



Local Authority Leaders Boards

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This note sets out the structures of regional governance which will replace Regional Assemblies (or Chambers) in the English regions outside London, from 2010 onwards. Regional Assemblies/ Chambers are described in standard note SN/PC/3427.

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1 Introduction

Government plans for reshaping the structures of regional governance were announced in mid-2007, as part of the Green Paper *The Governance of Britain*. Some details of these were also supplied in the accompanying document, the *Sub-National Review* of economic development and regeneration.

The Government plans to replace Regional Assemblies with Local Authority Leaders' Boards. The existing Regional Spatial Strategy and Regional Economic Strategy will also be consolidated into a single regional strategy. The Boards will be jointly responsible, with Regional Development Agencies, for signing the strategy off.

Additionally, the House of Commons has established regional select committees and regional grand committees, to examine the strategic responsibilities of Regional Development Agencies. This introduces a degree of scrutiny of regional policy-making in the House: such matters were previously dealt with by the select committees for Communities and Local Government, and Business and Enterprise, but on an England-wide rather than region-by-region basis.¹

No change is made to the governance of London by these reforms. A select committee for London will not be established currently, though Ministers have indicated their intention to do so.

The *Sub-National Review*, and other documents mentioned below, contain considerable detail about greater localisation of decision-making around economic development. Many such proposals can be found in the current Bill: for instance, statutory Multi-Area Agreements and Economic Prosperity Boards. These developments are not discussed in detail here. However, changes in the structure of regional governance appear, for the Government, to go hand in hand with strengthening local authorities' purchase on regional institutions and on economic development issues.

2 The *Sub-National Review* and the introduction of Leaders Boards

On 22 July 2007, the Government published a document entitled *Review of Sub-National Economic Development and Regeneration* (henceforward *Sub-National Review*).² This was published on the same day as *The Governance of Britain*, the Green Paper on constitutional reform.³ The two documents are complementary concerning matters of regional structure. *The Governance of Britain* contains proposals for reform to regional governance structures at the central level: new regional select committees and regional grand committees. These new proposed structures dovetail with a number of adjustments to regional bodies proposed in the *Sub-National Review*.

These proposed changes reflect shifts in Government thinking, in the wake of some publications through 2006 and 2007 questioning the direction of the regional agenda. Most notable was *Redesigning Regionalism*, produced by Chris Leslie and Owen Dallison for the New Local Government Network in 2006. This explored a number of different options for redesign of the existing regional organisations.

¹ See standard note SN/PC/4411 on regional accountability at Westminster.

² HM Treasury, *Review of sub-national economic development and regeneration*, July 2007: http://www.hm-treasury.gov.uk/d/subnational_econ_review170707.pdf

³ Ministry of Justice, *The Governance of Britain*, Cm 7170, July 2007

Proposals for change

The *Sub-National Review* made four principal proposals:

1. The Review states that “Regional Assemblies in their current form will not continue”.⁴ The planning powers granted to Regional Assemblies under the *Planning and Compulsory Purchase Act 2004* would be transferred to Regional Development Agencies (RDAs).
2. The Regional Economic Strategy and Regional Spatial Strategy to be merged into a single regional strategy, which would be produced by the RDA. As with previous regional strategy documents, this was to be subject to signing-off, and revision, by the Secretary of State. It must contain within it details of “the region’s ambitions covering economic growth, planning and housing”.⁵
3. In each region, the option will exist to create local authority Leaders’ Boards, which will have the power to sign off the single regional strategy before it is presented to the Secretary of State. Leaders’ Boards will not be compulsory in any region.
4. Once the strategy is in place, local authorities will have the right to scrutinize its implementation. The *Sub-National Review* states that “This will require a strengthening of local authorities’ involvement in the regional strategy development process and in scrutinising the work of the RDAs.”⁶

The thinking behind the move away from Regional Assemblies is outlined further on in the document:

There is evidence to suggest that Regional Assemblies are insufficiently geared towards attracting committed engagement from the leading local authorities and, consequently, do not consistently provide a strong voice for their region, although there are some good examples. Regional Assembly scrutiny of the Regional Economic Strategies can sometimes lend itself towards defending local interests rather than recognising the need to make strategic decisions based on robust evidence for the wider benefit of the region's economy. Similarly, scrutiny of the RDAs is not as effective as it should be.⁷

The solution to this problem lay in “giving elected local authorities acting at the regional level greater responsibility for scrutinising and signing off the draft regional strategy”.⁸

The *Sub-National Review* noted that differing processes and different bodies being responsible for the drafting of the two strategies could lead to difficulties:

However, the different roles of Regional Assemblies and RDAs have led to the problem in practice of misalignment of the Regional Spatial Strategies (developed by the Assemblies) and Regional Economic Strategies (developed by the RDAs).⁹

⁴ *Sub-National Review*, p. 6. This decision was reported in many quarters as the “abolition” of Regional Assemblies. However, as Regional Assemblies are not public, but voluntary, bodies, they cannot be abolished by Government. Government can only abolish, or transfer elsewhere, their powers and funding.

⁵ *Sub-National Review*, p.92

⁶ *Ibid*, p94

⁷ *Ibid*, p94

⁸ *Ibid*, p95

⁹ *Ibid*, p92

In order to address this, the SNR states:

The Government therefore believes that there should be a single integrated regional strategy which sets out the economic, social and environmental objectives for each region. This will be formed by bringing together the Regional Economic Strategy and the Regional Spatial Strategy and should be founded on a strong analytical base which takes account of the different needs of the sub-regions within each region.¹⁰

3 Changes between the *Sub-National Review* and the Bill

The Government consulted on the proposals in the Sub-National Review through a document entitled *Prosperous Places: taking forward the review of sub-national economic development and regeneration*.¹¹ This was published on 31 March 2008, and the consultation ran until 20 June 2008. The Government's response to the consultation was published on 25 November 2008.

3.1 Prosperous places

Prosperous Places reiterates the role of local authority leaders, saying that "local authorities themselves should decide the most effective structure for a leaders' forum to suit the needs of their region."¹² Hand-in-hand with this role goes greater delegation of project management to local authorities by RDAs.¹³

Prosperous Places also indicated that the Government still viewed local authorities as having a scrutiny role, alongside the executive tasks of the Leaders' Board in jointly signing off the regional strategy, "with the abolition of regional assemblies, local authorities should develop new arrangements for exercising their scrutiny powers at regional level through the leaders' forum". However, the leaders' board was always intended to have an executive role, therefore it would be difficult to see how it could also scrutinise either the RDA board (with which it would work) or itself.

The document leaves open to RDAs themselves the arrangements that they make to consult with regional partners or "social and economic partners". Certain interest groupings were formally represented through the Regional Assemblies system¹⁴ but will have no formal representation on the Leaders' Boards. The requirement for the Regional Spatial Strategy to be approved by a body consisting of 30% non-local government representatives will be removed by the Bill as it currently stands.

The consultation document also set out a number of statements on what a regional strategy should look like. Most of these differ little from previous practice: the explicit statements are contained in a single document. The regional strategy should cover key regional economic challenges; mitigating the effects of climate change; housing supply figures; identifying areas for regeneration; and strategic / infrastructure requirements for transport, waste, water, minerals and energy. There should be evidence of stakeholder and public support, a "robust evidence base", a sustainability appraisal, and some form of independent report or examination in public to act as a quality check.¹⁵

¹⁰ *Ibid*, pp95-6

¹¹ DCLG/ BERR, *Prosperous places...*, 2008: <http://www.berr.gov.uk/consultations/page45474.html>

¹² *Ibid*, p22

¹³ *Ibid*, pp20-21

¹⁴ See Library standard note on regional chambers and assemblies, SN/PC/3427

¹⁵ DCLG/ BERR, *Prosperous places...*, 2008, pp31-32.

3.2 Response to consultation report

On 25 November 2008, the Government published their response to the consultation, entitled *Prosperous Places: taking forward the review of sub-national economic development and regeneration - The Government response to public consultation*.¹⁶ This report summarised the responses to the consultation, and made the following proposals for change as a result:

1. The new single regional strategy would be jointly prepared and signed off by the Regional Development Agency and the Local Authority Leaders' Board. This change countered suggestions that the new arrangements lacked democratic accountability. (As previously, the strategy still needs to be signed off by the Secretary of State, who can request amendments.)
2. Ministers will take powers, in the Bill, to direct the process of producing the draft strategy. This relates purely to the preparation of the initial strategy; but the Government will also be able to step in if the Leaders' Board "fails to operate effectively".¹⁷
3. The RDA and Leaders' Board will be required jointly to produce a public statement of how they will consult with stakeholders. This reflects the existing requirement for the Regional Spatial Strategy, in the *Planning and Compulsory Purchase Act 2004*. The intention in the *Sub-National Review* was to designate the Regional Development Agency as the Regional Planning Body, in place of the Regional Assembly. Instead, the clauses relating to Regional Planning Body will be repealed by the Bill.
4. Legislation will require an "Examination in Public panel" to report back to the Leaders' Board and the RDA, and Ministers. Further guidance will be provided on this. It appears that this panel will not necessarily include members of the public but will provide a form of "independent challenge" to the strategy. The report also indicates that Government guidance will suggest at least one meeting of this panel should be open to members of the public.¹⁸
5. The Leaders' Board and RDA will be required by law to produce an implementation plan and annual monitoring report, both distinct documents from the strategy itself. This is a new statutory requirement.
6. The Government indicated in this report that it regarded regional select committees as providing adequate scrutiny for the strategy-making process. In other words, there would be no need to provide for scrutiny at the local or regional level – specifically, by the Leaders' Board.¹⁹

There is also no provision on the face of the Bill for any new form of scrutiny of the implementation plan by local authorities. It would be possible under existing local government powers for local authorities in a region to establish a joint scrutiny committee to examine the regional strategy. This was referenced in *Prosperous Places*, which stated that "local authorities, in addition to their new role in contributing to the development and implementation of the regional strategy, have existing scrutiny powers which can be applied

¹⁶ DCLG/ BERR, *Government response to Prosperous Places...*, November 2008: <http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

¹⁷ *Ibid*, p15

¹⁸ *Ibid*, p19

¹⁹ *Ibid*, p20. At the time of writing, the Opposition parties have not nominated members to the new Regional Select Committees.

to RDAs and other government agencies at local level, as well as to their own executive members.”²⁰

4 The Bill

The *Local Democracy, Economic Development and Construction Bill [HL]* was introduced into the House of Lords on 4 December 2008. This Bill contained a range of proposals that had developed significantly since the publication of the *Sub-National Review*. As well as details on single regional strategies and local authority leaders’ boards, there are also provisions in the Bill for Economic Prosperity Boards and Multi-Area Agreements.

At the time of writing, the Bill has completed its Lords stages and has been introduced into the House of Commons as Bill 93. Clause numbers given below relate to this version of the Bill. The main changes and clarifications in the Bill are as follows:

- The single regional strategy will come into existence as soon as the Bill becomes law, and it will consist of:
 - (a) the regional spatial strategy for the region subsisting immediately before that day, and
 - (b) the regional economic strategy for the region subsisting immediately before that day.²¹
- Leaders’ Boards can be formed either as incorporated or unincorporated bodies, in each region outside London.²² Each region must create a ‘scheme’ which must be submitted for ‘approval’ to the Secretary of State. It is not compulsory for any region to establish leaders’ boards, as clause 69(2) makes provision for the RDA alone to take on the functions of the responsible regional authorities. In practice, it is likely that Leaders’ Boards will be established in all regions, as local authorities would not wish to forgo the influence available through them.
- The Secretary of State is permitted to give funding to the Leaders’ Boards. This provision is made on the face of the Bill. Although the Regional Assemblies benefited from the “Regional Chambers Fund”, introduced in 2001.²³ (see SN/PC/3427), there was no statutory provision for this in the *Regional Development Agencies Act 1998*.
- Leaders’ Boards and RDAs are designated as ‘responsible regional authorities’ and must jointly “keep the regional strategy for their region under review”. However, where there is no leaders’ board the RDA will be able to undertake the task alone.
- Under the Bill, an examination in public (EiP) of the regional strategy will be voluntary,²⁴ at the discretion of the responsible regional authorities (though the Secretary of State can overrule their decision). Previously, the Regional Spatial Strategy was subject to an examination in public (EiP) under the *Planning and*

²⁰ DCLG/ BERR, *Prosperous Places...*, 2008, p23

²¹ Clause 67 (6)

²² Clause 68 (1)

²³ See SN/PC/3427

²⁴ Clause 73. This clause refers to ‘a draft revision’ of the single strategy. However, this in practice will apply to all changes, as the single strategy is declared to exist as soon as the Bill is passed, consisting of those parts of the RES and RSS as the Secretary of State specifies (clause 67(6))

Compulsory Purchase Act 2004, though the Regional Economic Strategy (RES) was not subject to one.

- The responsible regional authorities must, under clause 78, publish an implementation plan for the strategy, and report on progress every 12 months.
- The responsible regional authorities must prepare and maintain a “statement of community involvement” explaining how, and whom, they had consulted on the strategy.²⁵ This reproduces a similar requirement found in the *Planning and Compulsory Purchase Act 2004*:

For the purposes of the exercise of its functions under section 5, the RPB must prepare and publish a statement of its policies as to the involvement of persons who appear to the RPB to have an interest in the exercise of those functions.²⁶

As of March 2009, the leaders’ boards which have been set up in the regions all contain members from regional partner organisations. “Social and economic partner” groups were present on each regional chamber, making up 30-40% of each chamber’s membership. They had full voting rights in all regions: under the *Planning and Compulsory Purchase Act 2004* they had to have voting rights over planning issues. However, there will be no such obligation upon the Leaders’ Boards.

The provisions in the *Planning and Compulsory Purchase Act 2004*, which created Regional Planning Bodies (RPBs) and obliged at least 30% of their membership to come from regional partner organizations rather than local government, will be repealed when the current Bill passes.

4.1 Implementation plan

The responsible authorities must prepare an implementation plan for the regional strategy, distinct from the strategy document itself. The preceding legislation (PCPA and RDA Acts) did not require an implementation plan to be prepared on the face of either Act, nor did the Acts mention implementation as something distinct from the strategy documents themselves (though both Acts made provision for revision to the strategy document).

The Bill requires the implementation plan to be reviewed every 12 months:

- (1) The responsible regional authorities must produce and publish, and from time to time revise, a plan for implementing the regional strategy for their region.
- (2) The responsible regional authorities must for each period of twelve months prepare a report on the implementation of the regional strategy for their region.²⁷

4.2 The new regional structures

Some regions have already begun to set up structures to supersede the Regional Assemblies. For instance, the North-West Regional Assembly dissolved itself on 1 July 2008 and established a North-West Leaders’ Board in its place. This Leaders’ Board is obliged, however, to include partner members in its deliberations until the *Local Democracy, Economic Development and Construction Bill* receives Royal Assent. The existing

²⁵ Clause 72

²⁶ *Planning and Compulsory Purchase Act 2004*, s 6 (1)

²⁷ Clause 78

requirements for partner involvement in the Regional Spatial Strategy will remain in force until the Bill is passed.

The following table sets out the functions held by the various bodies under the new regional structures. It also indicates the location of each function prior to the publication of the *Sub-National Review* and the developments associated with it. In some cases the functions are entirely new, or were carried out only incidentally prior to the *Sub-National Review*.

Regional structure	Functions	Previous location of function
Leaders' Boards	Regional Strategy (joint)	RDA (economic aspects) Regional Chamber
RDAs	Regional Strategy (joint) Programme management	Regional Chamber RDA
Multi-Area Agreements (MAAs)		Local authorities [but not previously statutory]
	Economic development project management	RDA
Economic Prosperity Boards	Joint exercise of local economic development functions, including duty of assessment	Local authorities [where applicable]
Combined authorities	Transport	Passenger Transport Authorities
	Economic development	Economic Prosperity Boards / local authorities
Regional Economic Councils	Prioritising regional initiatives and infrastructure plans	Did not exist [though some Regional Chambers had made some halting steps in this direction]
Regional Ministers	Bringing together stakeholders in region	Did not exist [Government Office (continues to support Regional Minister)]
	Answering questions and making statements in Westminster on behalf of RDAs and regional bodies	Did not exist
Regional Select Committees	Scrutiny of regional strategy and regional executive agencies	Regional Chamber (in part)
Regional Grand Committees:	Statements from [regional?] ministers, debate	Did not exist