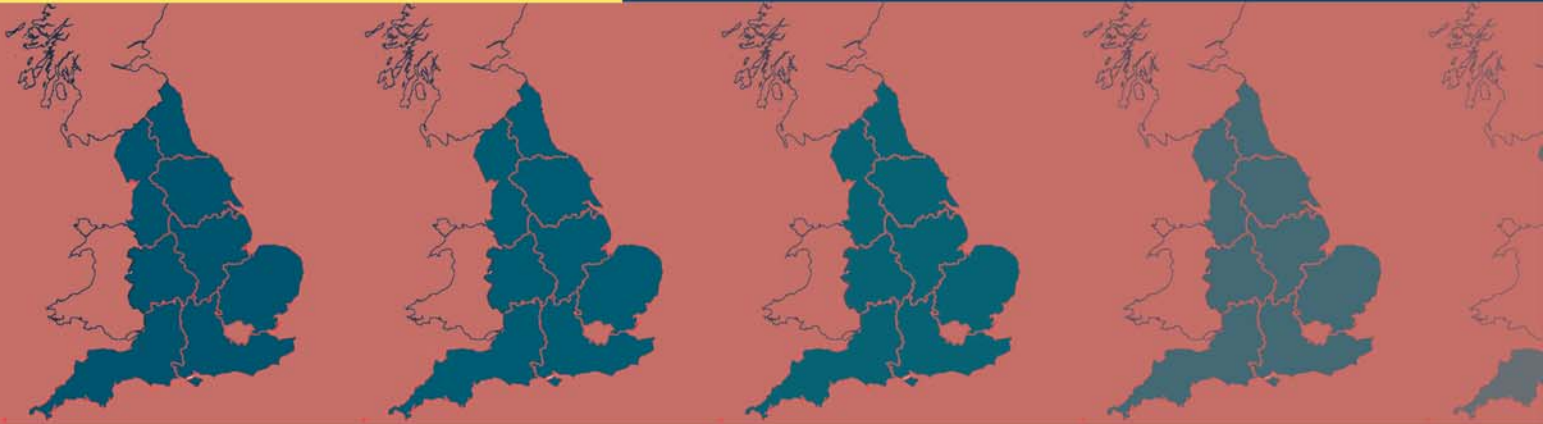


# ENCOURAGING DEMOCRACY AND STAKEHOLDER PARTICIPATION IN THE ENGLISH REGIONS



A FEDERAL TRUST REPORT  
ON UK DEVOLUTION



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STAKEHOLDER PARTICIPATION IN THE  
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## CHAIRMAN'S PREFACE

Devolution has taken a significant leap forward with John Prescott's announcement that the three Northern regions – North East, North West and Yorkshire and Humberside – are to have referendums on directly elected regional assemblies.

This signals that devolution is as relevant for the English regions as it is for Scotland, Wales, Northern Ireland and London!

A draft Bill, setting out the powers of the new assemblies and based on the White Paper *Your Region, Your Choice* will be published. Referendums are anticipated late in 2004. Following a successful 'yes' vote, it is hoped that the first assembly will be up and running early in the next parliament.

The assemblies will be deliberately small, a maximum of 35 people. They will have powers or influence over areas currently run by regional quangos or by central government. These include economic development, transport, planning, housing investment, further education, environment, arts, regeneration, tourism and public health. Significantly, they would provide a platform to promote often neglected regional interests within the UK and wider Europe.

The small size of the assemblies makes it particularly important to ensure that mechanisms are set up to involve widespread interest groups in policy formation. It is also important for the assembly to show it is part of wider regional participation.

The special place of local government is recognised, but it is also important to involve groups encompassing economic, environmental and social interests.

Building on experience in Scotland, Wales and London and the current regional chambers, the Working Group puts forward suggestions about how this might be achieved in the English regions.

Our report offers practical ways forward on how regional assemblies could be the catalyst to improving the standard and quality of life.

We urge Ministers to consider our proposals as they proceed with the draft Bill and future guidance. We hope our report will encourage wider debate.

I thank my co-members for their unstinting work and commitment. Our Rapporteur Stanley Henig and Secretary Ulrike Rüb were invaluable in advising, collating and drafting. The Joseph Rowntree Charitable Trust made all of this possible.

Louise Ellman MP  
London  
July 2003

## EXECUTIVE SUMMARY

The Government has now decided that there will be referendums in England's three Northern regions to decide on directly elected regional assemblies – the latest phase of its devolution programme. It seems likely that the referendums will take place in the autumn of 2004. Before then the government will be presenting a draft Bill, fleshing out the proposals in the White Paper *Your Region Your Choice*. The future role of stakeholders will be an important issue for the government as it drafts legislation, for those voting in the referendums on devolution and, not least, for any newly created directly elected regional assemblies. This report is our contribution to the ongoing debate.

Our report starts by analysing the concept of stakeholders with a brief look at its history. It examines in detail six specific questions relevant to their involvement with directly elected English regional assemblies. It takes account of experiences in the devolved institutions in Scotland, Wales and London. Our recommendations, based on the report, fall into three categories, although there is some degree of overlap between them. They are directed at government when it drafts legislation establishing new regional assemblies; at assemblies in fulfilling their obligations to involve stakeholders; and at stakeholders themselves.

## RECOMMENDATIONS

1. As a matter of principle we strongly endorse the need for stakeholder involvement in the work of directly elected regional assemblies in England.
2. The definition of stakeholder should be wide-ranging and inclusive, covering both the private and voluntary sector. There should be a particular focus on involving previously excluded groups. We reject the concept of 'key' stakeholders.
3. The relationship with local government raises rather different issues from that with stakeholders from the private and voluntary sectors. Nonetheless, we recognise that regional assemblies should devote particular efforts to developing appropriate relations with local government.
4. The act establishing directly elected regional assemblies should give a statutory basis for stakeholder involvement.
5. The statutory guidance should allow sufficient flexibility to assemblies as to what modes and procedures should be used when involving stakeholders. Central government should only lay down minimum standards.
6. We do not believe that stakeholders should be full members of a directly elected assembly. We also reject the concept of non-voting members.
7. We believe it crucial that stakeholders should be involved in the process of policy-making at the pre-decision stage.
8. Stakeholders should also be involved in scrutiny: both in monitoring implementation and in the review process. Assemblies should consider possible modes of regular reporting to a forum of regional stakeholders.
9. Once assemblies have determined detailed arrangements for stakeholder involvement, those arrangements should be enshrined in a memorandum of understanding or a compact and accepted as founding principles.
10. The actual degree of involvement by any stakeholder(s) should be at their discretion, allowing maximum choice in the level of engagement. Arrangements should be sufficiently flexible to facilitate engagement both through formal, established mechanisms and, where appropriate, on an ad hoc basis.
11. Assemblies should develop open and accessible procedures. They should publish the results of consultation and commit themselves to showing how the involvement of stakeholders has affected the decision-making process.
12. Stakeholders, for their part, should also recognise that the procedures and structures enabling them to be involved in influencing policies and decisions will need to be transparent and open.
13. Regional political leaders should have the obligation to meet regularly with stakeholders.
14. Attention must be given to financial constraints affecting the ability of some stakeholders to be genuinely involved. Assemblies should be required to address this and to consider financial support, perhaps through an allocation out of the government's grant. Particular attention should be paid to the need to 'bring in' previously excluded and/or marginalised groups.
15. Umbrella bodies can be a useful means of effectively engaging stakeholders in the work of the assemblies. There should be procedures to ensure stakeholders from umbrella bodies are truly representative, and accountable to those they represent.





## INTRODUCTION

Our report falls into two parts. In Part A we seek to relate the idea of stakeholding to our traditional system of representative government, based on elections; to place this concept into the wider context of democracy; and to assess in broad terms the approaches adopted towards stakeholding in Scotland, Wales and London<sup>1</sup>. Part B explores the six questions in our terms of reference, as initially drafted by the Federal Trust, and subsequently refined at the first meeting of the Working Group.

### A. STAKEHOLDERS, REPRESENTATION AND DEMOCRACY

From the mid-nineteenth century until relatively recently, British constitutional practice broadly equated democracy with representative government based on elections. We eschewed alternatives such as direct democracy (referendums etc) or other forms of non-elected representation. A gradual change began in the mid 1970s and gathered pace significantly with the election of the 'new' Labour government in 1997. A core part of its philosophy was the need to involve those it loosely termed 'key stakeholders' in decision-making. In part, this reflected concerns about diminishing political participation, as measured through electoral turnout: just over 70 per cent in the general election of 1997, falling sharply to just under 60 per cent in 2001, and much less at local and European elections. However, 'stakeholding' had an additional significance, indicating the extent to which Labour wished to show that it had moved beyond its traditional emphasis on the public sector. Britain's problems were to be tackled through partnership, and stakeholders, particularly from the private and voluntary sectors, would be the partners.

Devolution and stakeholding are both major ingredients in 'new' Labour's modernisation agenda. They come together in the legislation establishing devolved, directly elected institutions in Scotland, Wales, Northern Ireland and London. Significantly, the government has also made extensive use of referendums to approve constitutional innovation. Thus the new institutions draw their legitimacy jointly from Acts of Parliament and from referendums. Their structures also make varying provision for modes of involvement other than formal representation determined through election by ballot.

<sup>1</sup> We have neither considered nor drawn on experiences in Northern Ireland. The very different history of the province and the particular background to the devolution settlement sets it apart from the rest of the United Kingdom. We noted that its Civic Forum had a very different genesis from those in Scotland and London.

### Experience from Scotland, Wales and London

The campaign to establish a form of 'home rule' for Scotland was inspired by the Scottish Constitutional Convention, membership of which went far beyond the normal political classes. It may be for this reason that one school of academic thought in Scotland claims that it is a participatory rather than a representative democracy and has suggested that, in contrast to United Kingdom law and lore, 'Scottish sovereignty' resides in the people rather than in parliament. In the UK context this is a rather 'revolutionary' notion. A Scottish Consultative Steering Group laid down four principles to guide the new Parliament and Executive:

- the Scottish Parliament should embody and reflect the sharing of power between the people of Scotland, the legislators and the Scottish Executive;
- the Scottish Executive should be accountable to the Scottish Parliament and the Parliament and Executive should be accountable to the people of Scotland;
- the Scottish Parliament should be accessible, open, responsive, and develop procedures which make possible a participative approach to the development, consideration and scrutiny of policy and legislation;
- the Scottish Parliament in its operation and its appointments should recognise the need to promote equal opportunities for all.

One participative body created was the Scottish Civic Forum, a non-statutory body receiving funding from the Scottish Executive. It can lay claim to legitimacy both as the legatee of the Scottish Constitutional Convention and its predecessor, the Civic Assembly, and as an embodiment of the above-listed founding principles. Membership is open to what it terms 'societal' groups, including business organisations, community councils, religious groups, trade unions, voluntary sector organisations and professional associations. Direct membership is closed to local authorities, political parties, government agencies and for-profit companies. The Civic Forum sees itself as a facilitator of stakeholder input into the Parliament and the Executive: a gateway and not a gatekeeper. It lays particular stress on the involvement of previously excluded groups. Evidence suggests that both private and societal groups have better organised links with the Executive than they do with Parliament.

The legal basis for stakeholder involvement in Wales is quite different. It is based on statute: the Government of Wales Act. As a result, relationships are much more formal and organic. The Act laid a duty on the new assembly to establish a scheme to 'promote the interests of relevant organisations'. The latter were defined as all bodies (other than local authorities or public bodies) whose activities are carried out on a not-for-profit basis and which benefit Wales. The scheme had to specify how relevant organisations would be assisted, the monitoring of such assistance and the methods of consultation. The specific response of the assembly was to establish Partnership Councils, a first with the voluntary sector followed by one with the private sector and one with local

government. All three Councils include appropriate stakeholders as well as assembly members. The Councils, which meet quarterly, act as formal advisory bodies to the assembly and are free to make representations on any relevant matters.

London is again different. There is some statutory basis for the involvement of stakeholders, particularly in formulating strategies. The Greater London Authority (GLA) Act also offers a list of potential stakeholders for consideration by the mayor. However, in practice, the major driving force to date has been the personal and political agenda of the first mayor. He is on record as wanting to 'introduce the most open, accessible and inclusive style of government ever seen in the UK'. This perhaps reflects both his need for allies, having been elected independently of any party machine, and the extent to which stakeholder philosophy has become embedded in our political culture. A further important contributory factor is the mayor's lack of executive powers: he has to rely heavily on other agencies to implement his policies. The London Civic Forum – again non-statutory – receives funding from the mayor's office. Its membership is considerably wider than is the case in Scotland, covering potentially the entire range of stakeholders, thus including private businesses and public services and institutions. It is formally organised into five sections, and members self-select which to join. Each section elects ten representatives to a Council and two to an Executive Committee, and they are responsible for the ongoing work of the Forum. Despite these organisational differences, the role of the London Civic Forum is not dissimilar to that of its Scottish counterpart.

### **Experience in the English Regions**

The basis for creating directly elected assemblies for the English regions is to be found in the government's White Paper *Your Region, Your Choice*, although this will in due course be superseded by legislation, introduced as soon as one region votes positively in a referendum. While the White Paper clearly draws parallels with stakeholder involvement in the existing devolved institutions, experiences of the current regional assemblies in England are a much more important ingredient of the philosophy underpinning the section of *Your Region, Your Choice* dealing with stakeholder involvement. The detailed history of these assemblies differs somewhat from region to region, but they received their initial impetus from groupings of local authorities. When regional development agencies were created, government declared its intent that they should have some rather tenuous accountability to what were originally termed 'Regional Chambers', comprising both local government representatives and stakeholders. These are now usually known as 'Regional Assemblies', with their membership drawn from the two groups in a ratio of approximately 2:1. Stakeholders are not there simply as consultees: they are equal partners and fully involved in policy-making. Paralleling developments in Scotland, Wales and London, this relationship has already become an accepted part of the English regional political culture. For the political

leaders it clearly reflects both a general concern at low levels of participation in elections and party politics, and a recognition that there has been, in recent years, a discernible increase in membership of many pressure groups, particularly those concerned with specific issues – national, regional, local and community based.

In practice, and drawing on experiences from Scotland, Wales and London, it seems unlikely that much more than half of the electorate would participate in any referendum to establish a directly elected regional assembly – even with the employment of a wider than normal range of voting methods. Stakeholder representation is now an essential feature of the political process, important as a way of increasing participation in political institutions, particularly amongst those who do not feel they can be adequately represented through more traditional processes. Within the existing English regional assemblies/chambers stakeholders have been playing a valuable and effective role in policy-making; partnership has generally been perceived as fruitful. Maintaining and building on that partnership is, not surprisingly, an integral and important theme of *Your Region, Your Choice*.

## **B. OUR SIX QUESTIONS**

1. *What entities should be defined as 'stakeholders' or 'key stakeholders'? What factors determine this choice? Do the characteristics of particular stakeholders differ from region to region?*

Definitions and nomenclature vary. Our starting point is that any organised group interested in being recognised as a stakeholder should be so considered. In practice, there appear to be two broad groupings. Within the **private** sector are the government's traditional economic partners from the two sides of industry. Between 1945 and 1979 'tri-partism' could be considered part of the informal machinery of government, to be invoked spasmodically. Its purpose was partly to offer industry and the trade unions a means (sometimes apparent/sometimes real) to influence government, but also to facilitate intervention by the latter in industrial disputes. In general, formal structures were few and not enormously effective, but they did at the time carry some publicly accepted legitimacy. The other sector is more amorphous and heterogeneous and, consequently, rather more difficult to label. At one time the description **social and environmental** was in vogue. More recently there has been a tendency to adopt the label **voluntary, community and faith**. Ideally, any description of the group would refer to all five potential sub-groupings in the sector, but there is no obvious single term or acronym. The Scottish Civic Forum has used the term **societal** to define its membership. Such an all-embracing term could also include various public sector agencies, for example in education and health, but would exclude both government departments and political parties. Whatever the definition or label, this sector has much less pre-history of involvement with government.

However, it has grown in size and significance during the last twenty-five years, in part paralleling the decline in political party membership and electoral turnout. In political science jargon the two sectors are broadly comparable with the traditional division of pressure groups into 'interest' groups and 'promotional' groups. As the concept of partnership was embraced so the legitimacy of both sectors has gradually become accepted.

There is a view that once assemblies are directly elected, local government should be considered as another stakeholder. This has been recognised in Wales insofar as one of the three Partnership Councils covers local government. Our perspective, when embarking on this study, was that the relationship between the proposed elected regional assemblies and local government raised rather different issues from the links with the private and societal sectors. We felt our brief was to focus on the latter. Nonetheless, we recognise the centrality of the future relationship between local government and regional assemblies. Local government has itself built up often impressive linkages with stakeholders and these can be fed into the regional decision-making processes.

It needs also to be born in mind that the concerns of regional and local government will be closely intertwined. The delivery of regional strategies will be a major responsibility for the new assembly and many of those strategies concern matters falling within the competence of local government. Neither institution will be able to fulfil its role without the other. Directly elected regional assemblies in England will certainly need to develop close working relations with local government. They may well opt for something formal, along the lines of the Welsh Partnership Council model. Nonetheless, the mechanics of this relationship raise rather different issues from those concerning private/ voluntary/ community/ faith/ social/ environmental stakeholders.

The word 'key', as used in the White Paper, seems neither helpful nor relevant and should therefore not be invoked. It implies a hierarchy amongst stakeholders – perhaps some kind of priority for the private, as against the other, sector; or the 'big' players as against the 'small'. In this context it is important to recall that the private sector, and its 'big' players, have always had a variety of means of influencing decision-making in government at various levels. This may be one reason why the other sector has in general been extremely positive in embracing the new stakeholder philosophy. This enthusiasm and commitment seems to spread throughout the regions. In general, trade unions are also positive, in contrast to recurrent hesitations expressed by business groups. Business groups already exercise a significant influence on the work of Regional Development Agencies (RDAs). It might well be argued that the role of stakeholders from other sectors in the work of elected assemblies is an appropriate counterweight to this existing favoured position of the business community within RDAs.

## *2. What will be the aims and objectives of these stakeholders when relating to the newly elected regional assemblies?*

Participation in the existing but non-elected regional assemblies has given stakeholders a direct role in policy formulation. The central concern of all those stakeholders from whom we have taken evidence is that they should continue to have some involvement in, or influence on, the decision-making process: there is no interest in simply 'being there'. It should be recognised that a major reason for the lukewarm attitude of business representatives towards the proposed new directly elected assemblies arises from concern that, in losing their formal place in the structure, they will no longer be able to directly influence policy. They fear that participation will no longer be cost effective. From this perspective, involvement at the pre-decision stage is seen as vital. The Working Group saw no problem in recognising the value of both traditional methods of consultation and, at the other end of the process, the right to scrutinise after the event. In a sense this is the easy part: it is much more difficult to define a legitimate role for stakeholders during the decision-making process.

Responsibility for making policy and taking decisions must ultimately rest with, and be seen to rest with, elected representatives. Few stakeholders would wish it to be otherwise. We believe that a clear line should be drawn between being part of the decision-making process and, therefore, sharing formal responsibility for outputs on the one hand; and having the possibility of directly influencing the actual decision, without being responsible for making it, on the other. Some business organisations seem to regret the loss of status. However, we believe that, in practice, most stakeholders will accept the differentiation. Our view is that they should have the possibility of influencing the actual decision, and that the processes and structures to facilitate this should be open and transparent. The specific arrangements to bring this about should be flexible enough to reflect the diversity of the regions. As this paragraph suggests, this is indeed a fine balance. However, pre-decision influence should make stakeholders feel they are being taken seriously and promote some degree of shared ownership of – as distinct from responsibility for – regional policies. Provided that regional assemblies are seen to function effectively, stakeholders – including business groups – are likely to be sufficiently pragmatic to want to participate, despite any reservations about lost status or changed role.

## *3. Through which mechanisms should stakeholders be involved with the newly elected regional assemblies?*

There is general agreement amongst those consulted that the government should only lay down broad principles concerning the involvement of stakeholders. In framing the legislation, it seems certain that government will want to impose the broad principle of stakeholder involvement and partnership. There is a choice as to whether this should be a statutory obligation, along the lines of Welsh devolution, or merely a general principle to be followed, as in the cases of Scotland and

London. Two considerations have influenced us in opting for a statutory basis. The English regions differ from Scotland and London in a number of significant respects. In Scotland the notion of partnership is entrenched as a result of civic campaigning for the new parliament. Political circumstances in London have been a major factor pushing the mayor in the same direction. We do accept an important similarity with London, in that the English regions will have few devolved powers and will be even more reliant on other agencies to implement policies. There is clear evidence that existing regional assemblies accept the legitimacy of stakeholder involvement: the concept of partnership is part of regional culture.

This might seem to suggest that a statutory basis, with statutory guidance, would be superfluous. However, for us, a second consideration is decisive. From evidence received we believe that stakeholders themselves would welcome a statutory basis for their involvement. In part, at least, this reflects a concern that they may otherwise have to deploy scarce resources to justify their existence and involvement. Many stakeholders do not wish to be over-reliant on good relations with particular politicians.

It is also the case that the reservations about regional devolution, expressed in some quarters, particularly by sections of the business community, are also likely to be somewhat assuaged if their involvement does have the additional guarantee of a statutory basis. Theoretically, this also means that the involvement of stakeholders is underpinned by the possibility of judicial review. This is not necessarily an unmixed blessing, but we can see some value in its existence as a kind of insurance policy. However, in opting for a statutory basis for stakeholder involvement, we are very clear that, if devolution is to have any real substance, precise details of both structures and processes must be determined by each region for itself. We do not think it appropriate for the government's statutory guidance to do more than establish the principle of involvement, offer a broad outline of the groups which could be involved (as in the case of the Greater London Authority) and indicate some of the alternative methodologies.

Indeed, there are many potential mechanisms for engagement. These include membership of the assemblies; direct linkages with assembly leaders/executives; joint committees; a civic forum. Of these possibilities we would rule out membership of the assemblies by stakeholders. An elected regional assembly is *by definition* elected and its members can only be those who are elected. The suggestion has been made that stakeholders could be non-voting members. Perhaps this fits the traditional category of a 'typically British compromise'. We think this is inappropriate: it would raise a variety of procedural issues and cloud thinking on the appropriate role for partners. We see a crucial difference between 'decision-taking' – the legitimate preserve of elected members – and the 'process of decision-making' – ideally inclusive of all interests. Stakeholders have a key role in the latter, so long as the mechanisms are open and transparent.

Policies will be determined and decisions made through interplay between what will presumably be termed the 'Regional Cabinet' and the assembly. If stakeholders are to influence this process, there is a need for both regular meetings with political leaders, and participation in pre-decision committees or advisory bodies reporting to the assembly. Another route for legitimate stakeholder influence will be offered through an assembly's interpretation of its overall strategic role. We envisage an assembly's seeking relationships with a number of pre-existing sectoral regional quangos on which stakeholders are strongly represented.

Government places much emphasis on scrutiny. Two phases need to be considered: the first to monitor implementation; the second to review or hold the assembly to account. Stakeholders should be involved in both as of right, although it needs to be recognised that the monitoring of implementation through specific scrutiny committees is likely to offer the greater satisfaction. Elected regional assemblies will, self-evidently, be accountable to the electorate at regular intervals. However, it needs to be remembered that, insofar as the assemblies will be very small and strategic, there is a clear advantage in more regular reporting to some wider representative body: experience from London, Scotland and Wales demonstrates the value of the Civic Forum concept as part sounding board and part accounting procedure, albeit the reporting may tend to be after the event. Considering these potential modes of involvement reinforces still further our view that non-voting membership of the assemblies would be inappropriate. It would be little more than a token – a possibly uncomfortable reminder of what has, on one perspective, been lost by the move towards direct elections, whilst not offering anything substantive by way of compensation. It should also be noted that business partners often have little time, and even less enthusiasm, for participating in general debate, when it is seemingly divorced from the actual decision-making process.

The above approaches all imply engagement with stakeholders as a generic group. However, if partnership is to be meaningful, politicians and individual or sub-groups of stakeholders should also be able to engage on an 'as and when' basis. Again there are various potential modes of engagement ranging from structures based on the Welsh Partnership Councils through regular working groups to informal 'ad hoc' committees. In yet again repeating that regions should be free to determine their own preferred structure, we have one further suggestion, based on Scottish and Welsh experience. We can see considerable value in all the relationships being embodied into a memorandum of understanding or a compact, given the status (along Scottish lines) of founding principles.

#### 4. How can newly elected regional assemblies be encouraged to engage positively with stakeholders?

Although various witnesses expressed differing views about methodologies, it seems to be widely accepted that elected

regional assemblies will have a strong vested interest in positive engagement. But it can not be guaranteed and therefore the duty should be underpinned by a statutory obligation. In any event, at a very basic level, stakeholder involvement is essential if a regional agenda is to be delivered. Stakeholders are also in a position to act as advocates and publicists for the work of the newly established assemblies.

In those regions where commitment to directly elected regional assemblies is greatest, there is considerable concern about lack of powers and limited financial resources. If the assemblies are successful, and seen to be so, there is likely to be public support for extending their competence. Directly elected assemblies will need to assert their legitimacy as the embodiment of regional aspirations. But style, as well as substance, will be important. If the general public is to be engaged, then information about what the assembly is doing needs to be widely disseminated. Procedures should be seen as 'open'. Assemblies should be required to reply to enquiries, to show how comments and opinions have been considered, to publish the results of consultation: in effect to show how stakeholders have influenced the policy- and decision-making process. If regional assemblies cannot do this, they run the risk that a future government – less committed to devolution – might not only slow down, but even seek to reverse, the process. In Scotland and Wales, experience suggests an acute awareness of the over-arching political situation: Parliament and Assembly have been sufficiently pro-active in engaging with stakeholders and the wider public to ensure that to all intents and purposes devolution is already irreversible. There will be the same need in the English regions for politicians and stakeholders to be seen as working together for similar ends.

Central government will continue to be the major external influence as far as English regional assemblies are concerned. We are firmly of the view that there should be a minimum of 'interference' in the operation of the devolved institutions. However, government seems certain to monitor progress and performance. One aspect of this process should be to look at the ways in which stakeholders are engaged, particularly if government does indeed lay on assemblies a statutory obligation.

The real unknown is just what the government's intentions are for the long-term. It is commonplace to assert that devolution is 'a process not an event'; but does central government want the process to continue for the English regions? Government often claims to prefer 'the carrot to the stick', but to what end? How will it respond to pressure from elected regional politicians for an extension of competences and greater financial resources? It needs to be recognised that central government faces a dilemma. Devolution implies diversity, which the government claims to espouse; it may also lead to differences which occasion political problems. Many of the day-to-day pressures facing government arise from public perceptions of varying levels of public service in different parts of the country. The starkest analogy comes from the

health service. It is palpably too large to be run on centralised lines; successive reorganisations have all laid a considerable degree of emphasis on local or regional administration and decision on priorities; but media, public and government demand that service should not be determined by postal code. So far, and with some difficulty, the government has just about squared the circle as regards devolution to the constituent parts of the UK. It remains uncertain to what extent they will feel able to do this for the English regions, or whether press and public opinion would accept it.

Such considerations range very much more widely than the core subject of this report. The perspective of the English regions in this matter is not dissimilar to that of Scotland and Wales. The prospect that successful involvement of stakeholders might help in the struggle to obtain additional competences and resources will be the most powerful inducement for regional politicians to 'engage positively'.

*5. In return, how can stakeholders be encouraged to respond positively and fully participate in the work of newly elected regional assemblies?*

There is a clear link between this and the previous question. Stakeholders will respond positively if they feel they are being taken seriously – regular feedback on the impact of partnership is essential. Stakeholders need to know that their views have been taken into account in the policy-making process and have on occasion made a practical difference to the outcome.

It is important that those stakeholders who are involved are genuinely representative. Nomination/election by umbrella bodies, bringing together the various groupings of stakeholders, is vital, but there needs to be some means by which representatives report back to their own constituencies on a regular basis. Cost is an important issue. A day away from the office or the workplace may be a major time commitment for an employee or representative of one of the smaller organisations. Expenses, possibly a per diem allowance, would be valuable. There is the precedent of the Community Empowerment Fund, which has facilitated involvement in Local Strategic Partnerships. It would clearly be inappropriate for central government to undertake this directly for regional stakeholders. However, there could be a financial allocation to the assemblies specifically for this purpose. We are aware of the hypothetical danger that the receipt of money from public funds might influence attitudes and actions of the recipients, but we have found no evidence of this happening in the cases of either the London or Scottish Civic Forums. Whilst once again detailed arrangements should be at regional discretion, we would welcome statutory guidance obliging the new assemblies the obligation to address the issue of 'equalising partnerships' and to consider providing resources where appropriate.

There is a sense in which the above paragraphs are rather uni-dimensional. They are argued from the perspective

that the assemblies are the major or sole focus of commitment to delivering a regional agenda and that the issue is how they can encourage stakeholder involvement. From evidence received, we believe that many stakeholders are every bit as committed as regional politicians to effective delivery of that agenda. Stakeholders themselves will (have to) recognise that their commitment, involvement and engagement with the assemblies is indeed essential if regional devolution is to be a successful reality.

6. *What lessons can be drawn from the experiences of the newly devolved institutions in Scotland, Wales and London and existing government programmes such as Local Strategic Partnerships?*

The formal statutory basis for relations between the Welsh Assembly and stakeholders has clearly helped promote a positive basis for consultation/partnership. The model of three Partnership Councils has worked well in practice, although some concerns have been expressed about inclusiveness. We recognise the particular problem posed by small, separate groups – traditionally excluded from decision-making and even consultation procedures.

By way of contrast there is no statutory basis for partnership in Scotland: many deem it to be unnecessary. Civic forces played a vital role in establishing the widespread consensus which helped bring about the rebirth of a Scottish Parliament. In a sense there was no need for Westminster to tell Scotland about the value of partnership: it is an accepted part of the indigenous political culture. Indeed, some claim that the emerging Scottish political system is based on participatory rather than representative government. There is a sense in which the first mayor seems intent on creating something similar in London: the GLA Act lays down a somewhat tenuous obligation to consult, but this hardly amounts to a statutory basis.

Political culture emerges as the key factor in any study of developments in Scotland, Wales and London. In all three cases politicians have sought, in a variety of ways, to involve stakeholders and to make them feel part of the decision-making process. Embracing the concept of partnership reflects the paramount need to consolidate public acceptance of the new institutions by embedding them into the regular political culture. This will be of particular importance as debates arise about possible extensions of competence. The stakes are even higher for the English regions, most of which lack any equivalent to the sense of continuing historic identity found in Scotland and Wales. London is different in that it is both a city and a region and for most of the twentieth century was brought together successively by the London County Council (LCC) and the Greater London Council (GLC). The English regions cannot look back to any kind of recent independent history. Experience from other countries, notably Spain, with its patchwork of historic and more recently created regions, suggests that this mixture will not necessarily be a drawback in establishing successful regional structures. However, it will

not be an automatic process. New institutions and their political leaders will need allies. Both the politicians and the handful of permanent officials in the existing non-elected assemblies in the English regions have grown used to networking and involving stakeholders as legitimate partners. There is some evidence of an emerging regional political culture, at least at the level of these formal participants. Our assessment, based on evaluating experiences in Scotland, Wales and London, is that this regional culture is likely to be of much greater importance than any formal structures. Finally, it needs to be remembered that satisfactory involvement of stakeholders in the work of the new institutions could be an important ingredient in embedding the new institutions into the wider political culture of the region, and perhaps in helping them in due course to argue the case for increased competences.





## **WORKING GROUP TERMS OF REFERENCE**

The purpose of this study will be to identify how newly elected regional assemblies can fully harness the experience, expertise and commitment of stakeholders. This requires the group to consider a series of interrelated questions.

1. What entities should be defined as 'stakeholders' or 'key stakeholders'? What factors determine this choice? Do the characteristics of particular stakeholders differ from region to region?
2. What will be the aims and objectives of these stakeholders when relating to the newly elected regional assemblies?
3. Through which mechanisms should stakeholders be involved with the newly elected regional assemblies as well as with local government structures?
4. How can newly elected regional assemblies be encouraged to engage positively with stakeholders?
5. In return, how can stakeholders be encouraged to respond positively and fully participate in the work of newly elected regional assemblies?
6. What lessons can be drawn from the experiences of the Welsh, Scottish and London Assemblies and existing government programmes such as Local Strategic Partnerships?

## WORKING GROUP MEMBERSHIP

Chair: <b>Louise Ellman MP</b>	Member of Parliament for Liverpool Riverside
Rapporteur: <b>Stanley Henig</b>	Senior Research Fellow, The Federal Trust for Education and Research
Secretary: <b>Ulrike Rüb</b>	Research Officer, The Federal Trust for Education and Research
<b>Revd. Dr Julian Cummins</b>	Chair, Regional Church Commission for Yorkshire and Humberside
<b>Jo Dungey</b>	Acting Head of Policy, Local Government Information Unit
<b>Dr Andrew Holden</b>	Parliamentary Officer, Campaign for the English Regions
<b>Richard Howitt MEP</b>	Member of the European Parliament for East of England
<b>Lynne Humphrey</b>	Research Associate, Centre for Urban and Regional Development Studies, University of Newcastle
<b>Dr Ikram Malik</b>	Chair, Community North West
<b>Sally Cooke</b>	Policy Officer, National Council of Voluntary Organisations
<b>Mark Sandford</b>	Research Fellow, The Constitution Unit
<b>Dr Helen Sullivan</b>	Research Director, Urban Governance, University of the West of England

Group members joined and contributed to the group in their individual capacity. While all subscribe to the main arguments of the report, the views expressed in detail may not be necessarily shared by the entire membership of the Working Group or by the Federal Trust. As a registered educational charity the Federal Trust does not hold views of its own on this issue.

## **LIST OF WITNESSES**

Eberhart Bort – Academic Co-ordinator, Institute of Governance, University of Edinburgh

Stephen Boyd – Secondment from the Scottish Executive to the Scottish Trade Union Congress (STUC)

Paul Griffiths – Special Adviser to the Welsh First Minister

Neil Irving – Chief Officer, North Yorkshire Forum for Voluntary Organisations

Phil Jarrold – Deputy Chief Executive, Wales Council for Voluntary Action

Matthew Knowles – Policy Adviser, British Chambers of Commerce

Cllr Dr Pauleen Lane – Deputy Leader Trafford Metropolitan Borough Council; Board Member North West Development Agency; and Member North West Regional Assembly

Kate Monkhouse – Director, London Civic Forum

Peter O’Brien – Regional Policy Officer, Northern TUC

Clodagh O’Donnell – Manager London Stakeholders, Mayor’s Office, Greater London Authority

Alison Platts – Team Leader, Civic Participation and Consultation Research Team, Scottish Executive Social Research

Donald Reid – Director, Scottish Civic Forum

Jane Saren – Scottish Council Foundation and Independent Consultant

Connie Smith – Participation Services Team Leader, Scottish Parliament

Tracey White – Assistant Secretary-General, STUC

## LIST OF BACKGROUND DOCUMENTATION

Charlie Jeffery and Adrian Reilly (2002): *An Elected Regional Assembly for the West Midlands Region? Recommendations on the English Regions White Paper Your Region, Your Choice*, West Midlands Governance Action Research Group

National Assembly for Wales (2000): *Voluntary Sector Scheme*

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Mark Sandford (2002): *Inclusiveness of Regional Chambers, Constitution Unit*

Keith Shaw, Lynne Humphrey, Peter O'Brien, John Tomaney (2002): *The Engagement of Economic and Social Partners in a Directly Elected Regional Assembly for the North East*. A Research Report for the North East Assembly by the Centre for Urban and Regional Development Studies (CURDS) and the Sustainable Cities Research Institute (SCRI)

Ben Young (2002): *Report of the Audit of the Democratic Participation Project*, Scottish Civic Forum

The Working Group also considered submissions made to the formal consultation process initiated by the government following the publication of the White Paper *Your Region, Your Choice* in May 2002 from the following organisations:

Age Concern

British Chambers of Commerce

Campaign for Yorkshire

Campaign for a North East Assembly

Campaign for the English Regions

East of England regional Assembly

Local Government Information Unit

National Council for Voluntary Organisations

South East England Regional Assembly Social and Economic Partners

South East England Regional Assembly

South West Local Government Association

South West Regional Assembly

TUC

West Midlands Regional Assembly

Yorkshire & Humber Regional Assembly

Yorkshire & Humber Association of Local Authorities



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This report is the outcome of the Federal Trust's Working Group 'Encouraging Democracy and Stakeholder Participation in the English Regions', which examined how best to involve stakeholders in the work of future elected regional assemblies in England.

This report forms part of the Federal Trust's wider programme on devolution in the United Kingdom. For further details about this programme please contact Ulrike Rüb on +44 (0)20 7735 4000 or at [ulrike.rub@fedtrust.co.uk](mailto:ulrike.rub@fedtrust.co.uk)