

# Regional Reform in Britain

*Brian Jacobs*

## **Regional Issues and National Politics**

**P**rime Minister Tony Blair has accomplished many of his radical reforms of the British Constitution. He has to attend to Scottish and Welsh demands for the devolution of power from Westminster, and English calls for regional reform. Tony Blair therefore seeks to change Scottish and Welsh government by substantially shifting power away from the center. In England, he is modernizing regional governance by granting powers to important new institutions.

The previous Conservative government recognized the growing importance of regional issues, although their aim was to improve relationships between central departments and local government rather than to create regional government. That approach assumed the English "region" to be a convenient administrative and statistical unit based mainly on familiar county council local government boundaries. For example, the West Midlands region, with a population of 5.3 million, consists of the five counties and accounts for 8.5 percent of the United Kingdom gross domestic product. The City of Birmingham lies at the center of the region within an urban area with a population of two and a half million including several surrounding districts. Other city councils, unitary authorities, and district authorities also make up the region. This is an arrangement that the informed public can relate to and it makes sense to civil servants.

Problems in the West Midlands under the Conservatives, as in other English regions, concerned administrative fragmentation, overlapping responsibilities between the regional offices of central departments, and poor program coordination. In 1994, the Conservatives therefore set up the Govern-

ment Offices for the Regions to overcome the problems (Mawson and Spencer 1997). The new offices brought together the regional offices of central departments to manage programs and allocate funds including those for European Union initiatives. The boundaries mainly conformed to common perceptions of the English regions except in London and Merseyside with their own offices.

In the 1997 general election campaign, the Conservatives claimed that Tony Blair's Labour Party would divide the United Kingdom by creating deep divisions between England, Wales, Scotland, and Northern Ireland. Conservatives opposed Labour's proposal for regional elected assemblies in England and they argued against Scottish and Welsh devolution. However, nationalist sentiments in Scotland and Wales fueled demands for a transfer of power away from central government. The Scottish National Party advocated independence within the European Union to enable the Scotland to join the ranks of Europe's newly sovereign states. The Welsh nationalist party, Plaid Cymru, called for self-government to boost the attractiveness of Wales to overseas investors. However, in England, a national question did not affect the political agenda, and English regional identities played only a small part in the election campaign.

With a mandate for reform, the Labour government proposed a new Scottish Parliament with tax varying powers and a national assembly for Wales. Blair put the proposals to the Scottish and Welsh people in separate referendums in 1997. The Scottish vote was a resounding victory for a Parliament with 63.5 percent voting "yes." However, the small 50.3 percent vote supporting the National Assembly for Wales delayed the campaign for elected regional

assemblies for England. The cool attitude of the Welsh suggested that the result of any referendums in the English regions could go against the government.

Nevertheless, while the Labour Party articulated a broad public desire for better government in England, a deeper dissatisfaction with remote Whitehall civil servants questioned Tony Blair's reform process. Soon after Blair's election victory, the emergence of a strong rural protest lobby was symptomatic of a feeling that Labour had failed address the problems of country people. Some farmers and villagers living in the English rural shires complained that central government continued to neglect their interests. According to the Countryside Alliance movement, the government sanctioned rural decline and the incursion of housing and industrial activities on greenfield sites. However, the rural lobby divided over how central government could effectively represent the interests of the countryside. The movement was not a regional one, but more concerned with a range of issues that expressed disillusion with government. Also, an assertive environmentalist lobby allied green activists with respectable middle class suburban groups to oppose major regionally strategic road and airport extensions. This went against the notion of strong regions promoting prestige projects and major improvements to infrastructures. The revolt in the English counties therefore reflected the growth of diverse interest groups that wanted their voices heard and that civil servants should see for themselves conditions outside London.

Labour stuck to its regional strategy and its consultation with business and public bodies. The government wanted regions to decide for themselves whether or not to have elected regional assemblies. Opponents, including the Conservatives, claimed that this would bring about a complex patchwork of assemblies and agencies. However, this did not deter Tony Blair. Shortly after the general election, the government had created the Department of the Environment, Transport, and the Regions (DETR) out of the two central departments previously responsible for transport and the environment (URL: <http://www.detr.gov.uk/detrhome.htm>). The wide respon-

sibilities of the new national department included urban regeneration, local government, planning, and European regional policy. The department also held the brief for the regional reforms in England. Deputy Prime Minister John Prescott led DETR, bringing his reputation as an outspoken, controversial, and "tough" member of the Labour government. He pursued a strategy for the English regions with a strong emphasis on economic development and competitiveness.

The problem was that many environmentalists and rural protesters saw this as a "growth at all costs" policy that favored property developers and corporate investors. This attitude had surfaced in 1997 shortly before the general election when environmental activists joined with villagers to oppose the building of a second runway at Manchester Airport in the North-West. The Airport Company, property developers, and local authorities confronted an opposition campaign that attracted extensive media coverage and the support of prominent political personalities. The campaigners were unsuccessful, but the protest created a precedent for future regionally focussed conflicts that the government will be ill advised to ignore.

Prescott had to bring together many diverse interests to achieve a workable regional strategy and to oversee the transfer of powers to proposed regional agencies. With this objective, the government launched a consultation exercise to receive opinions on the possible future role of proposed regional development agencies in England. The consultation process involved wide-ranging discussions with public and private sector organizations many of which were involved in partnerships and interagency planning groups in the regions. The Local Government Association (LGA), representing English and Welsh local authorities contributed to the consultation both on regional issues and on the future of urban policy (URL: <http://www.lga.gov.uk/lgahome.htm>). Prescott's civil servants discovered different conditions in each of the English regions that made it difficult to formulate a policy that would satisfy all the interested parties. However, in December 1997 the government presented a White Paper (Department

of the Environment, Transport, and the Regions 1997) to Parliament entitled "Building Partnerships for Prosperity."

### **The White Paper on Regions**

The white paper focuses on the problems of the English regions and sets out the government's proposals for reforms. It highlights the diverse forms of partnership and organization in regional economic development. It states that the English regions are increasingly important in the European context, especially as staple industries such as coal and shipbuilding have declined and as companies seek new opportunities. Business support, investment, and competitiveness are therefore central themes in the regional initiative. Public/private partnerships will promote skills development, higher employment, urban regeneration, and sustainable development. The regional development agencies will integrate some functions of the existing Government Offices for the Regions and other bodies, becoming fully operational in 1999. They will work with central government departments and the Government Offices for the Regions to ensure coordination across a wide set of program areas. To this end the regional development agencies will be business-led to coordinate policies and harness the efforts of public and private sector organizations.

The leadership is to come from existing business groups within the regions that have contributed to various economic development partnerships involving local governments and nonprofit organizations. The government intends the 8- to 15-member regional boards to reflect a broad spectrum of opinion to achieve a good balance between rural and urban interests. This should ensure the representation of educational institutions, cooperatives, and community enterprise organizations. Regional chambers (not to be confused with chambers of commerce) are expected to represent local government and other stakeholder opinions, although the precise pattern of organization will depend on the particular circumstances in each region.

How representative the regional boards and chambers can actually be remains to be seen. Re-

gional chambers are not to be fully fledged directly elected assemblies, so they could overrepresent existing influential groups. The regional development agencies will have to take account of the frequently conflicting demands of rural interests, urban communities, and business. On issues such as planning and transportation there are likely to be some difficult policy choices if the government is to deal effectively with the conflicting demands of industrial development and environmental sustainability. The English shires are already in revolt over the government's policies in rural areas, so the new agencies must not be seen as regional growth machines. ■

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