

## Possible models for regional assemblies in England

Legislation to permit elected regional assemblies in England was promised in Labour's 1997 manifesto and, in shorter form, in the 2001 manifesto. This study, by a team from the Constitution Unit, explores the policy options for the powers and functions of regional assemblies; their size, method of election and internal governance; boundaries; financing; effect on central and local government; and the process of legislation and referendum. Practice in other countries is considered. The researchers suggest:

- f** Before legislation is introduced, the rationale for elected regional government needs to be clear: is it primarily economic, to boost the regions' economic performance, or democratic, to devolve power?
- f** The study puts forward three schematic models illustrating points along a spectrum. Model 1 is slimline and strategic (budget around £20m). Model 2 would add some executive responsibilities transferred from government and its agencies: mainly for economic development, environment, transport and culture (budget £1-2.5bn according to size of region). Model 3 would devolve responsibility for the full range of public services, including health and education, as in Wales (budget £6-14bn).
- f** Model 1 risks being dismissed as a talking shop. Would the regional electorate support it? But Models 2 and especially 3 go further than suggested in Government statements so far. Collective Ministerial commitment would be essential to carrying them through.
- f** Model 1 could be funded by precept. Models 2 or 3 would require block grant, allocated by a new funding formula for the English regions. This would be difficult to agree between the regions and would also bring into question the distribution of resources between the countries of the UK.
- f** The requirement of predominantly unitary local government is a major hurdle, except in the North, where a substantial proportion of the population already lives in unitary authorities. But it may not be necessary to impose unitary local government: in the major European countries regional government exists with two-tier local government.
- f** Requiring a referendum could be a further hurdle if the Government were not willing to devolve substantial functions. In that case, establishing elected assemblies without a referendum, as in France and other countries, deserves consideration.
- f** Even with strong political will the process will take several years. If the Government publishes a White Paper in late 2001, the first referendums would not take place before 2003, and the first elections not before 2004 or 2005.
- f** The key question for the White Paper is the basic political one: how serious is the government willing to be in devolving power from the centre?

## Regional government in England

The 1997-2001 Labour Government took radical steps to devolve power to the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly, together with a new strategic authority for London. Devolution to Scotland, Wales and Northern Ireland has highlighted the lack of comparable arrangements in England. There have been substantial increases in regional governance in England: Regional Development Agencies (RDAs) have been established and the Government Offices for the Regions have been strengthened. Regional Chambers have begun to establish themselves and to contribute to the co-ordination and scrutiny of regional policy. Public interest in regional devolution has begun to awaken, with six Constitutional Conventions being established in the past year or so to develop plans for regional assemblies.

Debate has hardly begun on the structures, powers and functions. More vitally, the rationale for elected regional government has not been made clear. Are its purposes primarily democratic or economic? The evidence linking elected regions with economic success is not clear. Could regional government be justified as a constitutional 'balancing act' to match Scotland, Wales and Northern Ireland? So far, evidence of large-scale popular demand and regional identity remains sketchy. There are some parts of England which do not clearly fit in any region.

## Alternatives

Alternatives to elected regional government, targeted towards similar aims, do exist. The study makes several suggestions for extending the powers of the existing Regional Chambers. The Chambers might be put on a statutory footing; they could be given the power to levy precepts, and/or awarded further financial resources from central government; regional executive bodies might be required, by the Secretary of State, to consult with the Chambers. These changes would allow the Chambers to exert a wider influence on regional policy-making without the need for enacting far-reaching structural changes.

Elected local authority mayors are not likely to wield strong influence in the arena of regional policy. It may be that, if a substantial number of elected mayors in a region come together, they would compete for the same political space as a regional assembly; but they are in reality answers to a different question.

The report also considers the larger 'city-regions' advanced in some quarters, but concludes that with

local government reorganisation assumed to be ruled out, city-regions are unlikely to become effective alternatives to regional bodies.

## Possible models

To clarify the decisions to be made about elected regional assemblies, the report sets out three schematic models of regional assembly for the regions of England. As far as possible the models draw on current practice.

The models suggest different portfolios of powers, with their accompanying budgets, for three conceptually different types of assembly:

- Model 1 – the 'Strategic/Co-ordination Model' – with a range of strategy-making functions.
- Model 2 – the 'Strategic-Executive Model' – adds to this a range of executive functions currently carried out by unelected bodies.
- Model 3 is essentially equivalent to the National Assembly for Wales.

Model 1 is conceived as minimalist; Model 3 as maximalist. Model 2 is the most schematic of the three and represents the idea of a body with sufficient clout to attract support in a referendum and afterwards. That idea could be expressed by a number of different combinations of functions. This is one exemplification, not a recommendation.

Possible constitutional arrangements and budgets for the three models of assemblies are also sketched out. The constitutional models follow the model used in Scotland and Wales, with approximately 60 per cent of Assembly members elected through First-Past-the-Post constituencies and 40 per cent of members elected by the Additional Member System of proportional representation. A possible size of executive, with suggested portfolio titles and equivalent scrutiny committees, is given for each model.

For each of these modelling exercises, the East Midlands region is used in the report as an example. As it is not a region known for its enthusiasm for regional assemblies, its use helps to demonstrate the applicability of the models to all regions.

### **Model 1: Strategic/Co-ordination model**

This model is of an Assembly with purely strategic powers. This Assembly would carry out its role primarily through influence, co-ordination and co-operation with a range of partners. These would

include the voluntary and business sectors, Government Offices for the Regions, regional government agencies, and local government. The Assembly would produce strategies with statutory force: it might have executive control over the Regional Development Agency.

Twenty-seven elected members are suggested for this model in the East Midlands region: 15 drawn from amalgamations of parliamentary constituencies plus 12 top-up members, based either on the entire region or (loosely) on the traditional county structure. An executive of six (a First Secretary plus five executive portfolios) could be appointed: this would maintain the balance between the executive and a scrutinising legislative body. The study suggests five executive portfolios (Economic Development; Sustainability; Planning and Housing; Culture, Sport and Tourism; and Transport) but these would be ultimately for the Assembly to decide.

This model of assembly could fund itself, like the Greater London Authority, by precept on its local authorities. The costs of running a full-time regional assembly would be substantially more than those of the current Regional Chambers: the Greater London Authority's budget in its first year was £36m. This is likely to be unacceptably high for English regional assemblies: the functions suggested for this model could be carried out at a cost of £20m or less. This would cover the cost of member support and research, production of strategies, personnel, finance and communication. Due to its purely strategic nature, there would be no other programme expenditure (unless the budget of the RDA, which would remain self-contained, were added).

However, despite the indications from government and Ministerial statements that this kind of model of regional assembly is favoured in Westminster, the researchers conclude that this is not a convincing option. Although it would add to democratic accountability, it lacks the executive power seriously to influence regional performance. Above all, it seems unlikely that the electorate would give it the support, at a referendum or elections, which would be required for it to gain legitimacy.

### ***Model 2: Strategic-Executive model***

This model of Assembly adds executive responsibility for regional agencies, and several national quangos, with their accompanying budgets, to the strategic responsibilities detailed for Model 1. The Government Office functions, and those of the RDA, would pass to the Assembly, as would those of the Learning and

Skills Councils and Small Business Service. The Assembly would decide whether to maintain an arm's-length relationship with these bodies or whether to exert closer executive control over them.

The Assembly could also take over executive functions in the region from the following national agencies: the Environment Agency, Highways Agency, Housing Corporation, Countryside Agency, English Nature, Forestry Commission, English Tourist Board, Resource, Sport England, Arts Council of England. Bringing these bodies under regional control would entail considerable structural change: some do not have regional offices, whilst others use regional boundaries which are not co-terminous with the standard regions.

Such a model of assembly, though necessarily schematic, could be expected to control budgets of between £1.1bn and £2.5 bn. These figures are accumulations of the current budgets of the bodies in question. They might provide a starting-point for a formula for a block grant for each region, which would need to be complemented by additional resources to cover running costs.

This model could contain 37 members (22 + 15 top-up) in the East Midlands, with an executive of eight. It would have a scrutiny role over those policy areas (health, education and local government) which remained outside its control.

A model of this kind, bringing a regional focus to bear on several policy areas, represents a more convincing structure and resource base for regional assemblies in England. But it goes much further than Ministerial speeches and Government statements indicate about the Government's thinking on the subject.

### ***Model 3: Welsh model***

This model of Assembly essentially envisages the creation of bodies mirroring the National Assembly for Wales in the English regions. In the example of the East Midlands, this could lead to an Assembly of 79 members, with an executive of 10. Such assemblies would control the entire domestic policy agenda (possibly, though not certainly, including secondary legislative powers). They would control budgets of between £6bn and £14bn depending upon the region, in particular, the budgets for the major public services of health and education.

This model would represent a revolutionary upheaval in the structures of English governance. It would go against the grain of important strands in government thinking to date, notably concern with

maintaining a high quality National Health Service and an education system with consistent and improving standards. Among other complexities, it would need radical reappraisal of resource allocation between the regions of England and the countries of the UK. The researchers conclude that such a shift is, initially, too large a step to take, certainly for the present.

### Process

Regional assemblies on any model proposed would be unlikely to take up their powers before 2004. Production of a White Paper, consultation, presenting a Bill to Parliament, holding a referendum and holding elections would each take up a considerable portion of time. If the issue slips down the Government's list of priorities, regional assemblies might not be created until the next Parliament.

The Government's current requirement for "predominantly unitary local government" to "accompany" the creation of regional assemblies needs clarifying: it presents a potential hurdle for many English regions. There is no intrinsic reason why local government reform must accompany the creation of regional assemblies: the reasons behind this are linked to fear of expanding bureaucracy and the experience of local government reform in the 1990s.

There is a strong practical case for generally adopting the existing boundaries of the Government Offices as those of the regional assemblies; but some parts of the country, notably the South East and South West, for different reasons, require more detailed review. Cornwall in particular has an active regional campaign, aiming to resist incorporation into South West England. Provision for boundary changes at the margins should also be made.

Should one or more regional assemblies be established in this Parliament, asymmetrical devolution – where some, but not all, regions have devolved institutions – may lead to particular strains, particularly with regard to the future of national executive agencies. The budgetary arrangements for different regions would need to be reviewed, and political conflict between regions, and between the centre and individual regions, may increase.

### The future

The political will of the Government remains uncertain. Apparent expressions of support from Government Ministers before the 2001 General

Election have not translated into clear commitments. The Government plans to issue a White Paper on regional government, but has given little firm idea of the likely contents. In particular, will a Government which has pledged a second-term focus of delivery of public services be prepared to hand over the responsibility for delivering services to new democratic bodies?

### About the study

The research was carried out by Paul McQuail and Mark Sandford of the Constitution Unit. The study included a literature review, a comparative study of regional government in France and Spain, and interviews with key people in a small number of selected English regions and Whitehall. A steering group consisting of regional government experts and former civil servants advised on the structure and direction of the report. Two seminars were also held, inviting academics, civil servants, regional officers and campaigners to comment on the analysis and conclusions of the report.

### How to get further information

The full report, **Unexplored territory: Elected regional assemblies in England** by Paul McQuail and Mark Sandford, is available from the Constitution Unit, University College London, 29-30 Tavistock Square, London WC1H 9QU, price £10 plus p&p. Please contact Gareth Lewes on 020 7679 4977 or [g.lewes@ucl.ac.uk](mailto:g.lewes@ucl.ac.uk) to obtain a copy.