or even perception of two classes of member in the GLA.

**Q22 Mr Betts:** Are you aware of anybody who is arguing, apart from ministers, for this system?

**Professor Hazell:** For the Additional Member System?

**Q23 Mr Betts:** Yes.

**Professor Hazell:** I am aware of lots of people who are arguing that regional assemblies should be elected by proportional representation. A first-past-the-post system tends to exaggerate the number of seats won by the largest single party and often to give it a working majority when it has not won a majority of the vote. Therefore, if you were to advocate first-past-the-post for the post for regional assemblies in England you would, in effect, be advocating that in some of the regions of England these would risk becoming one party states, and that is my understanding as to why PR has been proposed. I do not know whether you are floating alternatives to AMS like the Single Transferable Vote.

**Q24 Mr Betts:** I was merely asking whether you were aware of anybody who supported this system apart from ministers.

**Professor Hazell:** It is a perfectly respectable voting system.

**Q25 Mr Betts:** That was not quite the question I asked.

**Professor Hazell:** It is used in countries like Germany and New Zealand. It is only in Scotland and Wales that there has been this very sharp resentment, which, as I say, is confined to the Labour Party, against the additional members, the list members.

**Q26 Mr Clelland:** The Government is proposing to impose through this Bill the same kind of governmental system that it imposed on local government some time ago, that is the small Cabinet-type of government and in the regional assemblies that would mean a range of between three and seven members. Is that something you see happening? How is that going to work in terms of regional assemblies? That is a very small number of people to be carrying the responsibility. Would it not be better if the Bill were to enable regional assemblies and even local government after a certain amount of time and experience to develop a system and style of Government which is most suited to the particular region concerned?

**Professor Hazell:** There is nothing wrong in having a Cabinet. Indeed, for local government now they are required to have a Cabinet system of some kind, to have an executive clearly separate from the wider assembly. I think the real question is whether the size proposed in the Bill and, in particular, the minimum size is adequate. I was very surprised to see the figure of three as a minimum. I would want the system to be about six.

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**Mr Sandford:** Because of the full-time/part-time issue, the Cabinet is expected to be full-time under these proposals, I would be very surprised if any governing body appointed less than the maximum number of members since they are the only ones who are going to be full-time. That is going to be quite an important form of political patronage for whoever gets in power. I am quite a fan of the Cabinet system both in local government and in this particular case because I think that in small strategic bodies like these which are not going to have much to do it is going to be of benefit to have the decision-making apparatus concentrated in a small number of reasonably visible individuals who will be held to account by the rest of the assembly members. I would echo what Robert said, there is nothing wrong with having a Cabinet. The issue about the Cabinet for me is what its relationship would be with the functional bodies and the Regional Development Agency in particular which, as I understand things, is going to be expected to take on over half of the funding allocated to the assembly. To me there is a possibility there of temptation for the Cabinet to interfere politically with the decision-making of the RDAs. It is going to be such a large part of what it is expected to do, but one will have to wait and see how things turn out.

**Q27 Mr O'Brien:** When we were discussing the constitution and the numbers my colleague referred to the fact that there would be other stakeholders that may be co-opted or involved with the committee work and some of those will be special advisers, people with local knowledge of certain issues. What role should special advisers play in the elected regional assemblies?

**Professor Hazell:** There is a role specifically assigned in the Bill to people, who I think the Bill calls political assistants, who would be assigned to party groups in the assembly. The Bill specifies that an assembly cannot have more than three political assistants, one for each of the three largest political groups. Is that what you were after or were you asking more about those experts who might be co-opted?

**Q28 Mr O'Brien:** I am talking about clause 158 which gives the Secretary of State powers to appoint special advisers to the assemblies and establish consultation groups with special sectors. What role do you think they could play?

**Professor Hazell:** Forgive me. I am not prepared for that question and so rather than just bluff I had better duck.

**Chairman:** That is alright.

**Q29 Mr Sanders:** How has the National Assembly for Wales dealt with the distinction of employees serving the executive and employees serving the assembly?

**Professor Hazell:** The assembly was created as a body corporate and there was no distinction between the executive branch and the assembly. In the first years of the National Assembly for Wales it has created a much clearer distinction and the

separation has come largely from the assembly side and been led by the presiding officer. There was created first an office of the presiding officer which then began to give directions to the staff of the assembly, the clerks to the committees and after a bit established its own budget. Within the constraints of the Government of Wales Act there is now as clear a separation of powers between the legislature and the executive as one can achieve within something which is constitutionally and legally still a single body corporate. The one recommendation of the Richard Commission about which I think there is no dissent in Wales is that any future amendment to the settlement in Wales should be clearly established in law.

**Mr Sandford:** Certainly from very early in the life of the Welsh Assembly, if not from the very beginning, there has been quite a sharp physical separation between the two sides. When the Welsh Assembly started out a lot of the people clerking the assembly committees for instance had previously worked with and been colleagues of the people who were staffing the government departments in Wales. So it was not uncommon for committee clerks to ring up their opposite number in government departments and ask for details of fact or advice. As I understand it that has become progressively less common as the assembly has grown up.

**Q30 Mr Sanders:** I would like to turn to the scrutiny system and ask you to give us your view of the proposed provisions for scrutiny committees and sub-committees in the draft Bill?

**Mr Sandford:** This is the one part of the Bill which we thought was extremely odd and there are several reasons for that. What the Bill proposes is that a single Review and Monitoring Committee will be set up which will consist of all of the members of the assembly minus the executive. The Review and Monitoring Committee will then be empowered to set up sub-committees which presumably will undertake the bread and butter work of the scrutiny of either the functional bodies or of the Cabinet members themselves. What is odd is that the sub-committees of the Review and Monitoring Committee will mirror the proportionality of the Review and Monitoring Committee rather than the assembly as a whole and that goes against practice in every other tier of Government. As you know, here the proportionality of your own Committee mirrors that of Parliament. It does not take members of the Government off and then mirror the proportionality of those who remain. On the face of it, certainly for those of you who have had any experience of the scrutiny role in local government, this sounds attractive because it means a scrutiny role, which does not necessarily have an executive majority voting down anything remotely controversial that the scrutiny committees and the review and monitoring sub-committees want to do, but we are not convinced in practice that that will work. The research that we have done on local government scrutiny committees suggests that where you have a small minority for the governing party scrutiny gets to its most party political, that is when there is the

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greatest degree of tension between the governing party and a substantial opposition. Under these proposals it is likely that any small majority on the assembly would actually vanish in the Review and Monitoring Committee, so you would have the executive faced with review and monitoring sub-committees which had a different proportionality in effect and a majority of non-government party members. We think that the likely outcome of this is a party politicisation of the scrutiny process, a temptation to use scrutiny committees for oppositional purposes. Based on the work that we have done on scrutiny over the past two years, it seems to us that that is the least effective way of running a scrutiny system. We are somewhat confused as to why this proposal has appeared on the face of the Bill when there is no real way of knowing how well it would work in practice. From an academic point of view it is an interesting idea which is worth trying at some point, but enforcing it on the face of this Bill seems to us to have been done for no visibly good reason.

**Q31 Mr Sanders:** Is it possible that it is to try and curb the growing advocacy role of scrutiny in local government, where scrutiny committees are looking at things well beyond the functions of the council and acting as advocates for communities and that in a sense this way would curb that within a regional assembly, I think possibly wrongly, by trying to force them inwards to look at the functions at a regional level?

**Professor Hazell:** If I could interject and support your implicit query when you said “possibly wrongly”. If the regional assembly, which, as you know, has very limited formal powers, is to be, as Mark said at the beginning, the voice of the region, then a very important way in which it can be a regional voice is by conducting enquiries which go outside its formal functions and I very much hope that regional assemblies will do that.

**Q32 Chairman:** I want to take you on to the question of the area sub-committees. Are they going to have to reflect the composition of the regional assembly as a whole or are they going to have to reflect the composition of the area that they are going to cover?

**Mr Sandford:** I am afraid I do not know. I would have to check and send you a note.

**Q33 Chairman:** What has happened in Wales with the area sub-committees? Have they worked well or not?

**Professor Hazell:** They are seen as talking shops because they have little power. They have proved quite useful, given the geographical divisions in Wales, in getting members of the assembly out and about, particularly to the further flung parts of Wales where they regularly hold meetings outside Cardiff, but people close to the assembly say that they have not yet found a satisfactory role.

**Q34 Chairman:** On this whole question of scrutiny, do you think it is a good idea for the Bill to spell it out or would it be better simply to have a general

requirement for them to set up a system of scrutiny and then for each of them to be able to choose how they do it?

**Mr Sandford:** I would agree with you that it would be easier and better for there to be a general requirement. It seems to me that there is no advantage in specifying in great detail how the scrutiny system should work. The system that they have specified is actually used by some local authorities. The entire non-executive membership of certain local authorities become the giant scrutiny committees, sometimes there are 50 members and it has commissioned work from sub-committees, but that is a choice that local authorities have made. Other local authorities have chosen to set up systems which look far more like that used in the House of Commons or in the Welsh Assembly, subject committees in effect handling different parts of the council’s business. I do not think it is possible to say that one system works better than the other. There is no clear definition of exactly how the scrutiny should work. Under those circumstances I think flexibility is the key.

**Q35 Chairman:** Is there not a problem? The House of Commons had a scrutiny system inflicted on it because people went to the United States and thought their system worked well, and there obviously are problems in the House of Commons with scrutiny. Local Government got it inflicted on them because it was alleged parliamentary scrutiny worked well. Is it not time people actually looked a little bit more carefully at the purpose of the scrutiny and how effective it can be?

**Mr Sandford:** In some ways I feel that the Bill and the policy statements indicate that the Government is beginning to reach towards that way of thinking. I was particularly interested in the fact that the word scrutiny is not mentioned anywhere in the Bill or in the policy statements. The words review and monitoring have apparently come back into fashion after three or four years of everybody talking about scrutiny. I think a related point is the number of appointment rights which the Bill confers on regional assemblies, which is a far greater number of appointment rights than were originally indicated in the White Paper. One of the things that seems to me to indicate is that the Government has not quite decided yet whether the purpose of backbenchers in these assemblies is to scrutinise or to form a kind of reserve pool for appointments to various public bodies within the regions, and those are two quite distinct roles, both of which may or may not be valid in their own way, both of which appear to be being considered by the Government as valid roles for the backbenchers of the assemblies.

**Q36 Chairman:** One of the key roles as far as parliamentary scrutiny is concerned is that you can usually get a lot of evidence sent in from civil society outside. Do you think these regional assemblies are going to be able to draw on that same fund of people being willing to put in evidence and allowing themselves to be cross-examined?

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**Mr Sandford:** I am almost certain they will. People in civil society have essentially everything to gain and nothing to lose by taking part in the democratic processes of an elected assembly. If there seemed a chance, however faint, that an assembly inquiry could lead to encouragement of a better policy at central government level, of a more clear direction of lobbying towards the centre, then it is in their interests to make sure that that is done well. It is not in their interests to stand aside of it.

**Q37 Mr Clelland:** Is not what is being proposed here different to the parliamentary system of scrutiny? With the involvement of stakeholders that we referred to earlier the actual people who would normally be putting in evidence to a committee like this will actually be taking part in the sub-committees and committees of the assembly and, therefore, it is quite a different role. The witnesses that we have to our committee here will actually be taking part in committees and sub-committees. So it will be a different kind of scrutiny role, will it not, than we have here?

**Mr Sandford:** Up to a point, yes. I would be surprised if sub-committees appointed so many co-optees that they did not have anybody left to give evidence. It sounds as though I am being picky.

**Q38 Mr Clelland:** I mean sectors like the voluntary sector. They would be involved, would they not?

**Mr Sandford:** Yes.

**Q39 Mr Clelland:** So in that sense they would not have to submit evidence, they would actually be there taking part.

**Professor Hazell:** They will be on both sides of the table as it were and because some of them will be on your side of the table they will be very well placed to encourage and beat the bushes hard in relation to any specific inquiry and to get the best set of witnesses on this side of the table.

**Q40 Mr O'Brien:** On the question of funding, the draft Bill sets out a very general purpose but many of these areas the elected regional assembly will not directly fund. What impact can an elected regional assembly have on advising, being consulted or drawing up strategies?

**Mr Sandford:** It can have an impact. I would never say it could never have an impact. If it does have an impact, it will be a very long term and low key impact. An assembly which has to make the strategic policy work but has no funding and no executive power, no carrots or sticks with which to make that policy work, has to rely upon the goodwill of Parliament and the region, other public agencies, quangos, it has to rely on being able to talk those bodies round to its point of view, it has to rely on its point of view not clashing with those bodies' own intentions, their own policies as required by central government. The experience that I have had when talking to people in the regions at the moment who are trying to sign themselves up to strategy documents is that an executive agency, the Housing Corporation for instance, which signs up to a

regional housing strategy very rarely signs itself up to something that it was not originally going to do. Conversely, that means that the regional housing strategy very rarely looks any different from what the Housing Corporation had already intended it to look like and that goes back to the fact that the Housing Corporation is currently funded and receives its strategy and its direction from central government. Ultimately, when elected regional assemblies exist there are going to be lots and lots of executive agencies still existing in the regions which receive their funding direction from central government and they are not going to be able to turn around and say, "Well, the regional assembly wants us to do this. So, sorry, Minister, but we're not going to do what you tell us to." That is simply not the way it will work. I think strategies will make small differences over the medium to long term, and I think this kind of influence can be seen in London.

**Q41 Mr O'Brien:** Is it your view that the regional assemblies will have an impact on the strategies if they are being funded by the RDA or by housing corporations or the Culture, Media and Sport Department? If they are going to have to rely on organisations for funding what impact do you think it will have on strategies?

**Mr Sandford:** I think it will be a long-term impact. With most of those bodies their funding tends to be committed for one or two years in advance. If a strategy is prepared by a regional assembly it will only start to take effect after two to three years.

**Q42 Mr O'Brien:** Are there any additional areas you envisage where the regional assemblies could have direct funding?

**Mr Sandford:** We would tend to argue for direct funding in some of the areas where they currently are expected to have strategic powers. I think the three areas I would most particularly draw your attention to are learning and skills, culture and the environment. The learning and skills for instance relates extremely closely to economic development. We were given to understand in the White Paper that some of the cultural quangos that currently exist in the regions would pass to the regional assemblies. The Government appears to have backtracked on that. It does not say so very clearly in the policy statement. I think environmental quangos such as the Countryside Agency and English Nature and possibly the Environment Agency would also enable the assembly to have a serious effect if it had access to their spending and their executive powers.

**Q43 Mr Betts:** It is interesting that the housing budgets are going to be allocated by the regional assemblies to the various housing associations but the transport budgets and the skills budgets are not. Has that got to do with the fact that housing is an ODPM function and transport and skills are for other departments?

**Mr Sandford:** Broadly speaking I would agree with the point you are making.

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**Q44 Mr Clelland:** The policy statement said that elected regional assemblies would have 'considerable freedom' under their general purpose to spend their funding as they judge best, but in your view what real flexibility will these assemblies have? Is it not the case really that, in terms of their general grant, the budgets have been effectively fixed over the short and medium term?

**Mr Sandford:** I want to burst out yes but that is not quite the right answer. As you may remember from the White Paper, this was another thing that was not mentioned in the policy statement. Assemblies will have to agree a range of six to ten high level targets with the Government. I assume, though it is not said in the policy paper, that this will take place through the Assembly Scheme which is laid out in the draft Bill. Given the fact that an assembly will have to agree six to ten high level targets and given the fact that it has taken over specific budget streams from the RDA, the Housing Corporation, various fire and rescue functions, rural regeneration, it is going to be very difficult within that to find the flexibility to do anything else. I referred earlier to soft money through the council tax precept. There will also be soft money available through the regional assemblies' limited borrowing powers. That soft money is going to be the main source of anything unusual or inaugural that the assemblies will be able to do. I do not know how much soft money will be available, I do not know what the borrowing power will amount to in practice, but I suspect it is not going to be a very large percentage of the overall budget of the assembly. That is where the flexibility comes from. It is going to be a limited flexibility. It is not necessarily an insignificant flexibility. There is an example from London of a quite interesting use of flexibility which is the Mayor's partnerships register for same sex couples. That is something that does not cost very much to do but is of interest to a lot of people. That is the sort of inaugural policy which it may well be possible for assemblies to carry out, things which do not cost much but which achieve quite a lot of public profile and do some good and mean something to members of the electorate.

**Q45 Chairman:** The Mayor, because of the size of London, has quite a bit of small change in his budget to do some of those things. Is there going to be as much small change for the northeast assembly to be able to do some of those more imaginative things?

**Mr Sandford:** I would think not. I would not like to give a definite answer on the amounts of money. One would suppose that there is not so much money available through the precept.

**Professor Hazell:** May I just add one thing on the electoral system? Clive Betts asked me about the Additional Member System and I replied saying that the first-past-the-post system was notoriously disproportionate. The role of the additional members is to correct for the disproportionality in the constituency seats. The one thing I wanted to add is that the Bill leaves it to the Secretary of State—it is in clause 3(4)—to specify the number of constituency members and the number of regional members for each assembly and I think that is a very odd power to confer upon a government minister because in effect it could enable them to decide whether in some regions one party will win and govern or not.

**Q46 Chairman:** Does he make that decision before or after the actual election?

**Professor Hazell:** One hopes he makes it before the election. Even making it before the election, if he specifies a low number of regional members he could in effect determine the outcome. I am merely suggesting that this Committee might want to recommend some kind of minimum ratio between the number of constituency members and the number of regional members. In London, for example, in a 25 member assembly there are 14 constituency members and 11 London-wide, a ratio which comes to 44:56. This Committee might, for example, want to recommend a minimum ratio of 40:60.

**Q47 Chairman:** If the electorate have the sense to produce an election result in which first-past-the-post also represented very closely proportionality then the number of top-up members that you would need would be small, would it not?

**Professor Hazell:** Forgive me, Chairman. The electorate has very rarely, if ever, displayed that kind of wisdom.

**Q48 Mr Betts:** There is another problem. If you go for a higher number of regional-wide elected members then you will end up with larger constituencies and that goes back to the other problem you identified earlier.

**Professor Hazell:** That is true.

**Chairman:** I think we had better finish at that point. Thank you very much for your evidence.

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*Witness:* **Professor Tony Travers**, London School of Economics, examined.

**Q49 Chairman:** Can I welcome you to the Committee as a witness on this occasion, and can I ask you to identify yourself, for the record?

**Professor Travers:** My name is Tony Travers from the London School of Economics.

**Q50 Chairman:** Do you want to say anything by way of introduction or are you happy for us to go straight to questions?

**Professor Travers:** I am happy for you to go straight to questions.

**Q51 Christine Russell:** Good morning. Can I ask you whether you think there is any credence in the argument, over which a number of local authorities express their concern, whereby the experience of a number of the bodies that have been created is that

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the powers have actually been taken away from local government—taken up from local government rather than handed down by central government?

**Professor Travers:** If I can speak first from the basis of what happened in London, but then to generalise on the basis of what it appears is likely to happen in the English regions, I think in the case of the creation of the Greater London Authority as a kind of prototype for English Regional Government, to be fair most of the powers that were handed to the GLA did come from national quangos or, at the very least, from Committees of boroughs which had been set up when the Greater London Council was abolished. So there was a residual of services which had previously been run by an upper tier or taken into national government, which were then handed back to the new London-wide authority. Having said that, I think the evidence for the proposed Regional Government elsewhere in England is that after the publication of the consultative document, *Your Region, Your Choice*, there was a slight concern about the weakness of these proposed regions. I can well remember one of the civil servants involved in the original London legislation alleging privately that the arrangements for the rest of England would be the GLA without the powers, which I think was a bit unkind. I think that subsequently efforts have been made to find additional things to do: for example, fire; the Fire Service, after all, is to become a regional service. County Planning is to become a regional service. So I think in the rest of England there is a greater risk—and Police Authorities might go this way—that what had been local government services would be taken up to the region more than national services down. I think there is a risk, yes. It is a long-winded way of saying, yes, I think there is a risk.

**Q52 Christine Russell:** Therefore, do you think that some safeguards ought to be written into the Bill, and would it be possible to write any in?

**Professor Travers:** I am not an expert. I suppose Parliament can write anything into a Bill. A presumption against taking powers away from local government to create Regional Governments, which would effectively then be even larger County Councils, rather than proper devolved regions as in Scotland and Wales, if it is possible to put such words into legislation it would be a good idea, yes.

**Q53 Chairman:** So you will not safeguard local government but national government is already saying that it does not want education and health services to be handed over to the body. That is going to be in the legislation, is it not? Is that logical?

**Professor Travers:** I am sorry, Chairman?

**Q54 Chairman:** You are saying that there is not a safeguard at the moment in the Bill; you would like to see a safeguard so that powers are not taken away from local government. The government has actually said itself that it wants safeguards in but it does not want education and health services given to the new bodies. Is that logical, to have one safeguard in and not the other safeguard?

**Professor Travers:** No, absolutely. It would be illogical to have a prohibition against two services but not a general prohibition, or a discouragement at least, against the transfer from local government more generally. So I think it would be inconsistent, yes.

**Q55 Mr Clelland:** Although you are suggesting that it may be the case that local government services would be taken up to the regional level, the services you have actually outlined, Fire and Civil Defence, the Police, are actually services which are run by joint bodies of local authorities, not by single local authorities. So in those terms, in the way you have explained what had happened in London, that is entirely legitimate, that is the same sort of process. They are not really local government services *per se*; they are wider than local government services and, therefore, is it not appropriate that they should be run by a body which is bigger than local government? The only exception to that perhaps is County Planning but then, again, of course, if there were a re-organisation of local government then the County Planning area would also cover more than one local authority and would be legitimately done by a bigger authority.

**Professor Travers:** I do not want to open up a whole new front for the Committee on the question of what is an appropriate size for providing particular services, but I think the existence of joint Fire and Police Authorities has come about as, over years, the presumption has been that we need ever larger authorities for these services. After all, they began their lives as local government services but have ended up in these intermediate, bigger than county but smaller than region authorities in most cases. I think I am arguing against the almost inevitable presumption in Britain that we always need to have fewer authorities. In the fallout from Soham the presumption was that the Cambridgeshire Constabulary was too small, and so you can see that the pressure within the police is to move to ever bigger Police Authorities and possibly with some national police co-ordinating institution. The point I am making is that you must be right, that there are services such as Fire and Emergency and the Police, which are now being provided by authorities in many cases bigger than the county or bigger than the existing local authorities, but they have arrived there themselves by dint of a presumption that we need ever bigger authorities. You can keep stepping this way until we have just one local authority for England, and that is where we will end up if all of this carries on in the same direction over another couple of generations. So in that sense I take the point you are making, but these very large authorities have themselves come about because of the presumption always that we need bigger and bigger authorities.

**Q56 Chairman:** Can I take you to this question of how the GLA has worked with the local authorities within the area? Has that been well done as a result of the legislation or did the legislation make it more difficult?

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**Professor Travers:** I think to be fair to the government the London legislation was written with every attempt made to secure consensual working, which in some cases was perhaps rather optimistic given that politics is involved in running political institutions. I think the effort was made, as it often is in British legislation, to ensure that as far as possible there was as little overlap between the responsibilities of the London-wide authority and the responsibilities of the lower tier boroughs. Obviously, the less territory there is to squabble over the fewer overlaps of responsibilities in some ways the better. I think it is fair to say that compared with the relationship between the GLC and the boroughs and some of the predecessor institutions in London and their lower tiers, the relationship between the GLA and the London boroughs has thus far been reasonably benign. The big test of this will come in the more detailed implementation of the "London Plan", the Spatial Development Strategy, where there are precise analogous powers for the regions outside London, where there are very different views between the boroughs and the Mayor of London about such questions as the number of new housing units or about the proportion of affordable housing units in each development. So thus far it has been okay but the Spatial Development Plan could well lead, I think, in the regions outside London and indeed in the future in London, to disagreement between the region and the lower tier authorities.

**Q57 Chairman:** Do you think the power is right between the two? What about congestion charging? It does not seem to be a very happy situation in London.

**Professor Travers:** No. I think that the introduction of congestion charging undoubtedly falls into the category of a region or city-wide policy where some of the boroughs, particularly the City of Westminster, had profound disagreements with the Mayor, but that was, it must be said, a one-off, very unusual issue and even that did not disrupt relationships between the Mayor and the boroughs that dislike congestion charge to the point of destroying relationships. I think there is still a perfectly workable relationship between the boroughs and the Mayor, despite their disagreement over that.

**Q58 Sir Paul Beresford:** A bone of contention in London is of course the size and increasing size and the ambition over and above that of the council tax, from the GLA and the Mayor. Should those who are looking to vote in the Referendum reflect on the comments made by the Deputy Prime Minister, based on his staple diet, apparently, and the cost of it, that they may look at the potential for cost on the new Assemblies?

**Professor Travers:** There is no question that the precept set by the Mayor of London—and the Mayor has a precepting power which goes rather further than the one I understand to be envisaged for regions outside London—there is no question that Ken Livingston has to all intents and purposes doubled the precept that he inherited within four

years. Though I am sure he would argue for himself that that has been spent on things that he believes his mandate would cover, the implication, I think, for the rest of England is that it would be surprising if the precept that is to be given to the regions outside London stayed at the tiny, tiny level that it was originally envisaged. Particularly given—and I have argued in the short paper that I have provided for the Committee—that I think it would be very difficult for the regions, as and when they come into existence, to operate unless they have reasonable financial autonomy, and if they only set the tiniest of precept they would be so heavily dependent on national government grants that their capacity for independent operation would be heavily circumscribed. So I think there would be, in a sense, a good pressure for autonomy, which would drive them to raising more money locally from the precept, and that has happened to Ken Livingston, to the London system in its first four years.

**Q59 Sir Paul Beresford:** So this Regional Assembly, without much powers, plenty of talking, it is not going to be local because it is too big, it is not going to be government, is *The Times* perhaps right when they said that this is an answer to a question that nobody is asking?

**Professor Travers:** If you are asking me what is driving the reform we could discuss that. What I would say, to answer perhaps a slightly different question, is that there is a risk; there is a risk that—and I have tried to point to this point in the paper—regional governments outside London could be even weaker than the GLA and therefore very weak compared with central government on top of them and the local governments beneath them. That would raise the risk, I think, or creates the risk that the people in the regions concerned will wonder, "What do we have here? What are we voting for? Is it powerful enough to invest any interest in?" I think that is a risk.

**Q60 Sir Paul Beresford:** So the possibility of a sensible move to put into the bill a "sunset referendum"? In two years, if we do not like it can we take it out?

**Professor Travers:** Personally, for what it is worth, I do not have hugely strong feelings about referendums one way or the other, and if there were to be a sunset referendum test in a number of years it would give everybody powerful incentive to make sure the thing worked so that if such a referendum took place those who wanted to keep it kept it.

**Q61 Mr Betts:** Powers in terms of the Regional Development Agency, what effect or influence do you think the Regional Assembly would have there? Just looking at the government's policy statement, it seems that what they are saying is that the RDA will continue to be responsible for developing the Regional Economic Strategy. It is then going to be published by the Assembly, who can make some modifications to it, but the Assembly and the Agency have to have regard to government guidance in preparing the strategy. It seems very much that the



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government is going to tell the regional bodies what to do, the RDA is going to get on with drawing it up and then the Assembly is going to read it and put the commas and the dots in the right place. Is that a cynical view?

**Professor Travers:** No, I think that is a reasonable description of at least an element of the way in which the London Development Agency and the Mayor have worked together. Using the London system as a model for what might happen in England, the Mayor has slightly more directed appointment powers over the LDA than the Regional Assemblies would over the RDAs because I think I am right in saying that the regions outside London would have to get the government's approval for appointments, which I am sure the Mayor of London does not. There is no question that, if you look at the operation of the LDA, it receives 100% of its income from central government and has targets set by the Department of Trade and Industry that give it a fairly limited area within which to work if it is to hit those targets, yet it is the Mayor who appoints the board members of the London Development Agency, and the Mayor of London—I do not need to tell the Committee—has his own view about the economy. So there is a conflict of accountabilities there between an RDA system which, after all, outside London has had longer to develop and is undoubtedly part of the national government machinery for delivering regional economic improvement—or it seems to be that—and the powers of the new Regional Assemblies to appoint the members and presumably to direct policy. So I think inevitably there will be a tension.

**Q62 Christine Russell:** Can I ask your views on the proposed size of the Assembly? The GLA has 25 members, is that correct?

**Professor Travers:** That is right.

**Q63 Christine Russell:** In your experience is that about the right number or are they overworked, under worked? Is there sufficient capacity for everyone to have a proper role?

**Professor Travers:** I think the London Assembly has still failed to find a role for itself; I think its Assembly members are in some ways 25 politicians in search of a role. But I think it is worth saying that the London Assembly members are in a different position to those in any region set up outside London, for the simple reason that outside London the model would be more like traditional Parliament or local government because the parties that would make up the Assembly would have to constitute an executive in the normal way and choose a leader, whereas in the London model the executive and leadership bit is all done by a separate election, and that means the Assembly members, and particularly in the first four years when the Mayor was an independent and all 25 members were from parties other than the Mayor, were put in a very awkward position. The fact that the party groups are very small creates—I am not a psychologist—unusual dynamics. It is difficult to whip a group of nine. Everybody knows everything about everybody and you do not have the

anonymity that makes it possible for Whips to do whatever they do! So the London Assembly members act either in the sense of requiring to create a group or to be part of a group or a Party that becomes part of an administration, with other members being backbenchers, and they are very small groups. I think that this has made it very difficult for them to identify a role and I do think, having listened to the earlier questioning, that the issue of scrutiny, which this House and some Committees in this House have developed over the years, is not one that has immediately embedded itself at the GLA. One of the ways you can follow this is that the GLA, I think in common with Scotland and Wales, has taken officers from this House in the hope to use their expertise to help to develop the scrutiny role, but even that has not worked very successfully at the GLA.

**Q64 Mr Betts:** To follow up the point that was made earlier, is there a potential conflict between the London-wide members and the constituency based members on the GLA, whether the problems in Scotland have been repeated in London?

**Professor Travers:** Interestingly I think there was an expectation that citywide members, London-wide members without a constituency might be seen as second-class or a bit like Aldermen in the old system of local government—

**Q65 Chairman:** Aldermen were first class!

**Professor Travers:** I am sorry! Different class—to be politically correct—differently abled. I think that in truth the GLA, partly because of the relative uncertainty of all Assembly members as to exactly what they were doing, this difference has not been quite as difficult; the difference has not proved quite as problematic as might have been expected. So I do not think it has been a key issue of the GLA; I do not think that difference has identified itself between a class of the directly elected and a class of the citywide. I do not think it occurred in quite the way that some expected.

**Q66 Mr Betts:** When the GLA was being advised was there an attempt to build some form of consensus and acceptance of this method of voting because it does seem as though, in looking at the establishment of the Regional Assemblies, there has been virtually no attempt at all to win people in the regions over to this form of voting or indeed to get their views on it.

**Professor Travers:** I have to agree with you. I think that the voting system, which is not, for most of us in Britain, the cross on the ballot paper with the stubby pencil, the arrival of these new systems of voting and, in the case of London, two elections for the same Authority on the same day, was not well explained. Even at the second election it is alleged that people did not fully understand the ballot paper. So I think there is an education role very importantly needed, which I do not think has ever been fully explained to the London electorate. Whether they would learn over time, of course, is another matter. The electorate is adept over time at

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learning how to use any system, so perhaps it would eventually learn. But there is a need for education, I think there is no question.

**Q67 Mr Clelland:** We have talked about different classes of member but what about different classes of employee? Has the Greater London Authority managed to draw a distinction between employees serving the Executive and those employees serving the Assembly?

**Professor Travers:** I think the honest answer is not. Again, I was trying to be fair to the government earlier on. I think the GLA legislation, when it was created, attempted to make the Mayor and the Assembly work consensually by making the Mayor the executive but giving the Assembly the power to appoint all the senior officers. In fact, given that the Assembly is also supposed to scrutinise the Mayor in national political terms—a bit like allowing the Opposition to appoint the Senior Civil Service—it is not, in my view, a particularly appropriate way of making an authority of this kind work. So I think that the staff of the GLA have found life very difficult because they are appointed by the Assembly, with a small number of exceptions who are direct mayoral appointments, and that has made their lives as the deliverers of the Executive's policies difficult, and what has happened in fact is that the Mayor, as the Executive, operates through his office directly to senior board officers, bypassing the staff and bypassing board members. It is more like an American model of government, and I am not sure that this would necessarily work in quite the same way in the Regional Assemblies outside London. Your question certainly begs this bigger question of how a single group of staff can reasonably work for an Executive and a scrutinising body at the same time, and I do not think it has worked particularly well at the GLA.

**Q68 Mr Clelland:** We are discussing the draft Bill here for the Regional Assemblies. Do you think the Bill adequately deals with this point, or should there be something included in the Bill, which will deal with that separation of responsibilities?

**Professor Travers:** I certainly think that the legislation should make it clear that the Executive on any Regional Assemblies and the scrutiny function have reasonable independence of each other in the way that these Committees employ officers of Parliament not of the government to oversee the Executive at national government level. I think that some independence between these two processes is essential, yes.

**Q69 Christine Russell:** It is certainly true in two tier authorities that the poor old district councils, who collect the council tax, get the blame when the county councils put up their council tax. Do you think the same occurs with the GLA in the London boroughs, in that the voters just do not distinguish

between who they are exactly paying their bill to, and do you think some mechanism should be put in the Bill to make the accountability much clearer, or should we just change the collection system and make each "body", if you like, responsible for collecting its own levies?

**Professor Travers:** I think going back to Sir Paul's question and to answer yours, there is no question that perhaps the single issue that caused the greatest rift between the boroughs and the Mayor of London in its first couple of years was the disagreement between the boroughs and the Association of London Government and the Mayor over a particular precept which was seen as too high, because the boroughs do feel that it is their single unified bill that the public sees as being what people pay and that a sharp rise in the GLA precept is blamed on the boroughs. So I think the answer to the question is that there is a problem here, it has been one that has existed in local government, as we all know, for many, many years, and could only be separated by separate billing. I have never fully understood myself why separate billing need be terribly expensive given that it could still go out in one envelope. It could all be done bureaucratically with two separate very, very distinctive bills, to make clear that one is from one authority the other for the other, but there we are; we have been discussing it for a long, long time.

**Q70 Chairman:** Would it not be logical though to have a different basis for the precept other than the council tax—some other form of funding?

**Professor Travers:** As I said, Chairman, I think that for the regions outside London, as for the London authority, it is important, if they are to work effectively, that they have a reasonable basis for generating their own resources, and if as part of doing that they were also perhaps to have a different tax that would make it even clearer still. For example, the business rate, which I know this Committee has considered very recently before, might be made available to regions, leaving the council tax to the lower tier, to the local tier of government. I think that would make accountability even clearer.

**Q71 Chairman:** Very briefly, the GLA's audit experience, is that one that the Bill more or less builds on in the English regions? Is the audit working well?

**Professor Travers:** I think audit and best value and so on for the GLA are only now fully biting. I think it is a bit early to judge, to be fair, Chairman. So I think I had better not try to answer the question in any detail because I am not sure that I am aware that there has yet been a great deal of published audit outcome about the GLA and its groups' first four years, but I have no doubt it will be interesting to read when it is fully published.

**Chairman:** On that note can I thank you very much for your time.

*Witnesses:* **Mr Nicholas Boles**, Policy Exchange; **Mr John Adams**, IPPR North; **Mr Dan Corry**, New Local Government Network and **Mr Warren Hatter**, Head of Research, New Government Network and **Dr Peter Kenway**, New Policy Institute, examined.

**Q72 Chairman:** Can I welcome you all? Can I just stress to you that if you agree with each other, once one person has said it the rest of you keep quiet! If you disagree, please chip in as quickly as you can catch my eye. If you would like to introduce yourselves for the record?

**Mr Hatter:** Warren Hatter from the New Local Government Network.

**Mr Corry:** Dan Corry, from the same place.

**Dr Kenway:** I am Peter Kenway from the New Policy Institute, and may I apologise for the absence of Andy Howell, who was going to present evidence here with me today? He is on his way from Wales and obviously has not made it.

**Mr Boles:** I am Nicholas Boles from Policy Exchange.

**Mr Adams:** John Adams from IPPR North, which is part of the Institute for Public Policy Research, based in Newcastle upon Tyne.

**Chairman:** Does anybody want to say anything by way of introduction or are you all happy for us to go straight to questions? Straight to questions.

**Q73 Mr Clelland:** It is a general question to all of the witnesses. The elected Regional Assemblies look set to rely substantially upon a general power of competence rather than detailed powers and resources in particular policy fields. What impact is that likely to have upon the effectiveness of these Regional Assemblies and how, if at all, will elected Regional Assemblies add value to the current system of government and the regions?

**Mr Hatter:** I think we need to learn from the experience of local government, specifically the Local Government Act 2000, which gave local authorities the power of well being. I think there is a pretty broad consensus that those powers have not been used to anywhere near the extent that one might wish. There are probably very good reasons for this, specifically that the relations between central and local government have been so polarised, and local government over the past few decades very much got into the mode of being a delivery arm and responding to guidance to legislation, to guidelines and to directives from the centre, and actually having a power, something that you can use rather than a duty as something that you have to do, guidelines that you have to follow, is something that unfortunately culturally local government has found it hard to grasp. On the other hand, I do not think it is realistic to think that there is any real point in trying to develop regional governance unless there is that general power of competence. What our research suggests to us is that the success of regional governance, whether it is through a Chapter II agenda or Elected Regional Assemblies in the future, should the electorate so decide, will depend on the individuals and the bodies developing regional governance having credibility with the people, with the public and with stakeholders to make it work, and in a sense that

power of competence, you could argue, is more important than the specific powers that are given to ERAs.

**Mr Corry:** Can I just add to that? We are not exactly sure whether the things outlined in Clause 43 do give enough. We are learning from what local government has; it has a 'power' of well being which we think ought to be turned into a duty of well being, and made clearer. We are not exactly sure from our reading of what is in the Bill and in the policy statement so far, whether it gives that power, that duty.

**Mr Boles:** Your colleague asked about whether this whole idea is likely to add value to governance in the country. I would have thought that all of you, certainly all of us, whatever political, philosophical persuasions we are, are probably more exercised about the question of how you restore public faith in the political process, public interest in what politicians are doing to them than almost any other question, because it is quite clear that nobody is listening to us and they all think we are a bunch of lying fools. It would be hard to design a piece of legislation that was more guaranteed to increase that cynicism and that apathy than this particular Bill. There is almost nothing in it that will inspire any confidence in anyone of the honesty, transparency or real willingness to do something to improve people's lives than this Bill. These things are a charade, they are a mockery, they will add no value at all, they will cost a huge amount of money and they will generate enormous amounts of blether, with absolutely no purpose. You could have created Regional Assemblies with a purpose, you could have decided—I do not know whether it would be a good idea—to regionalise the National Health Service, to give them control of all of the Primary Care Trusts in the region; you could have decided to go down that route, many European countries operate in a similar way. The government has not decided to do that, yet it is ploughing ahead with an utterly cynical exercise. It will add no value at all.

**Dr Kenway:** Let me develop that point. We think—and I hope our submission made clear what we think—that one needs to look at the powers that the ERAs would have, in the context of the fact that they first have to cross the hurdle of winning a referendum, and we are fully in support of the idea that it should cross this hurdle, and that that hurdle should exist, that they cannot simply be imposed. But our view is that you will not, with the sorts of general powers which are there at the minute, stand any chance of persuading anybody that these things are worth having. There has, therefore, to be—and this perhaps is where I am getting close to my colleague here—some specific powers, some specific responsibilities that Elected Regional Assemblies need to have in order to persuade not just the electorate that it is worth voting for them but also to persuade serious politicians, whether at local or national level, that these things are worth getting involved in. Therefore, there needs to be something specific, there needs to be something concrete in

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there. Perhaps I might put one more point that I might develop later, that we do think those specific things might very well differ between different parts of the country—that what is important in one place may not be as important in another. In our view, in London it was quite clear that one of the main things that made people think it was worth having a Mayor was that there was transport to be dealt with. Whether you agree with what he has done or not it is quite clear that that is what the thing was about, it was not just about a general power. So our view is that there does need to be something specific, but that that could vary between different regions.

**Q74 Sir Paul Beresford:** Your whole thesis is going back to what *The Times* said—you are providing an answer for a question that nobody is asking.

**Dr Kenway:** I do not accept that because we have something, and the way we score it is that the present Bill gets one thing right and two things wrong. It is very important that this referendum test is there; I think we are all agreed on that and the degree of cynicism that exists. Therefore, it seems to us that there is a opportunity here, perhaps the opportunity with the delay, even the permanent delay of the referendum in the two other regions, to think again about what the scope of this Bill should be, and it needs to provide, in our view, something that is attractive to both the regional electorate and to potential regional politicians, and the present arrangements do not do that.

**Q75 Sir Paul Beresford:** This is the shifting the goal posts so that you can change in size and shape just to fit a referendum that you want to say yes.

**Mr Corry:** Can I just come in on that? There is a problem here. Your premise is that there is no problem, yet for some reason the government decided it wanted to have a Regional Assembly, maybe its back benchers in the North-east wanted it or something. But, there is a problem, a problem with the governance of this country and that is why we at NLGN have done a lot of work on concepts like New Localism. We have a very centralised system in Britain, but what governments have been doing for some time is recognising the need for a regional dimension to policy development. There were a lot of regional institutions, many quangos, set up under the previous government and under this government. There is a question about whether they should continue to be quangos or have some democratic legitimacy, and that is a key issue. There is an issue about whether we are ever going to sort out the relationships between central government and local government if we do not have an intermediate tier, which just about every other country in the world has. There is a question about whether the voices of some of our less well off regions are getting heard enough in Whitehall and whether elected bodies could change this. So I think there clearly is a need for ERAs. Whether this Bill gets it exactly right is another matter. There is a separate set of issues about whether the set of powers and the way they are described, will be something that the public can understand and grasp. But I

think that potentially the Bill does give a general power to do a great deal of things. They will be different in different regions, and it seems to me the power allows for that. It will be up to the first set of politicians that are playing their role in the ERAs to really make these things hum.

**Q76 Mr O'Brien:** Do you have a view on the general powers and strategies? In the White Paper it was suggested that the number of strategy papers should be ten; in the Bill it is suggested the mandatory should be four strategies that should be written. What is your view on this question and the reduction from ten to four? Is there a significance in that, on the strategies?

**Mr Corry:** There has also been a general trend in terms of local government of the government pulling back from demanding lots of different strategies and trying to get them all wrapped up in one community strategy. That must be the right, basic thing to do.

**Mr Adams:** The principle that you do not devolve responsibility without power must also be welcome. There is not much point asking a Regional Assembly to develop strategies in areas which has no executive responsibility and little influence. So it should be up to the Assembly to decide how it spends its time.

**Q77 Mr O'Brien:** There is a vast difference from the White Paper's suggestion that they should have the strategies set in place for the region then to reduce them from ten to four. There seems to be a change there without any real explanation.

**Mr Corry:** You can see it in different ways. All central government departments have worries about any devolution of power, and this is why it is so difficult. They worry that the Regional Assemblies will not care enough about their areas, and they also of course try to keep them out of their areas at the same time. At one point they all wanted the region to have a strategy for their area so that they could keep an eye on it and influence it. It may well be progress that now less of these strategies are being mandated.

**Mr Boles:** I have to say that whilst I do not agree with much else that Dan has said I do agree with that. The real problem is that you still have four strategies because strategies do nothing. The only point in having a strategy is if you are the body that then does the stuff, that you provide the stuff, you commission it. The Regional Assemblies are going to do nothing. All of these bodies are out there doing things already; the RDAs are working, they are doing the stuff, they are going to continue to do the stuff. The Regional Assembly might have some influence with the strategy but only within the Secretary of State's guidelines. The fact is, it is just going to be a talking shop and it will create appalling cynicism.

**Q78 Mr Clelland:** The problem is that some of these organisations are not democratically accountable and that is really what this is about. In terms of the RDA, the biggest area of responsibility that the Regional Assemblies will have is in the field of economic development. Do you think that that

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means because of that that other areas of influence they will have over, say, culture, sports, art, higher education will be driven to the periphery, or do you think they will begin diverting the resources from economic development into these areas, and what impact is that likely to have?

**Mr Corry:** I think economic development is the number one thing and is the number one thing that people in the regions that vote for these things will be looking for. The Assemblies will have quite strong housing and planning policies. These are very strong powers. They do have a very strong link with the RDA, and it was discussed earlier as to how that would work and if it became too strong was that a problem, and so on. So that is going to be the guts of what they do. As Warren was saying earlier, our work in this area, including that on the London Assembly, shows regional bodies can start to have quite a big influence, even with their much maligned strategies, on certain things which they do not really have much competence over, by being focused, bringing partners and stakeholders together, and being an influence on central government departments, and so on. I think that its role in some areas will be much more like that, giving regional leadership.

**Q79 Mr Betts:** When you read through the Bill and the policy statement it does appear—and it is probably taking a fairly hard view—that the powers that the Assemblies are going to have are essentially about consulting and being consulted about working with other agencies, about developing strategies. That is what they are going to spend the vast majority of their time doing. They will spend a tiny bit of their time doing what they are told by central government in various forms and virtually no time at all doing anything that is going to make a significant difference. Is that a very hard judgement?

**Dr Kenway:** I think that is slightly too hard a judgement. They are going to spend a lot of time doing things that are going to make a small difference, as Dan was just saying about the London strategies. It does seem to us unavoidable that within this mix there has to be something in there that you can say, when you go out on the doorsteps and argue for it or against it, that people can understand these things are going to have to make a difference. I cannot imagine being able to drum up a great deal of support for a body whose primary public role is described as being economic development. That is all very important work but it is not the thing that is going to energise an electorate.

**Mr Adams:** Call me old fashioned, but I do happen to think that ensuring that we have full employment and we provide people with jobs, which is absolutely crucial to individual well being, is an absolutely vital responsibility for the public sector to have. Economic development is not a very sexy word, but when it comes down to it the north-south divide, regional economic disparities are of absolutely crucial importance to the people of the north. If I can go back to Mr Betts' question, I think there is a difference between the relationship between the Assembly and, say, the Learning and Skills Councils

or the Highways Agencies, where you are trying to influence organisations which are completely out of your control, and the work of the Regional Assembly influencing and actually driving the work of the Regional Development Agency. Experience in Wales, for example, has shown that the Assembly, Rhodri Morgan, has very much clipped the wings of the WDA, and has recently abolished it even. So the political imperative for the politicians to drive their priorities is very much there, even when you have an arm's length executive agency like an RDA.

**Q80 Sir Paul Beresford:** But the economic development argument, which everybody would agree with the crux of what you were saying, this Assembly can talk about it, it can get a strategy, but it cannot do anything; all it can do is talk to other people, all it can do is consult or react to consulting.

**Mr Adams:** I do not think that is true. The Regional Development Agency does exist.

**Q81 Sir Paul Beresford:** It can build thousands of houses in areas where the local people will not necessarily want them but they will not have any say in it because it is no longer local.

**Mr Adams:** But there are very important regional decisions when you come to regional planning. There are extremely hard decisions to make about regional planning and whether local authorities can just carry on building the houses wherever they want, or whether you have to take some hard decisions across the region to have some more tempered increase in the supply of housing, and those are very difficult decisions which have not been made and which have very important knock-on consequences for people who have to live in areas of low abandonment and also possibly for economic growth.

**Mr Boles:** I think you are shifting the goalposts there because you were suggesting that economic development was the key and now you are moving to their planning role. The planning role is, I agree with you, a real power and an utterly inappropriate one for a body this distant from the people and this distant from the communities affected by planning decisions to exercise. So that is the one real power that they have and they should not have it. The economic development point, fortunately the British people understood quite a long time ago the one thing that guarantees full employment, which is fortunately what we almost have in this country, is not what RDAs or Regional Assemblies or anybody else does; it is the fact that we have low inflation, a good monetary policy and, though I am not a total supporter of his, a Chancellor who is manning a very tight budget. That is what creates the circumstances of economic development. The RDAs have a role and it is a role that is best run by local businesses who understand what are the real constraints on their development, not by a bunch of rather distant, full-time politicians.

**Q82 Mr Betts:** In terms of winning public support for the concept—and we have talked about the referendum test as being something that we have to

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get to, and in some ways I am rather glad I am not trying to persuade people to vote for this in its present form—is it not true that we are going to have to have two or three things which the public easily understand are the functions of a body which, in exercising them, is going to make a difference to their lives? We can see in London that the transport was not really connected to any part of the democratic process and the changes with the Mayor and the GLA brought it back into the democratic process. If the regional bodies in England were to have some power to bring back regulation of bus services, which is a complete shambles at present in places like Sheffield, then people might begin to understand that there is something for them to do which will actually affect them.

**Mr Corry:** You are underestimating what is already in the Bill. If you can say this Regional Assembly is all about trying to deliver economic prosperity in the north-east—and at some time Nick needs to look at the inequalities across the regions in these things, he is living in a strange world—this is quite something. But, I absolutely agree, transport is the big missing thing in the Bill. The White Papers on transport that came out at the time of the Spending Review started to move to a more regional approach, particularly with the PTEs and so on. I think that is the one thing that we would like to see quite a lot more of.

**Q83 Chairman:** Can I take you on to the question of scrutiny in the Bill? Does it do it well?

**Mr Corry:** I think as Tony said earlier, there is a difference from London—and we have done work on how scrutiny works in London—and there is a big issue there because the Mayor has separate legitimacy through the way he is elected. In the Regional Assemblies it will be different. We have proportional representation, so it may well be in a lot of Assemblies we will have almost “coalition governments”—it may not be true in the first one, but it may be. So that is going to make things different. I think the design of the Review and Monitoring Committee and its sub-committees and area committees is quite interesting. I heard what people said earlier about a change from the way things are done elsewhere on the proportions of party representatives. The powers look pretty strong—to call people, and so on. So I think everything is in place. I think all places where scrutiny has been brought in recently, in London, in local government, the scrutiny people have found it difficult to find out exactly what their role is. In London scrutiny has done some very good reports raising issues to political attention, reports on the health of the London economy and that sort of thing. What they have been much less good at is scrutinising the decisions the Executive makes, and the same thing has happened in local government, and I doubt we have found the answer in this Bill. But I do not know what the answer is, to be honest; it is tricky stuff and we are all learning.

**Q84 Chairman:** Should the bill then prescribe or should it be left to the Assemblies to make up their own mind how they would do it?

**Mr Corry:** I think maybe there could be a bit more discretion in here, but I think the way the government seems to see scrutiny working is to try and make it not just a political bun fight, and there is a danger that if you left it entirely to an Assembly to decide, the dominant party would seek to shape scrutiny so that it would not cause it any trouble, and that could not be right.

**Q85 Christine Russell:** A number of you have already pointed out and identified the fact that the draft Bill sets out this very wide general purpose but, in reality, gives the proposed Elected Regional Assemblies very little spending money. You, Mr Boles, have mentioned perhaps transferring some NHS funding to the regional bodies. Is that a serious proposition? What other additional areas of funding do you think could be realistically transferred to the proposed bodies?

**Mr Boles:** I think that is perhaps putting the cart before the horse in the sense that what I am suggesting is that if you are going to have Regional Assemblies at all there is only a point in doing it if you are transferring a very large chunk of something that central government currently does to Regional Assembly management, and one example could be to regionalise the NHS which is, let us face it, the most centralised organisation in the western world. That would be real, beefy at that stage for a Regional Assembly and it would be real devolution—it would be power going away from the centre rather than being sucked from below. I think that taking a bit of NHS funding and ladling it to them without having a real role is not really the point. I would agree with Tony Travers’ comment earlier, which is that if you are going to create these bodies—and I sincerely hope that all of the referendum will turn them down—then at least give them independent funding power because we see with local government that local government is really no longer local government, it is local agency. If you want to make it local government or regional government it has to be independent and autonomous in its funding as with everything else.

**Q86 Christine Russell:** So what about the other three groups of you?

**Dr Kenway:** I think there is a general point that the things that seem to us to be most appropriate at a regional level are things that you could in some sense call “infrastructure”. That obviously includes transport. There are some issues—and again we are looking here at the London level—the question of some aspects of school, not the performance or what schools do inside them, but where schools are; an admissions policy. There is a move at the moment to have some attempt to provide across London a uniform admissions policy. You have accused me already of trying to move the goal posts; I think the next suggestion is more a Clive Woodward, of trying to change the game. But one area of infrastructure that in some parts of the country, certainly the southwest of England, people would, I suspect, be very keen to have some democratic control over is water. That is even further away, given that it is now

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privatised and regulated, although not in any sense competitive. I think one has to think in quite an ambitious way along those sorts of lines, but certainly transport is the biggest single thing, and the evidence from Europe, when you look and see what have these regions done, one finds it is things to do with transport which are their big successes.

**Q87 Christine Russell:** Do your two organisations also agree about transport?

**Mr Corry:** I mentioned about transport earlier. I think in the long run you can see the regions playing a very different role from that envisaged in the Bill. We have published a report suggesting that the regional allocation for local authorities should be given to an Elected Regional Assembly to then allocate down to local authorities, much as happens in most European countries. But that is in the long run. I think it would be wrong to jump in this Bill to that sort of system. There are serious question marks, which there already are in London, about what on earth the Government Office is doing and whether it should be so big, and whether there are a lot of things it does that should go. If we do have an Elected Regional Assembly I think that will be a question that will come up very quickly. Learning and Skills is the other area worth highlighting there. If Regional Assemblies happen and are successful what we would expect to see them leading successful regional economic policies. It is a big part of the agenda, and obviously there are issues with the relationships between different government departments and where these funding streams come from. Clearly there is no way that, by the time we get the first ERAs, Learning and Skills Council funding is going to be directly under ERA control, but I would suggest that that is the way to move.

**Q88 Christine Russell:** Can we talk now about running costs? Five pence a week on the rates and £25 million a year; is that realistic?

**Mr Corry:** It is hard to know. You will have to ask the officials how they calculate the numbers. What should be happening is that this should not be additional, most of this money should be stuff that was being spent by Whitehall, from Whitehall civil servants, or whatever, coming down, and we must make sure that is what happens. Similarly, some of it should be coming out of the Government Office work as the work is taken over by the Regional Assemblies.

**Mr Adams:** Can I come back to the comment about funding? Obviously funding must follow the powers and I agree with other colleagues on the table that transport is the great big hole in the government's devolution plans. I think the area of Learning and Skills is more controversial. I am not an expert on Learning and Skills by any means, but my colleagues at IPPR, who do a lot more work in this area, are more sceptical about the regionalisation of the Learning and Skills agenda because fundamentally what they would like to see is the empowerment of the individual to choose his or her own training skills, rather than the ability of officials within the new regional Learning and Skills, or whatever would

replace it, trying to plan the skill needs for individuals. So fundamentally the people who argue for regionalisation are pretty much arguing for that because they think they can do a better job of working out what the local economy needs. I am not an expert but that is the argument put forward by my colleagues within IPPR. If you look back 10 years a lot of people were very dismissive about individuals who took media courses—they called them “Mickey Mouse” media courses—but of course the evidence now shows that the individuals who took those courses do better than the average. So for that individual, the 18-year who made that choice, it was a very intelligent choice to make, but some of the people who know best would not have gone down that route. I sit on the fence somewhat because it is not particularly my area, but there is not the consensus which there is in transport, I believe.

**Mr Boles:** I just want to register an emphatic nod to everything my colleague just said.

**Mr Adams:** Colleague?

**Mr Boles:** Okay, opponent, if you prefer!

**Q89 Christine Russell:** Can I ask you about targets because in your submission you referred to this idea of setting targets for the Regional Assemblies and then linking additional funding? Do you have any further comments to add on that?

**Mr Corry:** There are two bits. We were thinking about the way local public service agreements (LPSAs) work and whether the regional assembly should play some role in either negotiating them, rather than the government office as they do now, or at least being involved so that LPSAs are consistent with regional strategies. This is all about making everything consistent. There is also an issue about whether we should have regional public service agreements. Is that the way to do these things? A bit like local government, regional assemblies ultimately are going to end up doing some things where they have complete freedom to do what they want and there are going to be other things where the Government is going to ask them to be a delivery agency or at least a monitoring agency. The Treasury sometimes refers to these bodies as “intermediate” bodies in its *Devolving Public Services* paper. Some of these ideas are interesting. We are very interested in multi-tier governance, which is what we are getting and the key thing is how do these different levels join up. There are a lot of mechanisms and some of them will be around these kinds of ideas.

**Q90 Chairman:** One of the key things is going to be the amount of money that the government has to pass down to these bodies. When I used to dish out pocket money to my kids it was relatively easy to give them money for things that I approved of them spending it on but when I definitely did not approve it was quite difficult. Do you really see the mechanism in here to ensure that the English regional assemblies are going to be able to get money from central government to do things that central government might not approve of?

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**Mr Corry:** Central government has real problems doing that with local government. The thing that I am united with Nick on is that they should do a lot more to devolve. You have got to take the ring-fencing off and all the rest of that sort of thing. With regional government it is the same thing, the more it comes out of a single pot and you leave it to the assembly to decide how to spend it better. The crunch—we all know that—will happen when we have a government of one colour in Westminster and of another in the region, the same thing we are waiting for to happen, if it ever does, in Wales and Scotland. There will be different tensions. Multi-level governance does have tensions and does have conflicts but ultimately you have to decide whether it is the right direction to go in or not.

**Q91 Chairman:** In quite a lot of European countries there is almost a constitutional settlement which not only sets out the powers but sets out separate funding. Would that not make a big difference to this?

**Mr Corry:** It would. I think we are a long way from leaping to that though.

**Chairman:** Adrian Sanders?

**Q92 Mr Sanders:** How would you characterise relationships between current regional organisations (RDAs, government offices, regional chambers) and what changes are likely if an elected regional assembly is introduced in place of regional chambers?

**Mr Hatter:** I think the first part of the answer is that it differs in different regions. Let's bear in mind that that question really also includes the English regions that are not up for a referendum, be they delayed or not. There is certainly some evidence from our research, but anecdotally as well, that in regions where an ERA is just not on the agenda, let's say the South East for example where there really are not very many people who would argue for it, that means that there are not the tensions there that are associated with support or opposition for an ERA which means that there is no barrier to the three main regional bodies working effectively and to local agencies and others working with them. But, I do not think it is as simple as saying that in regions like the South East things work more effectively. What seems to be the case is that relationships work best where there are people with real credibility who are trying to make progress on agendas where it is clear that there is a need for a stronger regional dimension than there is now. I think another thing to bear in mind starting to come through from some of our research is of course in reality a lot of the individuals who will be involved if we do get ERAs will be the same people and that will facilitate relationships working fairly well. I think that reflects on what Tony Travers said in response to one of your questions earlier on.

**Mr Adams:** I think it is also fair to say that of the three regional institutions the regional chambers and regional assemblies are very much the junior partner. It is almost like politics where Labour and Conservative are the two big parties and the Liberals

are possibly half another one. The capacity of regional assemblies is simply not as big as the RDAs or government offices. They do not have the staff or the capacity and they are also disadvantaged by their governance structures where they report to local authorities, which of course is a collection of representatives, a sample of local authorities across the region, so that mitigates against, for example, taking harder decisions in regional spatial strategies because you cannot expect the individual from Durham not to argue for Durham and you cannot expect the individual from Newcastle not to argue for Newcastle. So taking region wide hard decisions is very difficult with that sort of structure.

**Q93 Mr Sanders:** How would that change if they were elected? Surely it would be even worse if they were elected and the person elected for Newcastle would be arguing for Newcastle within the regional assembly? How does it differ?

**Mr Adams:** I see what you are saying but I think you underestimate the parochial nature of the current regional assemblies and also when you have an elected assembly you will have to be an executive representing the political parties and talking for the whole of the region. So I think it will be much harder to hide behind different geographical interests when you have the executive headlining supposedly leading for the region in a much more high profile manner.

**Q94 Chairman:** Can I take you on to this question. We are basically going to end up with a hotchpotch of devolution, starting in Scotland, coming down through Wales, with some of the English regions possibly with elected bodies and some of them without. Does that matter?

**Dr Kenway:** Not at all. It seems to me to be in a way a rather strange question. Yes, it is going to pose challenges for ODPM and central government but that is what they are there for. It is the model in other countries. You have different regional settlements. If you look at somewhere like Spain—

**Q95 Chairman:**—That causes a certain amount of tension in Spain, does it not, with some of those who do not have quite as much autonomy wanting more autonomy? I think the same is true in Italy, is it not, that there are some fairly substantial autonomous regions and other regions are pressing to have equality with them?

**Dr Kenway:** That is true so those tensions between almost competitive regions seem to me to be in many ways constructive and positive. People are going to be arguing for more powers because they see others having them and presumably using them to good effect. In a way that seems to me to be a rather British approach to the thing, that rather than trying to design a perfect blueprint and imposing it from the top, you allow a system rather messily to emerge through experience. In substance what this Bill in our view needs to do is to allow that to happen. We should see that as a strength not a weakness. Really that would be a central planner's perspective and not one I would have thought was—



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**Q96 Chairman:** Is it logical to start with regions or might it be more logical, at least for some parts, to look like city states or enlarged city regions, particularly the issue of the South East?

**Dr Kenway:** I would certainly agree that one should not in any sense restrict this thing to the boundaries of the government office regions. It seems to me to be inconceivable as it is to everyone else, that anything in the South East could possibly exist. One ought to allow potentially other regions or subregions to emerge if there is a desire for it and a need for it with those things being ultimately decided in the referendum.

**Q97 Chairman:** The Government obviously resisted that pressure because it just thought it would be very, very difficult to get agreement on alternative regions or subregions. Do you think there is any evidence that you can produce a pattern for some of the places that you have just referred to which will work logically?

**Dr Kenway:** I do not know is the straight answer. Do I have evidence? No. I think to go down a route that involves drawing lines on maps you have already lost it. I think one wants a process that in some sense says if subregions, which could be groups of counties for example, want to come forward that seems to me to be the only way to do it but no, no evidence that it would work.

**Q98 Chairman:** You could split the South East into three, could you not, and still have three subregions that were larger than the North East?

**Dr Kenway:** I think that is probably right.

**Q99 Mr Betts:** Could I follow that through. Initially the problem with the current model is that we are dealing with historic lines on maps. Just to go back to my own situation in Sheffield, which is a fairly significant subregional economy, the regional boundaries actually cut through the travel-to-work area and about a third of Sheffield's travel-to-work area is in a different region. If regional economic planning is the main purpose of these bodies it seems rather odd that we end up with that sort of situation.

**Mr Bowles:** I completely agree with Nick but just want to suggest a practical way that one could go forward. You could just say that if a sufficient number of people had got together, signed a

petition, or whatever it is, saying that they want to have a referendum on a particular region they could get funding from the Electoral Commission for a campaign, and you would have a campaign. That organising group would have had to have got to a minimum target level of support and they would define what was the region they were trying to create. The question would be put to the people in that space and it would be decided and then central government would have a duty to pass to that regional construction. You would probably have some minima in terms of size of population but that would be proper, grassroots, organic devolution taking place rather than this top-down construction.

**Q100 Mr Sanders:** It is a good point but I think beware of populations because your minimum population might exclude Cornwall which probably has the strongest case of any area in the country to be treated as a region in its own right.

**Mr Bowles:** I certainly agree with you that you want those conditions to be minimal and non-existent if possible.

**Mr Sanders:** Yet at the same time you would not then want to attract people in another small area.

**Q101 Chairman:** I do not want to name any particular place but is not the danger of that approach that you end up with perhaps three relatively affluent areas wanting to get together and to leave the poorer area which is within it outside that sort of pattern?

**Mr Bowles:** That is a very, very good point.

**Q102 Chairman:** And, lastly, what is the justice? I have heard various people who were complaining in Blackpool that the people in Wyre were going to have a vote as to whether they wanted to become part of Blackpool whereas the people in Blackpool were not going to have a vote as to whether they wanted to take in the people in Wyre under the proposals that were in place for the North West. I think that is replicated in several other places.

**Mr Bowles:** I would have thought that anybody who is going to be affected by an arrangement clearly has to have a vote on that arrangement. It is just the logic of democracy, is it not?

**Chairman:** On that note, can I thank you all very much for your evidence.

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*Witnesses: Ms Pamela Gordon, Chairman, and Mr Roger Creedon, Chief Executive, Electoral Commission, and Mr Archie Gall, Director, Boundary Committee for England, examined.*

**Q103 Chairman:** Can I welcome you to the Committee and ask you to identify yourselves for the record please.

**Ms Gordon:** Thank you. I am Pamela Gordon. I am a member of the Electoral Commission and I also chair the Boundary Committee for England. On my extreme left is Mr Roger Creedon, who is the Chief Executive of the Electoral Commission. On my immediate left is Mr Archie Gall, who is the Director of the Boundary Committee for England.

**Q104 Chairman:** Thank you very much. Do you want to say anything by way of introduction?

**Ms Gordon:** Very little. I think primarily we should be answering your questions. I would just like to take the opportunity to draw attention to one issue which you may want to question on further and that is the fact that if there is a yes vote and the Government decide to go ahead with the creation of a regional assembly in the North East, the Electoral Commission will be directed to review the electoral

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arrangements for the new regional assembly and the Boundary Committee will be carrying out the detailed work on that. And that work needs very much to be informed by what is in the Regional Assemblies Bill as regards the powers and duties of the assemblies and raises some interesting issues that you might have views on, which is in informing the constituencies within the regional assembly we should be paying regard to the role of the regional assembly, for which obviously we have a London parallel that is different from some of the considerations that we take into account when we are looking at local authorities given the strategic nature of the assembly. What I am thinking of here in particular is that we are very familiar with arguments in the context of community identity and interests, the distinction between rural interests, urban interests and more specific ones, but our understanding is—and there will be guidance from ODPM to the Commission and we would be expecting that that guidance will cover this issue—given the strategic role of the authorities, there might well be an argument for looking in the creation of the constituencies to provide a basis so that individual members of the assembly would need to take account of a wide range of different constituent interests. To some extent that is inevitable because the size of the constituencies will be rather large but it is an interesting point that gives a different dimension to the review work and I thought I would just share that—thank you for the opportunity—with the Committee.

**Chairman:** Thank you very much. Clive Betts?

**Q105 Mr Betts:** As far as I can see, the Electoral Commission will not have the same statutory duty to report on ERA elections as it does for other regional elections around the UK. Is there any reason for that?

**Ms Gordon:** The statute that set up the Electoral Commission prescribes the elections on which we are required to report, and they are the national-wide elections and the devolved parliament and assemblies. It does not specify either the London Assembly or any future regional assemblies.

**Q106 Mr Betts:** Should it?

**Ms Gordon:** I think that is a judgment for others to make. We are not required to report on local government elections in any part of the UK, but the Scottish Parliament did ask us to report on the Scottish local government elections last year because they were held combined with the Scottish Parliament elections, so we have had a request to go beyond our strict remit and we could receive further requests.

**Q107 Mr Betts:** Just to pick up on a couple of issues. I heard what you said about the boundaries for the new constituencies for regional assembly elections. Is there not a problem there with quite a severe constraint on the size of the regional assemblies in terms of number of members, the fact that a significant number of those presumably will have to come on a regional wide basis as part of the

additional member system so you are left with very, very few constituency members and therefore very large constituencies particularly in regional assemblies in places like Yorkshire. Does that not mean constituencies cannot have the sort of integrity and consistency of interest that you were referring to?

**Ms Gordon:** I think one has to view that in the context of what the regional assembly members would do. We would not expect they will have such a day-to-day workload of representational issues, although of course constituents will contact them and the regional assemblies as proposed will have some service delivery interests—the fire and rescue authorities for example—and no doubt there will be wider issues raised, but we would not have thought that the constituency workload would be the most prominent aspect of things that they would be dealing with whereas the strategic aspects of overview within the region will rank very large, and there is obviously some benefit if the constituency members as well as the region wide members have an understanding of a wide variety of concerns, whether it is rural or urban regeneration, or fisheries, or a whole range of things, that will fall to them to take a view of, particularly in the context of economic and social regeneration.

**Q108 Mr Betts:** Just on all-postal ballots because that has been in the news obviously in the last few weeks, as I understand it, in your report you have indicated that, by and large, future elections should not be conducted on an all-postal ballot basis. Indeed I think you said that if the referendum in Yorkshire and the North West were to be reactivated they would be on the traditional voting system until you developed your new proposals and that if the North East one were to be postponed for any reason that that should be on the traditional voting system. The only exception being if the North East goes ahead as planned it should be on an all-postal basis and you would not object to that. Does that not stick out as a slightly difficult argument to follow given your general comments that there should not be all-postal ballots in the future?

**Ms Gordon:** There is a degree of pragmatism about it but one of the main concerns, and there are a range of concerns about the all-postal pilots, was the shortness of time which there was to put the arrangements into hand. That affected the printing and the delivery of election material. Therefore there is a strong argument, as we see it, given that we are so far down the road in the arrangements for the referendum for the North East, not to change those arrangements at very short notice. We would risk causing as much confusion as we had encountered before. So we think that that is a strong reason. There are subsidiary reasons. The concerns that we report about the all-postal pilots have not ranked as such major issues in the North East. There have been less allegations and less concern about possible fraud or intimidation reported in the North East, and the public opinion research that was undertaken for us showed a greater degree of confidence among voters in all-postal voting in the North East, so those

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are subsidiary but supportive reasons to say that in the special circumstances, given the timing, we think it is safe enough to go ahead with the arrangements already put in hand but on any occasion where there is longer time to plan, which would include any delay and starting again with the arrangements, then we would advise against any all-postal voting arrangements.

**Q109 Mr Clelland:** But is it reasonable to advise against all-postal arrangements on the basis of what I think the Chairman of the Commission said was the reporting of alleged fraud when actually no fraud was found?

**Ms Gordon:** It is not simply about fraud and intimidation although that is a major issue, and we believe that there are measures, particularly the individual registration of voters, which need to be in place before we move forward more widely on that. That would provide a means of a very considerable check on fraud.

**Q110 Mr Clelland:** Sorry, so you are suggesting that the Commission may review this decision and there could be a recommendation for all-postal ballots in the future given certain circumstances?

**Ms Gordon:** No, the other main reason why we are revising our own view on all-postal voting is the very considerable response we have had from something like a third of people across the board. In the research that was done for us there are over 50% of people who are comfortable with all-postal voting and most of those would go for postal voting on demand in a different situation. They are very comfortable, they are very satisfied. However, there is a very significant minority of something like a third across the board which is very uncomfortable. It is not solely nervousness about fraud and intimidation, it is also about not being compelled to use postal voting, they want choice, they like traditional ballot boxes, they see it as a civic duty which is represented by going to the polling station. There is a range of views. We concluded from this that the right way forward would be to provide a system that does build in choice for the voter. We do see a very considerable future for postal voting on demand. The safeguards that we have talked about (individual registration in particular) are absolutely essential for an extension of postal voting on demand, the same considerations in that sense as for all-postal voting, but there are many people who want alternative ways and of course in due course we would expect various e-technology to be brought in, whether it is texting or using computers or televisions or a range of things. So we are proposing to work with other colleagues on the development of what we have called, for want of a better term, a foundation model of voting, which will be able to build in these options.

**Q111 Mr Clelland:** We know that postal voting is very popular. If postal voting on demand resulted in, say, 75 or 80% of the electorate voting by post, is it

therefore reasonable in terms of the cost involved to provide ballot boxes all over the place for those 20% who want to vote in the ballot box?

**Ms Gordon:** Clearly the situation would have to be kept under review. There would be concerns about costing. I think there are two sides to that. There is a very strong argument that we have traditionally had our democracy on the cheap as regards to elections and for the number of safeguards and improvements that we are recommending there would be an increased cost which we believe, when it is costed out, would be justified to improve and modernise the system. However, I accept that in due course, if there were a major move, there might have to be an adjustment of the proportions of different provision but hopefully that would come along at the sort of time that other means of e-technology and so on were coming on stream and it might not be so great an issue. I think one of the difficulties is that we are really in a period of transition and trying to move too abruptly to a different system has been responsible for some of the difficulties, certainly some of the public perception difficulties, and one of the major concerns that we have is that the traditional consensus and trust in the electoral system has been broken by what has happened and we need to rebuild that and we think a more gradual transition therefore would be better. Maybe in due course it would move back but it would be in a more honest and more secure foundation.

**Q112 Chairman:** Can we take you on to this question about how we sort out the question of whether we should move to two-tier government and how far the process that you have just been through in devising boundaries on two-tier authorities within the areas that were going to have assemblies worked well?

**Ms Gordon:** What we had not expected when we started the review was to find, as we did, that thinking within local government had moved on so considerably over the last decade as regards the value of having unitary local authorities. We all remember from the early 1990s there was a lot of opposition to what was undertaken then in some quarters. What we found this time is there is still very close identification and support for existing local authorities but there is also a very wide understanding within both elected members and officers that there are disadvantages in operating particularly small districts under the current situation because the world has changed. They are now working under a different set of requirements, there are new political management arrangements, and there is a very considerable inspectorate regime with the various performance assessments that they have to meet. There is also the requirement to work extensively in partnership with external bodies. All these things we are being told are making it more difficult for many small authorities to feel that they can meet all the requirements adequately. I think it is for that reason that there is much greater interest and much greater support, and what was interesting was that it started coming up outside the areas of our

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view. Authorities outside said, “When can we move to become a unitary authority?” Of course it is not universal but there has been a sea change in attitude.

**Q113 Chairman:** So you think that perhaps within London and Wales having unitary authorities has been an advantage?

**Ms Gordon:** This is not a matter that the Commission or the Boundary Committee have a formal view on but certainly it is represented to us by many people working in unitary authorities that this is the most effective way of getting co-ordination of services, of being able to relate to the multitude of partners that they need to, and of course there are issues of boundaries of health authorities and trusts and so on as well, but that on the whole unitary authorities are better placed to work effectively in the current world.

**Q114 Mr Betts:** Just to come on to the issue of regional boundaries. It is very strange that in going for a system of elected regional assemblies we have just taken the government boundaries as given and that you have not as an organisation been asked to do a review of the regional boundaries which seems to me to be a basic building block of the whole operation. Were you surprised by that?

**Ms Gordon:** I think I can understand why government chose not to raise that particular hare because in certain areas of the country, and it may not have been so true of the northern regions that we looked at although there would be some issues there, it would be very controversial. There would be very big issues that would come up that really would have needed to have been cleared out of the way before we got into the reviews of local government, and those issues seemed to be less prominent in the northern regions although they were issues that were raised as we went round. There are different opinions about Cheshire’s position. There are different opinions even about Cumbria’s relationship to the North East but these were not major issues that came up, whereas if one looks at some other parts of the country it is quite difficult to see how reviews could be conducted without having looked first at the boundaries because it would be such a controversial issue. So the Bill which you are considering does provide a range of measures that would enable boundaries to be looked at at some point in the future in certain specified situations and I think, if the regional agenda proceeds, my own view would be that it would probably be necessary to look at some of those boundaries.

**Q115 Mr Betts:** Is it your understanding that what is in the draft Bill—I think it is clause 144, where the Secretary of State has powers to ask you to look at which regions, particular local authority areas could be included after 2012—that really it is a bit of a tidying up the edges exercise and would almost preclude any significant change, say, to the creating of city regions which were talked about by previous witnesses?

**Ms Gordon:** Yes, I do not think city regions have been envisaged at all in the arrangements, although Mr Gall can certainly give you more detail on that.

**Mr Gall:** The Bill sets out effectively three scenarios for alteration to regional boundaries. The first one is a straightforward—I say straightforward—issue. It deals with situations where there should be alterations to regions which do not have elected regional assemblies. In those circumstances the Secretary of State would have the power, without reference to the Electoral Commission or the Boundary Committee, to alter the regional development boundaries between the regions. So it would be under the Regional Development Act those changes would take place. It is entirely a matter for the Secretary of State. The second scenario is in circumstances where the Secretary of State has asked the Electoral Commission to conduct a review of a local authority’s administrative boundaries, that is the external boundaries of the local authority, and if those potential changes were to impact on a boundary with a region which is an elected regional assembly, the Commission would be required to propose changes to the electoral arrangements of the elected regional assembly. The third scenario is the one that you have pointed out under section 144 which talks about the Secretary of State asking the Electoral Commission to advise him on whether or not local authority areas should be moved between regions. The section provides that the Secretary of State can ask about county areas and unitary authority areas. There would be no question of the Commission being asked to look at whether a particular two-tier district should be moved between one region and the other. So I say there are three scenarios—one where there are no elected regional assemblies and two where there are. In the third scenario, of course, the Government has said that local government under any elected regional assembly will be unitary. That means that any local authority area brought into an area already covered by an elected regional assembly will also have to be unitarily locally governed.

**Chairman:** Right, on that note, can I thank you very much for your evidence.

**Thursday 9 September 2004**

Members present:

Andrew Bennett, in the Chair

Sir Paul Beresford  
Mr Clive Betts  
Mr John Cummings  
Chris Mole

Mr Bill O'Brien  
Christine Russell  
Mr Adrian Sanders

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*Witnesses:* **Councillor Sir Sandy Bruce Lockhardt**, Chairman, and **Councillor Sir Jeremy Beecham**, Vice-Chairman, Local Government Association, examined.

**Q116 Chairman:** I would like to make a couple of points before we start the evidence session on the Draft Regional Assemblies Bill. Quite a few organisations and groups of people have been lobbying the Committee office wanting to give evidence to the Committee. Could I first of all point out that there is a principle at stake. When people put in written evidence, we look at that and then make an assessment of who may well be representative, who may well have points that the Committee needs to consider. Our first concern is that we try to make sure we look at the written evidence first, and on the basis of that written evidence we consider whether we call people for oral evidence. The second point I want to make is that I strongly deprecate organisations attempting to bully the Committee office into wanting either more time or to come before the Committee. I do not think that is fair. If they want to bully anyone, they can try bullying me, but I can assure you it will not be successful. May I welcome you as the first two witnesses and ask you to identify yourselves for the record.

**Sir Sandy Bruce Lockhardt:** Sandy Bruce Lockhardt, Chairman of the Local Government Association.

**Sir Jeremy Beecham:** Jeremy Beecham, Vice-Chairman of the Local Government Association.

**Q117 Chairman:** Do you want to say anything by way of introduction, or are you happy for us to go straight to questions?

**Sir Sandy Bruce Lockhardt:** I will say something briefly, thank you, Chairman. The Local Government Association is united on its principles about the regional bill, in that it is opposed to the drawing up of any powers from local people and powers from local authorities and in that it wants to see any regional chambers or regional assemblies purely strategic in their nature. My own view—and of course the Local Government Association has differing views on the principles across the regions and across the political parties—is that the regional agenda is inconsistent across the United Kingdom; that the powers proposed in this particular bill do not match those of Scotland and Wales and it is therefore inequitable; it is probably unwanted; it is

undemocratic, in that in the South East you have one councillor representing a quarter of a million people; and it would tend to duplicate the role of existing local authorities. In addition, of course, we are concerned, as indeed the Local Government Association as a whole is, about the linking with the restructuring of local government.

**Chairman:** Thank you very much.

**Q118 Mr Betts:** Could we begin on the issue of the general view you have about powers not being pulled up from local government level to regional assemblies. Do you think that actually is the case in terms of the bill, or do you have concerns about particular responsibilities that have been taken from a local level and suggested as powers for the regional assemblies?

**Sir Sandy Bruce Lockhardt:** If you look at the main clause in paragraph 43 on the purposes and powers of the assemblies, it says that they are for the promotion of economic/social development and protection of the environment. The Local Government Act which was recently introduced had a power which ministers and the Deputy Prime Minister have placed great emphasis on, in that it introduced a new power for the social, economic and environmental well-being in the responsibility of local authorities and their democratic accountability for that. Those words exactly match the purposes of the regional assemblies and therefore I think there is a duplication. The Local Government Association would wish to see a clear statement in the bill—which we are told in words by the minister—that the bill and the regional chambers will not draw up powers from local people and local authorities.

**Sir Jeremy Beecham:** If I may, Mr Chairman, the problem with the bill in this respect is that clause 45 gives power for the Government to allocate further functions to the regional assemblies without primary legislation. Whilst we are quite content that in delegating powers downwards there should not be a requirement for primary legislation, we are concerned at the upward movement of powers and responsibilities without primary legislation. That is a different concept and one that we do regard as needing amendment in the bill.

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**Q119 Sir Paul Beresford:** Would you agree that if you looked at the London Mayor and the local authority, with their struggle to justify themselves and find something to do and the conflict between them and the local authorities, that your fear is, in essence, that this is just the first building block, and gradually local authorities are going to have their services, their powers stripped away and brought up while the government will not move at all to put powers down?

**Sir Sandy Bruce Lockhardt:** I think that is so, but there is a difference in the case of London in that it actually has some responsibility for transport and policing. The thing about the current proposals in the bill is that they will not have responsibility; they will simply have influence, because the responsibility for most of the main plans which will go from the regional assemblies will go from the regional assemblies to the Secretary of State. So it is not like Scotland, it is not like Wales, it is not like London; it is a body which influences and unfortunately interferes and duplicates the role of local authorities.

**Sir Paul Beresford:** Does it influence or—

**Chairman:** I am sorry. Clive Betts.

**Q120 Mr Betts:** Some local authorities express concern that there has been a sort of creeping move over time of responsibilities in areas, particularly in planning and housing, up to a regional level and away from local government, and that this particular draft bill continues that trend and throws fire in as well. As well as the general concerns you have about the power and the competence, do you have particular concerns about particular services and functions that you feel are going to be taken away from local government and pushed up to regional level by this process?

**Sir Sandy Bruce Lockhardt:** There are many local authorities in the country which are extremely large, having budgets of £1 billion or more. My own particular authority has a budget of £1.5 billion. It represents an area which is almost 100 miles across and there are huge social differences across my particular authority. We have a statutory responsibility to fulfil functions for which we draw up our own plans, in education, in social care, in economic regeneration, in transport. Those are statutory responsibilities that we have, but unfortunately they seem to be very largely the same purposes as it says in the bill for the regional assembly. We cannot carry out those responsibilities unless we also have the planning responsibilities, and those planning responsibilities are being picked up now very much at the regional level and then going to the Secretary of State.

**Sir Jeremy Beecham:** I am bound to say that there are differences clearly in the association. I do not entirely share, and I think neither of the other two political groups would share, the Chairman's profound scepticism about the whole concept: it is a totally legitimate position to take but it is not the view of the majority of the association. Our concern is that for a long time we have seen unaccountable regional government exercised by quangos and civil servants. We are glad to see an element of

democratisation. We want the regional bodies to operate strategically, as the Chairman has rightly said, but we would be concerned to see an accretion of powers from local government. We do think the bill basically is on the right lines, in increasing accountability and hopefully leading to greater effectiveness at the regional level, where it is necessary for a strategic role to be fulfilled. From the point of view of the majority of the association, we want to see safeguards from local government; we want to see local government's role explicitly recognised, in a way that it is not really recognised in the draft bill, where we are lumped together, if I may put it like that, with a range of other stakeholders. We think we have a different legitimacy and that ought to be reflected in the bill. But, essentially, we think the bill is moving in the right direction.

**Chairman:** Could I just stress that I am very keen to keep to the timetable this morning, so it would be helpful if we could have slightly shorter answers.

**Q121 Mr Cummings:** You suggest in your evidence that any statutory duty on elected regional assemblies to consult with stakeholders should go beyond "box-ticking" exercises. Could you explain precisely what you mean by this. What should this statutory duty require?

**Sir Sandy Bruce Lockhardt:** I think consultation is an extremely loose word. We would want to see direct engagement with the local authorities, working with the local authorities, recording their views and taking their views into account. The experience of the current representative assemblies is that that does not always take place. Therefore, when it comes to the list in paragraph 53, we believe the local authorities simply are not part of a long list of other bodies, but, because they have the democratic accountability and the service delivery role, that there should be a separate section about engagement and working with local authorities, not just in the list in paragraph 53.

**Q122 Chairman:** You would have first class consultation and then second class consultation. Surely you cannot distinguish between consultation with local authorities and everybody else. If you are going to have consultation, it should be genuine and effective, should it not?

**Sir Sandy Bruce Lockhardt:** In paragraph 53 there is a list of businesses, persons employed, local authorities, voluntary groups, community groups, other organisations. The Local Government Association argues that local authorities are different. From the Local Government Act, they have, as I said, that responsibility for social, economic, environmental well-being; they are the service deliverers; they spend the vast majority of the money. Therefore, we think it would be helpful—and the Local Government Association is united on this point—if there were a separate section on consultation with Local Government.

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**Sir Jeremy Beecham:** Local authorities have the democratic legitimacy. We are looking for something like perhaps the partnership council in Wales or the central Labour partnership that we have with central government.

**Q123 Mr Cummings:** Are there any specific amendments you would like to see in the bill to ensure that the regional assembly and local government work well together?

**Sir Sandy Bruce Lockhardt:** I think there are two. There is the one we have just talked about in paragraph 43, and the one we originally talked about in paragraph 45, where we believe it should expressly say—as indeed the minister has given us reassurance but it is not in the bill—that powers are not drawn from local authorities. If that is the intention in words by the Government—and of course ministers and governments change—it would be very helpful to back those words with some words in the bill.

**Q124 Mr Cummings:** Are you suggesting similar arrangements to those that exist in Scotland and Wales, where they have collaborative arrangements between themselves and local authorities?

**Sir Sandy Bruce Lockhardt:** Yes.

**Q125 Christine Russell:** Could I ask you to develop your concerns over the services that are currently funded and managed by local authorities that will be transferred to the new regional bodies like particularly fire and housing. Could you tell the Committee why you are particularly concerned about how services like that will be affected.

**Sir Sandy Bruce Lockhardt:** I spoke about the totality of services because I think nowadays everyone understands that all services are inter-related. If the local authority is going to have statutory responsibility for these services, then it has to draw up its plans for them, they have to be inter-related, and it is not that helpful if a regional body comes in and takes or tries to take responsibility for them. Of course we understand that there are some functions which are purely strategic. If you take fire, of course you have to have collaboration between fire authorities, but if you take an authority like Kent or Essex then actually the collaboration with London will be more important than it is with Oxfordshire—and you can apply that around the country. Very often you need to collaborate outside your region as well. I think that is perfectly satisfactory, but that is very different from moving the responsibility from the local authority. The whole point of the modernisation of the fire service is that the fire service is not only about putting out fires. That is actually a very small part of their role. Working in the community to prevent fires is the vast majority of the work. Therefore, it is intrinsically linked with the other responsibilities that the local authorities have.

**Q126 Christine Russell:** What has to go in the bill to ensure that something like community fire safety will be at least recognised, that local authorities will retain an influence over the way the service is managed?

**Sir Sandy Bruce Lockhardt:** I think the Local Government Association is clear, it is united, that the minister's words of reassurance need to be put into the bill, to say quite clearly that no powers are drawn from local government. Of course the bill does say also that additional functions may be made by order, as the Secretary of State sees fit. Well, again, of course, governments and Secretary of State's change, and therefore getting that right into the bill would I think alleviate a great deal of concern of local authorities and therefore local people who are also extremely concerned.

**Q127 Christine Russell:** Why are you so implacably opposed to anyone other than an elected councillor serving on a fire authority? Surely in a community there are people with knowledge and expertise who may not necessarily be locally elected councillors.

**Sir Sandy Bruce Lockhardt:** But councillors are people drawn from their community who choose to serve their community. They are not a breed apart; they are their local representatives. That is their job.

**Q128 Chris Mole:** You referred to the inter-related nature of services. Do you think that the powers that are proposed in the draft bill for the regional assemblies will actually enable more joined-up working, more joined-up government at a local level, or not?

**Sir Sandy Bruce Lockhardt:** I think there is recognition, if you look at something like transport, that where there is a genuinely cross-regional issue, like a motorway or a railway, then it is quite right for local authorities and the regions that there should be a regional view. If you take the M25 and its building as an example, the minister simply drew together once every three or four months all those local authorities involved—because of course it covers three regions. So there are quite clearly some issues which are genuinely inter-regional, across the region, and that seems perfectly sensible. It is all the other things which come under the general heading of the promotion of economic, social and environmental purposes which are in conflict, as I say, with the local government bill and the statutory functions and responsibilities of the local authority.

**Q129 Chris Mole:** But if you have weaknesses in the economy across the region, you may need to set your response to that in one place or another.

**Sir Sandy Bruce Lockhardt:** Yes.

**Q130 Chairman:** I could do with getting your nod on the record. Do you want to comment briefly?

**Sir Jeremy Beecham:** Yes. I think there is a legitimate role—and I think three of the groups in the association think there is a legitimate role—for elected regional assemblies to work with local authorities on delivering social, environmental and economic well-being of localities as well as regions.

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I think there is the scope for doing that through some of the mechanisms that are being developed, like local public service agreements, local area agreements, and, indeed, area boards. But part of that has to involve greater accountability from the range of existing quangos and next-step agencies, and the bill goes some way but not far enough to involving those in the process of accountability which needs to be reinforced.

**Chris Mole:** If I could move on to that. Some of the powers that the ERAs will have are direct and others are influencing roles. Do you think there are any areas where it should have direct funding rather than influence? An example I might pick is that the ERAs would have the role of the regional cultural consortium but the grant funding would still come through the Arts Council. Is that something that you think it would be sensible to give more directly to the regional assemblies?

**Q131 Chairman:** Pass, I think.

**Sir Sandy Bruce Lockhardt:** Yes.

**Sir Jeremy Beecham:** I would say yes.

**Q132 Mr Cummings:** Would you take a more definite view in relation to the Skills Council?

**Sir Sandy Bruce Lockhardt:** Yes.

**Q133 Mr Cummings:** To be totally subsumed into the regional assemblies?

**Sir Jeremy Beecham:** I think the skills and training agenda needs a distinct regional perspective. Although there is some movement in the draft bill, I think it needs to go further. This is an area currently entirely unaccountable.

**Q134 Mr Sanders:** In terms of regional assemblies, most local authorities have representation in and around the country. What is the difference between having an elected regional assembly and regional assemblies as they now are in relation to their impact on local government to get the democracy?

**Sir Sandy Bruce Lockhardt:** That is a good question. On the current regional assemblies, roughly two-thirds of the people, as I am sure you know, are representatives from local authorities. One third come outside. They are extremely large: 100 people or more. An elected regional assembly will move that down to about 30, which, as I have said, certainly in the South-East, is about one person for a quarter of a million people. I think the difference is that it cements a regional role which we are concerned about will become unstrategic and will draw up powers from local people and local authorities. If the Local Government Association is saying anything, it is that single issue: that the most

helpful thing you could do is to put into the bill that clause which says that powers will not be drawn up from local authorities—if that is what the minister is saying. I come back to that point, because the Chairman is asking what is the point and, as far as we are concerned, that is the single main issue, as well as paragraph 53.

**Q135 Chris Mole:** You stated the association's regret that the local authority re-organisation has been tied to the establishment of the assemblies. After Banham and Scotland, have you been able to make any estimates of the short-term costs of moving to a unitary system of local government for the three regions so far proposed?

**Sir Sandy Bruce Lockhardt:** The Local Government Association is, like many others, very concerned about the issues of cost.

**Q136 Chairman:** Can you tell us how much it is going to cost?

**Sir Sandy Bruce Lockhardt:** No, but it will be in our evidence.

**Sir Jeremy Beecham:** Whenever these estimates have been made in the past, the evidence is that they are always on the low side. That does not necessarily lead one to an inevitable conclusion for or against. But estimates are only estimates in any event.

**Q137 Chris Mole:** That was the evidence of both Banham and Scotland, that the estimates of transitional costs were low. Could I move on to look at whether you believe that there is any prospect of yielding savings in the medium to longer term and what you think should happen to those.

**Sir Sandy Bruce Lockhardt:** I think experience has shown from the setting up of unitary authorities eight years ago that those savings did not materialise to the extent that people expected.

**Sir Jeremy Beecham:** But if there are any savings, they should stay within local government, they should not be used to finance regional government.

**Q138 Chris Mole:** The draft bill proposes a cabinet system of government for the elected regional assemblies. On the basis of experience of local government, is this a good idea?

**Sir Sandy Bruce Lockhardt:** That is a very difficult question because cabinets make executive decisions and regional assemblies, unlike those in Scotland and Wales, will not have executive decisions to make, they will have plans to submit to the Secretary of State. So the answer is probably not.

**Chairman:** On that point, I will have to cut you off because I am determined this morning to keep to the timetable. Could I thank you very much for your evidence.



*Witnesses: Mr Nick Skellett, Leader and Chairman, and Mr Tim Byles, Chief Executive, Norfolk County Council, examined.*

**Q139 Chairman:** May I welcome you to the second session and ask you to identify yourselves for the record.

**Mr Skellett:** I am Nick Skellett. I am Chairman of the County Councils Network.

**Mr Byles:** I am Tim Byles, Chief Executive of Norfolk County Council and the lead advisor to the CCN on regions.

**Q140 Chairman:** Do you want to say anything by way of introduction, or are you happy for us to go straight to questions?

**Mr Skellett:** Straight into questions.

**Q141 Mr O'Brien:** The question of regional assemblies and local government is an issue that has been discussed and bandied about a great deal. Should the Government link the establishment of regional assemblies with the abolition of county councils?

**Mr Skellett:** No, they should not, but they obviously have in this bill and it is not quite clear why they have jumped to that conclusion.

**Q142 Mr O'Brien:** Do you think that the elected regional assemblies should be the third tier of local government?

**Mr Skellett:** If we look at the experience of the present partnership assemblies that we have in the South-East—and Sandy Bruce Lockhardt referred to it earlier—where most of the membership covers two-tier areas, the differences in what we do from what an elected assembly would do is significant but we are producing strategies—regional spatial strategies, transport strategies, cultural strategies, tourist strategies—and we are working in a two-tier system and the cost per annum is £3.5 million. We monitor the RDA. We do not make appointments to the RDA and we do not control the regional fire service. On the other hand, there is a regional structure for the fire services in the South-East: they have come together. We are getting on and doing those things at a regional level which it is better for local authorities to do together in a fairly inexpensive way, in many ways on a voluntary basis, and clearly that question of drawing up powers from local government is less of a problem because it is local government working in partnership with its regional structure.

**Mr Byles:** The CCN does not necessarily see a link between the structure of local authorities in the creation of regional assemblies, which is the first part of your question. It does think that any change should be linked to evidence, objectively gathered, on the performance of local authorities and indeed the role of regional assemblies. On the costs of any change, we believe there is substantially more evidence available on the costs of any local government reorganisation than is currently being made available to people voting on the subject in the North-East

**Q143 Mr Sanders:** The Government is proposing to create a number of large unitary authorities. Are these not going to be a satisfactory replacement for county councils? What is the problem that you have with large unitary authorities replacing county councils?

**Mr Skellett:** We believe the indications are that there would be large unitaries, which is following on the policies and advice that we have given. We think this is correct. We are promoting the continuance of county government for cultural, traditional, heritage reasons but also because of the economy of large units. In many cases, I think the creation of a unitary county would be quite appropriate. With regards to the localness of—

**Q144 Mr Sanders:** Did you say the creation of a unitary county?

**Mr Skellett:** A unitary authority on a county area. It will be a different animal entirely, of course, because it will have different functions. The county council, if there is restructuring, obviously will cease to exist, but there are advantages culturally, economically and in service provision to continue, because clearly the 85 per cent of the public services through local government are provided by the county councils, and for the major ones, social services, transportation and education, those structures are already in place in a county area and therefore for the new animal to take that over is obviously of an advantage in cost terms.

**Mr Byles:** Larger unitaries clearly do make sense in service delivery terms and in cost terms and also their ability to reflect the different needs of urban and rural areas which are mixed across much of England.

**Q145 Chris Mole:** Could you comment on the evidence from the ADSS because I think the SSI inspection process has shown that the smaller social care authorities have had real problems after the establishment of unitary government in delivering their roles.

**Mr Byles:** Yes. Clearly the ADSS view and the view of the Chambers of Commerce pushes you towards larger authorities for capacity reasons and also for reasons of being able to manage resources, particularly those for vulnerable people across larger areas and to make sure that less people fall through the gaps. That view of ADSS is shared by the CCN, yes.

**Q146 Mr Cummings:** In areas where elected assemblies are not established, should the county councils consider taking a wider role, on the lines of an assembly?

**Mr Skellett:** Yes, they certainly should, and in my experience they do take a wide role. At the present time I am chairman of the South-Eastern Regional Assembly and the county councils are to the fore, as they have to be—in fact, they provide much of the resources, particularly in strategic planning, for the partnership assembly secretariat.

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**Q147 Mr Cummings:** If you believe in that, how do you believe legislation could facilitate this development?

**Mr Byles:** It needs to be very much clearer on the way in which local authorities engage directly with the work of elected regional assemblies. Sir Sandy Bruce Lockhardt has just made some points in relation to that which the CCN shares. It should not be some kind of informal, consultative relationship. The issue between the ERAs and large scale, single purpose local authorities who are commissioning and providing a whole range of services as well as leading the localities in which they are located, means that that relationship needs to be much more interactive and we would like to see that more clearly expressed in the language of the bill itself.

**Q148 Chairman:** You think it needs to be in the bill.  
**Mr Byles:** Yes.

**Q149 Chairman:** Surely it is going to be done by force of personality of the individual organisations, particularly in those areas that do not get the regional assemblies, so why do we need it in legislation as opposed to letting people just get on with it?

**Mr Byles:** As Sir Sandy Bruce Lockhardt said, people change and current ways of wanting things to operate either from a ministerial level or within local authorities can be greatly assisted by making that explicit in the act itself in requiring that type of relationship. Clearly much of the success of this is going to depend on the goodwill and the engagement of people at both levels but a clear steer from government would be very helpful in ensuring that quality of service is improved.

**Q150 Christine Russell:** Could I ask you to turn your attention to rural areas, because obviously county councils cover large tracts of rural England. What particular concerns do you have about the arguments that are made in some quarters by the opponents of regional assemblies, that all the focus will be on tackling the problems of the big cities? Is that a fear you have? If it is, what can the Government do to address it?

**Mr Skellett:** It is a fear. It is a real fear. At the present time, the strategic authorities in rural areas are the county councils and they deal essentially in many of the services directly with government. But where it is proposed to have the three referendum, urban populations dominate, and therefore it is quite conceivable that you could have a regional strategy which unduly disadvantaged the rural communities, however large they may be. It is therefore very important—

**Q151 Christine Russell:** Can you spell out in what way?

**Mr Skellett:** If the regional strategy is to direct resources in particular strategies, it may advantage the majority, dominant urban population. One counter to that is to have strong large strategic authorities representing those rural areas, to act as a counter-balance, aided by a very clear way of

working, setting the legislation between the region and those local authorities. You need both. You need strategic authorities which have some weight to protect the rural areas and you need the relationships between the region and those local authorities clearly set. It may well be that certain rural proofing ideas could be brought into strategies. In the same way we have an environmental assessment on most decisions we make locally, you could have a rural assessment on the effect on the rural communities of proposals at the region. So you can have such devices, but really the main protection will be these strong rural strategic authorities which have the weight and, secondly, the relationship they have with the region.

**Mr Byles:** The interplay between urban areas across what I would describe as shire England (as opposed to large metropolitan city areas) and the rural areas that surround them is very significant, particularly in the balance of where people live and work and spend their leisure time and the need to travel to and fro between rural areas and cities. Clearly, there is a whole range of issues about delivering services into sparsely populated rural areas, but it is the interplay between rural communities and the towns and cities that sit within that which takes us back to the question of larger scale unitary authorities making much more sense to take into account the needs of ranges of individuals in both of those areas.

**Q152 Chris Mole:** Mr Byles, you touched on costs just now. Do you think the Government accurately estimated the cost of creating regional assemblies and new larger unitary authorities? You must be aware of the history of Banham and the changes that took place in Scotland. These things are no great secret. The more small authorities you have, the more it is going to cost you, surely.

**Mr Byles:** Yes, that is clearly the case. I do not believe the Government is yet making clear the amount of objective information—and there is a great deal around—on the true costs of establishing new unitary authorities. The costs of regional assemblies clearly are estimates on the basis of less evidence, but there is a great deal around and we would like to see that objectively verified by the Institute of Public Finance on the whole costs of the options which are being put to the public—which we believe in the case of Northumberland, for example, is going to be the equivalent of over £100 on a typical council tax bill, taking into account the transitional as well as the operating costs. The current cost information which is being made available we believe is misleading and is not a full assessment of all the costs of re-organising local councils. We think that should be made a clear objective and speedily made available to the people who are going to be expressing a view shortly on these issues.

**Q153 Christine Russell:** Could I ask you briefly about planning and transport. Do you think the Government has it right in the way it proposed to split the transport responsibilities between the regional authority and local authorities. Secondly, the county councils fought quite a vigorous

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campaign to have a say on planning, did they not, by the retention of the structure plans for a few more years? What are your views? What are the views of the network on the proposals in the bill regarding regional spatial strategies and the responsibility for planning matters for local authorities?

**Mr Skellett:** I think the County Councils Network and others helped to improve the planning bill and the planning act considerably. I still think that if we had started again we would have done something quite different.

**Q154 Christine Russell:** We might not believe that in Cheshire, where the county is trying to stop the city building houses. But that is a different issue.

**Mr Skellett:** We are not talking about individual decisions; we are talking about the framework. We always felt the structure plans were the bits that were not “broke” in the system. The county councils as existing, and presumably the larger strategic authorities, will continue to support good planning at local level and at the regional level and continue to offer resources to do so.

**Q155 Christine Russell:** Do we really need three tiers of planning: regional, county, district?

**Mr Skellett:** Even in the new two-tier system the practice has actually been to create inevitably sub-regional strategies. In fact, I am aware of the minister writing to one particular region asking this particular person, who was a chief planning officer, to look into the possibility of this Committee actually producing sub-regional strategies for I

think different areas which constituted three-quarters of that entire region. There was a recognition that the region as a whole was so large and the differences in interest and the differences in geography and population were so different, that you had to look at that. So we went back effectively to a three-tier system through the sub-regional work. But some of those relationships are not clearly defined. Some of the responsibilities, some of the resource allocations are not clearly defined, and general criticisms of a lack of clear definition and a lack of thinking things clearly through are some of the criticisms which the Local Government Association and County Councils Network have about the present bill and its particular relationship with local government. Local government is not the same as a stakeholder. The region will rely on the local government to provide the services. Local government is managed and run by people who are elected. On the transport issue, I think it is appropriate for authorities working together—if you like to call that a regional structure—to come up with strategies which clearly link county areas—and I do not mean just counties but county areas, because there are some issues which have to go across borders. But while those local authorities, counties and unitaries have the job of producing local transport plans and meeting local government office requirements, it is difficult to see why you should have another intervention, other than the umbrella willingness of those local authorities to work to get a local transport plan.

**Chairman:** On that note, could I thank you very much for your evidence.

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*Witnesses:* **Mr Nicholas Russell**, Campaigns Officer, Royal National Institute for the Blind, **Mr Tony Burton**, Director of Policy Strategy, National Trust, **Mr Ray Cowell**, Director, and **Mr Julian Simpson**, Policy Development Officer, Voluntary Organisations; Network North East, examined.

**Q156 Chairman:** May I welcome you to the third session this morning and ask you to identify yourselves for the record.

**Mr Russell:** Nicholas Russell, representing Royal National Institute for the Blind (RNIB).

**Mr Burton:** I am Tony Burton from the National Trust.

**Mr Cowell:** Ray Cowell from Voluntary Organisations' Network North East

**Mr Simpson:** Julian Simpson, from VONNE as well.

**Chairman:** Does anyone want to say anything by way of introduction, or are you happy for us to go straight to questions. Then we will go straight to questions.

**Q157 Mr Betts:** How far are voluntary organisations involved in regional assemblies at present? Is there any detailed involvement?

**Mr Cowell:** Perhaps I may speak for the North East. The sector has two members on the current assembly; that is two out of 60-odd, I think. With those two members we have been fortunate in the individuals concerned because that is quite a minority on such a large group. As well as the formal members of the assembly we have had

representatives on all the main working and scrutiny committees that the assembly have established and on most of its working groups in one way or another. We have quite consistent contact with the staff of the assembly, and we publicise and communicate a lot of their information and papers out to our sector and the other way round as well. So it is quite an involved involvement but it is still to an extent dependent on whether they want to involve us or not.

**Mr Burton:** Our experience is that there is universal involvement but the involvement tends to be in the constellation of working groups which are away from where the real decisions and influence lie. So there only is selective involvement in the heart of the regional assemblies and the decisions that they are making.

**Q158 Mr Betts:** Do you see yourselves having an increased stakeholder role under the new proposals?

**Mr Burton:** I think the proposals have the potential both to formalise and to strengthen that relationship and they establish some important principles about participation rather than simply consultation. They establish some seed-corn funding perhaps for building capacity and they establish some ground

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rules, but I do not think they persuade the sceptics that the reality of the involvement will recognise the true contribution which the voluntary sector as a whole should and could be making to policy design and delivery.

**Q159 Mr Betts:** Are they really where the voluntary sector is at? Are not most of the people who engage in activities most interested in day-to-day things in which district councils are involved rather than the grand designs and strategies at regional level?

**Mr Cowell:** I think there is a large element of truth in that. There is not a dam behind which strains a huge amount of interest from the sector waiting to get in. It will have to be encouraged if we want to develop that further, simply for the reasons you have said, that most of our groups, certainly in the North East, are trying to survive, and when you are trying to survive there are much more immediate problems than strategic policymaking at a regional level.

**Mr Russell:** If I may come in on this question. Being a national organisation we have had limited involvement out in the regions, but part of my remit at RNIB is to lead on relations with the Greater London Authority and its functional bodies. Unfortunately there is not a system of co-option onto GLA committees, and we welcome the proposals to do that, but there is regular dialogue, involvement in consultations. We are also members of the council and executive of the London Civic Forum, which has been a very useful body in terms of facilitating access to be properly consulted and to coordinate that work. It also has a good record on equal opportunities and we would recommend it as one possible device within the regions. I know that has been something that the Government have suggested might be a possibility, both within the draft bill and previously in the white paper.

**Mr Simpson:** I think it is the fact that the voluntary sector does work at a grassroots' level and is interested in local issues that means that it is a crucial stakeholder and it would have a contribution to make to a regional assembly. The fact is that there is not this willingness to work at a regional level and organisations tend not to think strategically. I think that is why it would be important actually to invest in structures that would support voluntary sector involvement in an assembly if there is a sense—and we welcome the fact—that it is recognised that the voluntary sector has a contribution to make.

**Mr Burton:** Some parts of the voluntary sector are more significant economically than some parts of the business sector. The significance of social enterprise, its contribution in a range of economic and social areas, is actually as significant as some of the bodies who would be invited on or attracted for other reasons.

**Q160 Mr Mole:** Who pays for VONNE now?

**Mr Cowell:** We get our money from three sources at the moment: firstly, the Home Office, through the Active Communities Unit. Secondly, we get a grant from the Big Lottery Fund, as it is called, although that comes to an end next year. Thirdly, we have just

achieved a grant from Northern Rock Foundation. You will notice the Regional Development Agency is not on that list.

**Q161 Mr Cummings:** It is accepted by many that the voluntary and community sector are well placed to assist in the delivery of the general purposes of an assembly. Do you think the draft bill goes far enough to ensure a sturdy system for voluntary and community sector involvement?

**Mr Cowell:** I think provided the act itself tightens up on the suggestions in the bill. For example, it talks about some form of statutory requirement in order to consult the sector and so forth, and if we can harden that up a bit for specific requirements, both for the civic forum type arrangement, where all stakeholders would have a facilitating mechanism in order to input into the assembly, but also from our point of view we do see the need for sector-specific schemes written into legislation which will be required. We know from all our experience in the North East that, if there is not a requirement there, it will not happen.

**Mr Russell:** If I may offer a few thoughts based on our experience in London. Firstly, is there a possibility that the voluntary sector can be represented directly on the functional bodies? For example, the Transport for London board has benefited a lot from the fact that two disabled people sit on it. There is talk in the draft bill of having a requirement to have a people's question time. That already exists within the GLA Act, and indeed happens, but it is very difficult to get called: hundreds and hundreds of people turn up and, as it is only held twice a year, six months is certainly a long time in politics. However, we had a very effective engagement with the Metropolitan Police Authority, which is one of the GLA's functional bodies, where any member of the public has a right to table a question, I think twice a year, and get that answered. That led them to backing our eventually successful campaign to get the Criminal Justice Act 2003 amended to introduce additional penalties for disability hate crime.

**Q162 Mr Cummings:** Are you invited to go along, or do you go along as of right?

**Mr Russell:** In the case of the Metropolitan Police Authority, they do not hugely publicise the right but anyone can table a question twice a year. I also wanted to touch on one thing that must happen, however, if whatever rights are introduced through the eventual act of parliament are to be effective, which is to make sure that the whole processes are accessible. The GLA has an absolutely wonderful policy on paper about production of materials in accessible format for blind and partially sighted people but the reality is sadly lacking. We have had cases where I have asked, "Could you just send the material in email to visually impaired colleagues going along to their consultation events?" and they have failed to do that. I mean, really, how many GLA staff members does it take to send an email?

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**Q163 Mr Cummings:** That is dealing with the GLA, for all of its problems—and I fully accept what you say—but here I am hoping that the new regional assemblies will perhaps learn from what has gone wrong. Is there anything you believe could be embodied in legislation to protect the public from such problems? Should each assembly have a member who is responsible for the voluntary and community sector?

**Mr Burton:** I think there is always danger for any individual seeking to represent any sector—and I think there are particular difficulties in trying to represent the voluntary and community sector. It is such a diverse and complex—

**Q164 Mr Cummings:** So you would not like to see that.

**Mr Burton:** I think that is one mechanism but I do not think it is a total solution. It is a necessary but not a sufficient solution to the challenge.

**Q165 Mr Cummings:** I am going to try to tease this out of you: what should be done to create a more durable system for voluntary and community sector involvement?

**Mr Simpson:** I think it would be important to have a statutory requirement for an assembly to engage with the voluntary sector and other stakeholders, and also an obligation to explain what involvement there was, how that has influenced decisions and to account for that. I think it is very important to have a distinction between simple consultation, where people might be able to come into a room and speak, and actual discussion/involvement in policy. I think if that could be hardened up in the bill that would be very helpful.

**Q166 Mr Cummings:** Would you agree with that?

**Mr Burton:** We need obligations in the bill. Perhaps the need for a scheme to demonstrate in advance rather than retrospectively how the voluntary community sector is going to be involved. Whether this requires legislation or not I am less sure, but there is a need for a learning network so we can learn not only from experience that has happened elsewhere but also if we see elected regional assemblies being rolled out we can actually learn the good and the bad between them.

**Mr Russell:** Clause 53 requires assemblies to couch and facilitate participation and draw up a scheme to promote that. There is UK Government's guidance on that, and it is very important that the voluntary sector is fully consulted in drawing that up, to make sure that it is effective but also to make sure there is a requirement for adequate consultation with the full range of the voluntary sector before those strategies are finalised at each individual regional assembly level as well.

**Q167 Mr Sanders:** Many voluntary organisations are involved in regional assemblies at the moment as presently constituted and operating. What do you see the difference being between that involvement with a regional assembly and involvement into an elected regional assembly?

**Mr Cowell:** It of course is determined by whatever the act is going to say.

**Q168 Mr Sanders:** That is what you are here to help influence.

**Mr Cowell:** At present we are there not quite on sufferance but almost as an afterthought. We are there when it is obvious that communities have to be consulted in some way and the normal channels are not working. We want to see far more proactive activity from an assembly, seeking out the views of the sector there. It does not have a responsibility or a requirement to do that. Certainly the way our assembly is organised at the moment, it is one and the same thing as the Association of North East Councils: they share the same staff, the same budget, and when somebody is talking on behalf of the Association of North East Councils and when they are talking on behalf of the regional assembly is very variable and depends on the circumstances. I think in those circumstances they are inevitably a local authority tool, in a sense, and that does not always reflect the feelings and views of the voluntary and community sector.

**Q169 Chris Mole:** The bill would give assemblies general powers in economic and social development as well as environmental protection. Do you think the bill needs to contain anything specifically to try to ensure that the assemblies address those strands in which all your organisations are interested in a balanced way?

**Mr Burton:** I think it is disappointing that it is repeating the mistakes that we believe were made in relation to the Local Government Act; that it is putting in purposes which are separate—economic, environmental and social purposes—rather than looking at the challenge of integration and putting sustainable development up front, ideally at clause 1, if it is left at clause 43—

**Q170 Mr Sanders:** Which is what the RDAs' bill did.

**Mr Burton:** Yes, but the RDAs still had it down as a fourth purpose and subject to the other three being implemented. We really see the elected regional assemblies as providing the place where, instead of having lots of people who have responsibilities to further or to contribute to or to do their bit for sustainable development, they can shape the real leadership and provide the performance management framework. They should establish the targets, establish the framework, ensure that those bodies and agencies for which it is responsible, notably RDAs, properly contribute to sustainable development, lobby those which it is not directly responsible for, and bend the ear of government when government needs to intervene. That is the opportunity that the ERAs provide, to provide leadership on sustainable development, rather than just a rather hotchpotch set of contributors to sustainable development. But we do not think that will come through the bill, we do not think it is sufficiently far up the order of hierarchy, and an oblique reference to it as part of the scheme, as sort of the means to do it, is not going to be sufficient.

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**Q171 Chris Mole:** You do not think that will be a political judgment for the ERA to make for itself in due course?

**Mr Burton:** We would rather that the judgment about the priorities we attach to integration through sustainable development was on the face of the Bill, so that was the starting point rather than the judgment.

**Q172 Chairman:** You do not want that to be a devolved power?

**Mr Burton:** We want sustainable development rather than the rather vague set of purposes to be the overarching objective and role of the ERA.

**Mr Cowell:** I think what is missing from our point of view in the objectives of the RDA are kind of sufficient activity and work in civil renewal in that agenda that is going on. We were involved in the development of the sustainability criteria in the north-east and it had the three legs of the stool, being economic, social and environmental, but whereas the targets for the economic and environmental were very specific and based on lots of research and regional economic strategy and so forth, the set of social targets was rather vague, "Are you against sin?" kind of targets that are there. I really think that if we do believe in the concept of the three-legged stool, that means all three and you have to give more attention through the assembly to social development and find ways of strategically involving them in that.

**Q173 Chris Mole:** Do you think they are going to have sufficient powers to deal with all of those legs equally?

**Mr Cowell:** I think that the driver has got to come from somewhere and it is not really coming from anywhere at the moment. As I say, there are these vague kind of national aspirations from central government and you cannot argue against them, but what we are missing is a kind of practical level at a regional level and below where we can start kind of finding targets within the region to work out collectively. Local authorities do, but there is varying development within local authorities in the north-east and we need to see a more strategic approach throughout the region, I think.

**Q174 Mr Cummings:** This is a question to the RNIB and the National Trust. In your evidence, you welcome the requirement for elected regional assemblies to draw up health improvement strategies. How do you believe that this can be effective if the assemblies do not have the powers to implement them?

**Mr Russell:** Well, obviously with very limited effect. Blind and partially sighted people are often losing their sight because of a lack of early detection because of a lack of effective eye tests and also not getting adequate social services provision, so we would certainly support giving increased powers in terms of the co-ordination of health. Indeed when the White Paper came out, I really had a serious concern that regional assemblies as a whole would be in a situation where we had in that region a

strategy IEIO and no real power actually to deliver it, so we certainly welcome additional powers to turn the health strategies, in particular, and the real requirement to promote equality in terms of health provision into reality.

**Q175 Mr Cummings:** So accepting that the assemblies should be given health powers, how extensive should these powers be?

**Mr Russell:** As extensive as it is necessary actually to make sure that we can make a dramatic reduction in the number of people unnecessarily losing their sight.

**Q176 Mr Cummings:** Should there be powers related to preventive medicine?

**Mr Russell:** Well, in the case of health, it is both a matter of prevention and adequate support for those where prevention has failed. What is often not happening is that people are just failing to meet the eligibility criteria for social services, particularly those where their presenting need is just visual impairment, or especially if you lose your sight later in life where you often have a real struggle, as is often the case. Also it needs to make sure that regional authorities can actually encourage and make sure that people are registered when they do lose their sight because that is another way in which a lot of people have fallen through the net.

**Mr Burton:** We are not wholly persuaded that you need to have powers to deliver strategies. We live in a world of partnership and there are an awful lot of other things where in fact the leadership from the assemblies will then be the mechanism for taking forward. We do think that they can provide a context for health strategies which is perhaps more widely based, more preventative, looking at the opportunities of recreation, of access, of green gyms, the whole agenda around public health and we believe this is one place where we can see these issues get the push they need.

**Q177 Chairman:** One of the issues is clearly that there are major disparities between the regions. Now, if the regional assemblies do not start to tackle that, there are health authorities in the north-east who get perhaps 80 per cent of the national average expenditure. Now, how is a regional assembly going to actually stand up to the Government and say that there ought to be more money for some of those health authorities in the north-east?

**Mr Burton:** How is it going to stand up to the Government on a whole range of issues? That is politics and that is the process. It will establish its case, it will make its case, it will have a wider context and perhaps if any of those individual health authorities can do it, it will be an additional voice and an additional champion in those funding decisions.

**Mr Cummings:** Do you do that now? The Chairman has very kindly mentioned my particular community—

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**Chairman:** I thought you were going to!

**Q178 Mr Cummings:**—in funding it to 80 per cent, but we are knocking on doors down here, we have voices crying in the wilderness, no one is taking a damn bit of notice. Surely you are not suggesting that this assembly, with the limited powers it has got, could make immense progress in this direction, are you?

**Mr Burton:** Not in itself, but, as an advocate, it would probably be speaking from—

**Q179 Mr Cummings:** Everyone is advocating, but no one is taking a blind bit of notice.

**Mr Cowell:** That is part of the problem, John. Partnerships breed in the north-east and, I am sure, elsewhere. Every partnership agrees that there should be an overall partnership or an overall strategy, but they all think it should be their strategy and their partnership should do it. What the assembly does allow is that kind of sustainable overarching strategy where things like the health debate can find their place alongside all of the other debates because I think part of the problem is that—

**Q180 Chairman:** Do you want strategies or do you want some extra powers in the legislation because that is what we are looking at, the legislation? Do you want some extra powers to actually let the assembly get to grips not only with coming up with a strategy for health, but making sure that there is some mechanism to get cash?

**Mr Burton:** Strategies will suffice.

**Mr Cowell:** If you are talking about extra money, then there is nobody in the north-east, I think, who would argue against that.

**Q181 Mr Betts:** Another strategy is the transport strategy and the assemblies will have responsibility for drawing up transport strategies, but not for implementing anything. Do you think that is a problem?

**Mr Russell:** RNIB believe very strongly that we should have an integrated transport authority similar to Transport for London. We have been speaking earlier about the sustainable development part and one thing which is necessary to achieve that surely is the ability actually to deliver on the transport front.

**Q182 Mr Betts:** Can I just pursue this for a second. I have read your submissions on that and it sounds all very nice, but what does it mean in practice, that when my constituents have a problem with their local bus service, instead of going down to the office in Sheffield to sort it out where the transport authority currently is based, they end up going to York or Wakefield or wherever the new regional transport authority is located?

**Mr Russell:** Well, you could have sub-regional provision for buses perhaps and that is a situation where perhaps there is some provision for further devolution, but there are some things where if we do not have a regional transport authority and the result of the local government bid for the

referendums is that we end up with the unitaries being equivalent to the former districts, for example, are we going to have the major roads all as the responsibility of the district council? Transport for London have the responsibility for practically all of the strategic roads in London, except a few small sections. The Government's rail review issued earlier this year specifically suggested regional control as one of the possible methods of controlling our railways and indeed the Government has already made it clear it is against that.

**Q183 Mr Betts:** What you are arguing is pushing responsibilities up from where they are with local councils at present or transport authorities in the met areas and not actually pushing them down in terms of the allocation of resources from the centre and controlling what probably happens to the national transport budgets.

**Mr Russell:** Well, certainly large amounts of transport provision do need some sort of strategic regional co-ordination. I think no one would argue for district councils to be given powers to run a rail service, for example, or the responsibility for—

**Q184 Mr Betts:** Well, they do or the transport authorities in the met areas do have powers to actually provide rail services and some do.

**Mr Russell:** I think we have to remember that the passenger transport executives, as good as they are, only cover some metropolitan parts of some regions and we probably need, in setting up the regional transport authorities, to look at a way of keeping the good that the PTEs have done.

**Mr Burton:** I think there is a key relationship here between what happens to local government within the changes that are being made. The more you move towards smaller, fragmented unitaries, the more appropriate it will be for the elected regional assembly to have transport powers and the trouble is that we are likely to get a different approach—

**Q185 Mr Betts:** What sort of powers would you see it having?

**Mr Burton:** Well, the powers in relation to county council management of highways, for example, would not be appropriately operated within a fragmented unitary structure based on a district model. It simply would not operate. But if you retained a large unitary structure within an elected regional assembly, then the added value of the elected regional assembly over the larger unitaries operating it would be less obvious. So it may well be, as with so much of the regional debate, that different solutions will win out in different parts of the country depending on the relationship between the regional assembly and the local authority structure underneath.

**Mr Cowell:** I think many of the subjects we are talking about are not just regional or just local, but there are interventions needed at district, local, sub-regional and regional levels. What we are missing at the moment is that regional level, the strategic kind of overview and the kind of horizontal integration of local with sub-regional with regional and that seems

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to me to be one thing that a regional assembly could offer, that kind of vertical and horizontal integration of those different levels of responsibility.

**Q186 Christine Russell:** Can I just ask you who you really think should be responsible for setting concessionary fares policies?

**Mr Russell:** That is something that we specifically commented on.

**Q187 Chairman:** Just tell us who.

**Mr Russell:** Well, we were specifically suggesting that this become part of the regional assemblies because in the current situation we have a very big patchwork quilt and indeed in the case of blind and partially sighted people, many of them, for example, have to travel outside the area covered by their concessionary fare issued by the district just to get to their specialist eye hospital.

**Q188 Chairman:** So you are setting it down for the regional assemblies?

**Mr Russell:** Yes.

**Q189 Sir Paul Beresford:** That would not be necessary in the south-east because most people in the south-east do not travel from Milton Keynes on one side through to Kent on the other, but they travel on one side of London, it is radial, so it just would not make any difference. It would not be a real advantage.

**Mr Russell:** I accept that there is a problem with the way the south-east region is constructed with London stuck in the middle, as it were, but it still would give you a wider area. I think, for example, if you were a visually impaired person going to your nearest eye hospital, you probably would not be travelling from Milton Keynes to Kent, despite all our concerns.

**Q190 Chairman:** So you would want a concessionary system across the area of a regional assembly. Can I just take you on now to the question of the voting system. Are there any problems with the referendum as it has been held now in the north-east as far as the voting is concerned?

**Mr Russell:** We continue to maintain our concerns about the fully postal voting that we submitted in evidence to your previous inquiry on postal voting.

**Q191 Chairman:** I did not ask you that. I asked you whether there was a problem now in the north-east as far as the voting is concerned?

**Mr Russell:** Yes, we believe we still have the same problems. We also have the additional—

**Q192 Chairman:** So you have got people who specifically complained to the returning officer in the north-east about the way in which the ballot papers were being sent out?

**Mr Russell:** Well, we had complaints all over the place with the recent European elections.

**Q193 Chairman:** No, I am not asking you about that. I am asking you about the process which is now in train in the north-east. Can you tell me exactly what is happening as far as the difficulties that you envisage in the north-east are concerned?

**Mr Russell:** It is too early—

**Q194 Chairman:** You do not know?

**Mr Russell:** It is too early yet to hear from blind and partially sighted people on the ground, but in addition to our concerns about postal voting *per se*, we have an additional concern which is about the use of maps for the local government part of the referendum which are nigh on impossible to make accessible, except possibly via the web or having to phone up to get the information. If, as is often the case, your ballot paper is lying there on the doormat waiting for your friend or relative to come and read it a week later, you may be very close to the deadline for getting that paper back. If you then have to make a call or go to the library to access the website just to know what—

**Q195 Chairman:** So your concern is that the maps which are available for people who have no sight problems are not available in a form which is accessible for people who have to use Braille?

**Mr Russell:** We tried to suggest a very simple solution which was for the explanatory notes which go with the ballot paper to have it made clear which district council area you were currently in. If that was the case, we believe it would have been possible to work out without the access to the maps. Regrettably, the Electoral Commission and the ODPM did not feel that this was possible.

**Q196 Chris Mole:** The Committee have taken a strong interest in heritage. Mr Burton, do you think that anything needs to change in the draft Bill perhaps to further draw the heritage sector into the work of the regional assemblies?

**Mr Burton:** We would welcome clarity that heritage and the historic environment are all part of culture. This is a rather catch-all term which is used exclusively in some places and inclusively in others. We do think there is merit in investigating bringing together the cultural consortia and the regional historical environment fora within a broad definition of culture which embraces the historic environment. We think that would ensure the potential and opportunity which is provided by the historic environment to the delivery of economic, social and environmental purposes would have a stronger voice and would be better recognised. In terms of voluntary sector involvement, we are disappointed that the Government appears to have jumped to the conclusion that the only people who can provide formal advice on the historic environment are English Heritage regional directors. It seems a rather strange and exclusive way of approaching it when they are talking about the voluntary sector and others providing advisers in almost all other areas. We think it is an anomaly which is a policy commitment rather than being on the face of the Bill at the moment, but it is an



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anomaly which will place a particular interpretation on the historic environment in the process rather than put forward the one which we would see embraced.

**Q197 Chris Mole:** So what you describe is the existing regional cultural consortia, which are voluntary partnerships of interested agencies, coming together, being part of the assemblies and continuing to have essentially only an influencing role. Do you think there should be a direct role for the assemblies in terms of taking over the funds which currently come through DCMS, the Lottery, the Arts Council, Sports Council or those sorts of channels?

**Mr Burton:** I think that case is yet to be proven, but certainly not in relation to the Lottery and we have not offered evidence in relation to sport or the Arts Council.

**Q198 Chris Mole:** What needs to be proven?

**Mr Burton:** What the added value would be for the funding streams that are currently managed by DCMS or English Heritage coming through the regional assemblies. We are not persuaded yet that the case is there that there would be regional benefit.

**Q199 Chris Mole:** Do you not think that regional people would have a better view than DCMS on the spending of funds in the region?

**Mr Burton:** We think that the opportunity for ensuring that you have essentially a statutory basis for working out what it is that is important is a starting point. It could well be that once that has been proven, those streams could flow, but we do not think you should start with the strengthening of the strategy and a once-and-for-all decision about that.

**Q200 Chris Mole:** So that would be an appropriate place for the Secretary of State to use the section 45 powers?

**Mr Burton:** Indeed it would, yes.

**Q201 Chairman:** Can I just probe briefly as far as the National Trust are concerned. What is your role in saying that in a region like the north-east—as a major landowner, a big business enterprise, a voluntary organisation or a heritage body?

**Mr Burton:** All of those and more. We are also a major education provider.

**Q202 Chairman:** So in terms of all of those, how far have you all as an organisation devolved power and authority within the National Trust to the regional level or would you be coming to the region with a national agenda?

**Mr Burton:** No, we have recently reorganised our organisation effectively to match the English regions in the last two or three years. For operational reasons we have got two regions where the external world has one and we have one region which covers Yorkshire and the North-East because of the distribution of our properties. We have established a structure which, working within the framework of the National Trust as an organisation operating across England, Wales and Northern Ireland, speak in a way that recognised those regional differences within England just as we do in Wales and Northern Ireland. We will be coming to discussions with that combined national and regional voice, and will also be informed very much by our engagement with properties and communities across whichever part of the country we were involved with.

**Chairman:** On that note, can I thank you all very much for your evidence.

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*Witnesses:* **Councillor Les Byrom**, Merseyside Fire Authority; **Mr Richard Bull**, Chief Fire Officer, Tyne & Wear; **Baroness Ruth Henig**, Chair, Association of Police Authorities; and **Crispian Strachan**, Chief Constable, Northumbria Constabulary, Association of Chief Police Officers, examined.

**Q203 Chairman:** Can I welcome you to the final session this morning of our evidence on the draft Regional Assemblies Bill and ask you to identify yourselves for the record please.

**Cllr Byrom:** I am Councillor Les Byrom, LGA Fire and Merseyside Civil Defence Authority.

**Mr Bull:** Richard Bull, Fire Officer, Tyne & Wear Fire and Rescue Service and professional adviser to the Local Government Association on fire.

**Baroness Henig:** Ruth Henig. I chair the Association of Police Authorities and also the Lancashire Police Authority, but also I chair my own local safety partnership in Lancaster.

**Mr Strachan:** Crispian Strachan, Chief Constable, Northumbria Police, representing the Association of Chief Police Officers.

**Chairman:** Does anyone want to say anything by way of introduction or are you happy for us to go straight to questions? Okay, straight to questions.

**Q204 Mr Betts:** I suppose this is a very obvious one, that the regional assemblies are going to get

responsibility for fire, but not police. Does that make sense?

**Cllr Byrom:** Watch this space perhaps! Maybe we are the litmus test, but yes, that is the proposal. I think, however, my view is that the recent experience of industrial problems within the Fire Service probably brought forward the idea of having a regional fire service. That was brought off the shelf, it is still there and it has been integrated into the draft Bill probably because of the recent history.

**Baroness Henig:** The strength of police in this country very much is around local policing, local accountability and anything that you do that actually undermines that local accountability could have serious consequences for policing, so I think my starting point here is the service that is offered to local people, their identification with their local force and I would be worried at this stage about how that would translate into a regional level because I think you have got to make sure that you do not lose anything from that very strong identity between an area and its local policing.

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**Q205 Sir Paul Beresford:** Would you not agree that in the south-east all the fire authorities are working very closely together effectively making up a regional response, but because they are working together, they also keep their local aspects, so there actually is not a need for a regional authority in the south-east at least for fire?

**Cllr Byrom:** I think there are two different issues here. Fire authorities have worked traditionally since 1947 when they were nationalised, they were separated, they were brought back, but there is still that culture of militarism and nationalisation there which we are trying to change, we are trying to stop. Working together, you would be surprised at the regional management boards. I think generally local government is uncomfortable with regionalism, but the regional management boards, surprisingly, are working quite effectively. Working together across boundaries for efficiency and effectiveness is a good thing; you do not have to force people into doing these things. Also let fire authorities or other authorities find their own partners rather than corseting them into standard regions which is not natural in some respects. Do not underestimate the power of individual badging. The county badge of the local fire authority, of the local police authority is very powerful and it is closer to the people. What we were promised was that the Government in this sort of range of legislation would move powers down from Whitehall and Westminster rather than taking powers up from local government. Fire, and police to an extent, but I am speaking about fire, fire is a local government service, it should stay as a local government service and whilst there may be a case for regional co-ordination or neighbourly co-ordination, that is a sensible thing, there is absolutely no need to create one fire authority for the north-west, south-west or any other region.

**Q206 Mr Betts:** What about regional civil contingency planning then? Is the co-ordination of that sensible to be done at the regional level?

**Cllr Byrom:** Well, obviously a level of gold command is going to be sensible in any service. The only caveat I would put on it is the danger of having a two-tier fire or police service where at the top, regional level all the big decisions, the glamorous perhaps, actually the less glamorous, the terrorism, the planning for disaster issues are taken, and down at the local level it is about, in fire service terms, pumping water just on to fires. Now, that is not good because chief fire officers and the next cadre and the next cadre down have got to have experience of gold command. They have got to have the experience in their local areas of dealing with emergencies, so whilst co-ordination, buying materials, policy-making at a regional level is a good thing, you must not forget the situation where you would have a two-tier fire or police service.

**Q207 Mr Betts:** Mr Strachan, you have commented on the fact that you have some doubts about the ability of the Home Office and ODPM to work together. Is this Bill a reflection of that, that it is ODPM's Bill, so they have managed to find

something in their remit, namely fire, to give the regional assemblies to do, but the Home Office have not really wanted to play ball with this at all and, therefore, police are not affected by the legislation?

**Mr Strachan:** That is, with respect, sir, a rather leading question, but yes, I would agree!

**Q208 Christine Russell:** Can I just take you up, Mr Byrom, on what you were just saying because you seem to be saying that you cannot be a chief fire officer unless you have totally risen, that you have to start at the bottom. Is that not what you are saying?

**Cllr Byrom:** The danger in the country would be to have a two-tier fire service, one at a regional level which dealt with emergencies and all the sort of—

**Q209 Christine Russell:** But how is it going to be different from what it is now because you have just talked about how the regional set-up at the moment appears to be working, so what in a practical sense is going to be different about what is proposed from what is happening at the moment?

**Cllr Byrom:** Well, the current situation in the north-west, for instance, is that there are five individual, unique fire authorities. Now, if the proposal is to have one fire authority for the whole of the north-west or there is a proposal to have one tier for terrorism and emergency management organisation beneath that, a sort of more local community fire brigade, there is a danger in that. It could work, anything could work, but I do not think it would be the right thing to do, nor efficient and proper.

**Q210 Christine Russell:** But if you have got the right structures, the right people in leadership roles, why should it not work?

**Mr Bull:** I think one of the issues is that at the moment we are moving forward with voluntary regional management board arrangements, that we are following policies laid out in the Government's recent White Paper on the Fire and Rescue Service. Those voluntary arrangements cover six strategic areas, for example, ranging from training to procurement. We have also got other agendas running in terms of resilience and regional fire control rooms and a national radio communication system which are all impacting on fire authorities and I think what we will end up with eventually, from a professional viewpoint, is a 90 per cent organisation which co-operates and collaborates, but we could end up, for example, in the north-east with four separate fire authorities and four separate chief fire officers, four management structures and, therefore, you are not realising the full efficiencies and opportunities that may be there. However, we are moving along a motorway at the moment, as Councillor Byrom said, resulting from three years of a national pay dispute.

**Q211 Christine Russell:** Do you think that the proposals would do anything to address the concern that was raised in the White Paper over the difficulties that some of the smaller fire authorities have and the suggestion in evidence that we certainly

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had when we doing our inquiry into the Fire Service that perhaps some of the smaller authorities should be merged anyhow?

**Mr Bull:** I think it is one of the problems that we have had from time immemorial really, that the small fire authorities have never had the resources to be able to develop their people or the skills or expertise as quickly as the larger ones because it is a question of capacity, as simple as that. What we have had over the last 10 years in particular is this increase in “regional collaboration” which has meant that the larger authorities have helped and supported the smaller authorities along, but there is no doubt obviously that the pooling of resources makes for a more effective organisation.

**Cllr Byrom:** Adding to that, there are going to be amalgamations. There will have to be small authorities amalgamated together, but taking the example of the north-west which was going to be one of the pilot schemes, but not now, you have got differences between cities, metropolitan areas and the rural areas. There are just differences in the way that they are operated at the moment. Some are on a whole-time, and some are on a retainment, method of crewing fire stations. The London model which is being proposed here will not necessarily work. It might work for London and it may work for metropolitan areas, but I do not think you could just import that into all areas and all regions, as is proposed. The Scottish and Welsh model which is where you have the Assembly or the Parliament managing, but each of the brigades is still separate, but under an umbrella, that may well be a different matter altogether.

**Q212 Christine Russell:** Well, that was actually what I was going to ask you, that if a regional fire authority was created, how could you then ensure that at a local level the different needs between metropolitan centres, historical cities and rural areas, how could you then ensure that in a practical way the needs of residents and businesses in those areas were still being met?

**Mr Bull:** Because we have recently moved to what we call “integrated risk management planning”, so we have moved away from standards which have been in place for the Fire and Rescue Service for 50 years, so national standards of fire cover which were put together in 1936 have now been dissolved and replaced by local integrated risk management plans. Now, that risk management plan can cover a brigaded area, a region or whatever, but that is about targeting resources at a local level to where the risks exist. One of the things we say now is that people do not die in town or city centres in fires, but they die in urban housing estates and that is where the risk is in the main.

**Q213 Chairman:** Have you any evidence as to what the optimum size is for a fire service either in terms of the population it covers or the area it covers? We will all have had the nonsense, will we not, that in somewhere like greater Manchester, the existing fire

service is going to have a larger service than will be there in the north-east, if you were to put all the existing fire services together?

**Mr Bull:** Well, this goes back in history as usual in these situations. We had a report in 1971 by Sir Alan Olroyd which actually talked about the amalgamation of fire brigades as far back as that and produced a model of an ideal size of a fire brigade in those days which was around about 20 to 30 stations and three—

**Q214 Chairman:** But that was then. Have you any idea now what would be the optimum size in terms of the area it covers or the population it covers?

**Mr Bull:** I think it comes down to a number of factors, as we outlined in our submission, and one of the things we said in our submission, as Councillor Byrom has covered, is that perhaps in this country one size does not fit all because of the environmental, the geographical, the population, the urban, the rural, and the economic factors which exist within a particular region. If you take the north-east as the example, with Mr Cummings coming from the same area as myself, if you look at the north-east in geographical terms, from a professional viewpoint, for a fire and rescue service the model could fit quite nicely together and indeed before all this emanated, we had discussions in the north-east about moving to a collaborative regional fire authority proactively with all of the authorities involved in that because the economies of scale in the north-east are self-evident to some extent.

**Cllr Byrom:** It is government by the people by permission, if you like. Can a chief fire officer for Cumbria know his or her whole patch? You would think so. Merseyside? You would think so, but for the whole north-west? I do not think so.

**Q215 Mr Betts:** If we can come on to community safety issues, it does seem to me that one of the strange bits of the proposed legislation is that community safety responsibilities are going to be at the regional level, but the police are going to remain at a more local level. Do you see a potential for conflict and inefficient working?

**Baroness Henig:** I think there are some other questions to be raised. At the moment community safety partnerships, whatever region they are operating in, work very closely with the regional crime directors and there are ten of those directors and they are answerable to the Home Office. They then very strongly co-ordinate the community safety partnerships in their area and that system works very well, so for me the question then is: what would be the relationship between the regional crime director and the Government Office in that whole cluster of responsibilities and the crime and disorder partnerships? Those partnerships are very well established. They vary considerably, but they are well established and they are points actually where the police and the fire services come together with local services and they, as I say, are co-ordinated by the Government Office. What, therefore, has to change, I think, is the relationship that is envisaged between the regional assembly and how that

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operates and the Government Office at that level. That is where, I think, some thinking has to be done about how those things are going to be co-ordinated. **Mr Bull:** Can I just support that as well as that is important in terms of fire. Our relationship with the government offices nationally is one we have developed over recent years really since we became part of the crime and disorder section 17 arrangements. With the resilience agenda in terms of fire and rescue and the civil agenda, it is across the Government Office and that relationship between police, fire and the Government Office in terms of resilience and how it fits together is particularly important as well.

**Q216 Mr Betts:** So you are really saying that in terms of this community safety role, it should be simply a strategic role that the regional assembly has, but the hands-on doing it should be done by the partnerships?

**Baroness Henig:** That is how I would see it. There is a lot going on below regional level. The agenda is moving all the time. If you, for example, look at local strategic partnerships which operate both at district level and also at county level, those local strategic partnerships at county level are bringing together fire, police, contingency planning again together with county functions, so there is a lot going on both at district and at county level. It would seem to me that the regional assembly very much would have a strategic role because you would not want to undermine the very good initiatives that are already going on and I think it is very important that the co-ordination, therefore, has to be thought about as to how this is all actually going to work out on the ground and how it is going to add value. At the moment what we would not want, I think, to happen is that the regional structure is a disincentive to what is already happening because there is so much good work happening below the regional structure.

**Q217 Mr Cummings:** What happens if the regional strategy is better than your own strategies?

**Baroness Henig:** Well, that is fine and the regional assembly would presumably have discussions with these other bodies and you would have co-ordinating mechanisms just as you do with the Government Office. These partnerships at local and county level are fairly strenuous and robust affairs and there is a lot of consultation and discussion that goes on, but it is important, people have to feel ownership of these structures and my worry about regional structures is what ownership will local people feel in regional structures and that has got to be built up in it and it will take time to build up.

**Mr Strachan:** I think part of my submission, if I may say so, is that the Bill does not address that sufficiently. The interesting paragraphs in the background paper to the Bill are not sufficiently expressed in a clause 43 or other means in the Bill in terms of saying exactly what a regional assembly would do other than wrap it in a warm and wet fish.

**Cllr Byrom:** If you look at the way it might work, if there were to be regional government in any region in the north-east, leaving the politics aside, you

would have an executive of six or so people. Now, one of those might well be for public protection and why would you have to create underneath that in the fire situation a whole fire authority and bring all the fire brigades together into one? That individual, who is the portfolio holder perhaps for public safety, could chair the regional management board, could be involved in developing community safety strategies and I do not think there is any real need or necessity within this model to import the London proposal, the London principle of having a fire authority for the whole region and, by extension, for the police.

**Q218 Mr Betts:** Do you think that the regional assembly with its general powers and ability perhaps to raise some extra money could be an important source of extra funding for fire prevention and reduction partnerships on the ground?

**Baroness Henig:** Well, where would that resourcing come from? The way I look at resourcing at the moment, there is a pot, a national pot, and then at the moment police authorities can have a precept locally and there are all sorts of problems around that, as we know, with a precept at any level and the ability of local communities to pay.

**Mr Strachan:** I think if one were to take the theme which has come into this Committee already this morning and if we were to talk about matters coming down from central government and not perhaps, with respect, Ruth, coming out of local precepts, then to say that the £22 billion which ODPM puts into the "liveability" fund should actually be given to regions, not administered from ODPM, or the Home Office funds for urban renewal for neighbourhood renewal foundations or things like that should be delegated to the regions, then you would be adding value at a regional level to something which comes closer to its effect, not having to take it upwards from existing councils or from other tiers of government.

**Baroness Henig:** At the moment it goes through regional crime directors actually.

**Q219 Chairman:** So you are quite clear that government should be coming up with some money that it hands on for allocation at least to the regional assemblies rather than looking at the possibility for the regional assembly to put a precept on to the council tax to raise a bit of extra money perhaps to put in one or two patrols or whatever?

**Mr Strachan:** That is my understanding of the nature of the regional assembly, that it should be to bring central government down to that level rather than to damage, detract from or otherwise further tax the local government structure which, as we have also previously discussed, is in need of considerable reform to avoid having six levels of government for myself in Northumberland.

**Baroness Henig:** But there is the balance of funding discussion going on at the moment as we speak, is there not, about how you resource public services and I would have thought that this would have to feed into that debate because we do not quite know where that is going to end.

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**Q220 Chairman:** Yes, we are trying to get some clarity as to what is in the Bill or what should be in the Bill.

**Mr Bull:** In terms of fire, the funding situation for fire is particularly relevant and particularly important because at the moment in this country we have seven different constitutional and funding models for fire in particular ranging from county councils to fire and civil defence authorities to combined fire authorities to the London funding and in the north-east, for example, we are bringing four fire authorities together that are all different at the moment, so Northumberland is part of the county council and the county council decide how they are going to allocate their funding to fire. In bringing the four together with precepts in the other areas will put some strain on the council tax initially because we are going to have to take up the resource deficiencies, if I can put it that way, which exist in some of the areas that are being funded by the wider county council at the moment.

**Q221 Mr O'Brien:** That leads us into the question of what Bain said in his report, *The Independent Review of the Fire Service*. With the introduction of regional fire services and the amalgamation of small services, there could be significant savings in the budget. Is this realistic?

**Mr Bull:** Yes, from a professional perspective, yes, it is. Those savings would materialise over a three- to five- to seven-year period, so in the medium to long term, but as with bringing everything together, amalgamations, it would require some up-front pump-priming investment to do that. For example, at the moment we are following a government policy of amalgamating all of the fire controls into regional control centres, so we will end up with ten regional control centres in this country between now and 2007. That will provide real efficiency savings for the Service, which is part of our modernisation and reform agenda which has been set by government, because in terms of the pay deal that we have just thankfully settled recently, obviously government have been very clear that the fire authorities have to pay for that in the long term through realisation of efficiency savings. I think if you think in simple terms of bringing together one training function, one transport function or one stores and supplies function, then those efficiency savings will materialise, but, as I say, not overnight.

**Q222 Mr O'Brien:** Well, Bain suggested that over three years £42 million perhaps could be saved overall. Do you subscribe to that?

**Mr Bull:** I do.

**Q223 Mr O'Brien:** And in that proposal then, are there fears of fire stations being closed?

**Mr Bull:** I think as we move forward now, as I explained before, moving into integrated risk management planning, there is an expectation by government that as we relocate and redetermine our resources, we will need less resources to provide the services we are providing at the moment, but we are also moving into a very proactive prevention mode

now and the services we are providing are much more balanced between community safety along with colleagues in the police or wherever to reduce fire deaths and fire-related injuries with the operational response providing the safety net when something goes wrong, so the expectation of firefighters is now that we will do a lot of work in the community, driving down the risks before the fire or other emergency occurs. I think as we realign those resources, we will provide a much more efficient service which means less fire stations and less firefighters.

**Q224 Mr O'Brien:** I come from west Yorkshire and I have seen fire stations close in the programme of efficiencies, but my question to you is: in the regional assembly proposals, would that itself influence the closure of fire stations?

**Mr Bull:** Yes, in the long term it could because you bring together four fire authorities which have been constituted and put together since 1974. Some of our fire authorities have fire stations that go back to the 1920s and in 1920 or in 1950 those fire stations were in the right locations. As we have moved on, the risk needs have changed and town and city centres now are well protected with fire safety measures and sprinkler systems and automatic fire detection. Where we now lose 500 people a year in this country is in domestic houses and that is where the risk is now and when you look at the location of fire stations and you redo it by bringing four together, then you would have those fire stations in different locations and perhaps less or perhaps more, depending on the circumstances.

**Q225 Christine Russell:** Let's say this is all going to happen, regional assemblies are going to happen, how do you think we can make sure that by incorporating clauses in the legislation to guarantee that all of these good community safety initiatives that I know are happening in Cheshire and Merseyside, like the fitting of smoke alarms and all of those issues, how can we then make sure that all of those, not so much responsibilities, but the concerns people have which the fire authorities are now addressing, how can we make sure that they would continue if we do land up with regional fire authorities?

**Cllr Byrom:** Best practice across the country is something for the management of the entire Service and that is something that I think is a professional issue for all chief fire officers and for leading members to be involved in, but there has got to be still an element of choice, has there not? Merseyside, for instance, made a political decision to provide free smoke detectors and we paid for that out of the people's money, but that is a choice thing. You could have economies of scale and I think there will be amalgamations, but still the operation of urban metropolitan authorities will be different from rural or those in the more sparsely populated areas. Inevitably there will be some differences.

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**Q226 Christine Russell:** But that happens already.

**Cllr Byrom:** It happens already, that is right. There will be some amalgamations, but you will not be able to end up, I do not think, where one fire authority for seven million covering two principal cities and four other cities and hundreds of acres of hillside will work or be healthy.

**Q227 Christine Russell:** Could I just move on and ask you briefly about the accountability of the fire authorities because obviously the LGA have expressed their concerns over the reduction in the numbers of elected members who will be serving on them. What are your views on how we retain an element of local accountability?

**Councillor Byrom:** The LGA oppose regional fire brigades and are in favour of the local delivery of quality services. Regional government in itself, and this is changing the issue slightly, regional government in the north-west would lose 500 elected councillors and replace them with perhaps 30 regional councillors. Is that a move towards democracy? I do not think so. It is a slightly different issue off the fire agenda. If you ended up with a situation, as in Wales or Scotland, where you had individual fire services with their own members, but there was an umbrella within any region which voted for regional government, that would be a different matter. Scrapping all of the existing democratically elected fire authorities or appointed fire authorities and replacing them with a regional quango I do not think would improve democracy at all.

**Q228 Christine Russell:** Even if those members were elected councillors?

**Cllr Byrom:** Well, it is the seven million people, are they going to be represented by five groups of 18 or so or one group of 30, of which a very small number will actually only ever be involved with fire?

**Mr Bull:** I think one of the issues is that it has always been argued in fire that the strength of fire has always been in the local democracy and the local accountability because it is a local service targeted at local risk needs. Over the years fire authorities have developed when we created the metropolitans or whatever, but they have always been totally representative of the local authorities of a particular area and in the metropolitans one of the fears was that we would end up with a parochial argument about where the new fire station was located and the new fire engines, but when you look at the metropolitan authorities they have worked very strategically together to try and provide that service across the whole area. It is one of the things that Councillor Byrom mentioned, that at the moment the Bill mentions the application of the London model in terms of the regional fire authority, which would be 17 members, nine from the Assembly and eight from the local community, and obviously we have concerns and reservations about that. Our view is that there must be other models that could be looked at as well which would address one of the points you have made about the actual achievement of that local accountability.

**Q229 Mr Sanders:** This is really to the police. What kind of working relationship do you actually have at the moment with regional assemblies and how would you envisage developing a relationship between police authorities and elected regional assemblies?

**Baroness Henig:** Many regions, and I can speak with the most authority about the north-west though I am sure it happens elsewhere, many regions have collaborative arrangements. For example, in the north-west we have a quarterly meeting of police authority chairs chief constables and clerks and, interestingly, not just the north-west, but north Wales as well because they feed very naturally into that structure and that is one of the things I think we have to watch with regional assemblies because there are already groupings which are very important. So we meet quarterly and I know chief constables on the operational side also have tasking and co-ordinating arrangements on their side. Now, at the moment we have no relationships at all, I think chief constables do, but that body that I speak of that comes together quarterly has no arrangements at all with the regional structures, but I can see that there would be no problem if you had a regional assembly and you could actually introduce arrangements whereby those sorts of regional collaborations could then tie in with meetings on a regular basis with regional assembly members. I do not see that as a problem. To me, what matters is that already out there is a structure which is working and it is working quite effectively and I am just concerned that we do not do anything to undermine it.

**Q230 Mr Sanders:** And that structurally is the regional assemblies as presently constituted?

**Baroness Henig:** Well, if you like, it is a de facto coming together of bodies that are grounded locally, and that is so important, but who come together for specific purposes to share good practice across the region, and also on the policing side, and I am sure Crispian can say more about this, on the operational side to pursue a lot of criminal activities which need to be dealt with at that level.

**Q231 Mr Cummings:** To whom are you responsible? Who do you answer to?

**Baroness Henig:** Who do police authorities answer to?

**Q232 Mr Cummings:** Your organisation.

**Baroness Henig:** The Association of Police Authorities?

**Q233 Mr Cummings:** Yes.

**Baroness Henig:** To our members.

**Q234 Mr Cummings:** And your members are?

**Baroness Henig:** Our members are 44 police authorities in England, Wales and Northern Ireland and I suppose we have responsibility also to talk to the Home Office.

**Q235 Mr Cummings:** And, through those, back to the local authorities?

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**Baroness Henig:** Yes.

**Mr Strachan:** If I may add to that reply on behalf of the police forces and particularly from the point of view of the north-east, your Clerk does have written evidence from me relating to the North-East Crime and Community Safety Forum which might represent a way forward in that the Association of North-East Councils, the North-East Assembly, the Government Office, the Regional Development Agency and the three police forces meet quarterly in the unique forum. The aims and objectives are too lengthy to set out at this stage of the Committee's deliberations and all I would say is that the kind of thing we are looking at, to give you an example of how we can have cross-cutting issues which do defy orthodox boundaries, those currently work on alcohol and the night-time economy and licensing, doorstep crime, whether it be trading standards in somebody's in-tray or deception burglars in someone else's in-tray, anti-social behaviour and regional perceptions. Now, that is the kind of thing which you can get if you genuinely join up the sections. I remember with some significant effect that when I was the superintendent here in Wandsworth in 1988 I could, and did, walk into Wandsworth Council offices armed with a circular from Her Majesty's Government, and I make no party-political point on this, signed by 11 government departments and talking in the same language about the work that could, and should, be done by local agents, local agencies, councils and police forces. There has been no such joint government circular since. If there were to be one such, it would be an excellent foundation for the work of the assemblies to knit together with more force so many other aspects of good work which presently are suffering by not being knitted together.

**Q236 Mr Sanders:** In terms of the functions that you have referred to there, how many of those are going to be part of an elected regional assembly's area of responsibility?

**Mr Strachan:** Not enough, and you will accept I come from a specialist point of view, particularly from resilience, which we have discussed, through community safety, which we have discussed, and into my orthodox line of crime and disorder reduction and reducing the fear of crime and disorder. Far too little of that is knitted together and although I know it is in government strategy and I hear it in government strategy, I see too little of it coming down those joined-up messages to the practitioner level.

**Q237 Mr Sanders:** Is there, therefore, a danger of losing the current linkage between the local authorities, the regional assembly, the RDA and the Government Office if you create an elected regional assembly with fewer functions and no link with those local authorities which will either disappear or be there, but do not actually have any rights to representation within the elected regional assembly?

**Mr Strachan:** I think even under the Boundary Commission proposals, the majority of local councils will remain there, particularly the larger

and more significant unitary authorities rather than counties where, in turn, in the unitary authorities there is perhaps the greater crime and disorder problem. I think the majority of the work can, and will, continue. What I would like to see is a framework that makes the continuation of that work more explicit and clearer.

**Q238 Mr Sanders:** That will be in the legislation then?

**Mr Strachan:** I believe so. I think clause 43, in particular, needs to be more explicit. I think we have too many taskmasters and too many warm feelings. Not enough is specific to encourage the best of innovation, good practice and development locally.

**Q239 Chairman:** So we have a situation basically in which the Office of the Deputy Prime Minister is signed up to this legislation and is making the Fire Service fit into it.

**Cllr Byrom:** Yes.

**Q240 Chairman:** As far as the Home Office is concerned, the best we can say is that it is wavering and if legislation is going to be effective, it needs to sign up and make sure that its input into the Bill is much clearer and much more precise?

**Mr Strachan:** I would agree with that one. Again you have summarised the point very well, sir. The only thing I would say is that if you were to have representatives here from local health practices dealing with this from a different aspect, they might well say the same about the Department of Health.

**Q241 Chairman:** I was just about to go on to that and point out that, as far as I can see, there is absolutely nothing about the Ambulance Service, is there?

**Mr Strachan:** No, there is not. You have three blue-light services arriving at one incident to the needs of the citizen in his or her greatest hour of pain and need controlled by three separate hierarchies and three separate methodologies that do not meet until people sit around the Cabinet table in Number 10 Downing Street. Nothing in the regional assemblies will bring that power down from the Secretaries of State to a level to make for more integrated local planning because it still remains too much in separate, frankly, Whitehall silos.

**Baroness Henig:** Can I just make an important point here, that at the moment police is part of the wider criminal justice system and there is reform going on there. Of course what you have got at the moment is the Probation Service and the Prison Service aligning themselves with policing and aligning themselves to a 43-unit structure. That is very important because the National Criminal Justice Board have agreed that that will be the structure that the whole criminal justice system aligns itself to and that actually has some implications for the sort of structures we are talking about here.

**Mr Bull:** I think one of the issues for the emergency services over the years is the issue of coterminosity. You mentioned the three emergency services of police, ambulance and fire, and our boundaries and

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operational divisions now are very, very different and one of the debates we have had is whether that would be better realigned or not.

**Q242 Chairman:** I am looking for solutions and things that should be in the Bill. I perhaps understand the problems fairly considerably. Can I just go to one particular problem now so far as the Fire Service is concerned. As I understand it, basically the Fire Service is, I will not say “moving”, but drifting to this regional agenda, but with this legislation, supposing the people in the north-east vote ‘yes’, then some time about February we could get legislation through the House or starting to go through the House, and assuming there is not an early General Election, it could be law by late next year, and there is just the possibility that we might

have elections for a regional assembly in the north-east for 2006, probably more likely 2007. By the time those people are elected and arrived the new structure for the regional fire service will be in place so it will be fixed up by you and other practitioners rather than by the people who are elected to run it in the future.

**Mr Bull:** Yes.

**Cllr Byrom:** You may well end up in England and Wales with one regional assembly in the north-east, perhaps, and nothing anywhere else at that level. I do not see why fire within this Bill has to be looked at as being drawn up into the region; it should be something for each region to decide.

**Chairman:** Yes, I think we understand that message. Can I thank you very much indeed for your evidence.

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**Tuesday 14 September 2004**

Members present:

Andrew Bennett, in the Chair

Mr Clive Betts  
Sir Paul Beresford  
Mr David Clelland

Chris Mole  
Christine Russell  
Mr Adrian Sanders

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*Witnesses:* **Mr Richard Allan**, Director of Regional Policy, and **Mr Ian Scotter**, Divisional Manager, Regional Assemblies Division, Office of the Deputy Prime Minister, **Mr Jonathan Blackie**, Regional Director, Government Office for the North East, and **Mr Andrew Campbell**, Director, Regional Co-ordination Unit, examined.

**Q243 Chairman:** Can I welcome you to the third session of evidence on the Draft Regional Assemblies Bill. Can I point out that all the evidence that we have received on time will be published on Monday of next week, but it is already on the web page if people want to consult it. Can I ask you to identify yourself for the record?

**Mr Allan:** My name is Richard Allan and I am head of the Regional Policy Directorate at ODPM.

**Mr Scotter:** I am Ian Scotter, Head of the Regional Assemblies Division in the Office of the Deputy Prime Minister.

**Mr Blackie:** Jonathan Blackie; I am Regional Director of the Government Office in the North East.

**Mr Campbell:** Andrew Campbell, Director of the Regional Co-ordination Unit, which is the corporate centre for Government Offices.

**Q244 Chairman:** Do you want to say anything by way of introduction or are you happy to go straight to questions?

**Mr Allan:** I do not have anything to say by way of introduction, Chairman. I am happy to go into your questioning.

**Q245 Chris Mole:** Good morning, gentlemen. Establishing elected regional assemblies would be another step in the Government's policy of strengthening the mechanisms for regional governance. What do you think the implications of the outcome of the referendum in the North East would be as to the future direction of general policy?

**Mr Allan:** If there is a "yes" vote, the next step is that we need another Act of Parliament to actually set up elected regional assemblies, and that is the draft Bill which you have. The local government reorganisation would proceed and then, hopefully some time in 2006–07, the new institutions would get up and running and start to assume their responsibilities. That is one scenario. The other scenario is that if there is a "no" vote, at least in the North East—there is no elected regional assembly there—the local government reorganisation proposals fall, there cannot be another referendum in the region for another seven years and the existing regional institutions, the Government Office for the North East, the existing Regional Chamber and the RDA continue to work together on the regional agenda, as they do now.

**Q246 Chris Mole:** I suspect the question is looking, to an extent, for a view on what implications for other regions might be?

**Mr Allan:** The Government has said that it will not be taking any further soundings about interest in a referendum in the light of this Parliament, so that certainly indicates a future question, but obviously other regions will be, I imagine, watching with great interest, first of all to see what the vote is and then to see how the new institutions develop, if that is the way the vote goes.

**Q247 Sir Paul Beresford:** There is a second variation of your first version: because it is all postal voting and because there is some cynicism on the legitimacy of postal voting and some cynicism on the extent of fraud, in spite of what the Electoral Commission have said, some of the comments made from other nations, other countries, on fraud is that it can be quite substantial. What happens if you get a "yes" vote but the majority is small and/or the turn-out is small? That is really going to question whether it should go ahead and whether the vote is valid?

**Mr Allan:** The voting method has been decided by Parliament. There is not a threshold, of course, as you will know.

**Q248 Sir Paul Beresford:** What sort of threshold would you be comfortable with?

**Mr Allan:** There is not a threshold.

**Q249 Sir Paul Beresford:** No, I said, "What sort of threshold would you be comfortable with?"

**Mr Allan:** All I can say is that ministers have said . . . This is, of course, an advisory referendum to the government department, and ministers have said that if the turn-out were derisory it would—

**Q250 Chairman:** Tell us. What is derisory?

**Mr Allan:** I am afraid you will have to ask Mr Raynsford that tomorrow.

**Q251 Chairman:** I did and he forgot to answer?

**Mr Allan:** I do not think I can pass an opinion on that.

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**Q252 Sir Paul Beresford:** What about the majority?  
**Mr Allan:** One is enough.

**Q253 Sir Paul Beresford:** In spite of the concern over fraud?  
**Mr Allan:** That is the arrangement that has been set up.

**Q254 Chairman:** Have you any indication of what level of fraud there was in the all-postal vote for the European Elections in the North East?  
**Mr Allan:** All I know is what is in the Electoral Commission's report.

**Q255 Chairman:** Would you like to share that with us?  
**Mr Allan:** I am afraid I have not got that to the forefront of my memory, Chairman, but my impression from their general remarks is that there was not a high level of fraud.

**Q256 Chairman:** I understood that in the North East there were no further police inquiries going on with a view to fraud. So basically there is not any evidence?  
**Mr Allan:** Indeed, that is what they are saying.

**Q257 Chris Mole:** Coming back to the draft Bill, it has been argued it would only provide one model of regional governance, that is, the elected region assemblies. Some of the submissions we have had argue that the Bill should facilitate different forms of regional governance reflecting different regional differences, for example, by giving a clearer statutory recognition to the existing non-elected regional assemblies. What is your response to those arguments?

**Mr Allan:** I think the Bill is about setting up elected regional assemblies as a new institution with specific powers and duties, it is not about giving further powers to existing assemblies which, as you will know, are voluntary bodies recognised by government for certain purposes and given certain very specific duties in other statutes and I think as far as they are concerned they will continue to evolve. The Government may choose to give them more powers for certain purposes, but this exercise is fundamentally about elected regional assemblies and not about the others.

**Q258 Chris Mole:** One of the views we have had about the existing voluntary assemblies is that they have encouraged some very positive partnership work in between all the different agencies within a region. What is your response to the concern that an elected regional assembly would not take such a participative approach because it has more direct responsibilities and powers?

**Mr Allan:** It is certainly true that I think the Government and a lot of other people have been very pleased with the way the existing assemblies have developed and the way they have brought new bodies in and performed an inclusive role. The elected regional assemblies are obviously going to be different, because they have this direct electoral mandate which the existing assemblies do not, but

the Government is very concerned that they involve stakeholders in their work, and that is why the Bill has the provisions you will see for assembly participants, as they are called, to be involved in the assembly. Perhaps I could ask Mr Scotter to say a little bit more about the importance of stakeholders.  
**Mr Scotter:** The draft Bill puts a duty on an elected assembly to take action to involve stakeholders, assembly participants, as they are called, in its work. It has to encourage and facilitate. What the Bill does not do is lay down exactly in black and white how that should take place, because this is about putting in—the regions decide—putting in place the arrangements which are right for them. There is no single approach to involving stakeholders which the Government thinks is the right one to follow. The examples that are often quoted are the Scottish civic forum and the Welsh sector-specific forums, which they have. They have a business forum; they have a local government forum; they have other forums. The structure of the Bill is such that it enables an assembly to decide how it wants to do those things, but it is under a clear duty to involve stakeholders in its work, typically through the development of the assembly scheme, and report back the state of the nation—not the state of the nation, the state of the region, a report which they will be required to produce every year. There is also a framework within the Bill for stakeholders to be co-opted into the review and monitoring committee of the assembly and sub-committees of the committee. So there is a framework there which allows and requires participation from stakeholders but leaves it to the assembly to decide what is the appropriate route for its own assembly.

**Q259 Mr Clelland:** Can I ask Jonathan Blackie: if the referendum is won and we do eventually get an elected regional government in the North East, what will be the continuing role for the Government Office for the North East?

**Mr Blackie:** We currently represent about ten government departments in the regional office, so we cover quite a wide spectrum of government activity across the region. The draft Bill sets out the functions, which cover particularly economic development, planning, transport and housing, so we currently estimate that about 80 to 100 of our staff out of a total of 300 would transfer to an elected regional assembly. So there would be a significant transfer of functions, but there would still be quite a wide range of activity that would be focused in the government office, and clearly there would be a relationship between the government office and the elected regional assembly itself, particularly as a conduit into government.

**Q260 Mr Clelland:** Have you made any estimate of what the transitional costs would be to move to the new structure of regional governance?

**Mr Blackie:** There are estimates in the White Paper and the Bill.

**Q261 Mr Clelland:** I was specifically thinking about the North East, but that applies to all regions?

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**Mr Allan:** The average figure for the set-up cost that we have given is about £30 million. That would be the cost of the setting up of arrangements and moving from here to there, and then the sort of annual running cost comes to about £24 million in the North East and more for assemblies in a larger region.

**Q262 Mr Clelland:** Have you any idea: how does that compare with the current costs already involved in running the non-elected assemblies and that whole system? What is the overall net cost, for instance?

**Mr Allan:** I cannot speak for the costs of the existing assemblies, which vary considerably in their size and are not directly funded by government except for certain purposes, but we reckon that about five million per annum out of the £24 million per annum that I have mentioned would be the cost of running other bodies, which would be transferred and therefore netted off the figures that I have given.

**Q263 Mr Clelland:** So the 24 is gross of that?

**Mr Allan:** Yes.

**Q264 Chairman:** If we were kind, we could call the Bill “work in progress”. Have people been working very hard since it was published on the missing clauses?

**Mr Allan:** The Bill is, I think, a very considerable piece of work and I think we view it a nearly complete piece of work, but there are some bits to complete which were identified in the policy statement and, yes, people are working to have them ready to introduce if that is what the Government decides later in the year.

**Q265 Chairman:** Cynically, I would have thought no more work would have been done at this stage, we would simply wait until we knew the results of the referendum and then some people are either going on holiday or are going to be on substantial overtime. Is that too cynical a view?

**Mr Allan:** We are continuing to work so as to be ready whatever the result, Chairman.

**Q266 Chairman:** So when do you think the missing clauses could be published?

**Mr Allan:** The Government is not planning to publish any more until it is introduced as a complete Bill.

**Q267 Chairman:** So some of the Bill people will have had almost six months to scrutinise, but the extra clauses, there will be a relatively short period between their application and the second reading in the Committee?

**Mr Allan:** I guess that is true, Chairman, though the Government has made its policy intentions clear on those areas in the policy document.

**Q268 Chairman:** But part of the deal with Parliament has been that there has been pre-legislation scrutiny and then you can have a

timetable to get the Bill through in a relatively short period of time, but a significant part of the Bill is not going to be subject to pre-legislation scrutiny?

**Mr Allan:** I should say that the Government has published the Bill in order to inform people of the main functions of the assembly before—

**Q269 Chairman:** I understand providing information for people in the North East, but there is also a question of providing information for Parliament to scrutinise the legislation, is there not?

**Mr Allan:** Yes, I understand that point.

**Q270 Chairman:** Parliament is likely on those clauses to be short-changed in terms of the amount of time that it will have?

**Mr Allan:** It will obviously have less time, as you say, Chairman.

**Q271 Chairman:** If there was an outstanding vote in favour, is there some prospect that those departments who have refused to play ball with this scheme for devolution might be persuaded to start playing ball?

**Mr Allan:** All government departments have been working very well with us, Chairman.

**Q272 Chairman:** So you think that sport and culture have made a significant contribution to devolution!

**Mr Allan:** I think what is laid out in the policy paper and in the draft Bill does represent quite an advance on what was in the White Paper two years ago.

**Q273 Sir Paul Beresford:** Can I take it from your answer four back, when you said that the draft Bill contains the functions, that there will be no more functions? That is essentially what the Chairman is asking.

**Mr Allan:** Yes, there are no plans to add anything further beyond what we see here.

**Q274 Chairman:** So we have got the Bill, it is put forward, assuming there is a “yes” vote, to Parliament and it gets into committee. What about the regulations, because a considerable amount of the draft Bill is going to be done by regulations? Has anyone done any work on the regulations?

**Mr Allan:** Work is being done on certainly some of the draft regulations. Ministers frequently want to publish drafts of regulations around the time that clauses are considered in committee and I would expect Nick Raynsford would want to do that sort of thing this time.

**Q275 Chairman:** If we are doing pre-legislation scrutiny is it not possible for us to see copies of those draft regulations?

**Mr Allan:** Those are not available now. We are producing those with a view to having them ready at a later stage.

**Q276 Chairman:** When?

**Mr Allan:** We shall be gearing ourselves to the committee timetable for the Bill, I think.

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**Q277 Chairman:** So you hope to have the draft regulations out for the start of the Bill, but not any earlier, so that this committee or anyone else can scrutinise them before the Bill?

**Mr Allan:** I would not say the start of the Bill, Chairman. Again, this would be for the minister in charge of the bill to decide.

**Q278 Chairman:** But he must have given you some encouragement. It is not much good him deciding that they will be published tomorrow if you have not done the work. When will you have completed the work?

**Mr Allan:** Our experience is that ministers usually want to be able to point to drafts when they are taking that particular part of the Bill through committee.

**Q279 Mr Betts:** It will be true to say that even in Yorkshire (where I come from) there is not an immediate ground-swell of public support or, indeed, interest in regional assemblies. We will get there eventually. Probably you would agree that one of the ways they can be made more relevant to people in their daily lives is through their local elected member of the assembly. How is that going to be possible when we are talking about constituencies three times the size of the Westminster constituency?

**Mr Allan:** The Government has always intended that the elected assemblies should be small streamlined bodies, as you know, which means that the constituencies are going to be relatively large, but it will still be the case that roughly two-thirds of the members of the assembly will be members of a specific constituency.

**Q280 Mr Betts:** That has been decided, has it?

**Mr Allan:** That is the policy approach in the White Paper.

**Q281 Mr Betts:** It is not in the legislation though. One thing that is not in the legislation is the split between directly elected and list elected members. You are saying that the likely eventual secondary legislation which will define that will have a 2-1—

**Mr Allan:** The Government has been clear that it is a two-thirds one-third split, yes, but that still gives you—you will still know, if you live, in a particular, part of Yorkshire, that my constituency is X, even though it is large, and my member is Mr Y.

**Q282 Mr Betts:** It is going to be three times the size and that is going to give the sort of direct local contact, is it, that might be necessary to make the regional assembly relevant to people?

**Mr Allan:** This is not intended to be a local body, of course, it is a regional body, and the idea is to have—

**Q283 Mr Betts:** Parliament is not a local body but the Parliamentary constituency is a third of the size?

**Mr Allan:** Yes, I understand that, but the ministers' starting point is that they do want—

**Q284 Mr Betts:** Have you had any consultation with anybody about the system of voting or the size of constituencies?

**Mr Allan:** This has been the Government's policy ever since—

**Q285 Mr Betts:** That is not the question I asked. Has there been any consultation with anybody?

**Mr Allan:** The proposal was . . . This was announced as the Government's policy in May 2002.

**Q286 Mr Betts:** Has there been any consultation on it?

**Mr Allan:** A lot of views were given in response to that paper.

**Q287 Mr Betts:** Which organisations are in favour of this particular form of voting? Can you name them?

**Mr Allan:** I do not think I can give you a list. I mean, a lot of people—

**Q288 Mr Betts:** Can you give me one?

**Mr Allan:** I expect if I went back to the office and looked at the hundreds of responses we have had then I could. A lot of—

**Chairman:** Perhaps you could give us a note, fairly quickly, of the number that is in favour of this system.

**Q289 Mr Betts:** Is it not a bit strange that at the very time that we have had the Richards Report in Wales and the Scottish Executive apparently is looking at possibly changing the voting system in Scotland away from these deficiencies in the system that we are now proposing for regional assemblies? Is there not a problem identified in the different roles that members play, those who are directly elected have different functions to those who are elected under the regional assembly?

**Mr Allan:** This is the system, as you say, that we have in Wales, Scotland and the GLA, so it is not a novel or an unusual system. The Richards Report is, of course, addressed specifically at the Welsh Assembly. As I understood it, its recommendation was that if the Welsh Assembly got larger, more than 60 seats, then the method of voting could be looked at, but I do not think ministers are in that larger assembly territory.

**Q290 Chris Mole:** Looking at the size of assemblies, the existing voluntary assemblies vary in size from about 35 up to over 100. Which of those do you think are working best at the moment?

**Mr Allan:** I would not like to make a judgment. They have been . . . Different assemblies have themselves chosen different sizes to suit their circumstances, and there are regions where, because there is a two-tier local government structure, if you had all the local authorities represented on the assembly that would give you a very large body. Some regions have chosen to do exactly that, others have chosen quite a different pattern.

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**Q291 Chairman:** Do you think it is a good idea to have an election system in which people work hard to get elected and yet quite often, as in the Welsh Assembly, you get a situation where the winner ends up having exactly the same rights as the loser because the loser comes in as a topper?

**Mr Allan:** I would not . . . I think it would be wrong to describe the person who has won through the list system as a loser. He has won through a different route.

**Q292 Christine Russell:** Do you think the low numbers that are proposed for the directly elected members actually reflect the fact that they have very little to do, far less perhaps than your average existing county council?

**Mr Allan:** It will certainly be very different from an existing county council, because it will not be a service-delivery organisation. There will be a small executive, as defined in the Bill, and the main role of the other members of the assembly will be scrutiny and not—

**Q293 Chairman:** And scrutiny does not take up much time!

**Mr Allan:** Scrutiny and policy formulation can actually take up quite a lot of time, but it is a different function from the local government one.

**Q294 Sir Paul Beresford:** You said, “Scrutiny . . . can take up a lot of time.” Is there not a well-known law about that? We are going to have difficulties with yet another body trying to legitimise itself trying to find something to do. The GLA is an example?

**Mr Allan:** As I say, it is a different function; I think it is still a very valuable function.

**Q295 Mr Sanders:** Turning to the executive in scrutiny, the Government have said that a three-member executive would be enough to discharge the functions of an elected assembly. The question is how would you envisage responsibility being divided between members of such a small executive?

**Mr Allan:** The Bill provides for it to be the leader plus between two and six, and it would be for the executive to decide how to allocate portfolios between them.

**Q296 Mr Sanders:** So you are not in any sense concerned about how few people would be at the top?

**Mr Allan:** That would be for them to decide.

**Q297 Mr Sanders:** The scrutiny committee is supposed to reflect the composition of the assembly itself and to follow the Westminster model. The draft Bill makes it clear that this would not be possible, instead creating the likelihood of the majority of the political party controlling the executive with the opposition controlling the RMC. If this happened how would it impact on the effectiveness and perception of the RMC scrutiny of the executive?

**Mr Allan:** As you say, the RMC is a body of back-benchers and therefore its political balance is going to be different from that of the assembly as a whole, depending partly on how the executive is made up and whether it is drawn from a single party. That is going to have an effect on the dynamic of how the RMC operates, though if you look at the GLA, where the number of people is quite closely balanced, both in the first election and the second election, it is a bit more complicated than a big opposition block and what we might think of the Government controlling the executive. You might expect it to operate in a more co-operative fashion.

**Q298 Sir Paul Beresford:** It would not really matter, because after all, as you have just said, it is not doing anything on the surface, all it is doing is—it is a talking shop, of sorts, and reacts to consultation?

**Mr Allan:** Well, it is not executive, as you say, but it can be expected to want to develop a policy for the region and, of course, to scrutinise what the executive does. Ian, do you want to add anything?

**Q299 Chairman:** Could you speak up a little bit because one or two people at the back are having difficulty hearing.

**Mr Scotter:** The role of the review model . . . First of all, I am not sure whether your comment was about the elected assembly as a whole or the review of the monitoring committee.

**Q300 Sir Paul Beresford:** As a whole.

**Mr Scotter:** It does have a very wide-ranging general power to do—

**Q301 Sir Paul Beresford:** To do something, whatever that is?

**Mr Scotter:**—promote its purposes, which are, promoting economic development, social development and improving and protecting the environment in the region, which is a substantial portfolio. The job of the monitoring committee is to work with the assembly. The small number of members is part of it, because this is meant to be a strategic body which is looking across the region rather than looking at detailed localities in the region. The use of proportional representation as a means of voting, the involvement of stakeholders is all intended to have the assembly working more by consensus and agreement than getting into necessarily the political tensions, because these are important issues which need to run across the life of several assemblies in many cases. Regional spatial planning and economic strategies take quite along time to deliver and you need some continuity. The role of the monitoring committee is to help in policy development and to scrutinise what the assembly has done or what the executive has done in terms of delivering the strategies and its long-term plans. I think we see it as a role of challenge, but a role of constructive challenge. They are there, as you are, to help the assembly itself and the executive, the legal executive, to deliver policies.

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**Q302 Chairman:** Is it not a fairly stupid arrangement, because what you are doing is that in those regions where the party political composition is going to be pretty close you are handing scrutiny over to a majority of opposition people, but in those areas where you are likely to have near to one-party control for longer period of the region you are actually leaving scrutiny control to the majority party. You are encouraging confrontation in those areas where there is possibly going to be more difficulty because of changes of control, and yet in those places where perhaps scrutiny is more important, because one group is in control, you are going to guarantee that there is always a majority for scrutiny of the controlling party?

**Mr Scotter:** I certainly understand those arguments. On the other hand, if one had a single review and monitoring committee which reflected the balance of the whole assembly that would mean that some back-bench members would not be able to be part of the review and monitoring committee. It is a fairly fine choice. Do you give everyone something to do, which is the role of the back-benchers, or—

**Q303 Chairman:** So the way in which you have chosen the system is to keep people occupied rather than to look at the dynamics of the way in which people interact, whether they have narrow majorities, or whether they can be more relaxed in their working lives?

**Mr Scotter:** I do not think it is to give people a job; it is to make sure all the members of the assembly have a real role to play in helping the leadership and the executive develop its policy.

**Q304 Mr Clelland:** In examining the political statistics are we not forgetting about the role of stakeholders in all of this? There will be other people, politicians, on the scrutiny committee and therefore that will influence the decision of the committee in the end. It will not necessarily just be a governance against opposition?

**Mr Scotter:** Yes, absolutely. That will not be a requirement. There is the facility to co-opt stakeholders onto committees. Members of the assembly will have to be the majority on any sub-committee, but, yes, there is room to get a different set of views than necessarily the political views onto those committees.

**Q305 Christine Russell:** Could I turn to the power of the elected assemblies, because you seemed to indicate earlier that you did not envisage any greater powers and responsibilities being given to the elected assembly, yet in the draft Bill the Secretary of State is actually given quite wide powers to increase the powers and functions of regional assemblies. Would it be fair to say that really this is just a starting point and, in fact, more powers, more responsibilities, more functions will be given in the future?

**Mr Allan:** The package of powers which the Government is proposing to give to elected regional assemblies now is what is set out in the Bill and the policy paper, and I am not expecting that to change between now and when the Bill is introduced, but

this is, we hope, a long-term piece of legislation which allows for elected regional assemblies to be introduced and people vote for them in all the English regions, which could potentially take a while. So we asked ourselves the question, if any other functions are to be introduced should that be a matter that would require completely fresh legislation at any point in the future or should we have some sort of mechanism for things to be added later? That does not mean that the Government has got proposals for further things now, but might have at some point in the future. So that is why that mechanism is there, and it does, of course, require, first of all, consultation of a formal kind and orders to be approved by Parliament by affirmative resolutions; so it is not the case of the Government just doing it.

**Sir Paul Beresford:** So we are going to have a little white elephant struggling to become a big white elephant!

**Q306 Christine Russell:** If that is true, one of the main concerns that has been expressed over this Bill is that, in fact, the regional assemblies will take powers away from local government. Would it not therefore be better to incorporate into the legislation from the outset the measures, reassurances, whatever, to allay the fears of local government?

**Mr Allan:** I understand those fears—they are often voiced—but the reality is that the one function that the Bill does take from local government is the fire and rescue service, but that is the exception that proves the general rule that this is not about taking functions from local government but taking them from central government and from quangos.

**Q307 Mr Betts:** Can I intervene on that. Surely local government has a right to be concerned, because that is the one significant change in the issue of power from the White Paper to the draft Bill. I can quote you other areas where powers that were going to be given have not been given. So local government is bound to be twitchy that the direction in which we seem to be moving from the White Paper to the draft Bill is, in fact, a move to take powers away from local government?

**Mr Allan:** As you say, that concern has been voiced, but it is a concern, I think, about changes there might be in the future rather than anything the Government is proposing now. I think that the answer on safeguards is the requirement for consultation, which, as I said, is formal, and a requirement for a parliamentary order approved by both Houses. So if there were any move to transfer any further function from local government it certainly could not be done by stealth.

**Q308 Christine Russell:** What about power to compel others to cooperate? There is nothing in the proposed legislation to compel unwilling partners or organisations to engage with these things?

**Mr Allan:** The assembly has a very wide general power to do various things, but, as you point out, that is not a power to make other people do things. The powers to make other people do things, or

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whatever, are always very specifically expressed in the Bill in particular circumstances, and I think that is the right approach.

**Q309 Chairman:** What about scrutiny? If you are going to do effective scrutiny one of the problems for local government in its scrutiny role is that it does not have the same powers that Parliament has to insist that witnesses come and that people send papers things to the committee. Would it not be scrutiny effective if at least they had powers to command the witnesses to attend and provide information?

**Mr Allan:** Yes. There is a certain power on that in the Bill. Ian.

**Mr Scotter:** Clause 77 of the Bill allows RMCs and RMC sub-committees to compel evidence, but that is from people associated with the assembly (the employees, the members, the leader), not people from outside bodies. The RMC is mainly about looking at the work of the assembly and how that fits in with the rest of the region, not for scrutinising other outside bodies.

**Q310 Chairman:** So if some outside body is very critical of what is going on, you cannot compel them to give evidence, you can simply listen to what they say, and any attempt to find out whether their criticism is based on any factual basis and, if they refuse to provide the information, tough?

**Mr Scotter:** I think that is right. I imagine someone in that position would have some evidence and be wanting to present it to the assembly rather than withhold it, but certainly you are right, there is no power to—

**Q311 Chris Mole:** The worst regional body for its lack of accountability is probably the strategic health authority. Why has no effort been made to give them some accountability to the regional assembly?

**Mr Allan:** The assembly is not going to be responsible for running the National Health Service.

**Q312 Chairman:** It is supposed to produce a health strategy, is it not?

**Mr Allan:** Yes.

**Q313 Chris Mole:** So will it have the powers of some of the people from the strategic health authority?

**Mr Allan:** It will certainly have the power to invite them to come to give evidence.

**Q314 Chairman:** Most people have the power to invite them. Whether they turn up is another matter?

**Mr Allan:** I would have thought that that invitation would be quite significant and anybody that wanted to preserve its public reputation in the region would think twice about not turning up.

**Q315 Chairman:** Presumably the government officials from the regional bodies would be very happy to come and would be very forthcoming with the information that they provide?

**Mr Allan:** I would imagine they would have to ask their Secretary of State's agreement to do that in the usual way, but I know that at present Jonathan Blackie quite regularly turns up to talk to the existing regional assembly.

**Mr Blackie:** We have almost daily contact. I would like to . . . I think it is important we give the impression that this is a dynamic process and people want to participate. We have several regional groups involving the assembly ourselves, local authorities—

**Chairman:** I understand the dynamics of it, I understand that most people are delighted to come to a parliamentary select committee, but every so often you come across somebody who does not want to come, and it helps if you have the powers to send for them.

**Q316 Mr Sanders:** On the stakeholder involvement and co-ordination, how do the proposed statutory duties of elected regional assemblies to consult and engage with stakeholders go beyond mere box ticking exercises; and, in particular, how do the proposals ensure effective collaboration between assemblies and local authorities?

**Mr Scotter:** Local authorities are one of the stakeholders that are listed. I cannot remember the exact clause, but somewhere around clause 49 or 50. Local authorities are one of the assembly participants; they must be involved in the work of the assembly. There is nothing in the draft Bill which addresses the issue you raise, but, of course, there is a great deal of—the Secretary of State will be able to issue guidance on how assemblies should use their powers, and I would expect that to very much—

**Q317 Mr Sanders:** Should it not be left up to the elected assembly?

**Mr Scotter:** I do not think the guidance will say—in the same way as I was saying earlier about stakeholders—I do not think it will say, “You must do X, Y and Z”, it will present models for engagement and emphasise the importance of proper engagement and partnership working with local authorities.

**Q318 Mr Sanders:** It is also proposed that stakeholders may be co-opted as members of review and monitoring committees and may even be given voting rights. Have such rights been given to non-elected persons elsewhere and, if so, what has the experience of this level of stakeholders involvement been?

**Mr Scotter:** There are very similar provisions for local government which were put in place by the 2003 Local Government Act, so they are very new provisions and we do not have any information about the use of those provisions yet by local authorities. I suspect local authorities are still looking at them and thinking about them.

**Q319 Chairman:** You may not have any real evidence, but have you one example where they have used those powers?

**Mr Scotter:** No, I do not have an example with me.

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**Q320 Chairman:** Do you think you will be able to find one?

**Mr Scotter:** I will certainly go back and look and find out if there are.

**Q321 Mr Sanders:** What role would you expect special advisors to play in elected assemblies and how useful are they likely to be as a means of bringing stakeholder expertise into regional policy-making?

**Mr Scotter:** We see them as a very important way to bring stakeholder expertise. The draft Bill sets out a variety of ways in which stakeholders could be involved. There is the co-opting them to commit to

the review and monitoring committee or its sub-committees, or taking on people, special advisers, in various roles in order to bring particular expertise to the work of the assembly either through the executive or through the review and monitoring committees. So what we are offering, what the Bill offers, is a framework under which assemblies can decide what is the best way to bring stakeholder expertise into their work and to pick up the ones which are suitable, firstly, in general terms for the region and, secondly, suitable for a particular issue within the region. So we will try to give the assembly all the ways it should need to involve stakeholders.

**Chairman:** On that note, I thank you very much for your evidence.

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*Witnesses:* **Councillor Arthur Bransby Thomas**, English Regions Network, **Councillor Bob Gibson**, North East Regional Assembly, **Mr Paul Briggs**, Vice Chairman of the Regional Assembly and Chairman of the Economic and Social Departments, **Mr Steve Machin**, North West Regional Assembly, **Mr Paul Bevan**, South East Regional Assembly, examined.

**Q322 Chairman:** Can I welcome you to the Committee. Can you start by identifying yourself?

**Mr Bevan:** I am Paul Bevan. I am Chief Executive of the South East England Regional Assembly.

**Mr Machin:** My name is Steve Machin. I am Chief Executive of the North West Regional Assembly?

**Mr Briggs:** I am Paul Briggs, Vice Chairman of the Assembly and Chairman of the Economic and Social Partners?

**Cllr Gibson:** Councillor Bob Gibson, leader of Stockton-on-Tees Borough Council and Chairman of the North East Regional Assembly.

**Cllr Thomas:** Arthur Bransby Thomas. I am a county councillor and a member of cabinet in Wiltshire County Council. At the present time I chair the West Midlands Regional Assembly and Chair the English Regional Network.

**Q323 Chairman:** Thank you very much. Does anyone want to say anything by way of introduction or are you happy to go straight to questions?

**Mr Bevan:** I would welcome an opportunity, Chairman. From the South East point of view, regionalism was never meant for us, yet many have been surprised by the way that we in the South East have engaged with the regional agenda and, despite the newness of the region, our political scepticism in the region, the size of the region and, I think, the prosperity of the region, we have achieved a great deal with slim resources in terms of policy integration, institution of collaboration, stakeholder engagement and public recognition all with the current regional government's arrangements, and by comparison elected assemblies, I would suggest, have to be worth the cost and disruption they will involve to improve on those arrangements. At the moment there is a risk they are something and nothing or, as some members of the panel might say, some't and nowt.

**Q324 Chairman:** Anyone else?

**Cllr Gibson:** Thank you for the opportunity to be here today to give evidence in support of the regional government. We are delighted and grateful for the extensions which have been included in the Bill around housing, planning, learning skills, etcetera. We will be seeing the influence of the Bill further as it works its way through Parliament around transport, connectivity and equality, and, if the referendum is successful, we look forward to working with Whitehall and Westminster on the interim arrangements.

**Cllr Thomas:** Perhaps I could, Chairman, inform the Committee of the English Regional Network Structure and its significance as the Chair of the ERN. It is structured around a collection of assembly member and officer working groups. It represents all eight English regional assemblies outside London. It attempts to share good practice across the regional assemblies and encourage new thinking and research in areas of concern to the ERN. That is a brief introduction. Thank you.

**Mr Machin:** From the perspective of the North West, we await the Government's statement on when the North West might be given the opportunity of deciding whether it wants to carry forward an elected regional assembly. That is obviously a matter for the people of the North West. The current uncertainty about the timing of a referendum in the North West, I think, has been problematic for local government, and some of the questions I have heard already from the Committee I think are targeted on that problem of delay. So we would be encouraging government and we would be very interested in the select committee's views of the ability of the North West to have the opportunity of deciding how it was to proceed.

**Chairman:** Thank you very much for that. Can I emphasise that if you agree with each other please keep quiet; if you disagree please try and catch my eye.



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**Q325 Chris Mole:** It looks as though there is a limited number of detailed powers and resources in the Bill but a power of general competence. Would you agree that that is what the elected regional assemblies are going to largely rely on, and what impact do you think that will have and how will it add value on the current voluntary arrangements on that basis?

**Mr Machin:** I think, Chairman, there is an opportunity to take forward a joining up agenda. Jobs, housing, access—all these issues are interconnected and the general powers in the Bill would permit that to move forward. I think in the first instance of the lifetime of the first elected assembly there will be a problem of capacity; so adding additional powers or going beyond the powers in the draft Bill currently, I think, would have to be, it would have to be very clear that the assembly was able to discharge them; and I heard health mentioned a little earlier in addition to the overall powers. I think there are issues there about capacity certainly for the people of the North West as we try to make sure that regional economic disparity is tackled in the region. What we would want to see is delivery on the ground, and the existing powers may be the things that we need to focus on at the outset.

**Cllr Gibson:** We have to remember that the referendum and regional government is a process and not an event. If we win the referendum we take the powers that are in the Bill with us and then, over time, we will be seeking other powers as the capacity to handle those powers is built into the system. Successful regional governments throughout Europe did not happen over night, they evolved over a period of time, evolving the powers from central government, and that is exactly the process that should happen in the North East, North West, or wherever. It is a process and not an event that happens. We will not be celebrating everything we want on November 5th, although my bonfire will be for regional government and not for Guy Fawkes.

**Cllr Thomas:** I think the general purposes power is welcome but there is a risk, which is that there are not clear distinctions of responsibilities between different spheres of government. We have already heard this morning and in other submissions the fears of local government of duplication and usurpation, or whatever the word is, of local government powers.

**Q326 Chris Mole:** So you have got some specific powers, and then areas where it is more of an influencing role. There are two schools of thought on the way this might go, one that it could narrowly focus on the specific powers of an assembly and the other that it might try and get involved in everything. Which way do you think it is likely to go?

**Mr Machin:** I think the evidence from the current assemblies is that business, social partners, local authorities, are very clear about the priorities for the regions: jobs, skills, transport regularly come out at the top of the powers that people believe need to be addressed regionally in addition to stakeholders at

national level. The North West Regional Assembly has active membership from chambers of commerce, the North West Business Leadership Team, voluntary sector organisations as well as 46 local authorities. The problems we have in the North West are the west-coast mainline, the road network, ports and airports in terms of transport, issues about jobs, goods and market, people to work and then skilling the region and making sure that the higher education institutions are able to retain and attract graduates, I think give enough of a base for that narrow focus at the outset. As I say, there is an issue about capacity in the first instance. A regional body cannot do everything from scratch, nor should it seek to do so, and there is also an issue about delivery. So, rather than adding partners or debating additional factors that need to be taken forward, I think there is a job to be done on the ground in a very specific way.

**Cllr Gibson:** Can we kill the myth that regional government is about to steal all the powers from local government. It is not. It has a strategic role in the main, and I cannot see anything in the Bill that indicates to me that the powers have been taken away from local government and given to regional government. The Regional Assembly North East, the biggest supporters of the Regional Assembly over the last 20 years, have been the Association of North East Councils, mainly council leaders and deputy leaders who would not have gone this far with the regional government if there had been any indication at all that we would lose powers from local government to a regional body. That is not true; it is a myth, a red herring.

**Q327 Mr Clelland:** Is Councillor Gibson suggesting that the general powers of regional assemblies should be extended in the Bill that comes before Parliament?

**Cllr Gibson:** I think the weakness in the Bill and the powers is around transport and connectivity. I think it is a weakness and has been a weakness for many, many years. The government's strategies around transport tend to be around congestion in the South East and not the regional economic development of the North East, and that has been a huge problem for us over many, many years. We see regional government beginning to put that right. We have to remember that we are the poorest region in the country. Your own select committee here indicated that quite clearly. The point was well made. Since then, those two years, we have become poorer. Nothing has happened. The drive for regional government, the imperative for regional government has been there in the North East for the last 20 years. It is about self-preservation at the end of the day. We are not doing well under the present system and have not done so for many, many years. During the eighties the North East was almost entirely wiped out, the whole of the Durham and Northumberland mining, the shipping, the steel, went. We are still recovering from that, and that is wrong. Regional government we see as an opportunity to put that to rights.

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Mr Steve Machin and Mr Paul Bevan

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**Cllr Thomas:** Could I come in on the previous question which you asked about the moving of powers from local government. There certainly is a perception out there that that is something which occurs when this sort of devolution occurs, but let us be quite clear on this. The regions at the present time, the ERN is quite clear about its position. Devolution should mean that power is devolved from the centre to the regions and not take local authorities up to the regions. The delegation of power should be made absolutely clear within the Bill.

**Mr Machin:** If I could add, Chairman, the evidence from Scotland, where the fears were exactly that when the devolutionary arrangements were extended to Scotland that the Scottish Parliament would suck up powers from local authorities in Scotland, did prove to be unfounded. What did happen was that Scottish authorities, local authorities, found themselves far more subject to the need to provide resources to be consulted—and this ties in with the earlier session—and also to think through their own relationship with, as it was in Scotland, the national level. So the similar issue in Scotland was not founded, but there are, I think, needs for local government to begin to organise itself regionally in the North East and in the North West so we get the opportunity to carry out a different role with relation to the regional level.

**Q328 Mr Clelland:** Given the importance in terms of national, regional and local services, is it realistic for the government to restrict the powers of regional government in areas of health and education?

**Mr Machin:** I think that there are issues in health where you could move forward; certainly public health, crime and disorder, regionalisation of the criminal justice system and public health issues do all have a common thread. We know in the North West there are 1,050 different wards, and, if you plot them on a geographic mapping system, incidents of crime and disorder, incidents at which the fire and rescue management service attend, areas where public health issues are paramount are all the same wards; and you know this from your own constituency experience. So it is possible to extend some of those issues at regional level, but I think it needs to be done with caution.

**Q329 Mr Clelland:** I was interested reading the North East Regional Assembly's arguments about equality and diversity. As Robert Gibson is aware, the draft Bill only requires councils to have regard to equality in numbers. Would you like to say why you feel the Regional Assembly in the North East thinks that this should be extended to a primary duty?

**Cllr Gibson:** I think we would take it further than that. We are looking to mirror that clause in the Welsh Assembly Bill that talks of—that brings about an absolute duty on regional government around diversity and equality. I think it is a huge opportunity to make it happen, to set the Bill to make it happen. We do not try hard enough to bring women and ethnic minority groups into mainstream

politics. A lot of work has gone on but I think it is not the work that should be done. We have an opportunity here to mirror the Welsh Assembly and have written into the Bill a clause around equalities, diversities etc. The Welsh Assembly is congratulated by me on many occasions for achieving 50% of women in Parliament. I think that is absolutely wonderful and terrific and should be happening everywhere.

**Mr Machin:** It is absolutely key, Chairman, in the North West. In my constituency three miles from the centre of Manchester there are: 42 different languages spoken; three different Somali communities; a huge diversity in the region; 45 people per square kilometre in Blackpool; 2.2 people per square kilometre in the Eden Valley. There is an absolute need to make sure the Bill is used to extend the opportunity of tackling that democratic deficit, as well as dealing with regional economic disparity.

**Mr Bevan:** I think the question of stakeholder involvement is closely related to this. No matter what sort of electoral system one has you can only achieve the representational involvement of diverse and minority groups through some additional mechanism. I think the stakeholder participation arrangements are simply permissive in the Bill and there should be some scrutiny on regional assemblies perhaps through a comprehensive performance assessment, so that while you are allowing them the diversity of arrangements to be stakeholders those are tested regularly and routinely in a public way.

**Q330 Sir Paul Beresford:** Do you agree that one way of testing would be to have a sunset referendum clause in the Bill so after two sessions the public who voted, or did not vote as the case may be, have a second shot? They might not like you once they have flavoured you. I have to say in the South East, and I think we have had brave words from your assembly, most people have never heard of it and do not know anything about it and it is just non-existent.

**Mr Bevan:** Our research undertaken by MORI shows that awareness of the assembly is greater: 29% after four years of existence in a very strategic and pretty esoteric public role; and greater knowledge of the regional assembly than of the Government Office, or indeed of the Regional Development Agencies. A majority of people, it shows in the MORI survey, would support an elected regional assembly in the South East. I accept that these figures are lower than in other regions and there is a debate to be had. I think the opposition tends to be overstated.

**Mr Briggs:** I would just like to take up and expand on the stakeholder involvement.

**Q331 Chairman:** Very briefly, or we are going to run out of time and there will be issues you would like to have been asked about which we may not get to.

**Mr Briggs:** My main point is we have submitted what the Economic and Social Partners actually have said in some depth on how stakeholders should engage. I think the point there we would like to see is the establishment of a statutory right of

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engagement. It is very general at the moment. We would like it to be stiffened up with more guarantees. I think we would also like to see an independent operation to enable stakeholders to engage with funding to replicate that—not necessarily in the form of the Scottish and Welsh, but similar to the Welsh Partners Unit.

**Q332 Chris Mole:** The North East Assembly has used the phrase “the process and order of events”, so presumably you are happy with the powers in the draft Bill for the Secretary of State to impose additional functions and duties? Does everybody share the view that it is desirable? How would you see those being used?

**Cllr Gibson:** We chose regional assembly on a draft Bill and had absolutely no powers and we were quite happy with that. We see it as a way out in the North East. We chose it without powers and were determined we had fought that far and we would fight on. The powers that have been added on since then are a bonus for us. We are delighted they have been added in. It is a process of evolution over years. Powers will devolve from Whitehall and Westminster to regional government, there is no doubt about that—it will happen.

**Mr Bevan:** I think the Government has to have the right to make decisions about which level of government does what; but the capacity to make those changes—which are pretty important constitutional changes—should be subject to parliamentary scrutiny and debate.

**Q333 Chairman:** Scrutiny or parliamentary legislation?

**Mr Bevan:** To parliamentary debate. I am not quite sure how that would operate.

**Q334 Chris Mole:** The other side of that coin is the powers that the Secretary of State has to prevent assemblies from doing things under the general powers. Are you happy with those or does that undermine your vision of change within your regions?

**Mr Machin:** I would think some limitation on the powers is necessary, to build trust and confidence at the outset. As I have said already, Chairman, and I am aware of your strictures about repetition, there is a job to do at a key regional and strategic level. That must be the test. There must be a subsidiarity test for local government. Regional assemblies can be successful in delivering key powers on jobs and transport in the northern regions, which are absolutely vital for tackling that regional economic disparity. I think it is necessary to do that to build trust and confidence. In the first term of an elected regional assembly the public and representatives at national level will be looking to see the assemblies deliver. The last thing we want is a debate about additional powers, or similar debates that have happened in the other devolved parliaments inside the UK. It is a matter of delivery and beginning to tackle, together with co-operation at national level, the economic conditions in northern regions.

**Q335 Mr Sanders:** The majority of the regions are likely not to have an elected assembly for a long time, if at all. How should non-elected assemblies be developed to take on a broader role so that their regions do not fall behind?

**Cllr Thomas:** The English Regions Network certainly believes that this is one of the big omissions from this Bill. An opportunity has been missed to place statutory duties and responsibilities on the statute book for the non-elected assemblies. We have a situation where assemblies are moving forward at their own rates. It may well be, as you have just indicated, that some regions may not wish to go along the elected assembly route. It is important, in our view, that Government states very clearly what the responsibilities will be of the partnership assembly we have at the present time.

**Mr Bevan:** One of the most important things that the Government could do is make sure that all departments are engaged, and not just the Office of the Deputy Prime Minister. We have found that the regional agenda for many departments begins and ends with RDAs and the possibility of elected assemblies. If you look at the public service provision that ODPM has on this, the governance arrangements still begin and end with elected regional assemblies. It must ensure that other departments of government recognise the role that partnership assemblies or voluntary chambers can play in regional governance now and in the future.

**Q336 Mr Clelland:** Given the fact that the Government has decided the assembly should be restricted to 25-35 members, what problems does that give in terms of representation of huge constituencies?

**Mr Machin:** Certainly in a region like the North West, Chairman, it will cause enormous problems. The areas of the North West which are predominantly rural—and even areas in West Cumbria which, despite their geographic separation, are predominantly manufacturing based—are going to find their needs (which range from rural issues through to manufacturing and traditional industries) will need to be assured that representation will be there. Already the Committee has identified that in a 35 member body; 25 will have a geographic-specific constituency of, let us say 290,000; the other 10 from the top-up list will have a region-wide constituency. They are likely, I think, in terms of the electoral system that has been chosen, to be from these smaller parties; so you will therefore have the situation (which is on occasion replicated with the Liberal Democrat Party) where in a region like the North West you have one Liberal Democrat MEP who is covering a region of 6.7 million people, with an economy of £77 billion. I think there are real issues there. The North West Regional Assembly believes that for a region of our size a regional body should have a membership of around 50.

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**Cllr Gibson:** Our own view from the North East is that we are seeking one from every constituency. It will cause problems but it means the interface with the MPs, the local authorities, stakeholders and the thematic groups—

**Q337 Chairman:**— you are asking for more.

**Cllr Thomas:** The assumption that almost one size will fit all is incorrect. The regions are as different as chalk and cheese in terms of their size and geographic areas. If we are talking about representation within the region then 25-30 is not enough for the larger regions.

**Q338 Mr Clelland:** What about implications for the North East with the proposal of the local government system of Cabinet-style government, both in terms of the regional government giving 3-7 members performing the executive? What implications does that have?

**Cllr Gibson:** One of the models of regional government we are looking at are thematic groups around education, housing, community safety etc, with elected members, and the brightest and best in education and health working with them on strategically planning health, education etc right across the region. It brings the elected members, stakeholders and experts in various fields together so that everybody has a handle on what is happening in the North East. It is a model which works very well in local government. I am not saying it will be *the* model but it is a model we are looking at as a regional government model which has a shared responsibility among the elected members, stakeholders etc.

**Q339 Chairman:** The Additional Member system of elections—thumbs up or thumbs down?

**Mr Bevan:** There ought to be an opportunity here to see if the stakeholder involvement could be addressed, in our view. At the moment we combine constituencies of place—local government representatives with constituencies of interest, business and voluntary organisations. There is an opportunity it seems to us to experiment with the top-up list that draws from constituencies of interest specifically.

**Q340 Christine Russell:** Can I ask you what you are planning to do to interest women in regional government. 14 witnesses this morning, and every one is a man. I would like to know with your regional assemblies how many women have got actively involved? What plans have you got to involve more in the future? Perhaps you could then go on to talk about stakeholders' involvement and when you envisage that happening?

**Mr Briggs:** I have been particularly involved with that as Chairman of the Economic and Social Partners. We have a number of women making a contribution on our Economic and Social Policies Group.

**Q341 Christine Russell:** Just making tea?

**Mr Briggs:** No, they are very much involved with drawing up the policies we have actually done. One member is particularly concentrating on the very issue you have raised. We have included that in terms of the equality and diversity issues we have mentioned earlier on. I think the involvement of stakeholders is an extraordinarily important factor, and it is why we have spent quite a lot of time actually drawing up a statement of principles, so that it is enshrined statutorily and also involved in the structure and operation of an assembly if the yes vote comes through. We have to make sure we review that. I would like to see that scrutiny role actually brought more forcefully forward in any Bill that comes forward to ensure that those particular obligations are carried through. That is very important. I think there is another element of scrutiny, which I think you began to address earlier on in the previous session. It seems to me we ought to have an extended power of scrutiny over the implementers of the strategy, and perhaps even for those who are actually investing money from other quangos in the area, so that they do align with the strategy for the region. If there is no more money in the region then we must make it effective and make sure it is aligned with that. I would hope that the stakeholder involvement, if it can be made more solid in the Bill, would actually empower stakeholders and make them more involved.

**Mr Machin:** Some very quick statistics from the North West. I think out of 46 local authorities there are five women chief executives. It is a problem which is one of governance in general, rather than for regional governance. The North West Regional Assembly has engaged the Manchester Business School to do research to identify the presence of women in particular and the imbalance in gender across governance in the North West. Certainly the outcome of that work shows that the prospects for more representative gender balance in devolved institutions as in Wales do offer a number of opportunities in regional governance if we get the structures right. Moving on to stakeholder involvement: we have proposed that the added value we have gained from involved economic and social partners be extended with their representatives sitting at the board table with the elected regional assembly, should one arrive in the North West, and be involved fully in decision-taking but not in decision-making. That is something which is best done through the representative role of the ballot box. There is real value-added to be gained from regional bodies through the involvement of business and social partners: obviously a "yes" to the idea of a regional civic forum; and full stakeholder involvement in as many ways as we can achieve. In the North West the Chamber of Commerce has 17,000 members.

**Chairman:** If I could just cut you off there.

**Q342 Mr Betts:** Relations with the regional Government Office, would you say how you think that might change under an elected regional

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assembly? Would it be more radical if the proposal was to abolish the regional Government Office and give the regional assembly responsibility for those functions?

**Mr Machin:** We think that the current arrangements in the North West with the Government Office work very well up to a point. The problem is not with the Government Office and the regions, it is the point at which their schizophrenic role being a support of the region but also the Government's watchdog comes into play. We know with the European Structural Funds that had there been more flexibility with Whitehall we could have built on the 95% success of the bid we achieved in the 2006 round. I think there are good relationships that work very closely with Government Office and the RDA. Certainly the role of Government Office of London is one where further clarity is needed. If you have a regional assembly it seems to me that the officials that work to it and work to Government need to be very clear about the extent to which they are responsible and to whom their duty lies.

**Mr Bevan:** I think one would expect the Government Office to reduce in size and scope.

**Q343 Mr Betts:** Substantially?

**Mr Bevan:** Yes.

**Cllr Gibson:** The relationships with the North East, the Regional Government, the Office of the Regions and the RDAs are excellent. The interface in future is now being looked at, as is the interface with local government etc.

**Q344 Mr Betts:** A lot is going to change somehow. We have got the RDA and you have mentioned a good working relationship, fine: but under the new regional assembly presumably there is no responsibility for the day-to-day working of the RDA but to carry on as before. There will be a regional strategy done by the RDA in line with Government guidelines and then the assembly is going to get it and be able to alter the full stops and commas. It does not seem they have got much more to do than that. Is that a hard view?

**Mr Machin:** I do not think it is unduly hard. I think what needs to be worked through is: firstly, which institution is responsible for policy development—I would argue that that would be the elected assembly; secondly, which for delivery—I would argue that would be the agencies, Environment Agency, Development Agency and so forth; and, thirdly, who is responsible for evaluating whether the bodies are being effective or not.

**Q345 Mr Betts:** The policy of strategy is still with the RDA. Eventually it comes to the assembly. We all know the bodies to initiate generally have the real power. Why is the power not with the regional assembly?

**Mr Machin:** I think in your deliberation that is one thing that needs to be made clear. The power should sit with the elected body; and the Development

Agency, Environment Agency and their like become delivery bodies which are tasked to deliver against specific targets for the region.

**Q346 Mr Clelland:** The estimated cost of an elected regional assembly for a Band D council taxpayer is around 5p a week. Do you think that is a realistic figure in your view, or do you think the Government has provided sufficient tax-raising powers for elected regional assemblies?

**Cllr Gibson:** It is difficult one to work through. I would like to see a paper on this. I do not know where the 5p comes from. I do not know where the £25 million comes from. I do not know where the 300 jobs come from. I do not know where the £400 million building comes from. So it is a difficult one. For me if we can achieve what we set out to achieve in terms of worklessness, connectivity, a better regional development strategy then 5p in the pound on local tax seems fairly cheap.

**Q347 Mr Clelland:** It could be difficult for regional assemblies to have real clout and real authority when they can only influence things rather than actually have a financial power to do things.

**Cllr Gibson:** The Bill is what it is. It is what we derive and drag out of Government from then on. It is a process than begins on November 6<sup>th</sup>; it is not an event that ends on November 4<sup>th</sup>.

**Cllr Thomas:** The other aspect of finance which is rather strange is that this Bill is tighter on the block grant that is coming through, proposed through Government, than was proposed in the original White Paper when there was much greater flexibility for the assembly to be using it.

**Q348 Chairman:** Would you like that greater flexibility back in?

**Cllr Thomas:** Yes, we would.

**Q349 Mr Sanders:** We heard earlier in the North East that of 300 staff in the Government Office 100 of them are transferring to the assembly and will be employed by the elected assembly. Is that not a very clever way of central government shifting the costs of 100 staff, at the moment paid for directly by the taxpayer, on to the council tax payer in the region? Are we not actually being had by this entire Bill, which is simply a way of transferring costs from the centre on to the region in the mistaken belief that you have some say over what happens in the region? Discuss.

**Cllr Thomas:** I do not think the 5p is something which will cover the cost of what you are envisaging there. I could make the general point that with the present assemblies the financing has certainly not kept pace with the responsibilities given to the assemblies. Whatever happens with the finance, there has to be the finance to allow the assembly to do the job it is being created to do.

**Q350 Mr Clelland:** What flexibility will regional assemblies have under the terms of the general grant they will get?

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**Mr Bevan:** I think the functional body approach is a real limitation. It is bad enough within a government or local government organisation to take money from one department and put it into another to reflect your priorities; but if you have got functional bodies with relatively autonomous boards that makes it even more difficult.

**Q351 Mr Clelland:** Cllr Gibson mentioned his ambition in the North East for additional powers certainly in terms of transport. Why is that so important?

**Cllr Gibson:** I think we do not have powers in the North East. The powers in transport are here in Westminster and Whitehall. The strategies for the region tend to be around congestion in the South and South East and not the economic development needs of the North East. We need now to be looking in the North East at our links with Scotland, and our connectivity with Scotland, through to Ireland and Europe; and our connections with Manchester,

Liverpool and Leeds. We cannot deal with issues—we are not allowed to deal with issues—unless the priorities are set down here in Westminster and Whitehall. We have argued for years about dualling the A1 into Scotland and it gets laughed at because people say, “Why do you need to dual carriageway the Lake District?” It is not about that. It is a serious problem of getting the North East connected to Scotland and connected to Manchester and the South etc so they will begin to develop.

**Q352 Chairman:** Would you like to see transport powers added?

**Cllr Gibson:** We want to amend the Bill in Parliament and have powers but we would like the finance around those powers as well, so that we can have regional strategies on transport etc, developing the region, paid for by the region and everybody in the region has a handle on them. We do not have that at the minute.

**Chairman:** I am afraid at that point I will have to cut you off. Thank you very much for your evidence.

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*Witnesses:* **Mr Alan Clarke**, Chief Executive, and **Ms Pat Richie**, ONE North East RDA, **Mr Chris Roberts**, North East Regional Director and **Mr Rob Wye**, Learning and Skills Council, and **Mr George Cowcher**, Chief Executive, Chamber of Commerce, examined.

**Q353 Chairman:** Good morning, could I welcome you to the third session this morning. Before I ask you to introduce yourselves I do intend to suspend the Committee for a minute at 11 o'clock so that people can express their sympathy with the people in Beslan. Does anyone want to say anything by way of introduction?

**Mr Clarke:** Firstly, I welcome the opportunity to give evidence. I would emphasise that the written evidence I have produced is on behalf of all the RDAs, but obviously today it is on the North East. I would emphasise that we are obviously in a neutral position—neither yes nor no. From our point of view, in the event of a yes vote, I think the key thing is that the legislation provides the framework to serve the economic development and quality of life interests of the people of the North East. That is the basis upon which I will be giving evidence.

**Mr Cowcher:** From the Chamber of Commerce's point of view we are also representing the CBI and the Northern Business Forum in a cohesive manner in relation to business in the North East. We very much welcome the opportunity to give evidence to you. Business generally is very much in favour of devolution of powers to the region because we believe that will significantly improve economic performance. We have serious concerns, however, about these particular proposals because it appears to be highly facilitative rather than giving executive power. We set forward ten tests at the outset of this process and do not believe that any of those have been wholly met by the proposals.

**Mr Roberts:** From the Learning and Skills Council point of view our written submission is on behalf of the whole of the Learning and Skills Council

nationally. We have used examples predominantly from the North East but they cover the regional approach as well.

**Q354 Mr Betts:** The essence of the powers of regional assembly is very, very generally defined in the draft Bill, very general purpose powers. Would you like to see the fortunes and responsibilities of the assemblies more precisely defined in legislation?

**Mr Clarke:** I think from my point of view it can be an advantage and a disadvantage because sometimes grey areas do give you the opportunity to add things in later and strengthen things and so on and give some local flexibility to define what is appropriate. If it is too grey I think people lack clarity about what they do and what they are supposed to be doing. I think what is more important is that additional powers and functions are given in some of the areas we have talked about before: and transport, skills and public health strike me as three of the key ones from the previous speaker.

**Mr Cowcher:** I think the current position is that we believe there are some indications that will be significant to this assembly; but at the moment many of them will be accrued over time in the fullness of time. I think there is considerable concern within the region that it is almost like a leap into the dark because it is not set out prescriptively at this point in time.

**Q355 Sir Paul Beresford:** Will you be disappointed with the evidence from the officials that it does not look as though anything more will be given?

**Mr Cowcher:** Indeed.

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**Q356 Mr Betts:** One of the issues that is raised in the evidence is that economic development is virtually not defined at all. Social development is precisely defined in the legislation and you have drawn a contrast on that issue. Do you think it will be better if economic development were more precisely defined? Also ONE North East has raised the problem of possible conflict of having a lack of specific agencies to deliver on the social development agenda. Essentially the RDAs may be charged with that responsibility by the assemblies as well.

**Mr Clarke:** I think that particular approach would be a backward step. I think what is needed for an elected regional assembly is that it does have some sort of clear delivery vehicle at the regional level for the social and environmental agenda—just as it would have the RDA to do a lot of delivery in relation to economic development—and there is a gap at the moment with respect to that. In relation to the definition, I think it would be helpful as long as it was not too narrowly defined, because economic development was defined when the Regional Development Agencies were set up around competitiveness, productivity, physical regeneration and so on. I think the definition has broadened in the last year or two and certain things like skills, education, transport, housing and worklessness and these other aspects of economic development have rather broadened out the definitions. As long as it was neither too narrow nor too broad, I think it would be useful to define.

**Q357 Mr Betts:** Are we talking about taking over the responsibilities of an existing agency, like the Regional Sports Council or Strategic Health Authority; or are we talking about creating new organisations?

**Mr Clarke:** I was thinking more in terms of the social regeneration community funds, things like *New Deal For Communities* and *Neighbourhood Renewal Fund* and so on and so forth, which essentially is spent considerably through local authorities at a local level, but the money comes through Government Offices at the moment and there does not seem a clarity about quite where that will go. It is not my mainstream area as an RDA but it just struck me as a grey area that should be tidied up in the legislation.

**Q358 Mr Betts:** Coming on to the issue of regional policy, it does seem that central government really has an enormous amount of power left with it over regional economic policy. Effectively the Government is giving the guidance about the regional strategies and the RDAs have to work to that. When the strategy goes to the regional assembly there is not consultation and involvement with the Secretary of State—who could issue directions if not happy with what is drawn up. Have you really got any serious powers or has the regional assembly got powers, as long as they are doing what they are told by the Secretary of State?

**Mr Clarke:** I think if you went back to the establishment of the RDAs some of what you say would be true. I think the flexibility has increased. We have a single pot of money with greater flexibility

and greater delegation levels in terms of spending. I believe it is the case that the DTI basically receives our regional economic strategy, rather than approve it as such. I think we do have a significant amount of flexibility in preparing the document. I think the key thing is to make sure that within the regions we have sufficient powers and resources and local decision-making in order to implement it to a high level. I think in this area this Bill could assist.

**Mr Cowcher:** I think, Chairman, if this body is seen to be purely a consultative body it will not seem to add any value.

**Q359 Sir Paul Beresford:** It will be adding to your costs?

**Mr Cowcher:** Indeed.

**Q360 Mr Betts:** Are there any particular areas, in terms of getting a proper regional economic strategy up and running and effective, that central government should have surrendered its responsibility for down to the regional assemblies, in areas currently where there are not powers being passed down?

**Mr Wye:** I do not think it is in relation necessarily to powers but we were surprised in the context of economic development not to see any mention of higher education. Higher education is critical to the economic development of the region, yet it is not mentioned anywhere in the documentation.

**Q361 Chairman:** What should happen to higher education?

**Mr Wye:** I would not want to put a proposal about what should happen to higher education, but I do think the regional assemblies should be given the appropriate steer towards engagement with higher education in developing the strategy for economic development in the region.

**Q362 Mr Betts:** Transport—any comments there?

**Mr Clarke:** I think in relation to transport there has been some move recently with DfT taking a greater role in talking within the regions about flexibilities and so on, and the Spending Review took that a bit further. I think that is a move in the right direction, but I think for there to be a real shift you probably need both quality shift and financial shift down through the regional level, possibly with the establishment of regional transport boards, to really decide locally on priorities. It will be a difficult task to decide within the regions how that money is allocated as long as national priorities—and there will always be national priorities on transport—are also taken into account.

**Mr Cowcher:** We concur in relation to transport. Certainly in relation to skills we have some concerns about the duality of control both by central and LSC in Coventry and also within the region and how that is actually going to work. The area which is totally silent at the moment is in relation to business support, where we believe there could be regional solutions to business support which could conceivably be delivered within the region. At the moment there are no powers in relation to that at all.

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**Q363 Chairman:** Can anyone convince me that the Regional Skills Partnerships have worked well?

**Mr Roberts:** It may vary by region, but certainly in the North East to date we have put a lot of effort into private sector involvement in that. With joint meetings, particularly between the RDA, LSC and JobCentre Plus, we are at the point now of actually determining the regional skills priorities. We have met at a financial level to look at how we allocate our resources within the region against those priorities. It is the first point I have seen where we are trying to broker our policies and our spending against our priorities. I think it has made a very, very good start.

**Mr Clarke:** The RDA has been responsible for taking the lead in the establishment of a Regional Skills Partnership. I agree with what Chris has said, I think we have made a very good start. I think it is different from what is set out in the document. The link between skills and the rest of economic development, I believe, is so strong that the responsibility for the Regional Skills Partnership at the strategic level should remain with the RDA rather than with an elected regional assembly. Where I perhaps have a slightly different view from Chris is that I have had some experience through the Spending Review in trying to get greater regional flexibility over DfES funding on adult skills budgets. It is quite difficult to do that. I think the balance at the moment between national, regional and local within that part of DfES is too much at the national. I think there could be greater regional flexibility for the benefit of the region. That is an area I think we ought to push further on.

**Ms Richie:** I would add to what Alan said that one of the biggest issues within the North East is the low skills levels, particularly around the basic skills. We have a higher number of people at Levels 1 and 2 and fewer at degree level. That is a fundamental element of the regional economic strategy. We see skills as one of the key drivers of productivity within the region, and we are keen that the Regional Skills Partnership should be closely aligned with, and in fact strongly influence, the skills element of the regional strategy. We feel it is important to keep the two together. The other thing I should add in relation to skills is that we have had a lot of structural change around skills, and a lot of focus on partnerships and developing partnerships. I think it is important that should settle down for some time in order to focus on actually making a difference on the ground in relation to skills. Therefore, radical change around the Regional Skills Partnership would detract from that focus on action.

**Mr Cowcher:** One of the strengths of the Regional Skills Partnership is that it tends to have a very strong demand-led basis to it in terms of employers being very much engaged. I would not want to see that in any way weakened by any change in the status of that organisation.

**Mr Roberts:** I wanted to endorse that about private sector involvement. I think one of the strengths at the moment for us is that we can move money around the country. We can also move money around the region. One of the key divides for us will be the divide between adult skills and young people,

which I would not like to see totally divorced in any move here—because the vocational needs of 14-19 year olds relate very much to the future economy, and to separate them out from the skills agenda would be missing from the North East's agenda.

**Q364 Chairman:** The Department of Education has fought pretty hard to keep you out of anything meaningful in the North East. Are you pleased with their efforts?

**Mr Roberts:** I think we are heavily involved in the North East and highly committed to the change that is required in the North East. We have put a huge amount of effort towards actually aligning our funding to the needs of the North East. I think we have to also remember that the National Skills Strategy has within it a high degree of relevance for the North East. Many of the things it wants to achieve are what we want to do in the North East.

**Chairman:** You still prefer to be controlled by Whitehall than somewhere in the North East? I cannot get a smile on the record very easily!

**Q365 Chris Mole:** The assemblies have got this connection between the Executive and the Review and Monitoring Committee. Why does ONE North East particularly have a concern that it is only the Executive that has the role of approving the Regional Economic Strategy and some of the other key documents, rather than the assembly as a whole?

**Mr Clarke:** As an apology I think the language may be a bit of a problem here. I have been working in local government, and I think the point we were making is that at the most strategic level we believe it is the elected members (in whatever form that they sit) the people with expertise in economic development who should oversee and agree the regional economic strategy, and provide the strategic direction for that—rather than the officers of the organisation without that political input. That is what we meant by that. I also know there will be a cabinet or political executive of five to seven individuals, and one of those would be a portfolio holder for economic development. I think it would be a very strong working relationship with the portfolio holder for economic development on the political executive side. I think at the most strategic level it would be appropriate for a group of elected members coming together to really have a big say in what the strategic economic direction of the region should be. Clearly, there will always be the day-to-day working relationships between officers and civil servants; but it was really just to make the distinction that we thought there needed to be primarily a strategic relationship at that level.

**Q366 Chris Mole:** Should the answer be that the elected regional assembly represents the region as a whole; or should it be the whole assembly that has the ownership of the economic strategy?

**Mr Clarke:** I think it would need to but in reality if there is a social agenda, an environment agenda, a cultural agenda, a rural agenda and so on there are bound to be different levels of expertise amongst those members. Yes, it maybe all of them sitting



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together in one place will have to discuss and approve the strategic document; but I think for it to be more meaningful a smaller number of members with particular levels of expertise and experience will want to get involved in a bit more detail, debate and discussion. That is what we had in mind. You are right, with the overall assembly sitting you would expect to agree things like the *Regional Vision*, which is a new document, the regional economic strategy, transport, spatial strategy and so on. All I am saying is that they are big, weighty complex strategies and it is not always the best way to have the whole of the group sitting to take themselves through those particular strategies.

**Q367 Chris Mole:** If you have got different leaderships within the assembly for those different areas but they need to be joined up then presumably the way to join them up is where all those elements come together?

**Mr Clarke:** It is the same principle as national government. You are a select committee looking at a particular area of policy, and someone else will look at another and it is the job of government to pull that together. It is the same principle.

**Q368 Chairman:** So you still want to actually report to a board rather than directly to an assembly?

**Mr Clarke:** What I want is almost irrelevant.

**Q369 Chairman:** We are here to see whether the legislation has got it right or not?

**Mr Clarke:** I think that the idea of retaining a board for the Regional Development Agency with a very strong business leadership is absolutely right, because that is at the heart of what the Regional Development Agency is about—creating a strong economy based on world-class businesses. You need to be working pretty well directly with a range of business people—not exclusively, but significantly. Therefore, I think there is an important role for the board, but clearly there will be a reduced role for national government, and there will be this new role for an elected regional assembly. We are used to working with a range of different partners, masters and organisations and we would make it work.

**Q370 Chairman:** They can have a scrutiny role. As soon as they start to ask anything about contracts you are going to say “Commercial confidentiality. Get lost!”

**Mr Clarke:** I do not say that now. I would not say that in the future either.

**Q371 Chairman:** No, you would say it more politely. You think there would be no problem for providing the information for the scrutiny of what you are doing?

**Mr Clarke:** We have had three different rounds of scrutiny so far with the unelected regional assembly. It would be true to say that the first one was quite tricky but over time I think that the process—

**Q372 Chairman:** You have tamed them?

**Mr Clarke:** No, I think we have tamed each other. I think we have concentrated on policy development that helps the region, rather than negative scrutiny which does not help.

*The Committee observed a minute’s silence in memory of the victims of Beslan*

**Q373 Mr Betts:** Could I come back to the issue of the skills agenda. What are the advantages of keeping control over funding of Learning Skills Councils with central government and not giving any responsibilities generally to the assemblies?

**Mr Roberts:** One of the things at the moment is that this alliance is very, very strong—and strategy and priorities is something that we need to do. One of the things about being part of a national organisation is our ability to move money both within the region and within regions within the country. I also think, as this is described around adult skills particularly, that we should be careful not to distinguish young people’s requirements for vocational training from that entirely of adults. One of the great advantages is considering the whole needs of the employers from young people right the way through to adults. That is one advantage of the consideration of holding it all within a national organisation—not just financial but in policy drive terms.

**Q374 Mr Betts:** Really the explanation of why the regional assembly should have a greater role. Or is it? It is rather odd that the primary purpose of the regional assembly, which seems to be coming through, is economic development; but the problem of skills is crucial to that, particularly in the North East; yet the regional assembly welcome responsibility for the distribution of national housing funds down to local level, but no role in the question of the passing down of the finance for skills.

**Mr Roberts:** Not “no role”.

**Q375 Mr Betts:** It has some sort of role in the general strategy but does not actually get any responsibility for the distribution of money, does it?

**Mr Wye:** The point that the powers in the Bill are with the regional assembly to appoint five members to each local Learning and Skills Council that is a very significant change to the current arrangements. It will significantly alter the balance within the local Learning and Skills Council. It is at that local Learning and Skills Council level that the strategic distribution of funds is agreed.

**Q376 Mr Betts:** There is a regional level as well, is there not? You have got a regional director newly appointed in the learning and skills framework not accountable to anybody at regional level. Would it not be a lot better if they had some direct responsibility to the regional assembly and were involved in the distribution of funds for skills at a regional level in line with the strategy that is going to be developed?

**Mr Roberts:** I actually think when we talk about the concordat we have with the RDA what we are actually trying to do, which I believe is beginning to

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evolve properly, is develop a strategy for the North East with key priorities in it; and we and the other agencies broker the spending against those priorities; and I believe that can be delivered at a regional level by a regional director of Learning and Skills Councils within the national context, as things stand at the moment. The key driver for us will be that regional skills partnership and private sector involvement as well.

**Mr Cowcher:** We think there is a significant weakness in the fact there is no devolution of finance or skills in relation to transport. That would have made this Bill fare more palatable in the North East if those powers were actually within it.

**Q377 Mr Betts:** Have you got a slight disagreement with the British Chamber of Commerce nationally who has actually said that regions that go for regional assemblies could be at a disadvantage because they will have to bear the costs of the administration of the regional assemblies? Do you take a slightly different view from your national colleagues?

**Mr Cowcher:** Yes, slightly a different view in relation to that. Clearly the point that we want to concur with the British Chamber of Commerce is that we would not want to see the North East disadvantaged. We do have some concerns about tax-raising powers actually within the region as a whole which could actually see business and commerce in the region perhaps having additional costs by being located in the North East to their disadvantage elsewhere. That is one of the concerns we do have.

**Q378 Mr Clelland:** You might have heard the discussion this morning about the size of regional assemblies and how, given there are only 25-35 members, there might be a democratic deficit there. While I have some sympathy with that view, I generally put the argument that there will be a lot of people involved in the regional assemblies with a wide range of stakeholders. Clause 53 of the Bill would require assemblies to encourage and facilitate stakeholder participation "to such extent as the assembly thinks appropriate". Do you think this ought to be a more definitive statement in the Bill?

**Mr Cowcher:** We believe that should be strengthened significantly. From the original White Paper we think there has been significant movement in relation to stakeholder involvement and that is very welcome. At the moment it is purely facilitative and it is not actually set in statute. We believe that is a significant weakness. It is absolutely vital that there will be a range of stakeholder involvement in the workings and in the decision-making in relation to the assembly.

**Q379 Mr Clelland:** Do you think that the Bill should prescribe which stakeholders should be involved?

**Mr Cowcher:** It would be very helpful if that was the case. Obviously representing the business community we would hope we would be one of those numbers.

**Mr Wye:** I think it would be important that it was not exclusive, and give a range of stakeholders who must be involved and others as appropriate. I also think it would be inappropriate if the Bill defined how the assembly engaged the stakeholders in laying down particular structural arrangements.

**Mr Clarke:** I think from my point of view the principle is absolutely right. I do not think it should be too prescriptive. I think there should be some local flexibility. Some of the ideas the assembly put forward in their evidence is quite positive. I think the other thing we ought to bear in mind is, if this goes ahead, we would have 25-35 elected representatives who have been elected so that they are there also representing the views of local communities. That role brings with it obviously leadership responsibilities. I think there is and has been in my experience in different regions something of a tension between, on the one hand, having to make very focussed choices about what the priorities are and where the resources will be spent, and almost consultation overload to the point where you end up with the lowest common denominator. I think that is a real issue.

**Q380 Chris Mole:** Do you think that members are more capable of being strategic than Members of Parliament within a region?

**Mr Clarke:** I would have to work out the proportion.

**Q381 Chris Mole:** In your experience when you get approached by MPs are they more parochial for their constituency than the region as a whole? Do you think regional members are better?

**Mr Clarke:** I have found both experiences to be perfectly honest.

**Mr Cowcher:** I think it is very disappointing there is nothing in the Bill. You have got the IDEA to support professional development of local government. You certainly have professional involvement in relation to central government. There is nothing prescriptive here. I think it will be very important that the members have significant training and development if this assembly is going to work effectively.

**Chairman:** Is there anything else that is missed out of the Bill that you would like to see included? No. On that point may I thank you very much for your evidence.

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*Witnesses:* **Mr Roy Wicks**, Director General, South Yorkshire PTE, and **Mr Ken Kemp**, Planning Manager at Nexus (Tyne & Wear PTE), Passenger Transport Executive Group (pteg), and **Mr Stewart Francis**, Chairman of the Rail Passengers Council, Commission for Integrated Transport, examined.

**Q382 Chairman:** Gentlemen, please introduce yourselves for the record.

**Mr Wicks:** Roy Wicks, Director General, South Yorkshire Passenger Transport Executive.

**Mr Kemp:** Ken Kemp, Planning Manager at Nexus (Tyne & Wear Passenger Transport Executive).

**Mr Francis:** I am Stewart Francis. I am here representing CFIT in the Chairman's absence, David Begg. Perhaps I should explain, Chairman, that my position in CFIT is to represent the consumer interest as I am also Chairman of the Rail Passenger Council, the national statutory watchdog for rail passengers. I am also Chairman of the Strategic Health Authority in Eastern England, which also has an interest, of course, in access and transport matters

**Q383 Chairman:** Does anyone want to say anything else or are you happy to go straight into questions?

**Mr Wicks:** I am happy, Chairman.

**Q384 Christine Russell:** Do you think the Bill as presently proposed will help or hinder the development of a truly integrated transport system?

**Mr Francis:** Our view is that it is a step in the right direction but that it does not actually go far enough in terms of integrated transport. We believe that regional assemblies should have the ability to set regional transport strategy, and therefore provide a framework for those delivering the strategy at a local level. From the consumer of transport point of view, the vast majority of journeys made in this country are, of course, local journeys be they by bus or by train. What we are looking for are mechanisms and structures that can deliver a more integrated journey for the consumer and, therefore, get the national benefits from them.

**Mr Wicks:** Certainly from a PTE point of view I would share Stewart's view that it is a step in the right direction, but genuine integration requires three things to come together: it requires integration of policy. I think particularly in terms of economic development, housing and transport, bringing those together at the regional level ought to enable better joined-up thinking in terms of investment levels. Secondly, it requires integration of funding streams. At the moment spending on the highways network, the rail network and on local transport, although all under the aegis of the DfT, is not necessarily treated as interchangeable units of expenditure. Certainly at a sub-regional level we cannot make decisions across each of those modes, and that is true equally at the regional level. I think the hints in the Regional Assemblies Bill and in the DfT's White Paper *The Future of Transport*, to move in the direction, first of all, of joining up those spending heads and then, secondly, giving authorities more flexibility over how they spend them, is quite critical to the delivery of integrated transport. I think, as Stewart says, the third key aspect of integrated transport is delivery on the ground. I do not radically see this proposal changing that because, as your previous witnesses

overseeing authority than a delivery agency; and delivery will still be on the ground through local councils, ourselves and other organisations.

**Q385 Christine Russell:** If I could press you further. Do you think there is a real lack of clarity in the Bill in its present state as to who exactly is going to do what; what the role of the county council is going to be; the local passenger transport executive; even the district councils? Is there a real lack of clarity at the moment?

**Mr Wicks:** I do not think there is a lack of clarity. I think the Bill says that the assembly will produce the regional transport strategy and it will have to work with those other stakeholders in doing that. I think there is a question about whether that gives you the best integrated transport network on the ground. In my view, I think those duties on the regional assembly need to go a bit further than they do.

**Q386 Christine Russell:** Could you spell out how much further you think they need to go.

**Mr Wicks:** Going back to my earlier point, to an extent it is signalled in the DfT's *The Future of Transport* White Paper that if the Government is going to move towards, in the first instance, indicative regional allocations for local transport spending, there is no reason why those decisions could not be devolved from the centre to the region as to actually what the local transport plan allocations are. Secondly, I think you could look at—and I know it is more complicated—devolving some of the rail and highways expenditure so that then you will make decisions across those three areas. So I think if you are serious about devolving some of that decision-making in order to achieve an integrated network that is one area in which the powers could be pushed further. A second way in which they could be clarified, as we have said in our evidence, is that there does appear to be some duplication of powers between the PTEs, PTAs and the Regional Assemblies, in relation to who can actually do what to the rail network, which I do think need thinking through in order to make sure they work correctly.

**Q387 Chris Mole:** Should that be between rail franchises and regions?

**Mr Wicks:** No.

**Q388 Chris Mole:** Would it be practical to disaggregate rail spending to—

**Mr Wicks:** There are two sorts of rail spending: there is infrastructure investment, because certainly most regional authorities have very clear views about the priorities that are needed in their areas to open up access, not just in terms of connections to London, connections with other regional centres and with sub-regional centres. There is often a view that at the sub-regional and regional level it is very difficult to influence national priorities. So I think, first of all, in terms of investment in the infrastructure there clearly is a regional dimension. I am not advocating

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breaking up the network into regional blocks, but in terms of actually making sure that the national rail investment programme actually reflects regional priorities. When you come to services, my answer is a quick one in that in general there is not a regional network that fits neatly within a regional boundary. However, there are services—usually the local rail franchise and one or two others, such as Trans-Pennine and to an extent Cross-Country—which largely fulfil a regional function. You could look to how the regional assemblies have a greater involvement, first of all, in the specification of those franchises and then, ultimately, in how they are funded.

**Mr Francis:** I agree that the pressure is clearly on to reduce the number of franchises. So I can see your point. However, there are bite-sized chunks you can do. One bite-sized chunk, for example, would be Mersey Rail. If I can just pick up on your previous point, I do detect that there are inconsistencies between this Bill and the Government's White Paper on the future of transport. CfIT believes that the Bill does need to be amended to make it consistent with what the White Paper is saying. Roy Wicks has given an example of that. We believe that RAs should be given funding powers because if not they do not have teeth. They should not have the powers to deliver; it should be others who carry out that duty. But powers over funding is the only way that RAs will have teeth to ensure that local authorities work to deliver a regional transport strategy.

**Q389 Christine Russell:** What about concessionary fares? Who do you feel should have the responsibility for deciding the level of concessionary fares?

**Mr Francis:** There are, of course, a whole range of activities, and I think that is probably down to the elected representatives in the local communities to make those choices. For example, the delivery of the bus service would still reside locally. However, the difficulty comes if you do not have a regional transport strategy for the passenger who is seeking an integrated transport solution. What about road charging? What about congestion charging? What about park-and-ride schemes? If each local authority makes a different decision, for example if one local authority makes a particular decision on park-and-ride schemes and another local authority does not, that leaves the consumer confused. That is why the Regional Assembly should have the powers to be able to say "Here is the strategy, here is the funding, now you deliver".

**Q390 Christine Russell:** It is not going to develop any kind of distinct regional identity on the part of local people, if you—for instance you said Merseyside—have free bus passes in Merseyside but you still have to pay 50% of the fare in Cheshire next door.

**Mr Francis:** These are decisions that are made locally and are driven by the local population, and politicians make their decisions based on that.

**Q391 Chairman:** The Passenger Transport Executives have had a pretty poor record, have they not, for getting integrated ticketing? The Mayor has taken a long time but has managed to produce the Oyster, which does enable people to get on and off buses and tubes much more quickly. Would it not be logical for the Elected Regional Assemblies to take over the responsibility for that sort of thing and demonstrate that it can be done with a bit of vigour rather than the 20 years, is it, that Passenger Transport Executives have been messing about with ticketing?

**Mr Wicks:** Thank you, Chairman, for injecting an interesting note of controversy into the proceedings. The first thing I would say is I do not think the PTEs have taken 20 years to introduce integrated ticketing because of their inability to do it as organisations; most of the problems rest in the way that public transport is actually organised in this country.

**Q392 Chairman:** Give it to someone who can do it properly!

**Mr Wicks:** In the case of London they have a regulated bus market which enables them to organise the ticketing in a very different way to the way you can outside London. Notwithstanding that, South and West Yorkshire PTEs together do have funding from the DfT to introduce a card very similar to the Oyster card in London which would cover all bus operators, all rail and all tram—

**Q393 Chairman:** 2010?

**Mr Wicks:** 2006 is the date for introduction. Similarly, in Manchester they are currently working on a similar system. So we are working on those.

**Q394 Chairman:** You have been working on them for 10 years.

**Mr Wicks:** I cannot speak for Manchester, as unfortunately Chris was unable to join us today, but I do think that we are making progress. A lot of the issues in ticketing rest around the bus operators' ability, as commercial operators, to fix the commercial fare, which is something they do not do in London because all of the network is, in effect, franchised.

**Q395 Mr Clelland:** I know you see that the new Regional Assemblies will have some effect on the work of the PTEs and there may be some areas of conflict. Does that mean that you feel that this is not an opportunity that ought to be grasped to improve the work of both PTEs and local authorities within the region in terms of transport, or do you think that things should be left the way they are and we do not need a new authority?

**Mr Wicks:** I think our view is you have actually got to look at what is right for each region in terms of how you make some of the delivery changes. Certainly I think there is benefit in there being a clearer regional accountability for the overall funding, because I am a great believer that transport problems are broadly solved within a travel-to-work area, which tends to be the sub-region but it does not necessarily have to be a particular PTE area because

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they can vary. That is where you will actually solve transport problems, but they then have to be solved within a regional context, because it is no good Leeds or Sheffield sorting out its problem and competing, in a sense, with York or Hull or somewhere else. So there has to be a regional dimension, which is why I think I welcome the regional transport strategy that is there already, and we work very closely with the regional assembly at the moment in doing that. I think that the funding powers have to be given alongside that which are commensurate with that, and I think the appropriate funding powers at the regional level are initially allocational and, if you like, organise spending profiles that fit in with those collective political priorities. So I think, yes, that is welcome and that is something that could improve things, because at the moment it is very much a sort of bi- to tri-lateral relationship between individual local authorities, the government office and the centre. By making, in effect—although this is not what the legislation proposed—the Government more accountable at the regional level you could improve that part of the process. So we certainly see it as an opportunity, and I think what I am really saying is that to grasp that opportunity we need to go a bit further and a bit faster.

**Q396 Mr Clelland:** Local funding is one thing but there are other areas of responsibility that might be usefully housed in the Regional Assembly's power. We are very conscious in this Committee and those of us who believe in regional government that we are devolving power down from the centre, not up from local government. On the other hand, as I am sure you are aware, in some PTE areas local authorities have different policies when it comes to things like bus lanes and traffic regulations, which PTAs themselves would like to see brought under the one umbrella, so we have a commonality. Is this not an opportunity for regional government to have a regional overview of regulations like that?

**Mr Wicks:** Certainly a regional transport strategy would. I think there is an interesting debate about at what level some of those delivery type powers should rest. I think that whilst I see a strong role for the planning, the funding and the strategy at a regional level, necessarily having traffic management powers at a regional level may not necessarily work. I think the evidence shows that that, perhaps, (if you look back to the mid-70s and 80s at the metropolitan county councils, which was, in effect, an attempt to do some of that at the sub-regional level) did not necessarily prove a success. I think a lot of those things—I go back to my opening—want to relate generally to the travel-to-work areas because I think that is the area over which the policy requires. Separately from that, the White Paper *Future for Transport* does signal that the Government wants to keep an eye on how the powers in the Traffic Management Bill, which presently influence the management of the highway system, are used. They have flagged up in that an intention, if they do not feel that is effective, to look at whether those powers might not more appropriately rest with the PTA or

PTE. I am not arguing that because I work for a PTE, my view is I think most of those powers work best at that local, sub-regional level rather than necessarily at the regional level.

**Q397 Mr Betts:** You are arguing quite strongly that there should be a funding responsibility on transport for the Regional Assemblies. Looking at other possible powers, would you be seeing a role for the assemblies in giving the pull, maybe, to schemes to bring back regulation (since you have identified the ones with problems) at a local level for getting some of the issues resolved? Would you see the assemblies having a role in, maybe, approving congesting charge schemes and those sorts of issues?

**Mr Wicks:** My own view is that they should be able to be approved at the appropriate level. Certainly PTEs—

**Q398 Chairman:** Come on, what is the appropriate level?

**Mr Wicks:** Sorry, I was just coming to that, Chairman. We certainly do not believe that things such as quality contracts and the ability for an authority to congestion charge should be decided at the national level; they should be decided at the level over which they would have an effect. So I think that is not at a single local authority level, it is at a higher level than that. In some cases it may be the sub-regional—for example, something that happens in Leeds or Sheffield will have relatively little impact in Hull. So it could be decided at the sub-regional level. If you were looking at a charging system relating to the highway network in South Yorkshire or West Yorkshire, that would clearly have an impact across the whole region. Generally, those sorts of decisions about charging could be made at the regional level or, indeed, the sub-regional level; I do not think they need to be made at the national level because it is the area over which they have a competitive impact. My answer was not meant to be evasive, but I am always conscious there are boundaries, and in the case of my own authority we are at one corner of Yorkshire and Humberside, and whilst we are part of the Yorkshire and Humberside region a lot of South Yorkshire's economy actually links into Nottinghamshire and Derbyshire. So therefore you do have this issue where even with regional boundaries there are always places at the edge of the boundaries over which you have to make decisions. I think if you were looking at a congestion charging system, as Clive mentioned, you would have to have regard to the impact in Nottinghamshire and Derbyshire.

**Q399 Mr Betts:** Just looking at it the other way round as well, one of the constant complaints from regions in the north is that sometimes we do not feel we are getting a fair share of the national cake passed down to us, and are saying that the future funding for rail infrastructure improvements is very weighted towards the south east and there is precious little happening in the north. Do you think, therefore, there should, within the Regional

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Assembly, be a statutory right to be involved and consulted on the development of all regional transport strategies?

**Mr Wicks:** Yes, and I think it is also in the CfIT evidence. We think that bodies such as Network Rail and the Regulator should have a statutory requirement to consult and have regard to the regional transport strategies.

**Q400 Mr Betts:** Some people might say that already set up are the shadow transport boards, which are beginning to come together with Passenger Transport Authorities and local authorities, working together to try and develop wider transport arrangements. If that is happening anyway and they are beginning to work, why do we need Regional Assemblies at all?

**Mr Wicks:** I think the argument is more about accountability. You are quite right, if there is a view that the shadow transport boards (which are beginning to look at this but at the moment they are not very open and accountable—it is a group of people representing various interests who are making that decision) are going to actually allocate spending on quite a significant scale across the region there ought to be a means by which it is accountable for the spending that it makes. Whether that is a directly Elected Regional Assembly or a Regional Assembly is a matter, obviously, that members of this group will have a stronger view on. Clearly, if it is directly elected then it has a greater degree of accountability than if it is just an appointed authority.

**Q401 Mr Clelland:** Coming specifically to transport strategy, looking at the current proposals in the draft Bill, what value do you think the transport strategies drawn up by Elected Regional Assemblies will have?

**Mr Wicks:** The Regional Transport Strategy, at the moment, is a key document. We have to have consistency at the local level with the regional strategy. If it is aligned with funding, if you are inconsistent with the Regional Transport Strategy it will influence the level of funding you have got. So I think at the practical level it will be important. As I said in my opening remarks, I do think it is very important that you join up the issues about where you want economic development, where you want housing, and where you want transport. If you do them in isolation you get the jobs in one place, the housing in another place and then demand the transport to link them up, and you may not be able to afford the transport you actually want. So by looking at the extent to which transport is a constraint or an opportunity when you are making those economic investment decisions and decisions around housing, it seems joining up those strategies at the regional level is very important. So, therefore, consistency with those strategies and then the funding for those does actually give you quite a powerful set of tools.

**Mr Francis:** I think it encourages Regional Assemblies to address the really tough decisions out there, about how much money is available for realistic transport projects.

**Q402 Mr Clelland:** How can Regional Assemblies ensure that national and local agencies actually implement the regional strategies? Are there sufficient powers in the Bill to allow them to do that?

**Mr Wicks:** I think there would be sufficient powers in terms of the local authorities because the way I envisage it is that under the present system the Government rewards or penalises authorities that do not use the funding in the way that contributes to the strategies they signed up to, and there is no reason why if the regional authorities had that funding discretion they could not follow the same system. In terms of investment in the strategic highway network and the regional rail network, that would be more complicated given that those bodies are not under the direct control of regional authorities, and are not envisaged to be in the legislation. Clearly, the process of having a statutory duty to consult before they make their plans would help provide some check on that.

**Mr Francis:** It also is pretty clear to me that long-term funding from government needs to be firm and not indicative, as the White Paper on transport says. I think that the sensible approach would be step-by-step; that you should actually pilot this arrangement in a particular area—you have got to do it over a reasonable period of time, which might be five years—and see how this is actually managed. I think a pilot in a particular area might be helpful. This whole business of indicative funding rather than firm funding—I do not really understand what that means.

**Q403 Chairman:** Is there not the problem with a pilot that every region is very different in terms of transport needs and existing provision? So something that might well work in the North East of England might be totally inappropriate for, say, the South West?

**Mr Francis:** That is correct. Nevertheless, it would tell you something about how this is being managed and how it has actually been working. One does have to look at examples of where things have not worked terribly well. If you look at the example in Scotland, where about 32 unitary authorities were created dealing with transport and it became extremely messy, it was agreed that you would have four transport areas who would consult with each other, but there was no mandate. Now, I believe, the Scottish Parliament are looking at basically making this mandatory. So we have to look to Scotland for some of the lessons to be learned.

**Q404 Chairman:** And not make those mistakes?

**Mr Francis:** Not make those mistakes again. It does come back, I think, to the theme that Roy Wicks and I are adopting here, that it must be around travel-to-work areas if this Bill is going to be effective in terms of transport for the consumer.

**Q405 Mr Clelland:** If each region is drawing up its own transport strategy, what about inter-regional and national issues? How would they be addressed?

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**Mr Francis:** I think the CfIT paper makes it perfectly clear that—certainly from a consumer point of view—the national motorway network, trunk road network and the national rail infrastructure are national treasures that must be maintained nationally. Again, we would advise caution and that one should carry out an audit, for example, of the road network and decide exactly what is and what is not a trunk road, what fits regionally and what fits nationally. Clearly the national strategy must be dictated nationally and must be preserved, but that audit would show you the bits that can be controlled regionally.

**Q406 Christine Russell:** Mr Francis, can I ask you about the concerns that I think you have raised in your submission about the abolition of county councils? I know that, perhaps, in some cases where there are two-tier authorities, in fact, the county council may well become a unitary authority, but there is a chance that a number of county councils could be abolished and replaced by a proliferation of smaller authorities, and that gives you real concern. Would you like to tell the Committee about that?

**Mr Francis:** Yes. I do not want to particularly fall into the trap of talking about my own area but I will because I think it is good to demonstrate the point. Living in eastern England is an area that has only small cities; it does not have a core, it is a largely rural area, of course—Suffolk, Cambridgeshire, etc. Going back to the theme of the travel-to-work area, I do not see how this could be done if you put it into smaller, bite-sized chunks. You made the point that if you are considering a more unitary authority they have to be of such of size (for example, co-terminus with the existing county council areas) to make that workable in transport terms. Transport in a rural area is a very difficult issue and I do not think people in rural areas would want to make the planning process more fragmented than it is at the present time. I think if you were talking to people in the East of England they would say that it is not terribly joined up at the moment, and they would be looking to solutions, region-wide solutions, to provide the sort of transportation that they require over quite long distances.

**Q407 Christine Russell:** I understand what you are saying, but are you not advocating yet another tier, perhaps specifically for transport?

**Mr Francis:** No, I am not.

**Q408 Christine Russell:** If you make that argument for transport, are not other service providers saying, “We want the same joint working for our services”?

**Mr Francis:** At the same time you have to remove that responsibility for delivery from district authorities.

**Q409 Mr Betts:** Coming back to the transport executive’s submission, you are arguing quite strongly that transport for the regions should be based around regions’ travel-to-work areas, and there is obviously sense in that. In terms of where that would fit into a system of government, are we

really talking about another tier? At present the unitary, metropolitan districts are not necessarily travel-to-work areas; the Passenger Transport Authorities are not necessarily based on travel-to-work areas and the county councils are not—indeed, it has been pointed out, the regional boundaries are not necessarily co-terminus with travel-to-work areas. So what precisely is being suggested?

**Mr Wicks:** I am certainly not advocating another layer of administration. Indeed, I think the whole thrust of what I am arguing is the reverse of that, which is to try and simplify that. I would see central government devolving powers to the region so that you either—on the issues you talked about—negotiate with central government or the regions. So you do that once. When you come to the delivery end, I agree it is an issue because there are relatively few unique authorities that actually encompass their own travel-to-work boundaries within their administrative boundaries. I think the PTAs were originally set up to try and do that but they were based around travel-to-work patterns in the late-60s and, as we all know, they have changed since then. I think you therefore have to say you do not want to create another block of new amalgamations of authorities, because I do not think that is needed. What you have to rely on there is partnership working. That, to me, is the answer. If you take the example in a PTA area where, yes, a district council has certain responsibilities; it works with the PTA, that tends to cover most of the travel-to-work area, and if there are parts of area that are out of that it has to work with them on a partnership basis. I do not see that that is a problem. Where, I think, it does become more of a potential problem is when you get to issues of congestion charging. If you were to get into something like that then, clearly, it is a greater challenge just to work on a partnership basis. However, again, from discussions with those authorities in PTE areas that might be thinking of going down that route, they would prefer to do it on that basis than the alternative, which is to establish a set of new unitary authorities based around travel-to-work areas.

**Q410 Mr Betts:** Your evidence does say, “City regions, broadly based around the travel-to-work areas, provide coherent units for addressing transport policy issues.” A coherent unit does not sound like a partnership arrangement.

**Mr Wicks:** I think if you take Sheffield, Sheffield, with the PTA, can solve most of the travel-to-work problems in Sheffield. There are issues in—I am sorry to get parochial—north Nottinghamshire and north Derbyshire but I think they can be resolved, working with those authorities.

**Q411 Chairman:** You have a problem with the frontier between yourselves and Leeds, have you not?

**Mr Wicks:** There are always boundaries, but what I am arguing, I think—and I think it is consistent—is that the unit which you are trying to solve on a policy front is the city region; it is basically the areas that use Sheffield or Leeds to travel to work, the

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dominant areas. In general they will be the metropolitan district working with the Passenger Transport Authority for the longer distance commuter, and that will cover the majority of those people.

**Q412 Chris Mole:** So what are the key intra-regional issues that affect the economy of the region that you would be looking to have powers to address?

**Mr Wicks:** I am sorry, within the region?

**Q413 Chris Mole:** Yes.

**Mr Wicks:** Certainly there is movement between Leeds and Sheffield, and movement between the cities on the western side of Yorkshire and Humberside, the Humber coast—just two examples that come immediately to mind. There is genuine intra-regional movement associated with the economic activity in Yorkshire and Humberside, which is not confined just to the travel-to-work; the travel-to-work tends to be over shorter distances than across the whole region.

**Q414 Mr Clelland:** We have heard pleas for more devolution of transport decision-making from the centre down to the regions and below. Looking at the proposals before us, to what extent do you think the Department of Transport have been involved in drawing up this draft Bill?

**Mr Wicks:** Certainly I can see consistencies in the White Paper, which refers to the indicative spending decisions. That is in the Transport White Paper. They clearly have been involved in the devolvement of rail powers because they have used the same language of the powers for Regional Assemblies as they have used for the Passenger Transport Authority areas. So they clearly have been involved, but I have no personal knowledge of how great—

**Q415 Chairman:** Do you think they have fought hard to keep their powers rather than devolving powers?

**Mr Wicks:** Certainly in my meetings with the DfT they have been keen to extol the virtues of delegation down to the regional level of spending decisions.

**Q416 Chairman:** They extolled the virtues? Does that actually mean handing over any cash?

**Mr Wicks:** No.

**Mr Francis:** I think if one looked at the thrust of what is being said about Scotland and Wales, for example, then you could say that a lead is being taken there. I think largely the Bill and the White Paper are consistent with a particular thrust. We have pointed out some inconsistencies on which we believe the Bill can go further.

**Chairman:** On that note, can I thank you very much for your evidence.

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**Wednesday 15 September 2004**

Members present:

Andrew Bennett, in the Chair

Sir Paul Beresford  
Mr Clive Betts  
Mr David Clelland  
Chris Mole

Mr Bill O'Brien  
Christine Russell  
Mr Adrian Sanders

*Witnesses:* **Rt Hon Nick Raynsford**, a Member of the House, Minister for Local and Regional Government, and **Mr Ian Scotter**, Divisional Manager, Regional Assemblies Division, Office of the Deputy Prime Minister, examined.

**Q417 Chairman:** May I welcome you to the fourth session of the evidence before the Committee on the Regional Draft Assemblies Bill. Are you content to go straight to questions or do you want to say a few words to start?

**Mr Raynsford:** I am very happy to go straight to questions.

**Q418 Mr Betts:** Good morning, Minister. We, like everyone else, would welcome the principle of draft legislation. I think the Leader of the House has said that, as a general rule, major pieces of legislation should first be issued in draft form. Do you think therefore it is slightly unfortunate that certain major elements of the Bill are currently little more than blank sheets of paper waiting to be filled in at a later date?

**Mr Raynsford:** No, I do not. Let me just remind you of the history of this. We did not publish draft Bills before referenda in Scotland, in Wales or in Greater London. Therefore, this is the first time that a draft Bill has been published before a referendum. We agreed to do that, in response to requests, so that the public would be better informed when they came to take their decision in the referendum. That is the purpose for the draft Bill having been published. It simply was not feasible, given the timetable of the referendum, for the Bill to be published for pre-legislative scrutiny, and we never promised that that would be possible. What we did say was that we would seek to publish a draft Bill setting out the main provisions of the legislation. We have accompanied that with the policy statement to flesh out some other areas where work has not yet been completed, because this is a major Bill. It is a very significant piece of legislation and it has been a pretty large task for my officials and parliamentary counsel to get the Bill into a shape where it can be published. I think it gives a very good feel for the range of powers and provisions that will apply to elected regional assemblies, and we have fleshed out any gaps in the policy statement. I believe this is entirely in keeping with the pledge we gave, and it does provide the public with the information that we said should be available so they can make an informed decision when they come to vote.

**Q419 Mr Betts:** You say that the main parts of the Bill are there, but there are certain issues on the specific powers to be given to the assemblies and

restrictions on the assemblies' powers, which are pretty important when people are coming to form their view about whether to go ahead with this process, and they are not there, are they, in full? They are still to be filled in in detail?

**Mr Raynsford:** The policy commitments are all there. They are stated in the policy statement. While some of us who are aficionados for legislation may scour through the Bill and look at the fine print late into the night, I think the vast majority of members of the public will want to be able to get information about this, and that information is available, both in the form of the Bill and the policy statement.

**Q420 Mr Betts:** When would you hope actually to be able to fill in the remaining clauses in the Bill? Are we likely to get them well before we get to Second Reading in Parliament, if that is the process?

**Mr Raynsford:** Our intention is that if there is a yes vote in the referendum in the North-East on 4 November, we will then, subject obviously to the Queen's Speech, introduce a full Bill, including the elements that we have identified as necessary to be added and that that would be introduced in Parliament in the shape that you have described, so it can be debated at the Second Reading.

**Q421 Mr Betts:** So that would be the final Bill?

**Mr Raynsford:** Yes.

**Q422 Mr Betts:** In terms of the specific details of many of the points, obviously we are going to have to rely on secondary legislation for those. Have we any timetable for the production of secondary legislation, bearing in mind that often contains the detailed points that are going to determine precisely how an assembly would work? Are we going to get that legislation at the same time as the final version of the Bill or are we going to have to wait until we get into committee before we start to see the elements of it, or even indeed later?

**Mr Raynsford:** My aim is to do just the same as I have done with other major pieces of legislation that I have been responsible for, including the Local Government Act when that went through Parliament, which also had a substantial amount of secondary legislation, which is to ensure that members of the committee scrutinising the Bill in

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detail can see that draft secondary legislation in the form of draft regulations well before they come to debate it in committee.

**Q423 Chairman:** Are you happy about the impact it may have on local government in the North-East? Assuming that there is a yes vote, assuming that you try and get legislation in early in the next session, there is a possibility that that legislation might be interrupted by a General Election, is there not? Does that not then leave us with some possibility that setting it up and reorganising local government in the North-East may be a somewhat lengthy process?

**Mr Raynsford:** I hope not. Obviously I cannot comment on the possible timings of general elections, which are not my decision. What I can say is that our intention is to bring in legislation, as I have said in response to Clive Betts's question, and in parallel we would be asking the Boundary Committee to do the necessary work to make recommendations on the boundaries for the first election to the elected regional assembly. That work will have to take place in any case, and that would be ongoing in the early months of next year, assuming there is a yes vote. It is certainly our intention, if possible, to allow an elected assembly, if there is a yes vote, to be elected in 2006—that has been our objective—and for the local government reorganisation that will go in parallel with that to be operating to a similar timescale.

**Q424 Mr Clelland:** As Ron Davies once famously put it: devolution is a process, not an event. I suppose, following Scotland, Wales, the GLA and indeed even Northern Ireland, that the Government's policy of strengthening the mechanisms for regional government would naturally follow on from that. How might the outcome of the referendum in the North East impact on the future direction of that general policy?

**Mr Raynsford:** I might answer that by saying that I hope the process will not quite be as complicated as it was for the person you quoted. I sincerely hope that what we will see is a move to a confident assembly in the North East elected in 2006 and getting to grips with the very important responsibilities that the assembly will have, notably to help economic development in the region, which we know in the past has lagged behind other regions in the country; there is a gap in terms of economic performance which has to be addressed. There are very encouraging signs at the moment, in my view, of revival in the North East economy, and that is a real incentive for the assembly to get to grips with that challenge and to build on the work of the RDA—ONE NorthEast—and the other partners, economic and social partners, to drive the region's economy. There are many other responsibilities, as you know, which the assembly will have. That does not mean that there are not going to be requests, demands for additional powers. I think that is part and parcel of the process. We have heard that from the Mayor of London seeking additional powers; we have heard it from the Richard Committee

commissioned in respect of Wales. I cannot anticipate that but all I will say is that there is a very big job to be done and I am confident that the assembly, if it is elected, if the referendum is a yes vote and therefore the assembly proceeds, will have a great deal to get on with in its first session.

**Q425 Mr Clelland:** I was not specifically thinking of extended powers, although the Minister is well aware of my enthusiasm for local government and I would like to see extended powers in due course. The Bill only provides for one model of regional government; that is, elected regional assemblies. It has been put to the Committee in evidence that the Bill should really reflect different forms of regional governments: for instance, giving statutory powers to the existing voluntary regional assemblies. What does the Minister think of that?

**Mr Raynsford:** I had the responsibility, pleasure and privilege of taking the Greater London Authority Bill through Parliament, which I was told at the time was the longest Bill to be introduced since the Government of India Act of 1936. I said on that occasion that that was a bit of a handful and I did not really want it to be complicated by other matters. I take a rather similar view about this Bill, which will be a complex piece of legislation. I do not think it would be appropriate for it to extend beyond its remit, which is to enable elected regional assemblies to be established. That is what we promised we would do if there was a yes vote in the referendum. There are other issues, of course, which people always want to tack on to legislation, but, as you will know only too well, that can make the passage of the legislation quite a complex process. In my case, my priority is to get the main piece of legislation through, assuming there is a yes vote.

**Q426 Chairman:** Is that not your fault when it is such a long Bill? You are rather acting as a nanny. You are going to devolve power to the children but then tell them that they have got to spend their pocket money exactly this way and that way. Would it not be much better, if you are going to devolve power to the regions, actually to let them decide things like their own scrutiny, governance and those sorts of issues, rather than lay it down in such detail in the Bill?

**Mr Raynsford:** They will decide a large number of issues but within a framework designed to ensure that there is some national consistency.

**Q427 Chairman:** Would not a "straightjacket" be a better word than a framework?

**Mr Raynsford:** No, it certainly is not. This is an exercise in devolution and in just the same way as with London, the Mayor and Assembly in London have substantial powers and have used those powers very successfully in many ways but they operate within a framework that ensures national coherence. In exactly that way we want the elected regional assemblies to work within a national framework because if there is a yes vote in other regions—in Yorkshire, the Humber and in the North West and possibly other regions subsequently—there will be

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other elected regional assemblies. There has to be some consistency in the pattern in different regions of the country.

**Q428 Mr Clelland:** We listened with interest to your statement on Monday on the report of the Electoral Commission. It seemed to make clear, to me anyway, that regardless of the outcome of the referendum in the North East, the referenda in the North West and in Yorkshire would go ahead. Is that the case: if the North East referendum were to be lost, would you still go ahead with those two referenda?

**Mr Raynsford:** We have pledged that the people of the North West and Yorkshire and Humber will have the opportunity to vote in a referendum as to whether they want to elect a regional assembly, and that is our intention and that is how we are going ahead. It is simply a question of getting the mechanism right to hold the election in a way that does encourage maximum participation in the light of the Electoral Commission's report and proposals for a new foundation model, which they expect to be setting out next March.

**Q429 Mr Clelland:** Regardless of the result in the North East, those will still go ahead?

**Mr Raynsford:** Yes.

**Q430 Mr Betts:** In practical terms, therefore, are we saying, given that the Electoral Commission is going to report in March, and then there is going to be some discussion presumably about what they report on, that a referendum in Yorkshire could not go ahead until the autumn of next year? Would it be reasonable to say that?

**Mr Raynsford:** I think that would be a reasonable assumption because there is a period of time, as you will know, from the laying of the orders to the referendum. The orders allowing a North East referendum were agreed by Parliament before the end of July; the referendum will be held on 4 November. If you think of a similar timescale, then I think your assumption is probably an entirely fair one.

**Q431 Chris Mole:** Minister, the policy document which comes with the draft Bill talks about regional assemblies being consulted by people working closely with and supporting the work of various agencies playing a key role in co-ordinating their work. How does that square with what the Deputy Prime Minister said in terms of ERAs being able to make a real difference and being responsible for big strategic decisions?

**Mr Raynsford:** I think the two are entirely compatible. It is right that the elected regional assemblies should set the direction, give the overall policy guidance, but should work with the partners within the region. It is not going to be a body that is simply exercising command and control functions; it will be a body that will build partnerships, that will work in partnership with business, local authorities and other stakeholders. That inclusive approach towards engaging stakeholders is something which I

think is very warmly welcomed by most people who have looked at this model of government. I see this as the right model for a strategic authority not responsible for day-to-day local service delivery, not usurping the work of local authorities but working in partnership to deliver on the objectives which the regional assembly has set.

**Q432 Chris Mole:** Clause 43 very broadly defines the general powers the regional assemblies will have. Do you think the draft Bill provides a sufficiently clear indication of what they will actually be able to do with those powers?

**Mr Raynsford:** I think it has surprised some people who were suggesting before the Bill was published that the assemblies would have very limited powers. As you rightly say, these are broad powers. We do intend to introduce certain restrictions designed to safeguard local government because one of the big issues that I have wrestled with, and I know members of this Committee have been concerned about, is that the assemblies should not trample on local authorities or try to usurp their functions. It is right that there should be within legislation a clear definition of those areas that will be off-limits to the assembly because they are the core functions of local authorities. That is something which will need to be defined further. It is a complex issue, as you will understand, because what we do not want to do is to discourage partnership working. The definitions have to be achieved in a way that encourages partnership and co-operation but prevents the kind of takeover that we have regarded as undesirable. That will be a limitation on the powers, but otherwise the assembly will have that broad remit to pursue the environmental, economic and social wellbeing of its region. I think most people have looked at that and said that this is a very good definition of what the objective of an assembly should be.

**Q433 Sir Paul Beresford:** Will the limitations be primary or secondary?

**Mr Raynsford:** They will be primary. That is one of the items mentioned in the policy statement that we are intending to include in the Bill when the Bill is finally introduced.

**Q434 Chairman:** The only trouble is they may have all these powers but they will only have 5p, will they not, on the council tax to pay for it?

**Mr Raynsford:** No, the North East Assembly, if we talk about the North East, will have a budget which it directly controls of more than £0.5 billion; it will influence a further £600 million worth of expenditure; it will have very close working partnerships and relationships with key players who will have a huge impact on spending in the North East. I see it as having a very important role and, yes, it will have an ability to raise additional funds, if it chooses to do so, through precepts on council tax.

**Q435 Mr O'Brien:** In response to a question from Chris Mole you referred to statutory guidance. How prescriptive will this guidance be?

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**Mr Raynsford:** The aim will be a framework, as I described in response to the earlier question, to ensure a consistent approach throughout the country, but not intrusive. We want to give discretion to assemblies to operate in ways that meet the needs of their region. For example, we say that there must be provision for engaging stakeholders that is very much part of the main architecture in which the business community, voluntary sector, local authorities and others who have a key role to play in the region should be constructively engaged. We are leaving it to the assembly themselves to decide how that is best done. That is a very good example of the approach we are adopting. Yes, we are requiring certain principles to be met but allowing a good measure of discretion to the assembly as to how they shape the arrangements to meet that objective.

**Q436 Mr O'Brien:** So there will be no parliamentary scrutiny of this. It will not be included in the Bill or the secondary legislation?

**Mr Raynsford:** There will be a scrutiny function, yes, because the assembly itself is organised in a way which mirrors the model for local government.

**Mr O'Brien:** No, I meant parliamentary scrutiny.

**Q437 Chairman:** How will Parliament scrutinise this guidance?

**Mr Raynsford:** On the guidance, as I mentioned, for all the secondary legislation, all the statutory instruments that we intend to make, we will bring drafts forward so that the members of the committee that will be scrutinising the legislation will have a good opportunity to see that and comment on it during the course of the parliamentary passage of the Bill.

**Q438 Mr O'Brien:** How would you expect the powers of the elected regional assemblies to evolve over time?

**Mr Raynsford:** As I said in response to Dave Clelland's question, I suspect there will be requests for changes—I think that is almost inevitable in the process—but I believe there is a coherent and good package of powers contained in the Bill which will give elected regional assemblies, the first to come into existence, plenty to get on with in their early years. I certainly would not envisage any immediate changes beyond the package that will be put to Parliament when we introduce the Bill.

**Q439 Mr O'Brien:** What about the Northern Way?

**Mr Raynsford:** That, of course, is a planning and economic development framework which the Deputy Prime Minister has been developing for all three of the northern regions. I cannot anticipate the outcome of referendums, and therefore I cannot say that there will inevitably be three elected regional assemblies in the north—that would be for the people in each of the regions to decide—but the Northern Way will continue irrespective of whether there are one, two or three or indeed no elected regional assemblies in the north.

**Q440 Mr O'Brien:** The Northern Way does not look at regional assemblies; it looks at regional cities. There is a difference.

**Mr Raynsford:** No, it is an economic and planning development framework.

**Q441 Mr O'Brien:** So we are not looking at regional cities then but at regional assemblies?

**Mr Raynsford:** The Government has two separate policies. One is the policy that will allow each English region an opportunity, if it so wishes, to have a referendum to establish an elected regional assembly. Secondly, there is a policy to encourage economic development within the northern part of the country, building on some of the natural growth potential of the region and identifying certain planning objectives that will help to facilitate that. That is work being done in the Office of the Deputy Prime Minister. Obviously we are engaging with stakeholders in the northern regions in developing that, but that work will continue, irrespective of the outcome of the referendums.

**Q442 Mr O'Brien:** Are there going to be elections to the regional cities?

**Mr Raynsford:** The cities will continue to have elections for their local authorities as at present. There is no proposal to change that.

**Q443 Mr Clelland:** In terms of the Northern Way, the three regions involved in the referenda are obviously all involved in the Northern Way. In your opinion, if one of those regions had to have an elected assembly, would that strengthen or weaken its position within the Northern Way?

**Mr Raynsford:** I have said on a number of occasions that I suspect that all of the northern regions will be looking to some extent over their shoulders at how others vote because there will be a suspicion that the region or regions that are first in the field with assemblies may get a competitive advantage. They may well have a very powerful voice in advocating key priorities for their region, a voice that is possibly going to be more influential in Westminster, in Brussels and in other areas where decisions are made that will impact on the economy and the life of those regions and that this, as I say, will give a competitive edge to a region with an elected regional assembly. I cannot judge whether that will be the case or not. I just say that I think there are quite a lot of people who feel that may be the case.

**Q444 Mr Clelland:** The possibility is that if, for instance, the tragic event happens and the North East were to vote no and then Yorkshire and Humberside were to vote yes, that would put the North East at a disadvantage?

**Mr Raynsford:** I think a lot of people in the North East would be worried that that would leave Yorkshire and the Humber with a significant competitive advantage against the North East.

**Q445 Chairman:** One or two government departments, like Culture, Media and Sport and perhaps Transport, do not seem quite to have

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embraced the enthusiasm of the Deputy Prime Minister for regional government. Are you going to be able to get them brought into this in the future using clauses 45 and 46?

**Mr Raynsford:** I am pleased to say we have had very lengthy and productive discussions with a number of colleagues in other government departments, included both DCMS and Transport. The discussions are ongoing, particularly in respect of Transport. On the cultural side, we have a series of proposals that I think will help to ensure a really effective partnership between the national institutions, such as Sport England, the Arts Council and the elected regional assemblies, in order to achieve an improvement in the facilities available and their use, both in respect of sports, arts and other cultural activities in the regions. Very obviously for major projects that will have a big impact on the arts or sports in the region, and indeed on the economy and the quality of life in the region, there will be a continuing need for inputs from the centre, from the Arts Council and from Sport England. The framework that we put in place is one that will help to ensure a very close working between the two to achieve the maximum benefit for the region and for arts and sports.

**Q446 Mr Betts:** On the sports issue, as I understand the White Paper, it seemed initially that regional sports responsibilities were almost going to be transferred to the assembly. Now we are talking about keeping the regional sports body but the assembly has a right, as I understand it, to nominate five members, including the Chair. The Chair then has a right to an automatic place on the national sports body. Where does responsibility actually lie? Is there room for discussion with Sport England about outside responsibilities? If an elected regional assembly has a right to make this appointment and the Chair goes to the national sports body, does that mean that that does not happen where there is no elected regional assembly, so a regional with an electorate simply has an advantage in that respect?

**Mr Raynsford:** You are absolutely right that those regions that have an elected regional assembly, because there is that new democratic body responsible for the region, will be able to nominate both the Chair and the members of the respective body: the sports regional body and the arts regional body. The Chair of those will serve on the national body. That is exactly the kind of process I was describing of trying to ensure an effective partnership between the national body and the regional body. The difficulty, and let me be quite frank about this, is that if you try to define the funds available into national as against regional posts, you will end up inevitably with some arbitrary and probably unsatisfactory divisions and some very lumpy patterns of expenditure. If you try to build a partnership in which the region is exercising a real influence on the national body, and the national body is tied into a relationship with the region where it knows that its input is going to be crucial to successful development of sport and arts facilities in the regions, I think you are much more likely to get

a successful long-term relationship with investment planned in a way that maximises the benefits for the region. That is the objective that we are trying to achieve.

**Q447 Chris Mole:** We were told at our last session by a representative from ACPO that the Home Office's and the ODPM's and their perception seem to be talking a different language. What really is the Home Office's commitment to regional development? You talked about all the other departments but you did not mention that one.

**Mr Raynsford:** I have not talked about all the other departments. I was asked specifically about Transport and DCMS and I did respond in relation to those two, but obviously we have had discussions with many other departments such as the DTI, for obvious reasons in relation to economic development and others. We do not propose that the elected regional assemblies should be responsible for policing. That is one of the differences between the English regions and the London model, and so there has not been the same degree of Home Office involvement as there as in the formulation of the proposals for the Greater London Authority. Nevertheless, colleagues in the Home Office are well aware that an elected regional assembly will have a significant impact on many of the programmes that they regard as very important indeed. In terms of social cohesion and measures designed to improve relations between different communities, an elected regional assembly, I believe, has a crucial role to play in overseeing the activity within the region.

**Q448 Chris Mole:** What about the health agenda? The strategic health body seems to sit there lurking about the primary care trusts which have that local membership and accountability. Should the strategic health authorities not be drawn into the accountability loop?

**Mr Raynsford:** They will be drawn in because the regional director of public health will relate directly to the elected regional assembly, and in that way I believe the assembly will be able to exercise an important influence on the development of policies to improve public health in the region. That is our objective. We are not saying that the assembly should run the National Health Service; that would not be appropriate. We are saying that it must have a significant influence, as indeed I think in London it has. I think the Mayor and Assembly have made very significant contribution to the debate about public health in London with very similar arrangements to those now proposed for the English regions.

**Q449 Christine Russell:** I would like to move on to the housing function devolved to the regional assemblies. The Housing Corporation appears to be expressing some concern over the fact that whereas resources will be determined by the assembly, they will not have a role in regulation. Do you see that is going to be a difficulty, that it could lead to a fragmentation and people in the housing field not perhaps communicating with each other?

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**Mr Raynsford:** No, I do not. I think there is an entirely logical pattern here. The Housing Corporation will continue to be responsible for the regulation of registered social landlords. That is one of its important functions and it would be wrong for that to be taken away in individual regions because you do need a consistent pattern and many RSLs, including many of the big northern ones, operate across a number of different regions. A national framework for regulation is right, and that will remain with the Housing Corporation. The financing, the arrangements for the funding of both registered social landlords and social housing work by local authorities, will be brought together and decisions will be made ultimately by the elected regional assembly. That is ensuring democratic control over spending decisions and a much more coherent framework than in the past where spending decisions for registered social landlords were taken by the Housing Corporation and decisions affecting local authorities were taken by the Government Offices. We are trying to pull that together under the new framework with regional housing boards but those are not democratically accountable directly as the elected regional assembly would be. I think the new framework is an important step in the right direction to ensure sensible decision-making about the balance between investment in the particular sectors and an overall framework for housing investment. This is one of the areas actually where elected regional assemblies in the English regions go beyond what applies in London. It is an area where the Mayor of London, not surprisingly, has jumped on the bandwagon and has said he wants those powers to himself. This is an illustration of where some people say elected regional assemblies do not have as much power as the Mayor. There are some, and I talked about the policing function, where they are not involved in that but here in housing they will have greater powers.

**Q450 Christine Russell:** So the monitoring role will clearly remain with the Housing Corporation?

**Mr Raynsford:** The inspection of registered social landlords and indeed local authorities will remain with the Audit Commission, which is the inspectorate. The regulatory function, that is the registration and disciplinary action where there is a failure to meet regulatory standards, will remain with the Housing Corporation.

**Q451 Mr Clelland:** Whatever the Government's policy is, we would expect that all government departments would be fully and enthusiastically behind that policy. It is not entirely clear in terms of regional government whether that is actually the case. To return to transport for a moment, while the regional assemblies will be expected to draw up transport strategies, they do not seem to have much power to ensure that those strategies and priorities are implemented. The proposed powers in the Bill do not seem to reflect the proposals in the recent White Paper *Future of Transport: A Network for 2030* with

its new role for passenger transport executives. Was the Department of Transport involved in drawing up the draft Bill?

**Mr Raynsford:** We have had fairly lengthy discussions with the Department of Transport about the appropriate model to ensure that there is real power and influence in the regions, but within a framework that recognises that many of the transport networks are national and have to be coherent nationally. You cannot have individual regions responsible for sections of the rail network. Clearly you have got to link, if you take the North East region, beyond Berwick into Scotland and south of Darlington into Yorkshire and other regions. That is the balance we are trying to achieve. As I indicated earlier, there have been discussions which have not been entirely completed yet. This is one area where we may well have further thoughts about the potential role of elected regional assemblies.

**Q452 Mr Clelland:** That is good because while the White Paper does in fact make very encouraging noises about regional transport policies, it does not actually talk about the role of regional government within those policies. It talks about passenger transport executives from county councils, et cetera. Will the DFT, for instance, be giving the Highways Agency instructions to ensure that the investment decisions of the regional assemblies are taken fully into account by the Highways Agency?

**Mr Raynsford:** We certainly would expect the Highways Agency to pay very close heed to the views of elected regional assemblies. I know of one particular issue which is very dear to the heart of people in the North East, the dualling of the A1 north to the Scottish border. I confidently expect that if there is a yes vote and an elected regional assembly in the North East, the assembly will be hammering on the door of the Highways Agency. We certainly want a framework where the Highways Agency will be paying very close attention to the view of the elected regional assembly.

**Q453 Chairman:** Are you really telling us that if there is a dramatic yes vote, your negotiations with the Department of Transport might be strengthened?

**Mr Raynsford:** I could not possibly be saying that. What I am saying is that there have been very useful discussions with the Department of Transport. I think there is a common aim to achieve a framework that meets the objectives I set out for genuine devolution and decision-making to the regions but within a framework that ensures a coherent national pattern of transport provision.

**Q454 Christine Russell:** While we are on transport, do you have any concerns that there may not be sufficient capacity in perhaps some of the smaller unitaries that could be created as a result of the local government reorganisation that will take place actually to deliver a full range of transport services? At the moment they tend to be run in two-tier

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authorities by the counties, do they not? Do you have any concerns if the electors opt for a proliferation of smaller unitaries?

**Mr Raynsford:** I do not think they would opt for a proliferation of smaller unitaries because the models in respect of the North East involve either a single unitary, Northumberland, or two unitary authorities, one representing the rural area and one representing the more urban area on the east coast.

**Q455 Christine Russell:** I did ask about some of the smaller unitaries in the North West.

**Mr Raynsford:** I understand that. I was thinking about the North East immediately, because that is where the first referendum will be held, as I was saying, in either case in Northumberland there will be a significantly sized unitary authority and in the case of County Durham either a single unitary Durham or three unitaries in place of the seven district councils at the moment. The Boundary Committee has given very careful thought to those options and it has set out its proposals. I accept when you come to the North West that there are more complex issues, and that obviously will be a factor when people come to cast their vote in those two-tier areas about the preferred model of unitary local government. I have no doubt that those people who prefer a model of very large unitary authorities will put that case forcibly. I have no doubt equally that those who would prefer smaller unitaries will argue their point of view for a different approach. The debate will take place. One of the important innovations I am very pleased we have done is to make it possible for people to express a view. Previously when boundary decisions were taken and local government was reorganised, the public had no say whatsoever other than the consultation. The Boundary Committee came up with its proposals; the Government either accepted them or did not; and then they were put into practice. People did not have a chance to express a view as they will in the second referendum on their preferred model for unitary local government for their area.

**Q456 Mr Betts:** This is a devolution measure, as you keep saying, Minister, but one of the concerns that has been expressed to us by the Local Authority Associations and others is the fact that they are inherently suspicious that in the end government will transfer powers up from them to the regions. Indeed, despite the fine words in the policy statement, they quote planning and housing in the Bill as examples where this is happening, and particularly the fire service, which is perhaps the service in terms of actually doing things where the regional assembly will have the most amount of responsibility and resources. Is the fire service proposal in particular really not consistent with the intentions in the policy statement?

**Mr Raynsford:** No, it is absolutely consistent, and I will explain why in a moment. Let me briefly touch on those other two. In the case of planning, as you know, the Government has proposed a streamlining of the planning system which previously involved rather complex tiers of decision-making. As part of

that, we were in any case in all regions, not just where there are elected regional assemblies, proposing that the regional tier of decision-making should be more focused than was the case in the past, but that still does not take away the important role that remains with local authorities to develop their unitary development plans, and indeed to take decisions on development proposals. That remains with local government. That is not affected in any way by the arrival of the elected regional assembly. The elected regional assembly will perform the regional planning function, the development of a spatial development strategy, but local authorities will continue to take decisions on individual development proposals. On housing, there is no intention for regional assemblies to take over the functions of local housing authorities. Local housing authorities will continue with exactly the same functions. They are not affected. The one power that the assembly will have is the overarching decision-making about housing investment to ensure there is a more coherent approach than in the past where local authority funds have come via one stream and housing association funds have come via another stream. Most people feel it is sensible to have a coherent approach towards investment and that that is democratically accountable, which is what the elected assembly makes possible. I entirely repudiate the argument that local authority powers have been taken away in those areas. In the case of fire, during the preparation of the Fire White Paper, which we published a year and a bit ago, we talked at length with local authorities about the right arrangements. It was clear that a number of functions had to be discharged at a larger level than individual fire and rescue authorities, such as coping with major terrorist incidents, procurement of equipment and training and other needs where it was simply not cost-effective to operate on the basis of the 47 separate fire authorities. There had to be a better degree of regional co-ordination. We discussed this at length with the Local Government Association at the time. We said that there was an argument for the whole fire service being regionalised, but we listened to their concerns and we agreed with them that the right way forward was one in which the functions that had to be discharged at a regional level would be discharged in all areas of the country through regional management boards but where an elected regional assembly was established, it would be sensible for that body, as a democratically accountable and elected body, to take over responsibility, as in London. The Greater London Authority has oversight of the fire and emergency planning authority in London and so it would be applying exactly the same model as applies in London but only in the regions that have elected regional assemblies. We agreed that with the Local Government Association 18 months ago and we are acting entirely within the spirit of that agreement, which was reflected in the Fire White Paper we published in the summer of last year.

**Q457 Mr Betts:** Why would it be necessary, though, just say the North West voted for a regional assembly, for the Greater Manchester Fire Service

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to be transferred to the regional level when it is already bigger than the fire service would be in certain regions if there were elected assemblies in those regions, and yet you would be quite content for relatively small county fire authorities to carry on and remain where regions do not have regional assemblies elected?

**Mr Raynsford:** As I have said, there is now a framework of regional management boards in all the English regions, including the North West, and they are responsible for developing proposals on those issues that must be handled at a regional level. That model is already in place. Where there is an elected regional assembly, you have, for the first time, a directly democratically elected and accountable body which can exercise the kind of oversight that is possible in London where you have a democratically elected body and where you have a regional fire and emergency planning authority far larger than any other one in the country. That is the reason why when we looked, for example, at the cost-effectiveness of the control operations, we found that there was a huge variation, with London being by far and away the most efficient and the average cost per call at about £18 and a range going through £30, £40, £50 per call elsewhere in most of the other authorities including the large ones, culminating in the smallest, the Isle of Wight, with a cost of approximately £170 per call. That huge variation in cost is simply unsustainable. That is why one of the functions which regional management boards are responsible for is developing regional control rooms in each of the English regions. That is happening and that will happen in the North West as well. Even where there is quite a large fire authority, there is still a need, as in the case of Greater Manchester, for regional co-operations to deal with major incidents, and there is a need for pulling together resources in the region to ensure the most cost-effective and the most resilient fire control centre.

**Q458 Mr Betts:** Just looking to the future, and the suspicion still lurks about the pulling up of powers to the region, would it be possible to put a clause in the legislation which safeguarded local authority functions from being transferred up in the future or demanded further primary legislation before they were?

**Mr Raynsford:** I have already said that we intend to introduce additional clauses specifically to define local authority functions which would be off-limits for elected regional assemblies, in response to Chris Mole's earlier question. Yes, we are sympathetic to that. The LGA asked for a blanket provision that said that no function ever discharged by a local authority could ever be transferred. Frankly, I cannot accede to that because, as I pointed out to them, this legislation will be on the statute book hopefully for many years, and at some future date when it is decided by a future government to change a relatively minor function in a way that would make it more logical for it to be discharged at a regional rather than a local level, some such change might be both sensible, necessary and entirely supported by all the parties, yet a clause of that nature would

prevent it ever happening. I think one has to be measured about this. We have given assurances that it is not our intention to take powers away from local government. I have explained how the legislation, as it is presently constituted, meets that commitment and how it is our intention to continue to honour that commitment. I certainly will ensure that, but I could not accept a proposal for a complete blanket block on any transfer ever in the future of any power from a local authority body to a regional body. I think that would be over-prescriptive.

**Q459 Mr Sanders:** Why deal with only one blue light service? Why not also have police and ambulance, and indeed in some regions coastguard services, being co-ordinated at a regional level alongside fire?

**Mr Raynsford:** I suppose my real answer to that is that I think we have a big enough agenda to cover what we are doing at the moment and I believe that the measures in the draft Bill do provide a coherent set of powers for elected regional assemblies. The reorganisation implicit in your proposal would be a further very major step on which I do not see the basis for agreement—there certainly is not any national agreement on that possibility—and I think it could be terribly disruptive to the work of elected regional assemblies if they were having to oversee major reorganisations of that nature.

**Q460 Mr Sanders:** Is not the threat of international terrorism important enough to get that co-ordination right?

**Mr Raynsford:** Absolutely, which is why we are doing a large number of things to help the emergency services to work together in the most effective way. That is why we have procurement of new radio communication systems which are interoperable. That is why there is an enormous amount of joint training and why we have set up regional resilience forums in each of the regions to pull together the various emergency services and other players who must work together. Just as an aside, I was in Birmingham at the beginning of this week and met with the West Midlands Regional Resilience Forum and heard of the very good work that they are doing to co-ordinate the work of the emergency services, the military, local authorities and utilities to ensure that the region is prepared not just for terrorist threats but also for major emergencies such as flooding or other national disasters. That work is going on. Obviously an elected regional assembly would have an interest in that work.

**Q461 Chairman:** Would it not go a bit further than having an interest in?

**Mr Raynsford:** It would be responsible, as I have said, for the fire and rescue service in its region, and that is a very major component, and so it would be very much engaged.

**Q462 Mr Sanders:** You said earlier that the elected regional assemblies would be pursuing economic, social and environmental well-being. That is an amendment of the Local Government Act as I remember. Is there not the possibility here of



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duplication, and indeed tension, between different functions of local government and regional government pursuing that same agenda?

**Mr Raynsford:** I understand the concerns that there might be overlap and there might be duplication and that is why, as I said in response to Chris Mole's question, we will be introducing specific provisions to limit and restrict the ability of elected regional assemblies to act in areas which are clearly the remit of local authorities. Defining that is quite a delicate matter because what you do not want to do is to cut across genuine partnership working and the regions helping local authorities in a constructive way. That is what we want to see, but it is absolutely part of our remit that the elected regional assemblies should not be able to take over or trample on those functions discharged by local authorities, which should remain local authority responsibilities at the local level. That is our thinking and the legislation will reflect that.

**Q463 Sir Paul Beresford:** That is very interesting indeed when one looks at the Mayor for London and his relationship, if you can call it that dynamic perhaps, with the London councils in that in drawing that legislation up, what you do not have in there will be seen as an open door for plucking.

**Mr Raynsford:** The Mayor is an ambitious character and he has set out his views on the future structure of local government in London, but those are just his views. The Association of London Government, representing the 32 London boroughs and the City of London, has a rather different view. I have to say that we have no plans to change the structure of local government in London.

**Q464 Sir Paul Beresford:** That is fine but in this particular Bill you have to be very careful how you actually put the restrictions down because that is not included and could be seen as an open opportunity.

**Mr Raynsford:** I agree with you entirely, and that is why I said, in response to Chris Mole's question, that it is a difficult matter because one does not want to discourage genuine partnership and working together where it would be to mutual advantage, but you have to ensure that the elected regional assembly cannot trample all over the local authority's responsibilities.

**Q465 Mr Sanders:** We heard yesterday from the Chief Executive of the Government Office of the North East who said that around 100 staff would transfer from the Government Office to the regional assembly if there is a yes vote. Will the costs of their salaries be met in full by central government grants to the North East or will any part of that fall on the council taxpayer in the North East?

**Mr Raynsford:** That will all be transferred by Government and Government will meet those costs.

**Q466 Mr Sanders:** Every year from here on in?

**Mr Raynsford:** It will be on a like-for-like basis. I cannot guarantee that if there are dramatic changes, if there were substantial increases in the numbers in some of those functions. If the assembly itself

decided to increase the size, then it would, in our view, have to take some responsibility for that but the costs of the staff who will transfer will be met by Government so that there would be no new cost imposed on the assembly as a result of taking staff from the Government Office.

**Q467 Mr Betts:** In terms of the size of the regional assemblies, is it reasonable to fix the maximum size at 35, given the amount of population there could be in some of the regions and we could be looking at constituencies for directly elected assembly members of probably three times a parliamentary constituency? Is that not going to create a gap between the electorate and the people they elect?

**Mr Raynsford:** No, I think it is absolutely desirable, precisely for the reason that I was talking about in response to the earlier questions from Chris Mole and Sir Paul Beresford, and that is that if you keep the assembly small, it is much less likely to start looking for extra work to undertake and start trampling on local authorities. If you look at the experience in London with an assembly of 25 for a city of seven million people, that has worked in exactly the way that we would have expected, that the assembly has generally focused on matters that are London-wide and has not tried to double guess and duplicate the work of individual local authorities. It is exactly that model that we want to see in the English regions. If you duplicate the kind of level of representation that you have either for local councils or for Members of Parliament, you will have a large assembly; there will inevitably be tension between the different tiers of government because people elected for the same size of constituency will be pursuing the same interests possibly from a different perspective, possibly in conflict with each other; and you will have real problems of dual mandates with both people being able to say they represent exactly the same constituency and they have got a right to speak on the subject. If you have different sizes of constituency and a larger constituency for the regional assembly, then it is much less likely that the elected members of the regional assembly will claim that they have the same mandate as someone elected for the local authority, or indeed a Member of Parliament. I think it is entirely consistent with the principles on which this whole project is based that elected regional assemblies should focus on the regional matters, that they should not interfere with the work of local authorities and should not be double guessing the work of Members of Parliament.

**Q468 Sir Paul Beresford:** Your choice of London is a little unfortunate because the reality is that it is a very ambitious one to a constituency of seven million.

**Mr Raynsford:** The Assembly in London is 25.

**Q469 Sir Paul Beresford:** I realise that but the Assembly's influence is negligible compared to the ambitious one.

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**Mr Raynsford:** That is the separate model of the elected mayor. That is the difference between the London model and the elected regional assemblies.

**Q470 Mr Betts:** It works in Scotland. I know there are slightly different powers. May I say that there is a relationship there to parliamentary constituencies. Just going on to the form of election, I have heard you say before, Minister, that you have looked at the models elsewhere in Scotland and Wales, but in reality are not those models now coming under question from the Scottish Executive and the British Report in Wales? They are questioning whether the additional member system really works and whether there is not a conflict between the two types of member. When we have asked witnesses so far about why this model was chosen, all we have been told is, "Ministers like that model". We can find no evidence at all that anybody has been consulted about it or anybody has expressed a preference for it.

**Mr Raynsford:** There are very significant reasons and advantages for the particular model. Let me just run through them. I do think there is a difference between Scotland and Wales where Parliament and the Assembly are much larger, in terms of the numbers of members, than you will have in an English regional assembly. The kinds of possibilities for conflict between different tiers of government are, for that reason, probably rather greater. The reason for going for the type of election that we have proposed, quite apart from the issue of size, is to ensure that you do have a more proportionate representation of the interests of the region than would be possible by a first-past-the-post election, particularly in terms of regions with a very strong majority of one particular party at parliamentary level. Let us take the North East as an example. I think it is important that there should be opportunities for representation by other parties, which might be completely excluded if the election was on a first-past-the-post basis in a region like the North East. As part of the more inclusive approach in the Government's model, we did believe it was right to have scope for an element of the Assembly elected in proportion to the votes cast for the different parties throughout the region. There is also scope for independents to stand as regional members rather than as constituency members. That may well feature in the North East as one possibility. I believe there are advantages to that. The second factor is ensuring probably a better gender balance and better representation of the different minority interests in various areas. It is very notable that in the cases of Scotland, Wales and London the gender balance on those bodies is far better than in most local authorities and indeed in the Westminster Parliament. That is because the system has allowed an approach, which has been taken up by most of the political parties, to ensure that they are getting a broader representation of different groups in the community. In the case of London certainly, ethnic minority groups also are of particular importance. Ensuring representation of women and minority groups, ensuring that the body is more proportionate to the votes across the region as a

whole than would be the case with a first-past-the-post assembly, and ensuring that the assembly focuses on its function, which is to act as a regional body pursuing regional issues and not duplicating the work of local authorities, all of those pointed to the kind of structure that we have proposed of a small, streamlined assembly and elected by an AMS system.

**Q471 Mr Betts:** It is a bit ironic, is it not, Minister, that, in terms of a measure which is about devolution, on this issue there has been no consultation or listening to the views of people in the regions about the system of voting?

**Mr Raynsford:** There has been.

**Q472 Mr Betts:** What was the process? There has been no process at all, has there?

**Mr Raynsford:** There has been because I have debated this particular issue at almost all the meetings I have held over the last two years in different regions. Certainly we have listened to the views, and the views are varied. Some people are very opposed to our proposals; they would like large assemblies; they would like small constituencies. Other people recognise that the small, streamlined assembly is a very good idea and they like the more inclusive approach or a proportional system of election.

**Q473 Mr Betts:** Just to be clear, though, one of the most important issues would be the split between the directly-elected members and the regionally-elected members in terms of deciding the ultimate composition of the assembly. That is not laid down in the legislation, is it? Can you give us any indication about the likely split in terms of proportions?

**Mr Raynsford:** We have said approximately two-thirds will be elected from constituencies and one-third from the region as a whole, and we will be issuing guidance to the Boundary Committee when we issue guidance to them on framing the constituencies as to precisely how that should be achieved.

**Q474 Mr Betts:** In terms of the cabinet, again there has been a bit of scepticism about having a cabinet as small as three potentially to cover all the various functions. I suppose you could get a situation where, if one of the cabinet members is away and the chair had a casting vote, one person could determine what exactly happened in the cabinet and determine the policy of the assembly. That does not sound terribly democratic, does it?

**Mr Raynsford:** As always on these occasions, you have a choice. You are either very prescriptive or you offer options. We have said that there can be a cabinet of a size as small as you say at one extreme but with seven members at the other extreme. It is up to each assembly to decide what is the best way to go forward. It is going to have to come forward with its own standing orders and proposals, and no doubt those will be debated in the assembly. If you believe in being highly prescriptive and insisting that there

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must be a particular size, then you would go down the route you are proposing. I happen to believe it is right to give a measure of discretion to the assembly itself.

**Q475 Chairman:** Why not give total discretion and let them decide what is most efficient?

**Mr Raynsford:** As always, as I said earlier, there is a balance between setting a national framework that ensures some consistency so that you do not have wholly inconsistent approaches in different English regional assemblies—and that is what we have sought to do by setting a maximum and minimum—and giving the range but giving the assembly the opportunity to decide what arrangement it thinks is most suitable for its region.

**Q476 Chairman:** You might have a situation and in a particular region they might decide that they have to have an executive of three because if they have an executive of five that upsets the balance of the scrutiny committee. Is that not a bit daft?

**Mr Raynsford:** I can see mathematically how that might just about be possible. I think it is unlikely to be a major motivating force. I know there is an issue about the provision that the scrutiny committee and any sub-committees have to be proportionate to the electoral composition of the RMC, the Review and Monitoring Committee. The thinking behind this is that if an RMC were to be required to set up its sub-committees with the membership in proportion to the whole assembly including the executive, as against its own committee, which is purely based on the non-executive members of the executive, then they might not set up any sub-committees because they would see that as, in a sense, watering down their effectiveness. Because there is a requirement that the RMC itself should be made up of members who are not on the executive, for the obvious reason that they are scrutinising the work of the cabinet, then the logic seemed to point to having any sub-committees of that body of similar proportion. I have heard the arguments advanced. I have looked at the figures. If you think about it, it is unlikely, given the range of numbers that we have talked about with the maximum of seven, that actually the political composition would be so skewed that the assembly would not work effectively as a result of the requirement that the RMC and its sub-committees should be made up solely of members who are not on the executive.

**Q477 Chairman:** This principle does not apply as far as the House of Commons is concerned. Where is the logic for this? Is it that you actually have your scrutiny panel making sure that it does not reflect the composition of the whole region as opposed to the region minus the executive?

**Mr Raynsford:** I think really the issue is one of scale. When you are talking about the House of Commons at 650 members, it is a very different matter to talking of a regional assembly of 25 or 35. It is important that the members who are responsible for scrutiny should feel that they are able to do that and are not inhibited from scrutinising the work of the

executive. We believe that is best achieved by ensuring that the political composition of all scrutiny bodies should match that of the RMC itself, which is formed of all the non-executive members of the assembly.

**Q478 Mr Clelland:** One argument against those who say that the assembly would be too small is the fact that there will be other people involved in the work of the assembly—stakeholders, the voluntary sector, the business sector, local government, *et cetera*. While the Bill gives assemblies an encouragement to facilitate the involvement of stakeholders to such an extent that the assembly may think fit, the assemblies are not subject to a more definitive obligation to encourage and facilitate stakeholder participation. Why is that?

**Mr Raynsford:** That is exactly for the reason we have been debating in the course of this discussion: there is a balance to be achieved between setting in place the overall objectives and giving discretion to individual elected regional assemblies to decide how best to do things in the light of circumstances in their region. The North East is a relatively small region. It may well feel that arrangements for engaging stakeholders can be handled in a way rather different to what might apply in, say, the North West where, because of the geographical distances, the arrangements for stakeholder involvement may be sub-regional. For example, a sub-regional structure may well be regarded as appropriate in a larger region and that might not be felt to be necessary elsewhere. I am not saying it will not be but this will be a decision for the region to take. We think it is right there should be discretion and that regions should be able to shape their institutions in a way that does respond to their needs within the overall requirement that they have got to engage stakeholders. That is the balance we are trying to achieve. It is hard, as you will know from the questioning. On some issues I am being accused of being too much a centraliser by being prescriptive and on others I am being accused of allowing too much scope as in Clive Betts's question about whether it is right to let an assembly have a cabinet of just three. We have to try and get a balance here. My view is that we are trying to achieve a national framework that ensures some consistency between different regions where regional assemblies are set up in different regions and the basic principles are met but that we allow a good measure of discretion for the assembly itself to organise its own affairs.

**Q479 Mr Clelland:** While the assemblies would be encouraged, and I am sure they will wish to do so, to engage and involve stakeholders, stakeholders themselves may be reluctant to be involved unless they feel they have a real say in the work of the assembly. Of course, that comes down to whether they may have votes on committees and sub-committee. We have had some concerns expressed about people who are not directly elected having votes. What will be built into the legislation to allay those concerns?

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**Mr Raynsford:** There will be a permissive framework: we are not going to exclude that possibility. We think that assemblies should be able to consider it, but there are certain things that must be decided only by elected members. I think it is possible within that permissive framework to allow a sensible engagement of stakeholders in a very creative way so that they could, for example, sit on scrutiny committees and have a vote in such circumstances; they could play a role in policy development and policy formulation; they could perform advisory functions and really feel that they are making an impact and influencing the work of the assembly. I think we do see scope for active participation. We will encourage it with guidance. I am sure that the stakeholders will come forward themselves. I have encouraged different stakeholder groups in the North East, including representatives of the rural sections of the region and the business community, to come forward with their own proposals as to how they can most usefully engage. I would hope that the assembly, if there is a yes vote and one is set up, will listen carefully and think deeply about these issues and then come forward with appropriate proposals to ensure constructive engagement by stakeholders.

**Q480 Sir Paul Beresford:** I know “the middle way” is a gung-ho phrase but, going back a little bit, there are one or two particular stakeholder groups that are concerned they could be excluded and would like that little minimum level put in: the commercial sector and the rural sector. That would be my concern.

**Mr Raynsford:** Our provisions, in the draft legislation, does require the assembly to come forward with a scheme for engaging stakeholders. If it did so in a way that was clearly discriminatory and excluded certain stakeholders, then that would not only be open to public scrutiny but possibly even judicial review because there is a clear obligation on the assembly to promote participation. The Draft Bill does set out the various grouping that have to be included, including representatives of business, persons employed in the regions, local authorities in the regions, voluntary organisations and community groups, and so it is quite widely drawn. There are other issues relating to rural sectors.

**Q481 Sir Paul Beresford:** That is a little more middle way than you originally indicated.

**Mr Raynsford:** Well, we are trying to be inclusive. I know this is sometimes difficult for others of a different persuasion to accept as the right way forward for models of governments but we think there are real advantages in it.

**Q482 Chairman:** Do English Nature and the Environment Agency count as stakeholders or not?

**Mr Raynsford:** I would have thought so. I would have thought they would inevitably be bodies with a considerable interest. I do not want to prejudge the decision but it would be slightly odd if an assembly were to say it was not going to engage bodies of that nature that have a very significant interest in the life of the region.

**Q483 Mr Clelland:** What about special advisers? What role do you see for special advisers and should it be left to the assembly to decide the numbers and the role of special advisers, or is this something you would want to be involved in as a Minister?

**Mr Raynsford:** We have set out a framework which ensures that there is scope for a limited number of special advisers, but I think the general view about local government, and indeed the Greater London Authority too, is that the numbers should be subject to restriction to avoid a potential abuse of an excessive number of political appointees.

**Mr Clelland:** Unlike central government.

**Q484 Chris Mole:** Minister, I think either clause 1 or clause 2 of the RDA’s Bill specifically charged them with the responsibility to undertake economic development with regard to sustainability. In the light of the Prime Minister’s comments yesterday, should there be a similar specific clause in the Elected Regional Assemblies Bill, given that the arguments have been made about a key role for them in economic development?

**Mr Raynsford:** If I can quote clause 48 of the draft Bill, it is there. Clause 48 requires the assembly to prepare a scheme which sets out its medium and long-term objectives, and then sub-clause (2) says that the scheme must indicate the means by which the assembly’s exercise of its functions is intended to contribute to the achievement of sustainable development. I think that is a pretty good steer that sustainable development is absolutely at the heart of the assembly’s work.

**Q485 Chairman:** It is pretty low down the list, though, is it not, at 46?

**Mr Raynsford:** There are 150 clauses already and do remember that the Greater London Authority Bill started out at about 250 and ended up with over 400. I am not saying that is what I want this to do but I think 48 is reasonably high up the pecking order.

**Chairman:** At that point, Minister, may I thank you very much for your evidence.

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*Witnesses: Mr Alan Donnelly, Mr Kevin Rowan, Yes 4 the North East, Councillor Philip Davis, Campaign for the English Regions and Mr Nick Skellett, Leader of Surrey County Council, South East County Leaders' Group (SECL), examined.*

**Q486 Chairman:** Can I welcome you to the second session this morning and explain that originally we were intending to have two sessions after the Minister, one of which would include the No campaign for the North East. The No campaign for the North East were not able to send anybody—and, I want to stress, it was not that we did not ask them but they did not feel they could send anybody—and, therefore, it seemed that in terms of balance to put the four of you together would be better. Can I stress to you that if you agree with each other please do not repeat things; smile and I will try and get your smiles on the record. If you disagree then I will be very happy for you to catch my eye and to come in. Would you like to identify yourselves?

**Mr Rowan:** My name is Kevin Rowan, on behalf of the Yes 4 the North East Campaign and I am Regional Secretary of the northern TUC.

**Cllr Davis:** I am Councillor Philip Davis, Chair of the Campaign for the English Regions, the single, umbrella body for all the devolution campaigns across the country.

**Mr Donnelly:** Alan Donnelly, I am part of the Yes campaign in the North East and I have a business in the North East.

**Mr Skellett:** I am Nick Skellett, I am Leader of Surrey County Council and I am representing the South East County Leaders' Group.

**Q487 Chairman:** Thank you very much. Does anyone want to say anything by way of introduction or are you happy for us to go straight to questions?

**Mr Skellett:** Yes, I think, probably, alone of the group here we do not support the Bill, but we have provided evidence as it goes through to improve it. We do not support the Bill because we believe, in England, in a county-based government. It is large enough and strategic enough to add weight to central government and local enough to represent local views. In fact, people identify with their counties in England, in the shires. We believe that the Bill itself is a bit of a fudge with regard to devolution; it is nothing like what has been given to Scotland or Wales and, in fact, the experience of the big central departments—I am thinking of Education, Health, the Home Office, and Defra—as regional structures have evolved, is that they use the regional structures to, effectively, centralise their own powers. It is only the DTLR and its successors which, effectively, have given some evidence of devolution, but even in those cases, in planning, housing and fire, they have tended to bring power upwards from local government to the existing regional structures. So we think that the upheaval that would ensue from this is unnecessary and it disrupts, without the consent of people across England generally (only certain parts have been consulted) and changes the nature of local government quite considerably, without any mandate; only the North East, North West and Humberside have been consulted, and for those who really believe in devolution, such as in the North East, I believe, and want something like what

Scotland has, they are not going to get it. It is almost as though the British Government does not believe in devolution in their last colony, England.

**Q488 Chairman:** Thank you very much. Does anyone else want to say anything, or are you happy for us to go straight into questions?

**Cllr Davis:** Simply to say that the Campaign for the English Regions would like to endorse the comments made by the Select Committee's previous report about reducing regional disparities in prosperity. Contrary to what has just been said, you would expect us to be supportive of the draft Bill in principle, although we are critical friends and we do have criticisms of certain aspects of the Bill, particularly on the numbers question, which was discussed with the Minister. However, we would like to endorse the previous comments as a sort of starting point for our position from the Select committee report on economic issues, where your report said, and I quote: "Where Elected Regional Assemblies are introduced they should have direct responsibility for at least business development, learning and skills, neighbourhood renewal and transport policies and funding." Your second key point: "Where regional institutions are given powers and are democratically elected they will make better use of the limited resources available to them". Our view is that there is a missing tier in terms of delivering strategic services. Our interest is better services for people at the local level; that is what motivates the Campaign for the English Regions, and we believe that the draft Bill offers a starting point for developing the sort of structures which will deliver better services in the localities.

**Chairman:** Thank you very much. So we will go to the questions.

**Q489 Mr Sanders:** What problems have you got selling the idea of an assembly in the regions?

**Mr Rowan:** I think if you look at the result of the last ICM poll which was conducted in the North East, with over 1,000 respondents from across the demographic spectrum in the region, the level of interest and engagement is very high. There is only around 25% of people who, at this stage—and in some respects we are at the very early stages of campaigning—have not made their minds up. So, arguably, there is already a level of interest in this, which suggests that we do not necessarily have a hard job in selling it as a concept. Within that, 70% of people have identified that they want more information, and I think in an educated society, no matter how information you can give people, there is always a question—more particularly, I think, in a new concept. I think the biggest difficulty we have is getting members of the public to understand the powers and responsibilities that an elected regional assembly would have. Arguably you could apply that case to MPs, MEPs or to local councillors. So although we are not having a difficult job in selling it as a concept, I think the difficulty, or challenge, we might get to is explaining the devil of the detail.

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**Mr Donnelly:** It is quite interesting that the Government's campaign over the last couple of months explaining that there is going to be a referendum, we have found, has created a great deal of interest in the whole issue of regional assemblies. I think the way the Government has set about doing this, having a referendum in one of the regions where there has been a demand for some time for regional government, assuming that the assembly is set up, will stimulate interest in other regions around England. So I think the process has been quite sensibly designed.

**Mr Rowan:** Can I make another point, Chair? Interestingly, in the political sense, the ICM poll showed that the highest levels of interest were among the 18-24 year-old respondents, which I think is a very, very positive sign.

**Q490 Mr Clelland:** Can I ask what you see as the major problem with the assemblies as currently outlined in the Bill?

**Cltr Davis:** Can I respond? As I say, we are critical supporters, from the Campaign for the English Regions, of the principle of the assemblies. We want to see them happen; however, the earlier discussion with the Minister about the size of the assemblies is a concern of ours. The difficulty is, I think, that the model offered to the English regions is really the model which has been offered to London but without the mayor. The size of the assembly is more appropriate to a city region like London than diverse regions across England. If you consider that all but one English region has a population bigger than Wales—regions like my own region, the West Midlands, has 5.3 million, which is bigger than Scotland—we are potentially offered 35 people ultimately and, as we know, there are 60 AMs in Wales. Numbers are, to some degree, arbitrary, clearly, but we feel there are difficulties in terms of representativeness, particularly in a diverse region like ours (I am talking about diversity in terms of ethnic diversity as well) and there are also issues across England in terms of urban/rural divide. A higher number certainly, 50 maybe, would allow you then to factor into the structure much more representativeness in terms of urban issues and rural issues. Those are the key differentials between the London model and our own model in the other English regions.

**Mr Donnelly:** Chairman, from a business perspective we actually like the idea that the assembly is relatively small. One of the key things in the North East of England when we have talked to people in the region is that they ask us, "Will it mean lots more politicians?" Of course, one of the good things about this legislation is that it will actually scrap a tier of local government, so it will mean less politicians. Frankly, it was interesting listening to what the Minister said when he was answering questions from you about the idea of stakeholders. I think it is extremely important, if we are to actually make this thing work in the North East of England, that this is not window dressing, and that stakeholders have a real function and a real role in the assembly. While the assembly will be relatively

small, we see the assembly actually reaching out to much wider and larger groups of people, so that the stakeholder forums will actually give an opportunity for many, many more people to take part, particularly from the business community. One of our conditions for supporting the assembly, from the business community in the North East, is that we will be fully engaged in that process, and we expect that from the point of view of economic development the stakeholder forum will allow business people to be fully engaged.

**Mr Skellett:** We believe the size of the assembly is too small. In our region there are over eight million people and we believe there should be a greater link between the members of the assembly and areas, and it would be very difficult, particularly on those who are not actually regional. So size is important. There is a disadvantage for rural communities, also, that we see, which has to be addressed. In most of the regions that have been subject to referenda there are huge majority urban populations despite the fact that there are large rural communities. At the present time those representations are normally from local authorities directly to government, and we could see the possibility of strategies being set regionally which disadvantage the rural communities. We believe that some kind of rural proofing or the emergence of large, strategic authorities representing rural areas are necessary. We also do not regard local government as just another stakeholder; local government provides the services which are required by the strategy set by the region and, therefore, a much clearer link between local government and government in the region is required; it is not just another stakeholder.

**Q491 Sir Paul Beresford:** Some of you have said that, as I understand it, you have got concerns about getting across to the public exactly what they are going to be voting for, particularly with this referendum, where it is an all-postal vote. What would your feeling be if it was a low turnout and a low yes majority?

**Mr Rowan:** In answer to the other question, which is related to that question, I think, we are selling the concept of devolution, which is a journey not a destination. We vote for this now because we think it is significant and will make a difference. We are also saying, at the same time, that if we do achieve a yes vote in November, we will be looking at the *Future of Transport* White Paper for further devolution of transport powers and reviewing the culture, media and sport spend to bring that to the region. So one of the problems, in answer to the first question (and I will come to the second) is that we are, almost, selling the promise of future powers should we do well with the powers we have got. So it is a concept that we are selling, which is always more difficult. The ICM poll indicated that we are expecting a 63% turnout at the moment. That is a current indication, and I hope that that goes up as the other 25% of people who so far have not decided make their minds up. I think the postal vote experience, so far, has shown that turnout has been pretty good, and we are optimistic that that is going to be the case, but we

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have a democratic system in which we count the votes which have been cast, and we do not count the votes that have not been cast, and if there is a low turnout with a yes vote then we will work with that and understand from that that, as political actors in the region, we all have a responsibility to try and find ways to make people engage and enable people to engage in the political process and take a political view. Not voting should not be regarded as opposition to the concept or to anything that the vote is about. If we have a low turnout and it is a yes, we will take that and we will learn from it.

**Q492 Sir Paul Beresford:** If there is a no vote, bearing in mind the scenario that it is difficult to get it across, as you have just said, you can come back in seven years. If there is a yes vote you have still got the same difficult thing to sell. Should we not have on the Bill the opportunity to come back in seven years to decide whether we want what we have got?

**Mr Rowan:** I do not think it is difficult to sell the idea of people in the region having more responsibility for the decisions that affect them. I think the question was what problems do we have. The difficulties are in getting people to understand the detail of what that means. I think the majority of the feedback we are experiencing is that people do want to have a greater say and greater influence over what is happening to them in their daily lives. I do not think that is a challenge.

**Q493 Chairman:** Would you be able to live, though, with Sir Paul's idea of a sunset clause?

**Mr Rowan:** In my view, if we get a yes vote and we adopt all the kind of stakeholder principles that have been outlined in the Bill and outlined in the Minister's comments earlier, and we find a way to engage people more directly in the decisions that are affecting their daily lives, I do not think we would have anything to fear from a sunset clause.

**Mr Donnelly:** I do not honestly think that you can create a level of government in a region—as we heard earlier, the transfer of civil servants, the scrapping of a lot of quangos in the region, transferring powers—and see it as a seven-year experience. I think if you really want to engage people, certainly in the North East of England, then you have got to say to them “Look, this is going to be something that is an important part of the government of the United Kingdom; it is an important part of the decision-making process that will affect your life”. If they know that it is going to be a permanent structure then what we hope is that that is going to be a way of engaging people. One of the problems that we have, and it was true in the last General Election and in the European and local elections recently, is that the participation of people in politics in the democratic process is not very good at the moment, and one of the things that we hope will be a spin-off from the creation of the regional assembly is to get the assembly to engage with the public. If they only see it as an experiment they are not going to see it as something worth getting involved in.

**Q494 Mr Clelland:** The people you have identified in your polls as being in favour of regional government are in favour because of the years and years of campaigning which you have all been engaged in on the benefits of regional government. Do you see the contents of this draft Bill actually delivering those benefits which you have identified over those years?

**Cllr Davis:** Can I just comment from the CfER perspective? I am not sure I agree with the premise of the question. I think that, probably, a lot of the wish to have some form of regional assembly is to do with a concern that things are too over-centralised; there is too much done in London which could be better done in the particular regions. Interestingly, there has been a persistently high opinion poll response in terms of support for an elected regional assembly in my own region, the West Midlands, which does not feature in the referendum scenario currently. I think that is a reflection of that concern that too much is done in London and too many things which could be better done locally or could be resolved with a little bit more autonomy in the regions, whether it is in the North East or in the Midlands or the South West, or whatever, are not being done. That is, if you like, the negative push. Clearly, where there have been campaigning organisations, notably in the North East, then the organisations here will speak about that. The issue now is that people see that there is a gap in terms of delivery, and for me, as someone who is a local council leader, the issue is “Can I provide a better bus service? Can I provide a better transport service for local people?”

**Q495 Mr Clelland:** Can I just turn to the South East County Leaders' Group? You have said that the assemblies are a bit small, that the Bill is a bit of a fudge and local government is not adequately represented. If the Bill was to be changed radically to ensure that there was adequate representation of the electorate and of local authority involvement in these assemblies, and this was firmly secured, would you support the Bill?

**Mr Skellett:** No. What we believe—

**Q496 Mr Clelland:** You are just opposed in principle to regional government?

**Mr Skellett:** The reason, as I said at the very beginning, is that we think it is the wrong direction, but clearly we are very interested in improving the Bill as it rolls through. What we believe in doing regionally is for local authorities to work together on a voluntary basis—

**Q497 Mr Clelland:** However, the point is—we understand your objections in principle—we are debating here a draft Bill before Parliament. Is there any way that the Bill could be changed to get to a stage where you would actually support it?

**Mr Skellett:** No.

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**Q498 Chris Mole:** We have been listening to the polling information about why people would support a regional assembly. If the assemblies were to get more powers, in the North East, do you think that would get greater support from people?

**Mr Rowan:** Certainly the indications are that the more powers a regional assembly would have the more inclined people are to support it. The first question is always: is there enough on the table to get people interested, to make a difference and to deliver what people want and deliver the motivation for people to be interested? I think the principal objective of improving economic development—the creation of jobs, greater influence over skills and over planning and housing strategies, greater influence over transport in the future and greater influence, hopefully, over culture, media and sport in the future—is why people want this. We can talk about process issues and the details of the Bill, but people want to support it because it means more for them in terms of jobs, it is going to mean more for them in terms of prosperity and it means more for them in terms of opportunity, because the means of achieving those things are all contained, in my view, within the Bill as it is currently drafted.

**Mr Donnelly:** The one area where we would certainly like to see an improvement—

**Q499 Chris Mole:** You read my mind!

**Mr Donnelly:** Again, I was interested in the questioning that you had with the Minister earlier in the area of transport. The 2004 Spending Review actually linked the issue of economic development and transport very closely. One thing I do hope—assuming we get a yes vote in the North East—is that as you come to discuss the legislation in the coming months you will press the Minister to give us much more input into the whole issue of transport policy because the travel-to-work areas and trying to link the north and south of the region is absolutely critical.

**Q500 Chris Mole:** Why do you think that power has not been put in the Bill?

**Mr Donnelly:** I think, to be honest with you, as one of you said, there are a number of blank pages in the Bill and, from our discussions with the Ministers over this and with the Deputy Prime Minister, they have said that they do have an open mind on some of these issues in the coming months. I think even the Transport Secretary, in one of his recent White Papers, indicated, in relation to rail, that he was prepared to cede powers to a regional assembly. So I think we are pushing at an open door there. However, the key thing, really, in terms of selling this to the public, has been the economic development issue. I do hope that you will all have a look at the transport issue in the coming months.

**Cllr Davis:** Can I add, briefly, the culture issues as well—DCMS powers?

**Q501 Christine Russell:** Mr Donnelly, you have just mentioned economic development and I was coming on to ask a question about it. Earlier you spoke quite positively about your belief that business people will

be quite prepared to get engaged with an elected regional assembly. What evidence do you have from the North East that an elected regional assembly will actually be really good for the economy in the North East?

**Mr Donnelly:** I chose to set up my business four years ago in the North East of England. I could have set it up in London, I could have set it up in another part of the country but I chose the North East as my home. The business is successful—touch wood—it is working well, and I am part of a network of entrepreneurs who run successful businesses from the North East. However, we are frustrated by the fact that the Regional Development Agencies, which are doing, within the scope that they have, a reasonably good job, really do not have a proper dialogue with the business community. We would like to have a much greater input into the way in which the resources of the Regional Development Agency are spent. There are over 500 business support initiatives in the North East of England, but when I set up my business I think I got support for creating a website, and that was it. There needs to be much more focus into the way in which business support is given in the region. We are very poor at business start-up in the North East, and do very badly in our region compared to the rest of the country. So I think we feel that, with a regional assembly, by being able to have an input into that we could do much more to help create greater entrepreneurship in the north of England. That is not to say that the Agency is not a good thing. Previously I campaigned very strongly for a development agency in the North East. It does, within its remit, a good job but it does not have the sort of interface with the wealth generators in the region; the people who generate the wealth and create the jobs in the region are people like me—I employ 20 people—but we need—

**Q502 Christine Russell:** Why does that dialogue not take place?

**Mr Donnelly:** There are over 60 quangos in the North East, and 25 of them have a direct input on the life of the people in the region. There is absolutely no interface or dialogue with these people. So the thing about a regional assembly is that it actually would be able to tap into the expertise that there is in the region. In terms of stakeholders, I said earlier that I hope it will not be cosmetic; there are lots of business people that I know in the region who are small business people who are really successful entrepreneurs, and one of those stakeholder groups has got to be an entrepreneurs group which will help to direct the way in which resources are spent in the North East. All of that is possible but it is not possible at the moment.

**Q503 Mr O'Brien:** Do you see conflict between the regional assemblies and the Northern Way (?)—the eight cities that make up the economic programme for the three regional development agencies? The Minister told us today that the purpose of the



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Northern Way, based on the eight cities, is for economic development throughout the area. Do you see conflict?

**Mr Donnelly:** I do not see conflict at all. I think the idea of bringing 15 million people together, which is what the three regions working together would do, would be a great idea. For example, we talk about transport: the assembly, whether it has a direct power or has an influence, will certainly have an influence over the way in which the Department of Transport operates, and in other areas of regeneration the assembly will have an influence. I think, actually, the assembly will be able to help make a greater success of the Northern Way.

**Q504 Mr O'Brien:** If the City of Newcastle has a power for directing economic development in the area will that not conflict with the regional assembly?

**Mr Donnelly:** I do not think so. In our region, perhaps, we are lucky because this debate has been going on for, certainly, the 25 years that I have been associated with it. The local authorities are very clear in their minds where the levels of responsibility lies, and I do not think there will be a conflict with local government. There is already an unelected regional assembly at the moment which is made up of stakeholders including local authorities, and that operates very well within the remit that it has. I think there are already examples of how local government and regional government can co-operate together, so I actually see it as, possibly, even, a sort of catalyst for that initiative.

**Q505 Mr Clelland:** We heard the Minister say earlier that regardless of what happens in the North East the referenda will still go ahead in the North West and Yorkshire. If, for instance, the North East was to vote no on 4 November and, subsequently, Yorkshire and the North West vote yes, what position will that leave the North East in, in terms of the Northern Way?

**Mr Donnelly:** I have to say there is a huge opportunity here for the region, and it is a pity, in a sense, that the No campaign did not accept the invitation to be here, because one of the things that really depresses me about what they are doing is they are talking down the region. If we lose the referendum in the North East I think it will have a long-term impact on the self-confidence of the region and, also, the view that people outside of the region have of the North East. This idea of the referendum is not just "Let's have a vote and see what people think"; the opportunity is massive but the downside is quite substantial, too, in the way that people will perceive us.

**Q506 Mr Clelland:** The Government's manifesto promise was to allow referenda for regional government in those regions that want it, and in order to assess whether the region wanted it or not they had this sounding exercise, which Alan Donnelly referred to earlier. Can you give us your impressions of the sounding exercise? How

successful do you think it was in assessing the views of people in the North East? What is your view on how it was conceived and carried out?

**Mr Rowan:** I think the level of engagement in the sounding exercise in the North East was very high. I think there was a lot of participation from people and organisations expressing their view for and, in some cases, against the opportunity to have a referendum on a regional assembly. So that in itself would indicate that the process of the sounding exercise was reasonable and the outcome, to suggest that we should have a referendum in the North East, was pretty clear. The direct answer to your question is that the sounding exercise clearly worked well in that respect. If I can refer again to the ICM poll, 75% of the people in the region understand enough of the issues to have made their mind up to vote yes or no—two to one in favour, as it stands now, of a yes vote—and 70% of those people are indicating that they want more information. That, for me, indicates a level of engagement in the issue, which justifies cracking on with the referendum.

**Q507 Mr Clelland:** In terms of the Government assessing opinion in other regions—the West Midlands, for instance—would you say that we have nothing to learn from the sounding exercise in the North East, or do you think that perhaps we have got to look at ways of improving it? Should there be a more systematic basis of assessing opinion?

**Mr Rowan:** I think there are always lessons to learn. One of the lessons that we do learn is that people want more information sooner, and I think it will always be the case that people want more information, in terms of informing people about what they are thinking about and what they are discussing. It is very difficult in this case, of course, because we have only got—

**Q508 Chairman:** Is there a danger that people say they want more information but they do not read it?

**Mr Rowan:** I think we have a responsibility to give people information in the way that they can access it.

**Cllr Davis:** The whole issue about regional structures currently is that they are a huge underground success story, are they not? Hardly anybody knows what the West Midlands Regional Assembly does, despite the fact that it is actually doing some quite useful work. So I think the point is well made that we need a more proactive attitude on the part of Government in terms of saying, "Look, this is the regional agenda; this is what we are all trying to do". We need to get that down to grass roots issues, back to the bus services and the improvement of services at a local level.

**Q509 Mr Betts:** In terms of the involvement of other government departments, you made reference to the transport issues and the feeling that there is still a bit of a blank sheet of paper in the Bill. Do you get the feeling that sometimes it is the case that where ODPM has been able to talk to itself about what should happen the legislation is quite well detailed but where they have been relying on getting other government departments to come in and, maybe,

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give up some of their responsibilities—on transport, we have not quite got there, DCMS has, maybe, rowed back (?) from the White Paper in terms of the regional supports and arts responsibilities being incorporated into the assembly's powers; the Home Office does not appear to have been engaged at all, and in education the skills agenda really is parallel but not really linked in—are they the sort of things that you think have got to be addressed to make the regional assembly a real, proper force in the North East.

**Mr Donnelly:** Yes, I suspect that the reticence within government departments about what powers they would like to see regional assemblies have are probably similar to the views of some government departments in Whitehall about the idea of relocating outside London. Generally, my experience with the civil service, with a number of different hats on over the last 20 years, is that provided you can conduct the business within Whitehall then everything is okay. I think there is genuinely a reluctance in the culture in Whitehall to see the whole process of devolution take place, and that is because I do not think they are properly engaged in this process. The fact that, in a sense—and, again, you discussed this earlier in the Committee—you have got the draft Bill, there will be the referendum in the North East and then you will actually have to consider the legislation (assuming that the referendum is a positive vote in the North East), I suspect, will act as a catalyst for some of the government departments to realise that this is actually going to happen and they have got to get involved in the process. Hopefully, for those of you who support the legislation round the table it will give you more ammunition to make sure that all government departments are fully committed to it, because it is clear from talking to some civil servants I know that they are not coming into this process with huge enthusiasm, but their departments are.

**Q510 Mr Betts:** One of the points has been made, as well, that if there was some more genuine devolution of powers and, say, the regional assemblies had the right to allocate budgets for more than housing—say, for transport or skills—it might then become apparent the disparity in regional budgets between the North East and the South East, in terms of the total amount being spent. Do you think that is a fear somewhere in the system?

**Mr Donnelly:** Or the North East and Scotland—which is one of those things I am sure you have discussed in relation to the Barnett formula. Believe me, if we get the assembly, one of the things we will be coming to knock on your door—

**Chairman:** I am tempted to ask you to explain the Barnett formula. There is a danger that everyone blames it rather than actually looking at the consequences.

**Q511 Christine Russell:** Mr Skellett, you have been quiet for quite a while so can I ask you to tell the Committee why your organisation is particularly concerned—or what you base your fears on, perhaps—that an elected regional assembly will, in

fact, take powers away from local government rather than passing them down from central Government?

**Mr Skellett:** The experience is that what we are talking about is planning coming upwards from the sub-regional counties to strategic planning (?). Even though, in theory, the Regional Spatial Strategies are to be determined by the elected assembly, I believe Section 104 is able to override that. One wonders, therefore, whether, particularly in a region of different political complexity, he would use that. In theory the region is not independent of those directives. The fire service is gradually being regionalised. This is an upward movement of powers. In housing—admittedly at the regional level there is some power of dispersal of funds—many of the powers of housing authorities are being taken on by the new strategic region. So what have we got to date? We have clearly—going back to Mr Betts' question—got education, health Defra, and the Home Office resisting any movement of powers downwards to elected bodies. They were very happy to use the government offices and very happy—as the recent Defra example shows in their £70 million post-Haskins on foot-and-mouth—to move out £70 million to the RDAs, bypassing the county councils which actually did all the work. So the experience to date, as I said, is not good. Where there have been new powers some of those have come upwards. The new powers that do seem to be coming down are more in the way of appointments: appointments to the RDAs, appointments to the LSCs—not really big stuff, is it? I come back to my original point: we believe in improved public service delivery, including better public engagement in what is going on. We do not see the public being more engaged in regional affairs because you have got an elected assembly of 25 people; we do believe the public would be better engaged if they saw that local government had real powers to deliver, had a real voice and was independent of increased ring-fencing and direction which comes from Whitehall.

**Q512 Christine Russell:** Do you not feel that lots of people feel quite remote from their county councils anyhow?

**Mr Skellett:** No, I do not, actually.

**Q513 Christine Russell:** Why is the turnout in county council elections always lower than the turnout in district elections with two-tier authorities? How do you explain that?

**Mr Skellett:** The last two elections were superb because they were at the same time as the General Election, so you must be going back a little way. They are certainly far better than the Euro elections.

**Q514 Chairman:** And no one disputes that they are remote.

**Mr Skellett:** So you are going to get even more remote elected assemblies, are you? In the local government reorganisation in 1995–96—in our county, at least—we had one of the highest rates of people identifying with their county. There is a heritage and, as I say, there is a nice balance at that

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sub-regional level. The counties do work together on land-use planning, on bringing their local transport plans together, on regional transport strategies, where it is necessary, but you have this nice balance of authorities able to challenge government, having the weight and strategic thinking yet, at the same time, local identity, local arrangements for local people.

**Q515 Sir Paul Beresford:** Yesterday the Minister's officials made it quite clear that the blank pages were not going to contain any more powers, and today the Minister made it quite clear that there would be no more powers coming back up. So what you have got is what you are going to get. In other words, you have got what I consider to be a talking shop—a small white elephant that wants to be a big white elephant, but the Minister has taken away the growth hormone.

**Cllr Davis:** I think that is a misreading of the situation. You only have to look at the evolutionary process of Scottish and Welsh devolution. It is the case, as you have said yourselves, that this is not a one-stop; this is an organic process and once you have the elected assembly established they will be speaking for their regions in a way that means that the Government will have to listen to them and you will see an incremental increase in their powers.

**Mr Donnelly:** Just to give you one example, if you forget everything else in this legislation, the influence that the assembly will have on learning and skills in the North East, in itself, even as it is set out in the Bill, would be worth actually creating regional assemblies. One of our biggest problems in the North East over the past 50 years has been the meddling and fiddling by Whitehall with the skills policy in the North East of England. We have had a range of policies that have been totally inappropriate for the range of industries that we have in the region and the sorts of industries we have tried to grow in the region. Just that one issue, when the assembly gets the right to appoint people and to have a greater influence over skills policy, I tell you, lots of people in the business community that I know will be delighted with that one, single policy.

**Q516 Mr Clelland:** The Government wants regional authorities to be manageable, focused and effective and has, therefore, decided they should be small. CfER, on the other hand, believe that that will lead to inadequate representation. Could Councillor Davis tell us what he thinks the ideal size of a regional assembly would be to meet those objectives?

**Cllr Davis:** The ideal situation would be to have a permissive regime, whereby within a reasonable range there could be a regional choice. However, we are not there. We recognise the political realities. It seems to me the comparator would be, say, the Welsh or Scottish models—not as big as the Scottish model and not even necessarily as big as the Welsh model. However, as I say, the disparity is that in a region of over five million people (or eight million people in the case of the South East) with only 35 members, there are inevitably going to be difficulties

about representation. I thought your earlier discussion with the Minister about the voting system was interesting as well, because there are difficulties about constituencies and all the rest of that. We are not saying those are fundamental difficulties—we welcome the draft Bill—but we think that in the process of your considerations and the Parliamentary considerations this issue about numbers could be revisited, although we do understand the arguments that were being put by business representatives about wanting a tight organisation. We think it can be focused as long as the functions are clear, but we do think that because you have, for example, in regions like the West Midlands, about half the population living in a core urban area and half living in shire county areas with some big towns, there is quite a disparity there. What we are being offered, as I said earlier, is a city region model, which is fine for London but does not match the conditions that you necessarily find in English regions.

**Q517 Mr Clelland:** Does the proposal to introduce the Cabinet system, which local government has now been obliged to use, for regional government meet with your approval?

**Cllr Davis:** I do not think the principle of the Cabinet system is a problem, but the numbers—which I think you quite rightly explored with the Minister—do pose some difficulties. I will not repeat those because I think the points are well made; there are technical problems about the numbers and we would require rather more discretion to be given to assemblies to develop models which suit their local conditions. Certainly the situation where the scrutiny system will be run by the opposition party and the controlling coalition, or whatever, will be running the executive, by default, is not a healthy position. That needs to be addressed. There may be some unintended consequences if the Bill goes forward with that technical provision as it is. That, at least, is based on my experience of the Cabinet system in local government, which has produced some—and I see Mr Mole is nodding from his own experience—unintended consequences which have not been healthy for democracy or scrutiny.

**Q518 Chris Mole:** In areas where regional assemblies are not set up should the Government extend the role of the existing voluntary regional assemblies, and should this be reflected in the Bill?

**Mr Rowan:** I think one of the major advantages I am going to enjoy from having an elected regional assembly is a body that coheses and co-ordinates all of the different initiatives, all the different quangos, all the different regional policies that are being conducted in the region undemocratically and without much engagement. So I think we need to have a look at that. One of the main advantages is that we will have much better governance in the region by co-ordinating those initiatives and policies through an elected regional assembly. It is only right if there are economic benefits that come out of that which are enjoyed in the North East that the Government considers ways of doing that in other

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regions. We think the most effective way of doing that is through an elected regional assembly—small, effective and visible. However, in regions where there is not the same level of support for those kinds of democratic establishments to be created then the Government certainly ought to consider other ways of carrying out its regional policy.

**Cllr Davis:** Very quickly: the problem is the democratic deficit in the voluntary assemblies. I was Chair of the regional assembly for West Midlands for two years, from 2002–03, and the problem is—and I have some sympathy for Mr Skellett's view here—if you are taking powers from local government in some contexts—on the spatial planning side, for example—that may be perfectly legitimate but it is only legitimised if there is an elected body at the regional level doing the process. If you are moving it all into voluntary authorities, even where there is a strong local government representation, then inevitably there is a question mark about how far you should do that, good as the voluntary assemblies are, in my view, at co-ordinating strategy.

**Q519 Mr Betts:** Regional Assemblies are elected in some regions. It is likely, surely, that they are not going to be merely content with spending what they are given, they are likely to be wanting to lobby for more resources. Is that going to put those regions which do not have an elected assembly at a disadvantage?

**Cllr Davis:** Yes.

**Mr Skellett:** It should not do. It is really up to Government, is it not, whether they want to discriminate. There should be a fairness of distribution of funds and public services, but, as someone mentioned the Barnett formula, there is possibly not. There should not be even more discrimination because this happens, because not all

the English regions are being given the opportunity to vote anyway—this is a gradual process. It is purely down to Government to introduce that fairness. Is there a fear? Possibly there is a fear that this will happen but it would be wrong to change one's views on the right of this kind of legislation through fear. We are not going to change our view because that may happen, and we certainly hope and trust the Government will not introduce more discrimination in the distribution of funds, any more than is in the system already anyway.

**Mr Rowan:** It is hard to articulate the motivations of people who support the yes campaign in the North East, but one of the motivations is because the current system has not worked to deliver those outcomes that we need in terms of jobs, opportunities, prosperity and skills development in the region. There is a case, I might suggest, for positive discrimination for the North East to try and address those issues. I think perhaps we do not have the same level of support and demand for a different way of doing things in other regions of the UK because they have not faced the same challenges and, perhaps, have not accrued the benefits of national government in such a small way as we have in the North East.

**Mr Donnelly:** I think initially, I would have thought the assembly's job is to get to grips with the budget that currently is spent in the region. As the Minister said, there is £500 million which the assembly would be directly responsible for and a further £600 million that it would have an influence over. I think it is extremely important, in order to demonstrate to the public that the assembly is worth its salt, that you can demonstrate that the money is being spent better. I would prefer to see that before we get into an argument about additional resources, although I would not like to see the Barnett formula addressed.

**Chairman:** On that note, can I thank you all very much for your evidence. Thank you very much.

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# Written evidence

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## Taken before the ODPM Select Committee

### Memorandum by the Commission for Integrated Transport (CfIT) (DRA 71)

#### OVERVIEW OF THE REGIONAL AGENDA IN THE UK

The Commission for Integrated Transport supports the promotion of the regional agenda in the UK, and indeed believes that the structure of government is in need of reform if we are to achieve sustainable communities and provide integrated transport services for the public.

It is clear that the current structure of local government is not always best suited to delivering the transport agenda since some local authorities are too small to cover people's travel to work area and, in the large urban areas, highway and public transport management are overseen by different bodies (the PTEs and the district councils). The daily commute often involves travelling through more than one transport authority making it extremely difficult to deliver joined-up, integrated transport. The successful implementation of initiatives such as road pricing, Park and Ride bus schemes, congestion charging and integrated ticketing is made considerably more difficult for a local authority should its neighbouring authority not wish to offer support to the proposals.

#### COMMENTS ON THE PROPOSALS AS THEY STAND AND THE ISSUES ARISING

Viewed overall, the draft Bill does not itself greatly alter the governance functions undertaken at regional level. Rather it gives expression to functions already provided for in other legislation (eg concerning Regional Chambers, RDAs and Regional Spatial Strategies) and makes changes in formal responsibility, typically transferring powers from Government Offices and other agencies to the elected Assembly. By contrast in other regions, although governance functions will be similar, the regional chamber (non-elected assembly) will continue to operate more in an advisory capacity. Non elected assemblies do not have the general statutory purposes proposed for elected ones and do not have the power to precept upon local councils for their running costs.

In general therefore elected assemblies can be expected to operate on a rather larger scale, with more "clout" and a stronger political mandate. Freed from the ties of representing individual local authorities, members of elected assemblies can also be expected to address better the "hard choices" and trade-offs which arise in dealing with regional planning and transport issues (a difficulty highlighted in the DfT Research Report, *The Integration of Regional Transport Strategies with Spatial Planning Policies* published last year). However the overall significance of elected assemblies' activities will be fundamentally constrained by the governance functions which the Government chooses to delegate to regional level.

Although transport is frequently quoted as one of the main areas of responsibility of the elected assemblies the proposed arrangements are in fact conspicuous for the very limited powers to be conferred in this field. This is for two main reasons:

- (i) the absence of regional governance arrangements already in place for the rail network and the strategic highway network (which continue to be controlled by national agencies)
- (ii) the decision by the Government *not* to transfer to elected assemblies responsibility for the functions concerning scrutiny of local transport plans and allocation of local transport capital funding currently exercised through its regional offices.

**CfIT believes that the Regional Assemblies Bill needs to be amended so as to be consistent with the Government's recent White Paper, *Future of Transport: A Network for 2030*, which begins to make provisions for regional governance arrangements.**

If one accepts the Government's intention to move to elected regional assemblies then the associated changes in regional transport planning arrangements reflected in the draft Bill are generally to be welcomed, though they are of very limited significance overall. This was the conclusion of an ESRC funded research exercise conducted amongst transport stakeholders within the West Midlands region (S Ayres and G Pearce, *The Devolution White Paper: Assessing Its Implications for Transport*, University of Aston Devolution Policy Papers No 8). The study reported an "overwhelming consensus" that neither the proposals in the *Regions* White Paper (for strengthening regional assemblies activities generally) nor the additional proposals associated with transition to an elected assembly would offer a solution to what was perceived as the region's "implementation deficit" in the transport sphere.

"The main criticism was that key funding regimes would remain national (SRA and HA) and local (LTPs). A strong case was made for a regional authority with direct control over statutory bodies, transport operators and additional resources to deliver the RTS. In the absence of such a commitment the predominant view was that little would change."

There is however an important further dimension of the present proposals which warrants consideration. This is the review of local government structures in two-tier areas and the possibility (as one of the options to be included in the regional referendums) that the new unitary authorities might be based on a number of the present district councils rather than the county councils (who are currently the local transport authority). In the North-East region for example one option is for Northumberland and County Durham to be replaced by two and three unitary councils respectively. (This is additional to the unitary councils which already exist at Darlington and in the former counties of Teeside and Tyne and Wear). Such a proliferation of authorities has many disadvantages in transport terms; it

- fragments the limited available resource of professional transport planners; and
- militates against the accumulation of specialist expertise amongst individuals or teams;
- creates administrative units which are generally much smaller and of an arbitrary configuration compared with the “travel to work” type areas best suited to local transport planning; and
- raises potential difficulties in cross-boundary co-ordination and in the implementation of a coherent transport policy, eg arising from political differences.

The retention of conurbation-wide Passenger Transport Authorities and Executives in the metropolitan areas (such as Tyne and Wear) has the effect of off-setting these difficulties to a degree as far as public passenger transport is concerned. However elsewhere there are recognised problems in even the *existing* situation. For example all but three of the bottom 20 ranked submissions in the Government’s assessment of LTP Annual Progress Reports produced in 2003 came from unitary authorities.

In the context of a single region—particularly one like the North-East where there are many unitary authorities already—the additional problems presented by a change to a wholly unitary structure may not seem that serious. However it could be argued that an important precedent at the district level is being set. Conceivably a process is being started which could lead eventually to, say, a doubling of local transport authorities nationally, with many of the new ones being potentially the least well resourced. *From a purely transport viewpoint* the disadvantages of this situation set against the limited gains currently anticipated in moving from a non-elected to an elected regional assembly would seem to cast doubt on the fundamental merits of the draft Bill. Certainly if the prospect arises of a proliferation of local transport authorities in former shire county areas then the Government should be asked to require joint work on LTP preparation so as to minimise the prospective disadvantages noted above. (It is worth noting that just such a requirement was set by the former DETR post 1997 for the continued preparation of Structure Plans for whole county areas, notwithstanding the creation within them of individual unitary authorities).

**Where elected English Regional Assemblies are instituted, CfIT would prefer to see the review of local government allocate transport powers at a larger, sub-regional level where transport planning decisions cover, at the minimum, the travel to work area to facilitate both a coherent transport policy and to improve the prospects of seamless journeys.**

#### OPPORTUNITIES FOR A FULLER CONTRIBUTION TO THE INTEGRATED TRANSPORT AGENDA

The idea of an elected regional assembly having responsibility for preparing a transport strategy and being able to link this with strategies in related fields so as to contribute to overall economic, social and environmental objectives is fully consistent with the Integrated Transport agenda. Where the Government’s proposals warrant strengthening as far as transport is concerned, is the absence of effective mechanisms for translating an assembly’s strategy into action.

The general comments made in the *Regions White Paper* and in the recent *Policy Statement on ERAs* about the Government helping Assemblies by providing them with the “tools for the job” appear questionable in relation to transport. The draft Bill is conspicuous for *not* transferring any substantive powers or responsibilities from other agencies. This seems to be particularly important given that most businesses and the RDAs see transport of one of, if not the, key issues in growing the regional economy. In this subject area therefore the whole notion of ERAs is particularly vulnerable to criticisms of a talking shop. This is especially unfortunate given the case which can be made for *extending* the transport decision areas within regional governance so as to also achieve more effective and integrated transport planning within the country as a whole.

This section therefore considers firstly the scope for transferring existing national responsibilities and powers so as to remedy the perceived shortfall in implementation capability. It then explores the possibility of *extending* transport planning activity at the regional level through the mechanism of a regional transport authority. This is consistent with the comments in para 4.5 of the *Regions White Paper* about building into policy development the new opportunities offered by ERAs.

## SCOPE FOR TRANSFERRING EXISTING RESPONSIBILITIES AND POWERS

In line with the general principle of only transferring functions from central rather than local government agencies there are three main areas to be considered:

- (i) the assessment of Local Transport Plans (LTPs) and the associated allocation of transport capital funds to local highway authorities;
- (ii) the planning and programming of the regional elements of the motorways and trunk roads programme; and
- (iii) the specification and support of regional rail passenger services and associated investment funded by Central Government.

### (i) *Assessment of LTPs and allocation of local transport capital funding*

The assessment of LTPs and annual progress reports submitted by local highway authorities and the annual allocation of capital funds as part of a five-year programme is a function exercised primarily by central government through the Government Regional Offices.

As authorities have gained experience with the LTP system so the range of performance has narrowed and hence the significance of assessment as a factor differentiating their funding allocations has declined. In the forthcoming second LTP cycle the Government has in fact proposed that the capital maintenance element of the allocation and the majority of the “integrated transport” element should be determined on a formula basis, ie become independent of assessment entirely.

In the Government’s proposals for ERAs it is envisaged that Assemblies should advise Government Offices about the consistency of authorities’ LTPs with regional strategies, indeed existing LTP guidance states that LTPs should not be prepared in isolation, but reflect the context of national and regional policies. However, Government proposals on decisions concerning *funding allocation* state that these should continue to be made by Central Government on the basis of its own assessment criteria. This appears to be inconsistent with the principles contained in the *Regions* White Paper and underlying the whole devolution programme that local and regional bodies are better able to judge needs and provision in their areas.

It would be more consistent with the overall spirit of devolution if responsibility for assessing LTPs and allocating the discretionary element of capital funding were transferred to the ERAs. This would mean:

- The Assembly could assess and “reward” authorities contribution to regional objectives and priorities directly and utilise this as a channel of influence more generally for securing delivery of the regional strategy.
- Assessment and capital allocation would be decided on by politicians and professionals with knowledge of, and accountability in, the areas concerned.

**CFIT’s view is that ERAs should set the regional transport strategy and receive the commensurate funding from central government. CFIT advocates central government providing firm long term funding allocations as opposed to the indicative long term funding that it has just announced in its Transport White Paper.**

This would allow ERAs to directly fund the key delivery agents of its regional transport strategy (ie the city regions/shire counties) which would facilitate better partnership working between them as well as providing the Assembly with more influence over those delivering its strategy. Allocation of funding to ERAs also allows them to consider the most appropriate prioritisation of schemes in the region.

Under this devolved arrangement national interests would be safeguarded through the Government’s continuing control of the capital allocation to individual regions for local transport expenditure. Hence where ERAs existed the activities of Central Government would be focussed on setting and monitoring targets to be secured through regional strategies. Assemblies—in their division of the regional block amongst individual authorities—would have the opportunity to determine how these targets might be met best in their region whilst at the same time securing outcomes which fulfil its own strategy.

**CFIT suggests that there is case for piloting one five-year funding cycle based on indicative budgets after which the Government can judge whether the ERA has proved itself and continue with firm funding for the next five-year cycle.**

**CFIT believes there should be further debate about whether ERAs should have control over revenue as well as capital funding for local transport plans and local authorities.**

### (ii) *The Motorways and Trunk Road Network*

The operational planning and management of motorways and trunk roads is conducted by the Highways Agency within a policy remit set by Central Government. Regional Assemblies have no direct influence on the policy and planning applied to individual roads within the national network even though, almost by definition, they are the most important elements of transport infrastructure in their region and—in practical operation—merely the top tier of a hierarchical network with traffic moving continuously between its different elements.

Under the Government's proposals for ERAs this situation is maintained. Even though the Assemblies would be given the statutory right to propose improvements to motorways and trunk roads they would have no means of securing delivery of these improvements—whatever their regional importance. Conversely they would have no means of preventing “improvements” carried out in pursuit of national objectives which they regarded as damaging to regional objectives or inconsistent with the regional strategy.

Now that the era of constructing *new* major roads are part of an overall conception of a national network is largely over the institutional framework favouring national interests on the motorway and trunk road network, with little regard for regional interests could be considered both heavyhanded and unnecessary. The establishment of ERAs provides the opportunity to give greater recognition to regional interests in the development and management of the national network (although some changes could be applied more generally). At the same time this would “add value” to the democratic role to be performed by these Assemblies.

The following are examples of possible changes which could be considered:

- Placing a statutory duty on the Highways Agency to have regard to provisions of the relevant regional strategy.

This would raise the status of regional *transport* considerations at a public inquiry for example and place national highway proposals more clearly in the context of a *range* of public objectives and strategies than the Highways Agency alone is likely to. The Agency would also be encouraged to participate more directly in the development of the regional strategy on the basis that at the end of the process it did not have the licence to act independently of it.

- A proportion of capital funding for the national roads network could be placed at the discretion of ERAs.

In combination with the suggested role of ERAs in allocating *local* transport capital this would give the Assemblies the ability to alter both the balance and types of expenditure on national and local networks—either generally in their region or in relation to particular areas or corridors. In one situation for example the Assembly might offer a contribution towards a trunk road improvement which in national terms had low priority (eg as the most effective way of countering problems arising from displaced traffic); in another it might decide that regional objectives were best served by developing an alternative or complementary route, “boosting” the resources otherwise available to the local highway authority.

- Transferring policy responsibility for motorways and trunk roads within regions with ERAs (together with block funding from Central Government) entirely to the Assembly concerned—ie following the model already established with the Welsh Assembly.

**CfIT supports both the placing of a statutory duty on the Highways Agency to have regard to provisions of the Regional Transport Strategy and placing a proportion of capital funding for the national roads network at the discretion of ERAs. CfIT believes ensuring the HA has regard for the ERA's RTS when drawing up its own national roads strategy would ensure that the ERA's initial RTS is drawn up in a manner consistent with the national strategy and that regional priorities are protected during the delivery of the national strategy. Should this system prove to be robust after one five-year cycle, CfIT envisages ERAs receiving funding powers over highways within the region. Control of such funding would encourage ERAs to make hard decisions on resource allocations, allowing them to switch resources away from any new road schemes that do not represent value for money and instead funding, for example, a new bus priority network or the extension of a light rapid transit system. CfIT does not believe that there should be any transfer of policy responsibility for motorways and trunk roads within a region to the ERA concerned, since there are key routes that are of national importance and must therefore remain under the control of central government and its national strategy. However, CfIT suggests that there is a case for an audit to be undertaken on what routes are deemed to national highways and those that are regional highways.**

(iii) *The specification and support of regional rail passenger services and associated investment*

From a reading of the draft Bill and the associated *Policy Statement* the arrangements proposed for rail passenger services in ERA areas appear even more anomalous—and inadequate—than they are for motorways and trunk roads. This is because national roads only comprise a small proportion of the total network and have an obvious strategic function. By contrast the national rail agencies—currently Network Rail and the SRA—effectively control *all* rail services (with some provisos in the PTA areas) even though many of these have little or no national importance and certainly do not warrant national considerations over-riding regional or local ones. On the other hand the operation of a mix of *services*—freight, long and shorter-distance passenger—over much of the network raises issues of integrated management of a kind which do not apply to national roads. In addition regional and local bodies may favour a continuation of national responsibility because of the scale of national funding which currently goes with it—something which they would not otherwise be willing or able to sustain themselves.

Fuller exposition of the Government's current thinking surrounding rail is given in the recent White Paper, *The Future of Rail*. In this it states that it wants to give regional and local stakeholders more influence over transport decisions and to see rail being considered alongside other forms of transport and linked with



wider considerations. However the involvement of local stakeholders would be subject to them accepting full responsibility for the costs of any improvements (which could include fare reductions). Conversely where they were able to identify opportunities for reduced rail spending they would be able to use the resultant savings for other transport modes. These possibilities are being offered to the PTA areas “where there are competent decision-making bodies”. The ability to institute Bus Quality Contracts (giving the authorities effective control over bus service levels and fares) is also being offered as a *quid pro quo*.

In a brief reference to areas where ERAs are established the White Paper proposes applying the same principles (para 5.3.5). It adds that any rail service improvements which an Assembly might wish to purchase would be subject to train path availability. From the regional perspective however there appear to be two weaknesses in this prospectus:

- as far as **rail improvements** are concerned the Assembly would be faced with meeting the their full cost *after the pattern of other services had been determined*;

This is likely to mean that the cost of any improvements would be disproportionately high and as result probably infeasible. It also reflects a presumption that the basic role of the rail network—and the service patterns specified in franchises let by the SRA—is essentially to fulfil national rather than regional objectives;

- as far as potential **rail savings** are concerned ERAs are not in the same position as PTAs in that they are not a body responsible for funding rail services in the first place, nor for securing (alternative) supported bus services;

ERAs would not have a formal budget for supporting either rail or road-based services so it is difficult to see how any savings in one (made by SRA/DfT) could be “transferred” to the other (local transport authorities). In addition no reference has yet been made to the possibility of Quality Contract procedures as a means of securing appropriate road-based services in ERA areas.

Before considering possible changes to the proposed arrangements in ERA areas it is worth drawing attention to the proposals in the Rail White Paper for Wales and for “community lines”.

Wales is similar to the English regions in that (unlike Scotland) it does not have a discrete rail network within its own borders that is served by a single passenger franchise. Nevertheless in future the Welsh Assembly will be responsible for specifying services and fares for local services within and bordering Wales. It will fund these services (presumably by means of an additional grant from the UK Government in lieu of funding previously from the SRA) and will be a signatory to the franchise. The SRA (in due course to be replaced by the Department for Transport) will let and manage the franchise and will specify and fund the services which operate wholly within England (ie outside the area of the elected Assembly). As in Scotland the SRA/DfT will also specify and fund services operated as part of the long-distance franchises running to and from the rest of Britain, subject to advice received from the Assembly.

Significantly the White Paper comments that “the Department will need to work with the ORR to ensure that Assembly specifications do not unreasonably constrain network capacity” (para 5.5.1). This appears to be the opposite of the situation anticipated in the English regions where the basic pattern of services is to be determined externally and any additions sought by an ERA or PTA considered subject to “train path availability”.

Community Rail Partnerships are a flexible strategy already under development by the SRA for the management of generally small, free-standing and highly subsidised lines. The strategy is based on closer involvement by local councils, businesses and voluntary groups in improving the lines’ financial performance and value for money. A key feature is the generation of additional patronage and revenue by distinctive branding and promotion as part of leisure and other developments in their areas. The possibility of micro-franchises for some of these lines is being explored, including track as well as train operation.

There is no reference in the Rail White Paper to the role of such partnerships at a broader level in the context of ERAs. However the experience of the Rail Development Company which succeeded in boosting the fortunes of the (comparatively long-distance) Settle-Carlisle line is a model which is potentially relevant to many secondary regional lines.

Given this wider context of developments in rail decision-making the possibilities for change in ERA areas can be listed under three heads, similar to those given earlier in relation to the national road network:

- Placing a statutory duty on Network Rail and the Department of Transport (when it takes over the role of service franchising from the SRA) to have regard to provisions of the relevant regional strategy.

To give this provision “teeth” there would need to be a parallel right of appeal—eg to ORR and/or a Planning Inspector—to enable ERAs, PTAs etc to challenge publicly service and investment proposals.

- A proportion of the revenue funding for rail services in the region (both services and infrastructure maintenance) could be placed at the discretion of ERAs.

This could be built up progressively for a number of relatively self-contained secondary lines as an evolution of the Community Rail Strategy. ERAs would be able to use their general powers to link the management and development of these lines with other transport services and activities in their

area. However the fullest benefit would be obtained if ERAs were to be given explicit powers for regional transport services more generally, whereupon the issue of transport integration (including the balance of support between rail and other modes) would assume much greater practical significance. (This is discussed further below).

- Transferring policy responsibility for the franchising of all “regional” rail services within ERA regions to the Assembly concerned (plus associated transfer of funding from SRA/DfT)—ie following the model being developed for Wales.

In the English regions local rail services supported by PTAs would generally be excluded as would longer distance services which primarily had an inter-regional function.

**CfIT supports placing a statutory duty on Network Rail and the Department of Transport (when it takes over the role of service franchising from the SRA) to have regard to provisions of the relevant regional strategy. Where all rail services start and terminate in one ERA area, CfIT advocates transferring policy responsibility for the franchising of those “regional” rail services to the Assembly concerned. As far as PTEs are concerned, they will retain their current powers on rail. Funding for “regional rail” would be transferred to the ERA so that the Assembly is able to better prioritise the needs of the region. This may involve the ERA continuing to allocate funding to rail services it views as essential, but also allowing the withdrawal of financial support from others which the ERA believes may be better served by different modes such as bus or tram.**

CfIT envisages the handover of total control of funding for the regional rail services from the SRA/DfT to the ERAs after a five year period during which the ERA concerned will have proved itself in the running of regional services.

#### EXTENDING REGIONAL GOVERNANCE OF TRANSPORT: THE CASE FOR REGIONAL TRANSPORT AUTHORITIES

The changes suggested so far have focussed on the transfer of *existing* responsibilities and powers down from central government—bringing transport more in line with the devolution proposed for other programme areas (eg housing) or with existing or proposed arrangements in Scotland, Wales or London where devolution to elected “regional” bodies has already been established.

However transport is also an area where the introduction of elected regional assemblies provides an opportunity to consider the case for *additional* functions to be administered at the regional level (subsuming some functions currently carried out at a sub-regional level).

The most obvious additional function would be responsibility for securing and promoting integrated public passenger transport for the main movements within and between regions.

At present within a region there are in practice separate networks—the passenger rail network on the one hand and the network of bus and coach services on the other. The extent of integration between individual road-based services and any integration between road and rail is largely subject to the vagaries of the pattern of commercial ownerships. In general however, integration of regional services in place and time, let alone more sophisticated attributes such as bus priority, Park and Ride bus services, real time information, inter-available ticketing or unified marketing, is the exception rather than the rule. In part this is because of the deregulated, mainly commercial nature of bus and coach services. But it also reflects the rather introspective nature of local councils as far as supported road-based services are concerned—if local taxpayers money is being used then there should be demonstrable benefits to local residents and businesses. Support for longer-distance, cross boundary services facilitating movements within the wider regions is much more difficult to justify in this context.

The resulting weakness of the overall transport “product” at regional level—especially comparing public transport with the alternative offered by the private car—is even more significant given the pronounced trend towards longer, more dispersed journey patterns for all purposes.

It could be argued that to bring into being integrated, high quality regional passenger networks requires the establishment of specific functional bodies—regional passenger authorities. An element of their funding (for the “base” provision of regional rail services) could be derived from Central Government whilst funding for the support of road based services or for rail service improvements would be obtained by precepting upon local councils. ERA funding for road based public transport would come from below ie the funding that local authorities currently have for these services. Funding for regional rail services would come from SRA/DfT. Over time however these original funding purposes would merge and the regional transport authority would in practice have at its disposal a budget to deploy between the different modes in a way which it saw as being the most cost-effective in delivering the objectives of the regional strategy.

On routes forming part of the regional network responsibility for identifying—and responding to—the need for supported road-based services would be transferred from local councils to the regional body. This is a rare example of proposing a transfer of responsibilities “upwards”. However this transfer could be seen as beneficial in itself since it would enable local authorities to focus more on the planning of local passenger services as part of the new style of accessibility planning being promoted by the Government.

**However, CfIT is not convinced that this is the right model to follow. CfIT believes that the primary focus of the ERAs in transport terms should be the *setting* of the transport strategy for the whole region, *providing a framework for those delivering the strategy* at a local level to work in, and making decisions of region-wide**

policies (such as road user charging, parking strategies, Park and Ride bus services and bus priority strategies). The ERAs should be given commensurate funding powers (with funding coming from central government) over local authorities allowing the ERA to decide individual financial allocations for each authority. However, powers for the delivery of local services will remain at the local level.

With the region's transport strategy being set by the ERA, CfIT strongly believes that delivery of the road based public transport element of the strategy be carried out at a local level. CfIT would prefer to see the implementation of better coordinated city-region wide arrangements that allow a body covering a City's travel to work area to have powers for the execution and delivery of the strategy. This means that where PTEs exist, their powers should be retained but that they foster closer working relationships with their local Highway Authorities (possibly through Joint Boards). For rural areas, responsibility for delivery should remain with the County Councils (with no transport powers remaining with other lower tiers).

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### Memorandum by the Housing Corporation (DRA 72)

#### A. INTRODUCTION

1. Elected Regional Assemblies (ERAs) have the potential to make an important contribution to the development of the English regions in bringing together economic, housing, planning and other strategic responsibilities.

2. The Housing Corporation (the Corporation) works in and across all English regions and we are committed to working with any ERAs that are created to ensure the best possible outcomes. Accordingly, the Corporation is committed to helping ensure the final Elected Regional Assemblies Bill is as well drafted as possible. We therefore welcome the opportunity to provide evidence to the Committee's pre-legislative inquiry into the draft Bill.

3. As currently drafted, the Bill has direct implications for:

- the making of regional strategies for housing investment;
- the allocation and payment of grants for social rent, low cost home ownership and the payment of right to acquire; and
- the future of the Corporation's investment staff.

4. Whilst the Policy Statement accompanying the Bill explicitly rules out ERAs acting as regulators, the Bill does have implications for our regulatory work. Accordingly, our evidence sets out how the Corporation's investment processes currently integrate with our regulatory activities and how these inter-relate across the country.

5. It is important to emphasise that precise conclusions about the implications for the Corporation are difficult to draw at this early stage. The Bill is explicitly in draft form and it is not exactly clear how the relationship between ERAs and the Corporation will work, not least as some of the detail will be addressed in guidance.

6. In drafting this response, we have not specifically focused on the North East as the first potential host of an ERA. The Bill needs to be applicable to all the English regions, including our biggest investment regions, such as the South East, and therefore our submission considers the Bill from the perspective of all regions. There are two dimensions to this. In due course, ERAs may operate in a number of regions; and in any event, it is important that the way in which one or more ERAs operate does not have unintended consequences elsewhere.

#### B. OVERVIEW OF THE HOUSING CORPORATION

7. The Corporation is a non-departmental public body, charged with the registration, regulation and funding of housing associations.<sup>1</sup>

8. In 2003, the key features of the housing association sector included:<sup>2</sup>

- over 1,900 housing associations;
- owning *circa* 1.9 million homes;
- ranging in size from under five homes to more than 40,000 homes; and
- a significant number of large-scale voluntary transfers from local authorities with more in progress.

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<sup>1</sup> This term is used instead of the less well-known legal term of Registered Social Landlords.

<sup>2</sup> Data obtained from Corporation's Key Facts 2003.

9. The Corporation's investment role covers the allocation, distribution, monitoring and auditing of Social Housing Grant (SHG). SHG is given to associations to produce affordable housing, to contribute to regeneration or restructuring housing markets and to meet the needs of vulnerable people. Grants are distributed according to a development programme which delivers the priorities developed by the Regional Housing Boards and agreed by the Minister for Housing and Planning.

10. The latest Approved Development Programme (2004–06).<sup>3</sup>

- consists of £3,303 million to fund 67,542 new or improved homes;
- including homes for 16,000 key workers and
- 4,800 new or improved homes in the nine low demand pathfinders;
- with over 4,000 homes being built in villages with less than 3,000 residents;
- and 2,215 homes built for rent as part of the Supporting People regime.

11. The Corporation's regulatory role includes the registration of housing associations, the setting of regulatory standards, monitoring of association financial, governance, management and service performance, supervision of under-performing associations and intervention to protect tenants and public funds.

#### C. THE CORPORATION'S NATIONAL STRUCTURE AND OPERATION

12. The Corporation is the only integrated, national organisation that would transfer part of its remit to ERAs. This poses some important challenges in producing legislation because:

- unlike the county Fire Authorities, the Corporation, while partially organised on a regional basis, is not a confederation of discrete territorial components that can be transferred *en bloc*;
- unlike RDAs, the Corporation has dual roles—both to invest and to regulate; and
- unlike the Government Offices in the Regions, the Corporation invests public funding and is responsible for bodies which rely on private lenders.

13. The strong degree of integration between our investment and regulation functions has been endorsed by a number of Government Prior Options Studies and the need for a close relationship between investment and regulation was again confirmed in the recent End to End Review of the Housing Corporation and the subsequent report by the ODPM Select Committee.

14. A brief illustration will show how our investment and regulation inter-relate across different geographies. For investment staff to allocate grant to an association, regulation staff must first confirm that the association is viable and capable of delivering the project. Many developing associations operate across regional boundaries. Therefore, it is not unusual for an association seeking to invest in the North West, for example, to be based in another region. In assessing a bid for grant, regional investment staff for the North West therefore need to obtain views from relevant lead regulatory staff beyond the region.

15. Such inter-regional associations usually bid for grant in a number of regions. This makes it necessary to obtain an overview of all the likely acceptable bids across the country to assess the degree of risk in making an allocation in the North West. The investment decision for Chester can be dependent on the decision for Colchester. In the event of regulatory concerns subsequently emerging about the fitness or viability of an association, then investment can modify or halt the flow of grant to the association.

16. The Corporation achieves this cross functional and inter-regional decision making through its Investment Management and Regulatory Management computer systems.

17. It will be important that the advent of ERAs maintains the strength of relationship between the investment and regulation functions in order to protect the interests of residents, lenders and tax-payers.

#### D. POTENTIAL IMPLICATIONS OF ERAS FOR THE CORPORATION

18. This section concentrates on the possible implications for the Corporation in the event of a positive vote for an ERA and the enactment of the Bill to allow that ERA to be created.

#### *Co-ordination*

19. As currently drafted, the Bill would allow for ERAs to operate their own arrangements for bidding and administering grants to housing associations. It would be desirable for the ERAs and the Corporation to coordinate their arrangements to avoid unnecessary duplications of systems for administering grants in different regions, additional processing by associations or other potential inefficiencies.

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<sup>3</sup> Data obtained from Investment Bulletin 2004.

*Partnering and Efficiency*

20. The Corporation introduced in 2003 a pilot partnering programme for groups of associations to bid for SHG. It will be important to retain the cost efficiencies generated by the national partnering programme in any transfer of functions

*Regulation and wider issues*

21. The interaction of regulation and investment activities is crucial to protecting the public purse and tenants. At present, investment within a region by associations based in various locations is backed up by the national regulatory role of the Corporation; and in turn feeds information into the regulatory process. It will be important that the arrangements adopted by the ERAs:

- allow for a free exchange of information so that our national regulation responsibilities and our continuing investment activities are not impaired;
- are consistent with national policies, such as that promoting convergence of housing association rents; and
- allow for appropriate participation of associations and the Corporation in regional strategy and policy-making.

*Staffing*

22. Depending on the size of the investment programme in the relevant region and the precise decisions on transfer of functions, a group of Housing Corporation staff could transfer to the ERA under a statutory transfer scheme that will embed TUPE principles.

## E. CONCLUSION

23. The draft Regional Assemblies Bill offers significant opportunities for enhancing regional governance. The Corporation is committed to making the Bill and subsequent arrangements work well for residents and the housing association sector.

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**Memorandum by the Office of the Deputy Prime Minister (DRA 73)**

## QUESTIONS TO ODPM

1. Further to your letter of 30 July I attach the answers to the specific questions you have raised on the draft Regional Assemblies Bill.

## EMPLOYEES

*Question*

2. “Please will you provide some detail of the basis for the estimated 200 staff referred to in paragraph 92 of the Policy Statement. How will these staff transfer from the Government Office (or other organisations) to the Regional Assembly?”

*Answer*

3. The estimate of 200 staff was first published in the White Paper, *Your Region, Your Choice: Revitalising the English Regions*. It is the best estimate we can produce, in advance of an assembly being created, of the likely staff required. In determining this figure regard was had to the number of staff employed by the Greater London Authority, taking into account the differing range of responsibilities. It is not intended to be a maximum or minimum figure, each assembly will need to determine its own requirements once established.

4. Some staff, between 60 and 100 will be from other bodies—such as the Government Office for the region, the Housing Corporation and possibly the regional chamber—which currently carry out work that will transfer to an elected assembly. In addition some staff will be needed to service the assembly—for example, to provide secretarial and administrative support to assembly members and committees—and to deal with corporate functions such as finance, communications, legal and other support services. Each assembly will have a chief executive, and senior officers including a chief finance officer and a monitoring officer.

5. Staff transfers will be on the same basis as if the Transfer of Undertakings (Protection of Employment) regulations (TUPE) applied and in accordance with the Cabinet Office statement of practice on Staff Transfers in the Public Sector. Current thinking is that powers will be included in the Bill to enable orders

or schemes to be made about the transfer of property, rights and liabilities. The transfer powers included in the Regional Development Agencies Act 1998 and the Great London Authority Act 1999 provide examples of the type of provision we could expect to include. These powers will provide a simple format to effect transfers that can be rolled out as demand for ERAs manifests itself across the regions.

6. Staff will transfer with their work to an assembly as and when it assumes responsibility for the function. Precisely when functions transfer will need to be decided in the light of other developments. They might transfer immediately following elections to an assembly, or might transfer at a stated period afterwards so allowing the new assembly to settle its own internal organisational arrangements. The necessary supporting resources and records will also transfer so that there can be a seamless change in responsibility from the existing provider to the new assembly.

## STATUS

### *Question*

7. “How do arrangements and requirements for members of the new Assemblies differ from those for members of Local Authorities? Examples we have noted include clause 13 on declaration of acceptance of office, and clause 16 (2 (d)) which requires members to reside in the region.”

### *Answer*

8. We take this question to relate to the status and electoral arrangements for members of assemblies. The members of elected regional assemblies will in many respects have a similar status to those of local authorities and where there are differences, many of the provisions are similar to those in the Greater London Authority Act 1999. For example, our expectation is that members will need to devote considerable time to their duties and assemblies will accordingly be required to pay them a salary.

9. Dealing with the particular examples referred to, clause 13 of the draft Regional Assemblies Bill differs from the local government model in that no salary or pension may be paid to a member until they have made the declaration of acceptance of office. This reflects the fact that an assembly member will receive a salary, whereas a local authority member does not. The Secretary of State may make provision with respect to the making and delivery of declarations of acceptance of office after the first elections to an assembly (s13(5) and (6)) because a regional assembly would be a new body, unlike a local authority, and so at the first election, there would otherwise not be a proper officer nor would there immediately be too many other members of the assembly who could act in their capacity as such. On these aspects the draft Regional Assemblies Bill is based on section 28 of the GLA Act.

10. The effect of clause 16(2) is that elected members are required to fulfil at least one of the criteria listed, not all of them. Therefore, for example, members will not have to reside in the region if their principal place of work is within the region. This is similar to the requirements for members of local authorities (see section 80 of the Local Government Act 1972), and those for members of the Greater London Authority (see section 20 of the Greater London Authority Act 1999).

## PURPOSES

### *Question*

11. “The general purpose of the Regional Assemblies seems to exclude health, safety and security, yet they are included in paragraph 76 of the Policy Statement. Similarly, arts and sports are referred to in paragraphs 61 and 62 of the Policy Statement, but not in the general purpose. Paragraph 64 refers even more specifically to funding arrangements for the Tyne and Wear Museums Service and the Museum of Science and Industry in Manchester.”

12. “Please will you let the Committee have some clarification of the role of Regional Assemblies in sports funding.”

### *Answer*

#### General purposes

13. The general purposes of an elected regional assembly are set out in clause 43(1) of the draft Bill:

*An assembly has the following general purposes in relation to its region—*

- (a) *the promotion of economic development;*
- (b) *the promotion of social development;*
- (c) *the improvement and protection of the environment.*

14. Subsection (2) of this clause provides that an assembly would have the power to do anything that it thought was likely to further one or more of its general purposes or was likely to facilitate or was conducive or incidental to the exercise of any of the functions conferred on it (whether or not conferred on it by the Bill). An assembly's general power is defined by clause 43(3) to include specific activities such as spending money (including providing grants to any person), co-operating with other bodies, making representations to others or providing advice and anything else it thinks appropriate.

15. The intention is that the general purposes in subsection (1) and the power in subsection (2), taken together with the restrictions in clause 44(4), will provide a legal framework for an assembly to work towards the achievement of sustainable development in relation to its region.

16. "Economic development" and "improvement and protection of the environment" are not defined in the draft Bill because these concepts are in our view relatively clear. However, the term "social development" was considered to be less transparent and an illustrative list is therefore set out in subsection (5) of this clause:

*Social development includes—*

- (a) *promoting the health, safety and security of the community;*
- (b) *reducing health inequalities that are attributable to social conditions;*
- (c) *enhancing the ability of all individuals to participate in society;*
- (d) *improving the availability of good housing;*
- (e) *improving the availability of appropriate training for employment and other desirable skills;*
- (f) *improving the availability of cultural and recreational activities.*

17. It is thus made clear on the face of the draft Bill that promoting the health, safety and security of the community is intended to be part of elected regional assemblies' general purposes, as explained in paragraph 76 of the Policy Statement that accompanied the draft Bill. The reference in subsection (5)(f) to improving the availability of cultural and recreational activities is included with the intention of providing that issues such as arts and sports also fall within elected assemblies' purposes, as described in paragraphs 61 and 62 of the Policy statement.

18. The definition in subsection (5) of matters which the term "social development" covers is not intended to imply that those matters could *only have* "social" benefits. In many cases we would expect that activities falling within elected assemblies' general purposes would be likely to contribute to more than one of those purposes. In this case, although the funding of non-national museums would be expected to contribute to social development as described above, such activities could also—particularly through promoting tourism—contribute to economic development in the region. Some cultural activities undertaken by assemblies may also contribute to the protection or improvement of the environment in the region, particularly since this includes the built environment and the historic environment (heritage).

### Sports funding

19. Sport England would consult the elected regional assembly on their national strategies (including on the implications of their spending plans for assemblies' regions). This could provide opportunities for the assembly to inform Sport England about relevant regional priorities and activities and for the assembly in turn to receive information relevant to the preparation of their own regional cultural strategic plan.

20. The regional sports board—whose members would be appointed by the relevant elected regional assembly, reflecting sports expertise and experience in the region—would in turn consult the elected assembly on any strategies to promote sport in the region which it develops. This should help to ensure that such strategies fit with the regional cultural strategic plan and the regional priorities identified in it as well as addressing national priorities for sport in that region.

21. Existing sport funding streams would continue to flow from DCMS and the Lottery through Sport England and the regional sports boards to sport organisations. Elected assemblies will have powers under clause 43 of the draft Bill to incur expenditure and to give financial assistance. An elected assembly could thus provide additional partnership funding for sport, for instance, where the assembly take the view that the sport activities are able to make a particular contribution to the assembly's wider goal of social development.

22. As explained in paragraph 61 of the Policy Statement, the Government will review the overall arrangements for funding sport in those English regions which opt for elected regional assemblies as they are set up and develop.

### GOVERNMENT OFFICES

23. The Committee has also requested information from Government Offices relating to their experience of working with regional partners and their view on the proposed powers to be given the assemblies.

24. On the first point, reproduce in paragraphs 26 to 56 below is a full response drafted by the Government Office for the North East, whose Regional Director will be appearing before the Committee. The response is written as an update on the position outlined in Chapter 2 of the White Paper *Your Region, Your Choice: Revitalising the English Regions* as since its publication in 2002, it is this "chapter 2 agenda"

that Government Offices have been taking forward alongside their regional partners. The experience for other Government Offices has been similar, though naturally no two regions have progressed in exactly the same way.

25. On the second point the White Paper, Draft Bill and policy statements offer a definitive view on the part of Government on the proposed powers for assemblies. We do not have anything to add to those documents.

#### BETTER REGIONAL STRATEGIES

26. Under the “Chapter 2” agenda the Government Office, Regional Assembly and the Regional Development Agency have developed effective working relationships to deliver products which have a common ownership.

27. For example, the three organisations delivered an intensive work programme, sharing out the workload between them, to produce inputs to the Regional Economic Performance PSA Target team and the Regional Emphasis Document for CSR 04.

28. Business leaders, community groups, and local authorities were consulted; a group of senior regional academics helped to build the evidence-base; the RDA commissioned specialist work on market failures; and the Government Office consulted about 140 organisations

29. The comprehensive reports were seen as jointly owned and a clear product of partnership working, with mutual respect for each organisation’s agenda.

30. The Government Office has actively supported the work of the Regional Assembly in preparing a new Regional Spatial Strategy, linking it closely to the Regional Economic Strategy, and in publishing an Integrated (sustainable development) Regional Framework. The three organisations have now agreed on a single vision for the region, which will be used in the Regional Spatial Strategy, Integrated Regional Framework and Regional Economic Strategy, and are expanding this into a set of common objectives to guide the strategic planning of the North East.

31. The Government Office has played a part in the development of a wide range of other regional strategies, including Housing, Culture, Renewable Energy, Forestry and Sport, and the Rural Action Plan and Sustainable Farming and Food Delivery Plan.

32. We have also benefited from an ACAS secondee to the office who has worked exclusively on the Chapter Two agenda. An extensive mapping exercise of all government functions in the region has been undertaken and a “policy group” of relevant public/private sector agencies and academics established to oversee and advise on development.

33. Having managed the launch of the Sustainable Communities update at the beginning of 2004, the Government Office has been involved at several levels in the work of the Northern Way Task Force, liaising with government departments, commenting on drafts and assisting with the technical background work. We have also been active in the ongoing discussion about the relationship between the Northern Way and other strategies, particularly the Regional Spatial Strategy.

#### BETTER REGIONAL SKILLS

34. Regional Skills Partnership (Skills North East) established in April 2004. This includes “Skills North East: Strategy” (the former FRESA Board) which represents a wide range of interests across the region, and includes as members representatives from ONE North East, Government Office North East and the main stakeholders in the region. It also includes Skills North East: Action—the existing Adult Skills Pilot Joint Venture Board and includes senior representation from the main delivery agencies in the region, including ONE North East, Government Office North East, LLSCs, and Jobcentre Plus. The Adult Skills Pilot aims to equip more adults with the skills that employers need to boost productivity in the region. Skills North East also includes a number of groups which focus on Higher Level Skills, basic Skills and Schools.

35. The role of the Regional Skills Partnership is to provide a framework which drives constructive, creative joint working to link the assessment of economic strategy by region and the sector; the skills, business support and labour market services needed to raise productivity; support for the employees to promote investment in skills.

36. Employer Training Pilot (eQ8) in place in Tyne and Wear and provides employers with free access to Skills for Life and Level 2 qualifications for their staff through Business Link. EQ8 also offers wage compensation subsidies dependent on the size of the establishment. It will be extended across the North East region from September 2004.

37. As part of the regional developments on skills, a new Regional Director of the LSC was appointed this year.



## BETTER REGIONAL COMPETITIVENESS

38. The Regional Development Agency, One North East, has established five Centres of Excellence in the region, overseen by a regional Science and Industry Council. The Council is promoting the North East internationally as the premier location to conduct scientific research and enterprise, and members use their knowledge and reputations to act as influential voices for the region. The five Centres of Excellence cover Nanotechnology, Photonics and Microsystems; Digital Technology and Media; Life Sciences; New and Renewable Energy and Process Industries.

39. A partnership of regional agencies, led by ONE North East, established the Regional Business Support Network in April 2004. The Network is working to streamline the whole range of business support throughout the region via four sub-regional, business-led Area Brokerage Partnerships. The Business Link Network is to be the main point of access to business support.

40. The North East Productivity Alliance (NEPA) is an advisory body established in 2001 to take forward the manufacturing strategy for the North East of England, in particular through improving People and Skills (including High Level Engineering Skills), New Technologies and Best Practice Dissemination. The work of NEPA is internationally renowned and the organisation is considered to be an excellent example of a private sector led initiative, with wide public sector and academic involvement.

41. A number of technology parks are being established across the region, including the region, including NetPark in County Durham and Knowledge Campus in Gateshead. These parks will bring together a wide range of internationally recognised technical expertise to enhance business opportunities.

## NORTH EAST HOUSING BOARD UNIT

42. The Chairs of the Board and its Executive Group are, respectively, the Government Office North East Regional Director and Director of the Built Environment. The Government Office, in conjunction with other funding from One North East, English Partnerships, Regional Assembly and the Housing Corporation has established a new four-person team, the North East Housing Board Unit, to support the Board in its activities. The North East is the only region so far to have established a dedicated full-time HB team. The Unit is currently co-located with the Government Office but has been set up in such a way to make it easily co-locatable with any of the key regional partner organisations, including the Assembly, either in its current form or as an elected regional assembly.

## TRANSPORT

43. Activity largely through established working groups involving regional partners and with individual stakeholders:

- Developing the Regional Transport Strategy as an embedded part of the Regional Spatial Strategy.
- Appraising the progress of the pilot Regional Transport Boards.
- Advising on the transfer of transport functions and implications for investment in infrastructure and priorities.
- Ensuring that national bodies such as the Highways Agency and the Strategic Rail Authority are fully engaged with regional issues.
- Advising the business community on the likely levels of expenditure on future investment in transport infrastructure and the need for reasonableness, affordability and value for money tests to be applied.

44. Working with Local Authorities on their Local Transport Plans and the development of a Shared Delivery Plan with Government.

45. Developing cross-boundary agenda through concepts such as The Northern Way.

## REGIONAL RESILIENCE

46. The Government Office has enhanced the resilience of the region to the effects of major emergencies and crises through the work of its Regional Resilience Team. The main purpose of the team is to support a Regional Resilience Forum (RRF), chaired by the Regional Director Jonathan Blackie, which brings together chief officers and senior managers of all the main sub-regional partner agencies with a responsibility for civil protection. The RRF has overseen an important project designed to map the current capability of the region to cope with disasters and major emergencies, and is currently engaged on a similar programme to assess the risk and impact of potential threats and hazards to the North East. This will enable the creation of an agreed work programme to develop our capacity to respond effectively to the impact of wide area events.

#### REGIONAL WASTE STRATEGY

47. A Regional Waste Strategy is being prepared for the North East Region to:
- Guide the preparation of Regional Spatial Strategy;
  - Inform the preparation of Waste Development Plan documents and the review of Municipal Waste Strategies;
  - Help implement the Government's waste policies at a regional and local level.

48. The Government Office has played a pivotal role in initiating its preparation. It was responsible for securing funding from the ODPM, which prompted the North East Assembly to make a contribution towards its preparation. It was the first Government Office to secure funding for the preparation of the Strategy, which has since been followed by other regions. The Government Office has been an active member of the Regional Technical Advisory Body for Waste, which is responsible for managing the preparation of the Strategy.

#### REGIONAL CULTURAL SECTOR

49. Government Office for the North East hosted an independently facilitated seminar on 20 April to discuss the potential impact on cultural policy and structures of any proposed Elected Regional Assemblies and the wider Chapter 2 Agenda.

50. In conjunction with the North East Assembly and Culture North East, the Government Office commissioned an independent consultant to prepare a scoping paper to inform discussion on the possible positive and negative effects on cultural policy, provision and delivery. The paper "Variations upon a Regional Theme: The continuing challenge for cultural policy making and delivery in the North East of England, as seen within a European perspective" was issued to all delegates in advance of the seminar.

51. The seminar, operating on the principle that "the best interests of the people of the North East are at the heart of the debate", was asked to consider two key questions:

- What opportunities or problems would an elected regional assembly present for culture and the region?
- Should there be a Yes vote, what authority, resources and mechanisms would be required for an elected regional assembly to effectively make a difference for culture and the region?

52. The delegates were also invited to identify other key messages they would like to feed into the regional hearings process.

53. The seminar was positive and constructive, reflecting a high level of critical engagement with the issues and a strong desire to work with ODPM/DCMS to ensure that the Bill and its implications would be beneficial to the sector, the region and its people.

54. The outcomes of the seminar contributed to a briefing note that was issued to the Deputy Prime Minister prior to his regional hearing in Middlesbrough on 22 April. They also framed the ongoing discussions with the North East Assembly about the implications and opportunities for the sector presented by regional governance.

#### REGIONAL PUBLIC HEALTH

55. Although PHGs have only recently joined Government Offices there is already evidence that the regional level, through working with other regional and sub-regional agencies, is the best place to facilitate the delivery of an integrated approach to preventing disease and capitalising on the benefit to good health, eg increased economic productivity.

56. Regions have social and historical features the distinguish them in terms of population health experience. For example the North East has the worst health overall because of historical and social factors. Other regions have certain vulnerable groups whose health experience is particularly poor because of social or geographical differences (eg ethnic minorities). This means that we are well placed to understand what are the issues we must address. The Regional intelligence functions are important, including the role of the Public Health Observatories. In this Region there is integrated working between the PHO and the other intelligence Bodies.

57. My letter of 17 August asked whether the Committee has any further, specific questions which we could usefully provide answers to. As yet I have not has a response but am of course happy to provide anything else that could be of help to the Committee.

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### Memorandum by Professor Tony Travers (DRA 74)

#### REGIONAL GOVERNMENT IN ENGLAND: IMPLICATIONS OF THE LONDON MODEL— A PAPER PREPARED FOR THE ODPM SELECT COMMITTEE

1. The Greater London Authority, created in 2000, can be seen as a prototype for regional government in other parts of England. It has now operated for more than four years, allowing a number of observations to be made about implications for the North East, the North West and Yorkshire and Humberside. Of course, the full proposals for regional government in England have not yet been finalised. The government's May 2002 consultative document *Your Region Your Choice* has, to some extent, been overtaken by subsequent developments. The operation of the Greater London Authority Act, 1999 offers a reasonable guide to issues of importance to regional government reform in England.

#### THE CONSTITUTION

2. At the time of its passage, the 1999 London legislation was seen by the Government as having constitutional importance. While by no means as radical as devolution to Scotland and Wales, the London reform for the first time created a "regional" tier of government in England. Although the Greater London Council (GLC) had had the same boundaries as the new Greater London Authority (GLA), the origins of the GLC—created by a Conservative government in the early 1960s—derived from an effort to create unified planning and transport for much of the built-up area of London. There was no expectation that the creation of the GLC would be the first step towards regional government elsewhere in England. Of course, metropolitan counties (on the model of the GLC as a city-wide council) were created in 1974 in the West Midlands, Merseyside, Greater Manchester, Tyne and Wear, South Yorkshire and West Yorkshire.

3. Any moves towards elected regional government in England would, as in London, have constitutional implications. The potential English regional governments, generally with populations of between four and eight million, would be institutions capable of undertaking virtually any aspect of government other than defence and foreign policy. Equivalent bodies in Germany, the United States, Canada and Spain have significant autonomy, often guaranteed by a written constitution. Scotland, although fiscally constrained, is also an example of advanced territorial devolution.

#### THE LEGISLATIVE PROCESS

4. The passage of the GLA legislation suggested a number of important issues relevant to the creation of regional governments for other parts of England. First, a powerful and committed team of civil servants, with direct access to ministers, was essential to secure the necessary access to clear away impediments to the creation of an effective institution. Second, devolution within England is undoubtedly problematic for government departments: the more that power is transferred downwards from the centre, the greater the threat to the baronies of Whitehall. During the preparation and implementation of the GLA legislation, some parts of central government attempted to reduce the scale of powers transferred to the new authority and to limit the autonomy of the Mayor of London. It is almost certain that the passage of legislation to create regional government in England would face similar obstacles.

5. Third, the GLA Act is very long. The scale of the legislation and the number of amendments introduced at various Parliamentary stages inevitably reduced Parliament's capacity for full and effective scrutiny. While legislation to enact English devolution would not have such added complexities as the London Underground public-private partnership, it would go beyond the London legislation in, for example, giving the regions housing responsibilities. Full scrutiny of such important constitutional legislation is essential.

#### POWERS

6. The Mayor of London, as the executive part of the GLA, is a strong mayor, but within a relatively weak tier of city-wide/regional government. The GLA's key service responsibilities are transport and strategic planning, with rather more limited responsibility for economic development. The Mayor of London sets the budgets for fire and police, and also appoints the boards of the relevant authorities. However, the Mayor's direct policy and service control over fire and police is very limited. By virtue of his mandate, the Mayor has the capacity to influence other service providers.

7. However, the London boroughs remain powerful, with responsibility over schools, personal social services, local planning, environmental services, economic development and local transport. Central departments are also important, given their responsibilities for the NHS, law and order, local government finance, housing allocations, and as the final arbiter of major planning decisions.

8. The GLA demonstrates there is a clear risk of creating a relatively weak regional tier of government that is squeezed between more powerful ones in Whitehall and local government. Although the GLA has thus far avoided accusations of irrelevance or efforts to abolish it, such possibilities are never far away. The less extensive the powers given to the proposed English regional governments, the greater will be the risk that they will be seen as having no valuable function.

#### FINANCE

9. The GLA was given the power to set an annual council tax precept. To this, the Mayor has added the relatively modest yield of congestion charging. He also has access to the yield of the fares charged by London's Underground and buses. The government's original proposals envisaged giving English regional governments only a modest council tax precept, to cover administrative costs.

10. Compared with city governments overseas, the GLA is able to raise only a modest proportion of its income from locally-determined sources. Under the current proposals, English regional governments would raise an even smaller proportion of their income from local taxation. It is difficult to imagine these new regional governments being autonomous and confident if they are not given access to income sources equivalent to at least half their annual budget. The GLA would certainly be a more effective institution if it were more fiscally independent.

#### REGIONS AND LOCAL GOVERNMENT

11. Historically, London-wide governments often found themselves at loggerheads with lower-tier authorities. The GLA has thus far managed to avoid any serious, long-term, disagreements with the boroughs. The way in which boroughs choose to set their local policies within the Mayor's *London Plan* will be a major test of the extent to which the regional/city level of government and the more local tier can work together. The Mayor and some Assembly members have suggested that perhaps there should in future be fewer boroughs. One consequence of the creation of London-wide government has been a concern to rationalise the number of boroughs.

12. The GLA took almost all its post-2000 powers from central government, from quangos, or from the London-wide committees of boroughs set up following the abolition of the GLC. This was surely appropriate, given that the purpose of the Government's policy was to devolve power. There appears to be a risk that outside the capital a number of local government services (or those still linked to local authorities) may be "regionalised". County planning, fire and emergency services, the police and even transport could, according to some proposals, be transferred from local to regional government.

#### MAYORAL GOVERNMENT

13. The creation of a directly-elected executive mayor for London was a reform that is not being proposed for regions in the rest of England. In regional governments set up within England there will, as in Scotland and Wales, be a classic British system where administrations and leaders are indirectly selected by those elected to the authorities concerned. In Scotland and Wales, the position of First Minister (chosen indirectly) appears to be well-understood and recognised throughout the country. The Mayor of London, by virtue of his large direct mandate, is assured visibility beyond his formal powers. Perhaps the direct election of an individual to lead an authority is more appropriate for a metropolis or free-standing city than for a mixture of cities, suburban authorities, towns and rural area. However, experiments with a directly-elected regional "governor" should not be ruled out.

#### THE FUTURE OF LONDON GOVERNMENT

14. Legislation to provide regions outside London with directly-elected government would provide an opportunity to re-visit the arrangements for the capital. A number of aspects of the system created by the 1999 require change, including the way officers are appointed, the duties of the Assembly and the range of services provided. Accountability for the police and fire services in London is muddled. In addition, it would be eccentric to give powers to regions outside London (for example, over housing) that were not also available to the GLA. Equally, regional governments in England that did not approach at least the GLA's level of responsibilities would be very weak. Asymmetrical devolution is one thing, officially-created inconsistency would surely be another.

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### Memorandum by the National Audit Office (NAO) (DRA 75)

#### EXECUTIVE SUMMARY

1. The National Audit Office (NAO) welcomes the opportunity to submit this memorandum to the ODPM: Housing, Planning, Local Government and the Regions Committee in support of its pre-legislative scrutiny of the Draft Regional Assemblies Bill. We have been asked to comment on the proposed audit and inspection arrangements for elected regional assemblies. This memorandum focuses on the aspects of the Draft Regional Assemblies Bill that will enable Parliament to discharge its responsibilities in relation to funding routed through the assemblies.

2. The NAO will not audit elected regional assemblies but will have access rights to enable us to report to Parliament on the effectiveness of performance frameworks or other government interventions affecting the work of the assemblies and their agencies and for the purpose of our audits of Central Government Departments interacting with the assemblies. The NAO has agreed with ODPM a set of broad principles under which we will exercise access rights in line with Parliament's and Central Government's interests in the assemblies. We will co-ordinate our work with the Audit Commission, who will appoint auditors for the assemblies, drawing on our long experience of co-operation in areas such as the National Health Service and the criminal justice system.

3. The Draft Regional Assemblies Bill gives the NAO access rights to elected regional assemblies and their functional bodies in connection with our value for money work on Central Government bodies. ODPM has made a commitment to lay an Order under the Government Resources and Accounts Act 2000 to give us equivalent access rights in connection with our financial audit work on Central Government bodies. Parliament's ability to discharge its responsibilities in relation to funding routed through the assemblies will be incomplete until this Order is laid.

#### THE ROLE OF THE NATIONAL AUDIT OFFICE

4. The NAO scrutinises public spending on behalf of Parliament. The head of the NAO is the Comptroller and Auditor General (C&AG), who is an Officer of the House of Commons.

5. We audit all aspects of Central Government spending and provide an insight into the performance of public services. Our value for money examinations look in detail at the implementation of specific Central Government activities in order to assess performance, identify good practice and suggest ways in which public service could be improved. The C&AG, with the NAO's support, is responsible for auditing the financial statements of Central Government Departments, agencies and other public bodies. We report the results of our value for money examinations and financial audits to Parliament.

#### AUDIT OF ELECTED REGIONAL ASSEMBLIES

6. The Draft Regional Assemblies Bill (clauses 155 and 156) provides for the Audit Commission to appoint auditors for the elected regional assemblies and their functional bodies. The Audit Commission is also responsible for appointing the auditors of local authorities and local bodies in health, housing, criminal justice and fire and rescue services.

7. The NAO will not have audit responsibilities in relation to elected regional assemblies but we will have access to the assemblies and their functional bodies for our value for money examinations and financial audits of Central Government bodies. The Draft Regional Assemblies Bill (clause 157) provides value for money access. ODPM intends to lay an Order under the Government Resources and Accounts Act 2000 to provide financial audit access. We have discussed and agreed our access rights with ODPM.

8. The policy statement accompanying the Draft Regional Assemblies Bill (paragraph 86) provides a further explanation, which we have discussed and agreed with ODPM, of the different roles that the Audit Commission and NAO will play in relation to elected regional assemblies:

- elected regional assemblies and their functional bodies would have auditors appointed by the Audit Commission and would be subject to the Commission's "best value" and value for money regimes (building on the lessons learned from local government and tailoring requirements to the particular circumstance of assemblies);
- the National Audit Office would, for purposes of the financial audit and value for money studies of Government Departments, have statutory rights of access to documents held by the assemblies, for instance for reporting to Parliament on the assemblies' contribution to national policies and initiatives.

#### PARLIAMENT'S INTEREST IN REGIONAL ASSEMBLIES

9. NAO access to elected regional assemblies is essential to enable Parliament to discharge its responsibilities in relation to funding routed through the assemblies. The Draft Regional Assemblies Bill (clause 56) allows the Secretary of State to pay a grant to each assembly, subject to such conditions as he thinks fit. The grant will come from money voted by Parliament. Access will also allow the NAO to report to Parliament on the contribution that elected regional assemblies make to Central Government Departments' policies.

10. The NAO has agreed with ODPM a set of broad principles under which we will exercise access rights (Annex). The scope of Parliament's interest in the elected regional assemblies would be co-extensive with that of Central Government itself, so the NAO would exercise access rights in line with that interest. In particular, the C&AG would report to Parliament on the effectiveness of performance frameworks or other government interventions affecting the work of the assemblies and their agencies.

#### CO-ORDINATED WORKING WITH THE AUDIT COMMISSION

11. The NAO will work closely with the Audit Commission to ensure audit resources are used economically, efficiently, effectively and with due regard to the impact of audit work on elected regional assemblies and their functional bodies. We will co-ordinate our work drawing on our long experience of co-operation in areas such as the National Health Service and the criminal justice system.

#### CONCLUSION

12. The Draft Regional Assemblies Bill, when combined with ODPM's commitment to lay an appropriate Order under the Government Resources and Accounts Act 2000, protects Parliament's ability to discharge its responsibilities in relation to funding routed through the assemblies by granting the C&AG access rights to elected regional assemblies and their functional bodies.

**Annex**

#### ELECTED REGIONAL ASSEMBLIES: "BROAD PRINCIPLES" AGREED BETWEEN ODPM AND NAO

(a) The scope of Parliament's interest in the elected regional assemblies would be co-extensive with that of central government itself.

(b) Elected regional assemblies would be accountable to their electorate, not to central government.

(c) Central government would be accountable to Parliament for its policies and other activities in relation to elected regional assemblies.

(d) The accountability at (c) would be exercised through the Accounting Officer of the Government Department concerned. To the extent that this might help understanding of the effectiveness of the relevant Department's policies and actions, the Accounting Officer could be accompanied by regional assembly witnesses in a supporting role.

(e) The Comptroller and Auditor General (C&AG) would report to Parliament on the effectiveness of performance frameworks or other government interventions affecting the work of the assemblies and their agencies.

(f) The C&AG would have access to the elected assemblies to enable him to report accordingly to Parliament, and for the purposes of his audit of Government Departments interacting with the assemblies.

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#### **Memorandum by the Mid Yorkshire Chamber of Commerce and Industry (MYCCI) (DRA 76)**

Paragraph 95 of the Policy Statement on the Draft Regional Assemblies Bill mentions that the Select Committee is seeking written evidence by 27 August 2004, so MYCCI is taking the opportunity to send its comments.

It is reasonable when assessing a draft Bill intended to become an Act of Parliament in due course, to consider its capability to fulfil a purpose. Very relevant in the context of the draft Regional Assemblies Bill is the issue of reducing the current regional disparities in prosperity. MYCCI does not believe that in its present form the Bill would make a contribution of any significance to a region's prosperity just because it had an elected regional assembly. A little while ago MYCCI sent its comments to the Chairman of the ODPM Select Committee following its report on "Reducing Regional Disparities in Prosperity". It was apparent that many of the issues raised by the Select Committee would not be able to be addressed effectively by a regional elected assembly with very the limited real powers as proposed.

In its response to the White Paper "*Your Region, Your Choice*", the Mid Yorkshire Chamber of Commerce welcomed the concept of devolution from central government to the regions, but expressed concern about the extent of the proposed devolution in relation to the handing over of actual powers. You will see the comparison with the existing chambers/assemblies—the one in Yorkshire and Humber has done a good job, considering the limitations under which it has to operate.

In the period since the White Paper "*Your Region, Your Choice*" nothing in various announcements, which have tended to trickle out bit by bit, has reduced MYCCI's concern about the very limited true powers envisaged for an elected regional assembly (ERA), as distinct from "working with", "being consulted on" and "advising" etc. By any stretch of the imagination these are not powers. Reference is made to elected assemblies having a coordinating role with regard to existing bodies, but they are excluded from having any say over third parties. This clearly goes to show that an elected assembly is yet another body and layer of bureaucracy.

Very early on, it was apparent that only three regions were targeted and it would be quite a number of years before a move was made to expand on these. MYCCI has always found it difficult to imagine central government giving any form of true power to, say, three regions "to do their own thing" whilst the remaining regions in England continued, in effect, under the existing tight central government control. The

Government has previously stated that notwithstanding voting on ERAs (now reduced to one for the time being), existing regional chambers (some have assumed the title of assembly) will be strengthened and supported. They could certainly take on the roles trumpeted for ERAs as above—namely from “working with”, “being consulted on” and “advising” where their existing activities may, as yet, not be “officially” recognised, even though “informal” networking is already taking place.

The Government sets so much store on an elected assembly but has not taken the opportunity for the assembly to have more say in connection with the host of unelected quangos whose actions can affect matters in a region.

Then there is the question of funding for ERAs against the yardstick of devolvment. The Government has stated that the activities of ERAs will relate to those devolved from central government. The Policy Statement on the Draft Assemblies Bill mentions the need for specific additional powers in some policy areas to enable ERAs to carry out work which is currently a function of the Secretary of State or other bodies.

In relation to housing, reference is made to the work of an ERA including work currently undertaken by the Government Office for the region and the local office of the Housing Corporation. The original Government estimate for an ERA was £25 million per year (£30 million has since been mentioned, but it could be even higher in view of what has happened cost-wise with the Welsh and Greater London assemblies) with £5 million out of this represented by activities taken over from other bodies.

The question therefore arises, that if so many existing activities are being devolved to the ERA and that it is not becoming another layer of bureaucracy, why is the figure of £5 million not significantly higher? This question was asked by MYCCI of Nick Raynsford MP at one of the public “soundings”, but he gave no answer. If £5 million is the maximum for devolvment what is the breakdown of the remaining £20–25 million in terms of activities, which is clearly identified as not additional bureaucracy to what is already in existence.

Moving from the general to the more specific—the Bill includes a statement of an assembly’s general purposes in relation to its region—the promotion of economic development, social development and the improvement and protection of the environment, which are exactly the same as the statutory duties for local authorities with all the implications of who holds the purse strings—75% of central government funding in respect of local authorities and virtually 100% of central government funding in respect of elected regional assemblies. The Policy Statement refers to quite a number of limitations on the powers of an elected regional assembly.

*Economic Development:* In this vital “test” area of an assembly’s competence there appears to have been some slight strengthening since the White Paper “*Your Region, Your Choice*”. However, the RDA would retain its present day-to-day operational independence and its Board would be directly responsible for ensuring that it fulfils its statutory role, ie from central government and delivers its corporate plan. The assembly would need to consult the Government on appointments to the Board of the RDA.

Furthermore, the assembly and the RDA would be required to have regard to Government guidance on preparing the regional economic strategy and the Government would be able to require changes to be made if it considers that the strategy is inconsistent with national strategy of have a detrimental effect on areas outside the region, ie another region or regions. This could be used to stifle innovative action which is sorely needed to reduce disparities in prosperity between regions including, for example, a northern region “stealing a march” in some way on the prosperous south east, bearing in mind that through national taxation, other regions are helping to pay for the major expenditure in the south east to reduce the effects of congestion directly resulting from its prosperity.

In the light of its response to the White Paper “*Your Region, Your Choice*”, MYCCI is pleased that the Policy Statement makes specific reference to the importance of provision for stakeholder involvement in amplification of clause 53 (subsection (3) in particular) and clause 48 (4) (participation of assembly participants) of the draft Bill.

*Training and Skills:* An assembly would have no control except in the appointment of five members to local learning and skills councils. Otherwise it is a matter of the national Learning and Skills Council having a duty to consult elected regional assemblies on guidance to Local LSC’s, which would have a similar duty to consult the relevant assembly on their local plans.

*European Programmes:* It was originally understood that an assembly’s role would include the ability for direct negotiations with the EC in Brussels, but this is not now spelt out, while the Office of the Deputy Prime Minister will continue to be the managing and paying authority.

*Planning:* The only real difference compared with existing regional chambers/assemblies, will be that elected assemblies will be able to issue their regional spatial strategies instead of the Secretary of State.

*Housing:* For what it is worth, an elected assembly’s role would include work currently undertaken by the Government Office for the region and the strategic and resource allocations of the local office of the Housing Corporation.

*Transport:* It is disappointing that there is nothing substantial in this key area linked with economic development compared with existing regional chambers/assemblies. Elected assemblies would be able to advise the Government on the allocation of local transport funding and make proposals for schemes of regional importance to the national organisations responsible for highways and rail.

*Arts and Sports:* Accountability and funding for the arts and sports which are regional in character will be devolved to the assembly in a way that protects strategic national priorities.

*Tourism, Historic Environment and Museums:* A supporting role, presumably by providing some funding from the assembly's own budget.

*Lottery:* The Government does not propose that there should be any requirements in the Bill on the Lottery distributors, but assemblies' general purposes should enable them to work with and support these organisations.

*Public Health:* Elected assemblies' general purposes provide for them to promote the health, safety and security of the community and assemblies would be able to support the development and implementation of a health improvement strategy for the region.

*Environment:* The draft Bill includes provision for elected assemblies' role in being consulted on environment and conservation issues.

*Crime Reduction:* Assemblies' general purposes would enable them to promote the health, safety and security of the community.

*Fire and Rescue:* Additional to the White Paper. A regional fire and rescue service would be constituted as a functional body of an elected assembly.

The 160 page independent assessment by the Royal Society of Arts on elected assemblies in English regions headed "Democratic Passport to Inclusive Prosperity or Powerless Talking Shops?" makes some interesting points. One is that wherever a power, a budget or a responsibility is devolved to an elected regional assembly, it is essential that Central Government should no longer have these powers, budgets or agencies with the same remit. This extent of devolvement has not of course arisen with the present Bill, although it is not unreasonable to take the view that true devolvement implies some passing of power from one body to another and with it, associated transfer of autonomy.

In his preface the Prime Minister says "This Bill will give the regions an unprecedented opportunity to have a greater say over the key issues that affect them as well as having the power to devise their own solutions and set their own priorities."

In his foreword the Deputy Prime Minister says "The draft Bill shows how regional assemblies would be able to make a real difference to jobs, growth and quality of life", and "elected regional assemblies are also empowered by the draft Bill to make big strategic decisions over matters such as housing, planning, transport and fire and rescue." As a "prospectus", MYCCI believes that the draft Regional Assemblies Bill and accompanying Policy Statement do not fulfil the requirements to achieve these aspirations, due to the lack of real power being devolved.

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#### **Memorandum by Andrew George MP (DRA 77)**

Following the publication of the draft Regional Assemblies Bill, it was announced that a consultation on the proposed legislation would take place, ending on 27 August.

In response to the consultation I enclose a copy letter from myself, Paul Tyler MP, Matthew Taylor MP and Colin Breed MP, to Cornwall County Council on this issue. I believe this covers many of the points we wish to make.

The publishing of the Draft Bill after Parliament went into recess and the expectation of responses to you before 27 August has created an unacceptable burden. We do have further points to make and I will contact you again after 27<sup>th</sup> with these assuming that is permissible.

#### **ELECTED REGIONAL ASSEMBLIES**

We are grateful to John Sawle for writing to the four of us on your behalf in his letter dated 11 August 2004.

We thought it might be helpful for you and the Council if we responded collectively, rather than separately saying much the same thing.

We have also set the letter out in sections commenting on (1) the letter you have received from John Powell dated 16 July 2004, (2) the draft Bill and (3) further comments providing a background/context to this.



## 1. LETTER FROM ODPM—16 JULY 2004

This letter comes as no surprise. It is full of phraseology which the department has used in its standard responses on this issue over the last three years.

The issues raised within the letter itself which deserve further comment and response are primarily contained in the fourth paragraph. We have structured our response to each of the points put forward:

- (i) “The Government does not believe that it would be right to create regions that are as large [presumably he means ‘as small’!] as existing local authorities.”

We assume that we do not need to provide the County Council with the full weight of evidence from other countries—with well established and successful regional/provincial government (and, indeed, nations) with populations on a par with or smaller than the half million population of Cornwall (and the Isles of Scilly).

Indeed, there is a wide body of independent evidence and academic assessment which clearly queries the kind of “conventional” thinking set out by the Government; perhaps most recently (and usefully) the Constitution Unit of the University College of London’s own report “The Cornish Question: Devolution for the South West Region”—Mark Sandford, October 2002.

- (ii) “It would make it hard for regional authorities to take the strategic view that is essential for their *success* (eg giving Cornwall the powers that the Government envisages giving to elected regional assemblies would lose the benefits of joining up policies that affect a far wider region—such as transport and economic development—under a directly elected body)”

This is evidently a debating point rather than proven fact. We would certainly be interested in seeing any proper independent analysis of what strictly strategic advantage regional development agencies have actually provided so far—and which would not otherwise have been provided through departmental offices (based anywhere) offering local business advice, a channel for Government funding support and reactive engagement in local economic development issues.

We would also be interested in examples of how a wider region can clearly be shown to have delivered more favourable economic development to a place like Cornwall than it might have achieved through having its own agency and forming its own partnerships with other areas where appropriate. Indeed, we have requested this information before and received little in return.

The ODPM’s position also presupposes that the creation of a wider zone would add rather than subtract from the benefits of defining a region in a different way. Surely even the ODPM would acknowledge that the creation of a region from a wider and less distinctive Government zone would lose the benefits of the economic advantage of a place like Cornwall trading on its distinctiveness—part of which might be its unique size.

Finally, there appears to be a curious assumption—denied by Ministers in debate—that wherever you draw the boundaries between regions, large and impenetrable walls will be created and that strategic partnerships could not otherwise be formed. The fact is that wherever you draw the line for the purposes of transport, for example, cross border and inter-regional partnerships will be essential in order to take issues and projects forward. Our assumption is that a Cornish Regional Assembly would always seek to establish project forums and inter-regional partnerships to explore solutions to transport and economic development opportunities and challenges, just as we would expect any other region to do.

Indeed, our own experience from visiting other countries which have regional and provincial governments representing sometimes extreme variations in population and geographical size (such as Canada) provides ample evidence that those bodies invariably seek inter-provincial arrangements to address issues such as economics of scale, shared challenges and cross-border transport management.

- (iii) “There will . . . be scope for regional assemblies to organise their activities sub-regionally . . .”

This term is often referred to, but has never been substantiated or quantified. We regard this as an unfortunately flimsy attempt to placate. Indeed, all of the evidence in recent years suggests that local authority powers are being siphoned up to “regional” bodies rather than following an agenda to devolve. For example, both the Probation and Careers Services are managed across a wider geographical area, strategic planning and fire services are being regionalised and, although this does not impact directly on Cornwall County Council decisions on housing investment priorities are effectively being removed as well.

## 2. DRAFT REGIONAL ASSEMBLIES BILL

By way of a preamble, I am sure that you would expect Liberal Democrat MPs to criticise the Deputy Prime Minister for choosing to publish this piece of important draft legislation after the House of Commons rose for its summer recess and expect responses before the August bank holiday. We believe that there is a cynical attempt on the part of the Government to avoid proper scrutiny of this important issue.

We also believe that, within the context of the Deputy Prime Minister resolving not to go ahead with referendums in the North West and Yorkshire and Humberside regions this autumn, this draft Bill appears to confirm that the Government is losing its enthusiasm to press forward with its agenda for devolution.

However, on the substance of the draft Bill itself, we have the following comments which we believe are relevant to Cornwall County Council's deliberations:

- (i) The "South West" is not deliverable.

Mr Powell's letter to you acknowledges that, "in the Government's judgement . . . interest is low" in the South West.

In our judgement (unless the Government were to permit communities and local authorities in its South West Government zone to radically revise boundaries to properly reflect regional identity) any decision to press ahead with a referendum would be so controversial that it would generate a very strong "No" vote—especially in Cornwall—if as the Government indicates, it chose to continue to ignore the now widespread, widely articulated and popular call for a Regional Assembly for Cornwall.

The fact that the Government, in its draft Bill, proposes to put back the date for any boundary revision until 2012 at the earliest, clearly indicates that it is not optimistic that it can change peoples minds about regional assemblies in the short term.

It is our judgement that, based on the proposals within the draft Bill, the Government's ambitions are undeliverable in general, and even less deliverable in the south (South East and South West) if the Government is determined not to permit any significant alteration to regional boundaries.

- (ii) Draft Bill discounts better options

It is, further, our judgement that the draft Bill is fatally flawed in that it chooses to ignore better proposals which may be put to it from those territories which could well deliver both a "Yes" vote on a regional assembly referendum and successful regional government. Cornwall is not only recognisable and distinctive but its opportunities, ambitions and needs are arguably better understood than the Government's South West zone.

Indeed, it could easily be overlooked, but 2004 may be an appropriate year to reflect upon the impact of the last 8 or so years in which regional policy has been keenly debated within the UK.

We have consistently argued that Cornwall represents the principles which other potential small regions may wish to emulate. We have been prepared to accept that Cornwall may not, itself, be an entirely unique or "special case". However, in all of the years in which the matter has been debated, no other "special case" of an erstwhile small region has emerged. We believe that Cornwall can legitimately claim that it has a special case for its own unique settlement.

Therefore added to Cornwall's strong and distinctive case, its "special" status and unique small size would further embellish that distinctive case.

- (iii) Draft Bill ignores popular will

Not only have there been very substantial representations of popular support for devolution to a Cornish Assembly (50,030 supporting the Constitutional Convention's declaration) but local authorities, local institutions and other politicians (eg Labour Baroness Ruth Rendell) have made the case and/or acknowledged the potentially strong popular support for a Cornish dimension to regional government.

- (iv) Draft Bill would result in de facto abolition of Cornwall

Despite strong and strenuous efforts to contradict the claim, it would appear that most of the "strategic" decisions which would be conveyed to regional assemblies, would include the effective removal of public service delivery functions from local government (we have referred to probation, careers, fire, planning and housing functions already) and it is unlikely that this trend would be reversed.

There is also no guarantee that any review of local government structures would inevitably result in the creation of a single unitary authority for Cornwall.

### 3. BACKGROUND/CONTEXT

We also feel it may be helpful for the Council to receive our comments on two of a number of aspects which appear to us to be either poorly articulated or to have been insufficiently clearly debated.

- (i) Future of Cornwall County Council

It appears that there is still an assumption that the case for a Cornish Assembly implies support for the abolition of Cornwall County Council.

It is our judgement that a Cornwall tier of government (whether defined as "local" or "regional") is what we are primarily seeking to develop. We have always taken the view that any Cornwall tier should primarily be strategic—across all of its powers and areas of responsibility—and that service delivery decisions could/should be made through delegated powers to sub-committees, area committees or directly elected councils covering a local area.

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The case for Cornish regional government is not tantamount to the abolition of Cornwall County Council, but the enhancement and strengthening of a Cornish tier government.

The “fear” factor

We still detect that the debate is hampered by a fear that the creation of a Cornish Assembly implies support for the tiny minority of “separatists” who may still be living in our midst. This may even be used to generate prejudice against the proper campaign for a strengthened Cornish tier of authority.

We do not believe that devolution to Scotland, Wales and London has generated any fertile ground for ethnic separatism. Indeed, it would appear that the taking on of increased responsibilities has reduced such a debate still further. Indeed, one could argue that by denying Cornwall its unique voice and status, more people are likely to be recruited to the separatist cause with a concomitant increase in non-democratic methods by which that cause is articulated/demonstrated.

#### SUMMARY AND CONCLUSIONS

As you can see, in our judgement, the Government’s draft Regional Assemblies Bill:

- extends the timetable for devolution to such an extent that it is likely to be undeliverable—especially in the South West;
- would result in Cornwall losing its primary and unique selling point as it becomes absorbed in a less distinctive region in which it is unable to determine outcomes which could be crucial to our economic development.

We also believe that the Government has failed to:

- respond to popular public opinion;
- demonstrate that regional government on the South West zone would add rather than subtract from the benefits of defining regions in a different way;
- understand that regions can form strategic partnerships on issues and projects across regional boundaries; and
- appreciate that regions and nations equivalent to or smaller than Cornwall in other parts of the world have been successful.

Finally it is our assessment that the case for Cornwall:

- has become stronger;
- is the only territory to have clearly and consistently made a case for a special settlement over the last eight years in which regional policy has been keenly debated;
- is increasingly well recognised and supported;
- would enhance Cornwall’s ability to deliver strategic solutions to its economic development, transport and other opportunities and challenges; and
- would strengthen local government.

In any response to the ODPM Select Committee and Government it is our assessment that Cornwall is unlikely to make any significant progress if responses are equivocal or the conclusions unclear or timid.

We would therefore urge Cornwall County Council not only to take a clear position but to clearly indicate that it intends to press, in a determined manner, Government for devolution to a Cornish Regional Assembly.

We hope that this helps the County Council and its Executive in establishing the best way forward on this important issue.

*Andrew George MP*

*Colin Breed MP*

*Matthew Taylor MP*

*Paul Tyler MP*

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**Memorandum by John Devine and Gavin Ridewood (DRA 78)**

**DRAFT REGIONAL ASSEMBLIES BILL**

We write as concerned Christians known worldwide as Brethren. As you may know we have recently been attending most sessions of your Committee. This is to pursue, we trust helpfully to Government, our objective which is to have sympathetic and clear policy statements in National, Regional and Local Planning documents to make provision for Places of Worship and to meet the needs of Religious and Faith Groups.

Regrettably we were unaware of the short consultation period. Measures are in hand to improve our inward information system. However, we feel that it would avoid much constituency work if we drew attention to one point at this late stage of your Committee's deliberations.

*In Clause 53—"Promoting Participation" after 1(d) insert "Religious Organisations in the Region".*

This will bring the Bill into accord with PPS11 para 2.17. "It is essential that the public is able to be involved throughout the RSS revision process and this should include broad public consultation rather than relying on targetted consultation with particular groups".

Reference to Annex D para 19 of PPS11 distinguishes both "voluntary bodies" and "religious groups". May we also draw attention to the advice to Government by the Home Office Faith Communities Unit which is setting standards for consultation with religious organisations?

*John Devine and Gavin Ridewood*

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**Memorandum by the Council for National Parks (CNP) (DRA 79)**

The Council for National Parks (CNP) welcomes the opportunity to submit evidence to the Committee's inquiry into the Draft Regional Assemblies Bill.

**ELECTED REGIONAL ASSEMBLIES AND PLANNING**

Elected Regional Assemblies would be responsible for delivering various planning functions including:

- reviewing and revising regional spatial strategies, taking this role over from regional planning bodies;
- assuming responsibility for issuing regional spatial strategies;
- having power to direct local authorities to refuse strategic planning applications which the assembly considers to contravene the regional spatial strategy; and
- assuming responsibility for setting the regional strategy for transport.

It is essential that the proper representation of National Park Authorities is achieved. The recently issued advice in para 2.9 of PPS11 is relevant here:

Section 62(2) of the Environment Act 1995 requires "relevant authorities" to have regard to the statutory purposes of National Park designation (see section 61 of the Environment Act 1995). In addition, the Countryside and Rights of Way Act 2000 places a similar duty on "relevant authorities" to have regard to the statutory purposes of the Broads (section 97) (as per section 2(1) of the Norfolk and Suffolk Broads Act 1988), and to the statutory purposes of Areas of Outstanding Natural Beauty (AONBs) (section 85). These include RPBs. RPBs will be expected to demonstrate how they have taken the statutory purposes of the National Parks, AONBs and the Broads into account during preparation of a RSS revision and in the implementation, monitoring and review of any RSS, which covers either in whole or part of a National Park or the Broads or which would have a significant indirect effect on an National Park or the Broads, for example on the landscape setting.

In conclusion CNP therefore encourages the Committee to look at ways in which the proper representation of National Park Authorities will be secured in Elected Regional Assemblies. It further asks the Committee to recommend to ODPM that guidance is provided to Elected Regional Assemblies which makes the duty under Section 62 of the 1995 Environment Act explicit in order that National Park purposes can be fulfilled.

*Clause 107 of the draft Bill*

This states that:

(1) The Secretary of State may by order direct that if the area of a National Park falls within more than one region it is treated as falling within such region as is specified in the order.

(2) An order under this section must not be made in respect of a National Park if an order under section 12(2) of the Planning and Compulsory Purchase Act 2004 is in force in respect of the Park.

(3) An order under that section must not be made in respect of a National Park if an order under this section is in force in respect of the Park.

Para 302 of the explanatory note on Clause 107 states that:

302. Clause 107 provides that the Secretary of State would be able to order that an area of National Park should fall within the control of one assembly. This would be to ensure that the same regional planning policies applied to the whole area of the National Park. This order could only be made where a similar order was not already in force.

We would welcome ODPM issuing a clear policy statement to ensure that all RSSs covering a single National Park area should be consistent. It is important to be able to regularise policies on National Parks between the different assemblies and RSS.

The key issue is that every National Park should have one regional planning authority from which it takes guidance or spatial strategy, not only for clarity on policies but also to save time consuming duplication of consultation.

The Peak District National Park Authority (PDNPA) has considered Clause 107 and would like the following comments to be considered by the Committee. CNP considers that these should be given great weight by the Committee as the Peak District National Park Authority will be the National Park Authority most affected, since it falls within four Government Regions.

- The retention of (in effect) the current position for the PDNPA is welcome, provided that it also applies to non-elected assemblies (regional planning bodies) as per PPS11.
- Clarification would be helpful that the direction applies to regional transport strategies (as part of the regional spatial strategy), regional housing strategies and to all policies/proposals etc in future RSS—not just land-use planning statements. It would also be helpful if this could be extended to research and monitoring arrangements.
- We request that the power of direction should apply to other aspects of the Integrated Regional Strategy and implementation—in particular to RDA arrangements and also to regional biodiversity action plans and the regional energy strategy. This will require local discussion and negotiation, which should be allowed for in any rewording.
- On our understanding, Clause 12 (2) of the Planning and Compulsory Purchase Act 2004 poses a difficulty if the principles argued here are accepted. Basically if the scope of an order in new legislation is broadened *vis-à-vis* that in 12 (2), we would wish the former to be replaced. Parliamentary drafting may not be affected since there could be simultaneous revocation of the former provision and imposition of the new.

Detail:

- 107 (3) could perhaps be deleted and “*vice versa*” added to 107 (2) IF the wording remains unchanged.

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**Memorandum by the Constitution Unit, University College London (DRA 80)**

Following the evidence session we promised to send a note addressing the issues touched upon in Question 32.

The membership of area committees is another question on which we feel that the Government is over-egging the pudding: very complex provisions are on the face of the Bill. The area committees will consist of all constituency members of the given area, plus a number of top-up list members. The number of top-up members on the area committee must be proportional to the number of top-up members on the Review and Monitoring Committee. In other words, the top-up members as a group are entitled to representation on area committees, despite being elected for the region as a whole. There are no party proportionality requirements from the top-up members as to who is selected to sit on an area committee.

This is an extremely odd situation that is, I guess, an inevitable consequence of having a small number of members and a single top-up constituency for the whole of the region. The equivalents in Wales, the regional committees, have no such difficulties: they simply consist of all members elected for the given region. The boundaries of the regional committees in most cases match those of the five Welsh top-up constituencies, meaning that there is no need for byzantine formulas as provided in this Bill.

*Mark Sandford*  
Constitution Unit, UCL

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### Memorandum by Peter Bottomley MP (DRA 81)

#### INTRODUCTION

1. The comments below have been compiled in response to the publication of the draft Regional Assemblies Bill

2. **I do not consider that a Regional Assembly is needed or wanted in the South East and that improvements in public service can be better secured in other ways, notably by increasing the autonomy and functions of County Councils.**

3. This document testifies to my concerns that, should Elected Regional Assemblies (ERAs) become a reality, they are, as presently conceived, risking the strength of local authority governance without ensuring sufficient accountability in the new arrangements.

4. The concerns expressed below and relating to the issues of ERA constituencies/boundaries, powers, funding, scrutiny/consultation as well as ERA relationships with the RDAs, stakeholders and local authorities in no way signify acceptance of the Government's proposals nor any support for them.

5. I agree substantially with the analysis and points made by the South East County Councils

#### SUMMARY

6. In summary, my concerns are that:

- (a) **Constituencies and voting arrangements** create constituencies that are vastly larger than the Westminster Parliament constituencies, creating a tier of politicians remote from their constituents and made more so by concentrating effective power in a tiny Executive.
- (b) **Limitations on powers of ERAs** are wholly insufficient to ensure powers are drawn down from the national level and not drawn up from local government.
- (c) **Regional Development Agencies** are important drivers of economic development but they also represent yet another example of the quango state that has burgeoned over the last 20 years. Making them accountable to ERAs is a step in the right direction but will require significant resources and capacity if it is to be effective.
- (d) **Effective Scrutiny and Accountability** is critical if ERAs are to secure public acceptance. It is difficult to see how any ERA can easily relate to the population it serves and be effectively held to account. They are to have a tiny Executive; a small number of elected members of whom only some have representative constituencies. For regions with large and dispersed populations—none more striking than the South East with over 8 million people—this has to raise serious questions about the potential for any real accountability.
- (e) **Stakeholders** other than councillors nominated from their authorities are a novel feature of current unelected regional bodies. The proposed ERAs will be hard put to connect with their communities and it is unclear how stakeholder involvement, as envisaged in the draft Bill, will close this democratic gap.
- (f) **Pipers and Tunes.** ERAs will be funded primarily by central government grant. Will the public believe ERAs are anything other than creatures of central government if they are dependent for the majority of their funding on central government paymasters?
- (g) **Regional Boundaries** can be changed although only after 2011 and then only by moving local authority areas from one region to another. This can cut two ways:
  - (i) *Relative inflexibility*, particularly to 2011, can prevent adjustments where early experience shows them to be needed; and
  - (ii) *Gerrymandering potential* if government wished to cut down a region that was proving less than amenable to its wishes.

Safeguards are clearly needed in both directions.

- (h) **Public Consultation** has been turned into a total mockery by the Deputy Prime Minister's decision to consult on the principle of Regional Government in the North East, the North West and Yorkshire & Humber but not in the rest of the country. The rest of the country is to be bound by the views of a privileged minority in the north. This is hardly social inclusion!

#### CONSTITUENCIES AND VOTING ARRANGEMENTS

7. According to Clause 3 of the draft Bill, membership of elected regional assemblies would be between 25–35 people. These members would consist of both *constituency members* and *regional members*. *Constituency members* of an assembly would cover electoral areas while *regional members* would be members for the whole of the assembly's region. The number of *constituency members* and the number of *regional members* for an assembly is to be set by the Secretary of State.

8. The implication of this is that all ERA constituency members will have extremely large electorates, leading to the alienation of their voters for reasons of distance and inaccessibility. For the South East, with its population of more than 8 million people, the implications are stark. Regional constituencies would be significantly larger than existing Westminster constituencies. Moreover, the application of the additional member system of proportional representation would have the added disadvantage, compared with the first-past-the-post system, of both further increasing the size of the electoral areas and eliminating any direct relationship between some Members and parts of the region.

9. I am concerned that constituencies of the size proposed by the draft Bill would be unworkable, with regional politicians extremely remote from the citizens who elect them and who they represent. The system proposed in the draft Bill would unfairly disadvantage sparsely populated rural areas, with urban areas dominating regional political representation. I am convinced that this system would create a democratic deficit at a regional level.

10. Furthermore, I am most concerned about the size and role of the proposed ERA "Executives", as outlined in Clause 32 of the draft Bill. The Executive is to be headed by a Leader who would be appointed by the assembly as a whole. However, the Leader would then appoint his own Executive which would include between two and six other members of the Assembly and which would be responsible for the functioning of the Assembly. I believe that allowing responsibility to fall on such a small group of individuals would prevent the creation of an accountable and transparent democratic decision-making process.

#### LIMITATIONS ON POWERS

11. The draft Bill fails to reassure me that elected regional assemblies would not take powers away from local government. While Clause 44 deals with restrictions on power for elected regional assemblies, I believe that a stronger assurance is required to give full assurance that elected regional assemblies will not duplicate or remove responsibilities and powers from the local level. The draft Bill allows for the Secretary of State, without recourse to Parliament, to give additional powers to elected regional assemblies. It also proposes to enable elected regional assemblies to overrule council planning decisions where these are deemed to conflict with regional strategies.

12. I believe there should be clear guidelines to prevent ERAs from providing services currently exercised at a local level, including education, social services, children's services or health services. In the context of change and uncertainty, where two-tier local authorities are to be restructured, clarity over the role and remit of elected regional assemblies is essential, if power and responsibilities are not to be taken away from the local level.

#### REGIONAL DEVELOPMENT AGENCIES

13. The draft Bill extends the responsibilities that ERAs would hold for regional development agencies (RDAs), meaning that the RDAs would become directly accountable to elected assemblies. The ERA would set the budget of their RDA and would appoint the RDA's Chairman and Board members.

14. While I welcome the opportunity for ERAs to determine their own working arrangements with RDAs, I am concerned that this new role for ERAs would require a significant increase in resources for it to be carried out effectively. I am aware that the scrutiny of RDAs by existing unelected regional assemblies in England has in the past been unsatisfactory and, although this scrutiny relationship has improved somewhat over the past two to three years, I require further assurances that ERAs would have the resources and capacity to fulfil this role.

#### EFFECTIVE SCRUTINY AND ACCOUNTABILITY

15. The scrutiny and accountability of the newly established elected regional assemblies concerns us. Clauses 51 and 52 of the draft Bill deal with the accountability of elected regional assemblies, in particular the production and publication of an annual report. The annual report is to contain information on an assembly's targets, progress and involvement of stakeholders. It is specified in the Bill that a public meeting must be held following the publication of the report which would allow members of the public to ask questions relating to the report.

16. I am concerned that there is no responsibility for elected regional assemblies specifically to involve local authorities, business representatives, environmental and social groups, or community or voluntary organisations in the production or evaluation of this publication. The policy statement attached to the Bill states that the annual report is, "intended to facilitate scrutiny and debate both within the assembly and more widely in the region". However, it is unclear to us, with the guidelines as they currently stand, how this wider regional scrutiny and debate will be carried out. I would like to see a wider scrutiny role for local authorities outlined in the Bill, building on the scrutiny and performance management experience that already exists at the local level.

#### STAKEHOLDERS

17. Clause 53 of the draft Bill deals with the participation of stakeholders in the work of ERAs. Described in the Bill as "assembly participants", this group includes local authorities, as well as business representatives, voluntary organisations, community groups and any other groups the assembly thinks appropriate. According to the Bill, the elected regional assemblies must, "make arrangements to encourage and facilitate the participation" of these assembly participants in carrying out its work. However, no further or more specific guidance is offered about the responsibility to involve these groups.

18. Whilst I welcome the flexibility this offers to ERAs around the country, I am at the same time concerned that ERAs do not have a more specific responsibility to involve local government in their activities. Local government representatives currently make up around 70% of the membership of the South East England Regional Assembly. Under the new arrangements, local authorities would become "assembly participants". Without a clear and direct link to the governance at a local level, we are concerned that the ERA would have an increasingly remote approach to policy formation. I believe that the role of "assembly participants" must be made much more direct and must reflect the fact that such stakeholders are likely to implement, at a local level, many of the initiatives developed by ERAs.

19. I believe that more clarity is required on the responsibility for ERAs formally to involve local authorities in the policy making process. Clause 48 of the draft Bill describes the "Assembly scheme", a document setting out the medium- and long-term priorities of the elected assembly which must have regard to the community strategies prepared by local authorities and also to certain national policies. I hope that this would be an effective way of ensuring that priorities relating to sustainable development, housing, planning and transport would enable a more joined up approach to policy development at a regional level and we would like to see further evidence that local authorities would play a central role in ensuring that this is the case.

20. ERAs are to be funded primarily by central government grant, as well as by a precept on the council tax. While the policy statement attached to the draft Bill states that elected regional assemblies would have, "considerable freedom . . . to spend their funding as they judge best", it also goes on to say that funding will need to help achieve a number of targets agreed with central government. Although funding will primarily come as a block grant, there will be conditions on any such grants. The implication of this in relation to "pipers and tunes" is abundantly clear.

21. It is clear to me that the Secretary of State will continue to exercise considerable influence over regional spending. ERAs will effectively exist as enactors of central government policy, operating at a regional level.

22. In addition, there is no specific guidance in the draft Bill about the involvement of "assembly participants", including local authorities, in target setting or monitoring elected assemblies' financial arrangements. I feel that the omission of key stakeholders from such a fundamental area of the assemblies' operations would be detrimental to the accountability and efficiency of regional government.

#### REGIONAL BOUNDARIES

23. The draft Bill retains regional boundaries as defined in the Regional Development Agencies Act 1998. It rules out the alteration of such regional boundaries until 2011, after which time boundaries may be changed by moving one or more local authority from one region to another. The draft Bill also makes it impossible for the overall number of regions to change. I believe that, given the problems of identity and appropriateness with the existing regions, the Bill should allow for more flexibility on this issue.



## PUBLIC CONSULTATION

24. In the policy document that accompanies the draft Bill, the Deputy Prime Minister's foreword describes an "*extensive information campaign, including advertising, public meetings and over 1.5 million leaflets and fact-sheets*", all of which have been aimed at raising public awareness of regional government. These public meetings or "regional hearings" as they were called, were held only in northern regions. John Prescott himself said at the Kendal Regional Hearing on 15 April 2004: "*The normal process is for us to draft the Regional Assemblies Bill, detailing the powers and then to present it to Parliament for due consideration by MPs. We will do that. But this time—indeed, for the first time ever—we are consulting people in the regions before we publish the Bill.*"

26. His statement raises immediate questions. Only in the North East, North West and Yorkshire and Humber regions have there been such opportunities for the public to engage with the Deputy Prime Minister. The information campaign described above was carried out solely in these areas and not across the entire country. I argue that the manner in which the draft Bill was drawn up did not allow input from citizens in the South East or, indeed, in five other regions on important and far-reaching legislation which could potentially affect all areas of England in the long term.

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**Supplementary memorandum by the Association of Colleges (AoC) (DRA 47(a))**

During the summer the Association of Colleges submitted written evidence as part of the Committee's inquiry into the Draft Regional Assemblies Bill. After further consultation with our members we would like to make further comments (below). I hope the Committee will be able to consider these as part of your inquiry.

We have the following comments on specific clauses of the Draft Bill:

*Clause 43*

The AoC agrees that the general purposes of a regional assembly.

*Clause 44*

The AoC welcomes the restriction in Clause 44(5) on the power of the Assembly to do anything for a commercial purpose. While we support the role of regional assemblies as strategic bodies in areas where there is public support for them, we believe that operations are best carried out by other organisations to maintain a clear distinction between policy and delivery. The experience of Training and Enterprise Councils in the early 1990s was that the lack of such a distinction resulted in some TECs creating trading businesses in the training area which were given a favoured position in contracts in a way that detracted from their ability to plan strategically.

*Clause 119*

AoC believes it will be desirable for any changes to the appointment process to be determined only after the investigations and consultation described above. Were the regional assemblies to be given a role in the appointment of local LSC board members in place of the Secretary of State, we believe that the Secretary of State's guidance should set clear limits on the categories of appointment to ensure that local LSCs had appropriate knowledge in areas which fall outside the assembly remit, for example 14–19 education, and to maintain consistency of approach across the country as a whole.

*Clause 120*

The AoC supports this clause.

*Clause 121*

The AoC supports this clause.

*Dr John Brennan*  
Chief Executive

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**Supplementary memorandum by the Office of the Deputy Prime Minister (DRA 73(a))**

Further to my appearance before the ODPM Select Committee on 14 September I am now able to provide information on the two matters on which we were asked to write.

1. *How many respondents to the White Paper Your Region: Your Choice: Revitalising the English Regions, had supported the Government's proposals for the members of elected regional assemblies to be elected by the additional member system (AMS)?* [Q288]

Of the 1,171 individual respondents to the White Paper 67 mentioned the voting system. Of these 64 expressed a firm view for or against AMS. Twenty-four favoured AMS. Of those 40 that did not favour AMS, 18 expressed a preference for the single transferable vote (STV), three for first past the post, two for a party list system, and 23 did not suggest an alternative system.

2. *Examples of local authorities using their powers to give co-opted members voting rights on scrutiny committees under the Local Government Act 2000 (as amended by the Local Government Act 2003)* [Q320]

ODPM is not aware of any local authority that has so far used its powers to give co-opted members voting rights on scrutiny committees. However authorities are not under any duty to inform us if they do choose to use such enabling powers and we, in the interests of minimising administrative burdens on local authorities, do not as a rule undertake surveys to ascertain their take up of such powers.

*Richard Allan*

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