

The end of an EERA

What future for regional local government arrangements in the East of England?

Consultation Document

March 2009



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1. Introduction

- 1.1 This consultation paper has been issued by a cross party EERA Members' Task Group which is currently exploring options for new regional local government arrangements in the East of England which are compliant with the Government's conclusions on how to take the Sub National Review of Economic Development and Regeneration (SNR) forward. The Government has introduced the Local Democracy, Economic Development and Regeneration Bill in the 2008/9 Parliamentary session and the Bill has commenced its parliamentary scrutiny in the House of Lords. It is not expected to receive Royal Assent until Autumn 2009.
- 1.2 Much of the detail of how the new system is expected to work is as yet unclear, and the Task Group has had to work with what is on the face of the Bill, as well as the limited explanatory information subsequently issued by Government. Obviously the national picture could change further and other events yet intervene. However the Task Group believes that it is important for the region to take a considered approach now to addressing the many issues prompted by the Government's view of how to take SNR forward and to retain flexibility to make further changes if necessary.
- 1.3 In July 2008 EERA, as the existing regional grouping of the 54 local authorities in the East of England, set up a cross party Members' Task Group to examine how the local authority dimensions of the Sub National Review might be implemented in the East of England. The Task Group submitted an Interim Report to the Regional Assembly at its last meeting in Norwich on 30th January 2009. The Task Group's Interim Report can be accessed at <http://www.eera.gov.uk/GetAsset.aspx?id=fAAyADMANQAxAHwAfABGAGEAbABzAGUAFAB8ADAAfAA1>
The Assembly welcomed the Task Group's Interim Report and noted that, following further refinement, a consultation document would be issued to the region's local authorities, and key regional partners, setting out one model for regional local government arrangements in the East of England which had been developed, and also inviting alternative SNR compliant models to be put forward for consideration.
- 1.4 **Local authorities and key regional partner bodies are invited to help shape the future of local government regional arrangements in the East of England by responding to the questions raised throughout this consultation paper, and taking the opportunity to propose alternative approaches if considered appropriate.**

2. The Government's Proposals

- 2.1 In November 2008 the Government signalled that it intended to implement the Sub National Review first announced in July 2007 by introducing legislation to
- a) Reform regional governance structures, and in particular, to establish a new Local Authorities' Leaders' Board in each English region; and
 - b) To give EEDA and the Local Authorities' Leaders' Board joint responsibility for drafting a new Single Regional Strategy (SRS) which will replace in due course the Regional Spatial Strategy (RSS or East of England Plan), previously developed by EERA and the Regional Economic Strategy (RES), previously developed by EEDA and endorsed by EERA.
- 2.2 In making these proposals the Government has confirmed that, subject to legislation:
- a) The need for regional assemblies and their statutory role as the Regional Planning Body will end; and
 - b) There will be no requirement for the Leaders' Board to have a separate RDA scrutiny function and that the new Regional Select Committees and Regional Grand Committees shortly to be established will carry out the necessary scrutiny.
- 2.3 The revised basis on which the Government now proposes to take the Sub National Review forward, including a stronger formal role for the region's local authorities has been welcomed by local government. However the devil will be in the detail, and particularly how the new joint duty on the RDA and the new Local Authorities' Leaders' Board to prepare a Single Regional Strategy will work in practice. Clearly much will depend on the nature and quality of the local working relationships in each region, and while in the East of England there is much good work on which to build (including current work on a Joint Implementation Plan (JIP) for both the RSS and the RES) aspects of regional policy e.g. housing numbers can sometimes become difficult and subject to political influences. It should be noted that the Government has already made it clear that if the joint arrangement breaks down then the RDA alone will have the lead responsibility for these new arrangements, so local authorities will need to be clear about the responsibilities they will be taking on in participating in these new arrangements, and particularly the Leaders' Board.

<p>Q1 Do you have any comments or observations about the SNR 'offer' for responsibility for the new Single Regional Strategy to be a joint duty between the Regional Development Agency (EEDA) and a new Local Authorities' Leaders' Board?</p>
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- 2.4 It should also be noted that in many ways implementing the Sub National Review in a large diverse region such as the East of England with its mix of unitary and two tier local authority arrangements will be a difficult challenge. In particular finding an optimum approach to the formation of a Local Authorities' Leaders' Board which satisfies four competing objectives of

- i) political balance,
- ii) inclusion of all types of authorities,
- iii) streamlined simpler structures, and
- iv) with a stronger focus on executive leadership

will not be easy, and inevitably some compromises and trade offs will require to be made.

- 2.5 For the reasons set out in para 1.2 above implementation of the Sub National Review in the East of England should be a considered and thought through process, respecting that EERA is also being asked by Government to undertake a review of the Regional Spatial Strategy (East of England Plan) under existing legislative and institutional arrangements and submit that to Government by March 2010. For this reason EERA will continue in its existing role as the Regional Planning Body until March 2010 and will be funded by Government to undertake this role until then.

- 2.6 **Whilst it is only EERA's 'voluntary regional chamber' functions which are proposed to be discontinued through the SNR changes the SNR Members' Task Group has taken the opportunity to pose questions about the nature of other long standing regional functions and services, which are also currently provided, or hosted, by EERA. In many ways therefore, SNR is an opportunity to consider the need for, and to build new, regional local government arrangements from first principles, continuing first and foremost to meet the needs of local authorities themselves as well as being 'SNR compliant' in terms of the Government's stated legislative intentions.**

Q2 Do you support the approach being proposed to use the SNR changes as an opportunity to undertake a review of all regional functions and services currently provided by EERA?

3. A proposed Governance model for an East of England Local Authorities' Leaders' Board/East of England Councils

- 3.1 Annex A sets out in broad diagrammatic terms one possible SNR compliant model **which has been developed by the EERA SNR Members' Task Group and was presented to the Regional**

Assembly meeting on 30 January 2009. This model sets out the key components of any new regional local government arrangements both to satisfy the current intended requirements of the SNR to establish a Local Authorities' Leaders' Board, together with a broader regional grouping of the local authorities in the region. The diagram also sets out ideas (not yet discussed with EEDA) about the nature of the interface with EEDA in relation to the development of the Single Regional Strategy.

- 3.2 By way of general explanation the following narrative accompanies the diagram in Annex A. If the East of England is to benefit from continued Central Government funding for the local authorities' input into the Single Regional Strategy (c£2m per annum will be on offer), the region will be expected to establish an 'SNR compliant' East of England Local Authorities' Leaders' Board. This feature therefore needs to take centre stage, literally and figuratively, in any proposed new regional governance model. By 'SNR compliant' it is worth repeating here key points from the Government's guidance on the formation of Leaders' Boards.

"The Leaders' Board is a body that will enable local authorities to act collectively at the regional level. Our consultation paper made it clear that they should be:

- Streamlined and manageable, able to make strategic, long term decisions, and able to engage effectively with their region's RDA;
- Representative of Local Government across the whole of their region – including representing e.g. key sub-regions, upper and lower tier authorities, the political balance of leaders; and
- Comprised of local authority leaders and with sufficient authority to act on behalf of all Local Government in the region."

- 3.3 Making difficult judgements about the relative optimum balance of political balance, inclusivity, streamlining and leadership, the suggested membership of the East of England Leaders' Board is provisionally a total of 20; 11 being the leaders of the county and unitary councils expected to be in operation in the region after April 2010, (the assumption is made here that any outcome of Local Government Review in Norfolk and Suffolk would not now be implemented by April 2010) plus the 4 Group Leaders of East of England Councils (see below), plus one appointed District Council leader per two tier local government area (5). The rationale for giving automatic places to county and unitary council leaders is to reflect existing local area agreement responsibilities and the proposed new duty to undertake

economic assessments at this scale, also promoted in the Local Democracy, Economic Development and Construction Bill.

- 3.4 A Leaders' Board of 20 on this basis is suggested to be the minimum to reflect the current particular circumstances of the East of England, with its mixture of unitary and two tier local government governance. It is of a size to carry the responsibilities of an Executive Committee and a Regional Planning Panel of East of England Councils, and to have occasional equitable 'board to board' discussions with the EEDA Board (15 members) on the development of the Single Regional Strategy. However, the detailed development of the SRS could be undertaken by a smaller joint board of 10, acting as the 'responsible regional authority' proposed in the Local Democracy, Economic Development and Construction Bill, with 5 members each being drawn from Board Members of EEDA and appointed representatives of the Leaders' Board. It is not accidental that the term 'Leaders' Board' has been used in the Government's latest SNR proposals and the Government's view is that all members of such a Board are expected to be Leaders of their respective councils howsoever they are appointed to the Leaders' Board.

Q3 Do you support the proposed composition of the statutorily prescribed Leaders' Board as set out in Annex A? Are there any different approaches for local authority representation or configuration you wish to be considered further for implementation? Does the model pay sufficient heed to the numbers and statutory functions of district councils, and are there any changes to the model, or alternative approaches you wish to put forward?

Q4 The Government's SNR model is somewhat unclear about the precise nature of the joint working arrangements between the Leaders' Board and EEDA when working as the 'regional responsible authority', and where final decisions should be taken. Do you have a view on this important issue?

- 3.5 Moving to other parts of the diagram in Annex A, it is clear that notwithstanding the need to have a Leaders' Board as envisaged by the Government in its SNR proposals, and statutorily established in due course, there should be a broader regional grouping of all of the principal councils in the region, not least to 'hold the Leaders' Board to account' for its actions in working with EEDA on the SRS (whilst in no way being able to mandate the Leaders' Board or overturn its views), and to provide opportunities for engagement at regional level by all local authorities in the region. Such an arrangement would also provide opportunities for appropriate elected member supervision of any region wide functions which require to be carried on into the future (to be determined in due course but probably including at least the broad policy development work of a regional LGA and the work of the Regional Employers' Organisation).

Q5 Do you support the complementary concepts of (a) a statutorily prescribed Leaders' Board and b) a discretionary wider regional grouping of all the

principal councils in the East of England ('East of England Councils') as they have been presented in the model in Annex A? Is your council prepared to continue to pay a subscription to East of England Councils as a discretionary regional grouping of all of the local authorities in the region, on the same broad subscription scheme which local authorities currently pay to EERA for local government services?

- 3.6 As East of England Councils would be a continuing discretionary and voluntary partnership, the region's local authorities will have considerable freedom in terms of the constitutional governance features of that new partnership. It would be a purely voluntary arrangement and not statutorily prescribed. In order to provide an appropriate counter balance to the nominal definition of political representation on the Leaders' Board (described above), it is suggested that the composition of East of England Councils could include political top up members (using a regional political balance template), to a maximum of say 25% of the total number of members received through direct nominations from member principal councils. This figure has been illustratively quoted to achieve the right balance between ensuring there are opportunities for all political groups to directly participate in the work of East of England Councils but without frustrating the expression of the overall political will of the regional grouping of local authorities through a voting scheme.

Q6 Do you support the concept that the wider regional grouping of local authorities ('East of England Councils') should recognise 'top up' members from under represented political groups to ensure a more balanced representation than would be achieved by just including council leaders, and if so what top up percentage of members would you suggest?

- 3.7 It would also be appropriate for East of England Councils to recognise Group Leaders, who would probably have a stronger executive function in relation to the regional LGA etc functions but who would need to be council leaders in their own right to meet the criteria for membership of the Leaders' Board. It is also possible that there would be a need for a limited number of small member thematic panels relevant to the non SRS functions of East of England Councils, possibly covering such areas as Europe, Social Policy, the Environment, the Regional Employers' function etc. However, as East of England Councils would essentially be a non statutory regional grouping which would continue to require to be supported through subscriptions by the region's local authorities, the size and extent of any panel and secretariat support structures would be heavily dependent on the funding available and on the basis of demonstrable worth and added value as perceived by local authorities themselves. There is also a continuing assumption that East of England Councils would inherit the existing EERA hosting arrangement for Improvement East; the region's Improvement and Efficiency Partnership.

Q7 Do you agree with the suggested approach that recognised regional political group leaders would have an ex officio place on the Leaders' Board, provided they are also Council Leaders?

- 3.8 The diagram in Annex A also assumes the continuation of the Regional Partnership Group¹ in some form, as the delivery partners represented on that Group will continue to have an important role in relation to the development of the new Single Regional Strategy. In a similar vein it will be helpful for the Local Authorities' Leaders' Board and EEDA to have ready access to a convenient recognised group of Community Stakeholders in order that those voices can similarly engage with the SRS process. Stakeholder interests in the East of England are planning to establish a new East of England Stakeholder Partnership. However it is necessary to take at face value the Government's proposal that responsibility for preparing the new Single Regional Strategy will be a joint duty between the Local Authorities' Leaders' Board and the RDA only, and while others must have engagement with the process of developing the Strategy they need not be 'round the same table' with voting rights as a matter of right.

Q8 Do you have a view about whether stakeholder interests and key regional agencies should participate directly in the work of any SRS Joint Board and, if they do, whether they should be part of any formal decision making processes on the content of the SRS?

- 3.9 As far as possible officer structures are concerned, and working within constraints of funding to support any new regional arrangements, the starting assumption (not yet discussed with EEDA) is that EEDA would wish to retain its existing integrated staffing structures, part of which would support SRS development. Equally within any new secretariat of East of England Councils/East of England Leaders' Board, part of the establishment would provide continued regional planning expertise to support the Leaders' Board in its work on SRS development etc. The new brand of 'East of England Councils' could provide an integrated light touch organisational structure to support the work of East of England Councils (and the Leaders' Board), and which would be able to employ its own staff, enter into contracts etc, using the legal status arising from a continuing role as the Regional Employers' Organisation, although other models are possible. It may be that in order to generate the best synergies between regional strategy staff some bringing together of key personnel from EEDA and East of England Councils would be appropriate, either on a virtual team or co-located basis.

¹ The Regional Partnership Group is a voluntary grouping of regional agencies and bodies, which meets approximately quarterly and is chaired by the Regional Minister. Local government is represented through the proxy of Local Area Agreement Grouping Chairs, together with the EERA Group Leaders and Chief Executive and some local authority Chief Executives appointed through SOLACE.

Q9 Do you have a view about the nature of any executive support/staffing arrangements to support the work of the Leaders' Board/East of England Councils, and particularly when the Leaders' Board is working with EEDA on the Single Regional Strategy as the regional responsible authority? How important is it for the Leaders' Board/East of England Councils to have its own separate and independent advisory structures, and how should these best be organised?

Q10 Taking everything into account do you support the model referred to in Annex A as a reasonable way forward for local authorities in the East of England? Do you have any alternative 'SNR compliant' model you wish to be considered further for implementation?

4. Next Steps

- 4.1 The proposals made in this consultation document aim to strike the right balance between the need for newness and innovation and continuation of the best consensual approaches to regional governance, which have been important to the region's success in recent years. They are very different in certain crucial aspects to current EERA practice, and, if implemented, would very much be a fresh start, with functions and organisational structures having to be justified in due course from a zero based approach and positively supported by the local authorities in the region.
- 4.2 The structures set out in Annex A are considered to be 'SNR compliant' in terms of the face of the Local Democracy, Economic Development and Construction Bill and its explanatory notes and subsequent guidance. But as explained in para 1.2 above, there is a long way to go before the legislation will be implemented, and other events could yet intervene. Some further adjustments to the proposals set out in Annex A may have to be made and not least in terms of the responses received to this consultation document. Any substantive implementation of these new structures would currently best be contemplated from April 2010 (although interim shadow arrangements may be helpful at an appropriate point) and until then EERA will be funded by Government to carry on its statutory planning, housing and scrutiny functions until end March 2010, and by the region's local authorities in respect of its other work.
- 4.3 The EERA SNR Task Group would hope to be in a position to submit a final report to the Assembly, and its extant Local Government Panel, in July 2009, on a clear way ahead for new regional local government arrangements in the East of England. It is also intended to use the work done to date to contribute to ongoing discussions with other interested regional partners and stakeholders, so as to ensure the smoothest possible transition to the best structures which can be developed to serve the East of England well in the years ahead.

Q11 Are you content that decisions on setting up future regional local government arrangements can be taken within EERA's existing processes, recognising EERA's current role as the Regional LGA? If not, what alternative processes would you suggest?

5. EERA's non voluntary regional chamber functions

5.1 In the East of England a broad portfolio of services and functions has been operated under an 'EERA' brand for many years, with obvious advantages in terms of integration and efficiency. While it is only EERA's voluntary regional chamber functions which are proposed to be discontinued by Government, following legislation, the EERA SNR Members' Task Group has taken the opportunity of the SNR changes to look at the position of a number of current regional services and functions. In broad terms EERA undertakes the following portfolio of services and functions, delivered regionally, for local authorities, and some other regional partners, as customers/beneficiaries.

- a) Regional Employers Organisation, providing HR training and development advice and services to local authorities, directly, and through networks
- b) Regional LGA, currently including broad policy and advice mostly related to EERA's statutory functions and other specialist services e.g. European policy
- c) Regional Improvement and Efficiency Partnership, funded by Communities and Local Government (a hosting function only)
- d) Regional Housing Board
- e) The management of the region's East of England Brussels Office
- f) Strategic Migration Partnership, funded by Home Office

Q12 Do you value/support the continued provision of these (individual) services and functions at regional level? Should provision for these services and functions be made within any new regional governance arrangements for local authorities being set up to respond to SNR changes? If not, what alternative arrangements would you suggest?

Q13 Do you have any further observations on matters raised in this consultation document that you wish to make?

6. Summary of consultation questions

Q1 Do you have any comments or observations about the SNR 'offer' for responsibility for the new Single Regional Strategy to be a joint duty between the Regional Development Agency (EEDA) and a new Local Authorities' Leaders' Board?

Q2 Do you support the approach being proposed to use the SNR changes as an opportunity to undertake a review of all regional functions and services currently provided by EERA?

Q3 Do you support the proposed composition of the statutorily prescribed Leaders' Board as set out in Annex A? Are there any different approaches for local authority representation or configuration you wish to be considered further for implementation? Does the model pay sufficient heed to the numbers and statutory functions of district councils, and are there any changes to the model, or alternative approaches you wish to put forward?

Q4 The Government's SNR model is somewhat unclear about the precise nature of the joint working arrangements between the Leaders' Board and EEDA when working as the 'regional responsible authority', and where final decisions should be taken. Do you have a view on this important issue?

Q5 Do you support the complementary concepts of (a) a statutorily prescribed Leaders' Board and b) a discretionary wider regional grouping of all the principal councils in the East of England ('East of England Councils') as they have been presented in the model in Annex A? Is your council prepared to continue to pay a subscription to East of England Councils as a discretionary regional grouping of all of the local authorities in the region, on the same broad subscription scheme which local authorities currently pay to EERA for local government services?

Q6 Do you support the concept that the wider regional grouping of local authorities ('East of England Councils') should recognise 'top up' members from under represented political groups to ensure a more balanced representation than would be achieved by just including council leaders, and if so what top up percentage of members would you suggest?

Q7 Do you agree with the suggested approach that recognised regional political group leaders would have an ex officio place on the Leaders' Board, provided they are also Council Leaders?

Q8 Do you have a view about whether stakeholder interests and key regional agencies should participate directly in the work of any SRS Joint Board and, if they do, whether they should be part of any formal decision making processes on the content of the SRS?

Q9 Do you have a view about the nature of any executive support/staffing arrangements to support the work of the Leaders' Board/East of England Councils, and particularly when the Leaders' Board is working with EEDA on

the Single Regional Strategy as the regional responsible authority? How important is it for the Leaders' Board/East of England Councils to have its own separate and independent advisory structures, and how should these best be organised?

Q10 Taking everything into account do you support the model referred to in Annex A as a reasonable way forward for local authorities in the East of England? Do you have any alternative 'SNR compliant' model you wish to be considered further for implementation?

Q11 Are you content that decisions on setting up future regional local government arrangements can be taken within EERA's existing processes, recognising EERA's current role as the Regional LGA? If not, what alternative processes would you suggest?

Q12 Do you value/support the continued provision of these (individual) services and functions at regional level? Should provision for these services and functions be made within any new regional governance arrangements for local authorities being set up to respond to SNR changes? If not, what alternative arrangements would you suggest?

Q13 Do you have any further observations on matters raised in this consultation document that you wish to make?

7. Responding to the consultation

7.1 Local authorities, regional partner bodies and other interested parties are invited to respond to this consultation in whatever format they consider most appropriate by 5.00 p.m. on Friday 8th May 2009. Responses can be sent to the address below or by email to snrconsultation@eera.gov.uk

Brian Stewart
Chief Executive
East of England Regional Assembly
Flempton House
Flempton
Bury St Edmunds
Suffolk
IP28 6EG

t. 01284 729410
f. 01284 729429
e. brian.stewart@eera.gov.uk

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Implementing SNR in the East of England: A proposed model for consultation

Annex A

