

role was viewed as ambiguous - an important but 'low key' actor. Some stakeholders were unclear about its added value and its capacity to formulate clear regional priorities, contribute to framing and delivering transport policy and represent regional interests.

The RTS was regarded as a useful step in bringing separate organisational plans together and linking transport with land use planning. But some stakeholders were less than confident that their participation in the RTS process had influenced the strategy.

The RTF helped fill the void left by the absence of a regional transport body. It had encouraged national and local stakeholders to adopt a regional perspective, but the Forum lacks resources and the capacity to influence key funders and transport operators - vital if strategy is to be turned into delivery. The Regional Transport Forum's ultimate success depends on whether it can deliver. At this stage, the universal assumption was that it could not.

The Concordat was viewed by some stakeholders as a useful reminder of the philosophy of regional partnership working but most believed that it had not yet influenced the way transport policy is formulated or delivered. Efforts to establish positive relationships between regional stakeholders were seen as worthless unless central government is prepared to listen and work with them.

### **Delivery mechanisms**

There was almost universal agreement that the current arrangements for turning transport strategy into delivery were inadequate. Decision chains were complex and accountability relations ill defined - 'too many tools are missing'. Even the most circumspect civil servant acknowledged these shortcomings. The PTE offers some influence over investment and co-ordination in the conurbation but its powers are limited.

The lack of a single body responsible for delivering transport at the regional level was a constant theme. But there was limited agreement about the powers and resources that such a body should possess and to whom it might be accountable. Some local authority stakeholders asserted that the focus should be on sub-regional partnerships and that major regional transport issues required national solutions.

Combining RTS with RPG was welcomed, but doubts were expressed, about how far those responsible for funding transport would adhere to the RTS and local authority commitment to consolidate transport and land use policies. MMSs had helped develop new thinking around intra and inter-regional transport solutions. There was scepticism, however, about whether the proposals regarding investment in public transport would proceed. This raised important issues for delivery of the RTS.

Increasing resources were being allocated via the LTP process but there is no 'regional own resource'. Mechanisms are required to ensure that regional priorities are not ignored. Transport privatisation made it difficult to meet regional needs. Uncertainty over train franchises and arms length relationships between funders and providers hindered integration and long-term investment. Several stakeholders observed that the solutions to the region's transport problems were not in doubt. The real

challenge lay in persuading politicians and the public to accept them.

### **Skill capacity**

There were considerable costs involved in consultation and alliance building and some interests were far better resourced than others. There was dissatisfaction with the level of staffing resources to prepare and take forward the RTS - the absence of dedicated professional staff acted as a brake on building regional capacity. Following years of budget restrictions concerns were expressed that some local authorities no longer have the capacity to deliver the Government's transport objectives, despite additional funding.

## **Stakeholders' views on Chapter 2: How far might it assist in delivering better transport policies?**

### **Enhancement of the Assembly's role:**

- Some stakeholders saw this as a positive step, having albeit a marginal effect, while others stated that no added value would arise since the proposals were, or should be, already happening. Stakeholders were generally wary about whether the proposals to extend the role of the Assembly would add value to transport in the region.
- The more optimistic stakeholders believed that the Assembly's role in co-ordinating regional strategies could be beneficial. But whether this would lead transport funders and private sector operators to adjust their investment plans to meet regional priorities was more problematic.
- There was support - notably from the business community - for the RPB function to be transferred to the Assembly, on the grounds that it should develop its decision-making capacity. Local authority and environmental stakeholders were cautious about conferring additional powers on an unelected body.
- The transfer of the RPB function to Assemblies and the introduction of statutory Regional Spatial Strategies could give Assemblies more leverage in delivering the RTS.

### **Enhancement of the Government Office's role**

- Most stakeholders favoured the GO playing a more active role in joining up the activities of public bodies operating in the region. However, this would depend on the leadership of the GO Director, the competencies of GO staff and the agencies' commitment to co-operative working. Given the way that government accountabilities work this could not be guaranteed.
- Proposals for the GO to articulate regional interests through the spending review process were cautiously welcomed. But extending its role would not reduce the concentration of power over transport in the hands of central government and its agencies. Generally, stakeholders were unconvinced that enhancing the GO's role would add value to transport.

This *Devolution Briefing* was written by Graham Pearce and Sarah Ayres, Aston Business School, Aston University, Birmingham. It draws on research carried out with the support of the ESRC Devolution and Constitutional Programme and the West Midlands Regional Assembly.

**The Devolution and Constitutional Change Programme was set up by ESRC in 2000 to explore the series of devolution reforms which have established new political institutions in Scotland, Wales, Northern Ireland, London and the other English regions since 1997. It has commissioned 35 projects around the UK to carry out top-class academic research and to contribute to the policy debates surrounding devolution.**

### **Further Information**

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**Findings from the Economic and Research Council's Research Programme on *Devolution and Constitutional Change***

# Devolution Briefings

## Decentralisation in the English Regions Assessing the Implications for Rural and Transport Policy

Briefing No. 16, February 2005

### Key Points

- Governance in the English regions has become more complex since 1997, but Whitehall has not yet got to grips with its new territorial roles and the need to 'mainstream' regional issues.
- Dependence on national funding and policy parameters reduces the scope for policy divergence within regions. The bulk of resources are consumed in meeting national priorities and there are insufficient resources available to tackle region-wide needs. In the case of agriculture the EU is also a strong force for policy convergence.
- While decision-making remains centralised, the delivery of policies for rural areas and transport is fragmented. Streamlining the multiplicity of funding regimes and clarifying and improving understanding of the responsibilities of bodies involved in regional policy delivery are essential.
- Regional policies and delivery mechanisms have emerged incrementally and government departments and the key regional bodies should review their policy remit at the regional level and assess the resources required for their implementation.
- Reliance on networked forms of governance has become commonplace, but there is a need to rationalise the responsibilities, relationships and accountabilities of bodies taking forward related policies at the regional level. This is especially the case in transport policy where there is a need for a well-funded regional body with direct authority over statutory bodies and transport operators.
- Regional priorities have proved difficult to identify because of the multiplicity of regional strategies, and the need to accommodate the views of multiple stakeholders.
- Regional stakeholders are keen that more is done – by both Regional Assembly and Government Office – to join up regional strategies coordinate the region's input to the government spending review process, but remained skeptical that such measures would do any more than bring about limited improvements.

## Will Labour's regional agenda improve policy-making and delivery?

The strengthening of the Government's Regional Offices (GOs) and the creation of Regional Development Agencies (RDAs) and unelected Regional Assemblies (RAs) have reshaped English regional governance. Chapter 2 of the 2002 White Paper *Your Region, Your Choice: Revitalising the English Regions* brought forward proposals for further reforms. Assemblies were to co-ordinate and integrate regional strategies, work more closely with the GOs and other government bodies and act as the Regional Planning Body (RPB). GOs were to chair Regional Boards, comprising regional public-sector bodies operating in the regions to identify mutual aims and remove policy inconsistencies, monitor RDA activities and manage the regions' inputs to Whitehall spending reviews.

The White Paper affirmed that decentralisation had already brought benefits including joint working between key stakeholders and interests at the regional level, a regional dimension to policy issues and a growing capacity in the regions to think strategically about regional issues. The Chapter 2 reforms were to make policy and programme delivery more efficient and ultimately lead to better outcomes. Drawing on the views of members of the West Midlands Rural Affairs and Transport Forums, these claims are assessed by exploring existing institutional arrangements for rural and transport policy making and delivery and how far the reforms might improve their effectiveness.

### Case Study 1: Policies for rural areas

#### Multiple policies and stakeholders

EU policies have a particular salience in rural areas. In the West Midlands some rural areas qualify for EU regional assistance and the Common Agricultural Policy is important for rural economies. Rural areas also receive funding through the EU's Rural Development Programme, which is viewed as a step towards more fully integrating agriculture administration into regional structures. In England, however, the scope for regional differentiation remains circumscribed. Nationally, DEFRA brought together the rural functions of departments with very different legacies of regional working. It inherited the White Paper *Our Countryside: The future, a fair deal for rural England* and accompanying measures.

These are reflected in its Public Service Agreement (PSA) targets, including improving access to rural services and productivity in less favoured areas. PSA targets 'trickle down' to the regional level where GOs, RDAs and their partners are expected to work together to achieve them. Other Whitehall departments have an interest in rural issues: the ODPM, because of their significance for land use and, given their remit to improve regional productivity and skills, the Treasury, the DTI, DFES and DWP. The 2001 Foot and Mouth outbreak prompted demands for a re-examination of rural policies and farming practices and, following the Haskins Review, all regions are in the process of preparing Rural Regeneration Strategies.

The West Midlands GO administers central government programmes and works with government agencies and other regional stakeholders. Its Rural Affairs Team promotes DEFRA's policies and leads on the 'rural proofing' of policies administered by the GO. DEFRA also relies on its regional 'outposts' - the Rural Development Service, Countryside and Environment Agencies, English Nature and the Forestry Commission - to deliver its policies.

The RDA is responsible for leading on the region's Rural Priority Areas and Market Towns initiatives and rural recovery plan and the West Midlands Assembly has established forums to support regional policy development and co-ordination. Prior to 2003, the West Midlands Local Government Association acted as the RPB, responsible for drafting RPG. A Regional Concordat is intended to facilitate co-ordination between the 'core' regional bodies, while a Rural Accord Group (RAG), involving the GO, RDA, Assembly and

the Countryside Agency is designed to foster a common approach to rural issues.

In 2002 DEFRA required the GOs to establish Regional Rural Affairs Forums (RAFs), to share rural stakeholders' views and provide a sounding board for ministers. The West Midlands RAF also advises the Assembly. There are numerous other bodies in the region concerned with rural issues, including the CPRE, NFU and Rural Community Councils.

### Assessing existing institutional structures

Stakeholders presented a range of views on existing arrangements that are likely to be relevant in other regions:

#### National and regional responsibilities:

The scope for regional discretion was limited. EU policies and PSA targets determined the activities of DEFRA's regional agencies and flexibility was restricted to one off, time limited 'experiments'. Rural regional structures and processes were viewed as less well developed than other policy areas. Rural issues were regarded as a DEFRA responsibility, with too much stress on land management. Policies for rural areas were contained in a plethora of Whitehall instigated regional strategies.

#### Setting regional priorities

There was an emerging consensus around a regional 'rural agenda', but how far institutional structures and priorities relate to this agenda was unclear. Rather than relying on a the multiplicity of objectives and targets contained in a plethora of regional strategies, there was a call for the identification of a clear set of priorities that reflects the key rural issues facing the region. The region was perceived as 'urban focused' but rural priorities also need to be addressed.

#### Regional structures for preparing policies for rural areas

Current institutional arrangements do not provide adequate scope to tackle the issues facing rural areas. Structures were in place 'to talk about the issues' but delivery mechanisms were judged wanting and there were demands for the devolution of more funding and decision making. The responsibilities of the GO in relation to the region and Whitehall were equivocal and the Rural Affairs Team's contribution considered unclear and too DEFRA orientated.

The RDA's role in rural affairs was valued, but links between its activities and the broader rural agenda needed to be made more transparent. For some stakeholders, the Assembly seemed better placed than the GO's Rural Affairs Team to drive forward the region's rural agenda.

Many stakeholders had only a hazy understanding of the Regional Concordat. They viewed it as a useful framework for partnership working but felt that it had not influenced rural policy development or delivery. Moreover, the RAF lacked a clear remit, was inadequately resourced and dominated by government bodies. Its effectiveness requires dedicated technical support, a business plan, visible outputs and full member engagement. There was widespread support for the Forum to be transferred to the Assembly.

Some stakeholders were critical of the RAG because of its apparent failure to set clear objectives, the transparency of its activities and lack of evidence about its contribution. Connections between the RAF and the RAG were seen as ambiguous. Most stakeholders agreed that the successful strategic integration was a long way off.

#### Delivery mechanisms

Uncertainty surrounded institutional responsibilities for rural policy making and delivery and confusion about how strategies and programmes fit together. Regional strategy co-ordination was

essential to avoid duplication and ensure effective delivery. Stakeholders outside the government 'loop' expressed bewilderment about the multiplicity of rural funding regimes, which made it hugely difficult to turn strategy into delivery.

Though partnership working had increased, it had not always resulted in a more 'joined up' approach to delivery. No single body was charged with reviewing funding regimes to assess their alignment with regional and sub-regional priorities for rural areas. And information about public funding in the region's rural areas was at best sketchy, making it difficult to judge whether priorities were being addressed.

### **Skill capacity**

Expertise in rural policy was thinly spread and there was a lack of resources for regional rural policy work, reliance being placed on 'volunteers'. The Assembly's contribution to policy co-ordination was useful but, in terms of technical expertise, it was poorly equipped compared with bodies such as the Environment Agency. Co-ordination between government department initiatives was judged poor.

## **Stakeholders' views on Chapter 2: How far might it assist in delivering better rural policies?**

Some rural stakeholders had limited knowledge of the White Paper. Nonetheless, several key findings emerged regarding the additional the roles of the Assembly and the GO.

### **Enhancement of the Assembly's role:**

- Was already encouraging greater co-operation between regional bodies and a way to integrate rural issues more fully with other regional policies.
- An opportunity to increase dialogue between the Assembly and government agencies in the region.
- Making it responsible for regional spatial planning and creating a dedicated regional planning team were seen as beneficial.
- The RAF would remain outside the Assembly, leaving rural issues on the 'outside track'.

### **Enhancement of the Government Office's role**

- The impact is dependent upon the Regional Director's leadership and the Rural Affairs Team's ability to develop a holistic approach to the region's rural agenda.
- Nationally imposed targets will continue to hinder collaboration at the regional level.
- The new Regional Board could assist in co-ordinating Whitehall's activities in the region, but how far the GO would be able to ensure that individual agencies dovetail their operations to meet the needs of rural areas was debatable.
- Scepticism that the GO's increased role in the spending review would lead to tangible outcomes.

## **Case study 2: Transport policy**

### **Policy context and multiple stakeholders**

Responsibility for transport policy was transferred in 2002 to the Department for Transport, ending an experiment to combine responsibilities for land use planning, transport and the environment under a single department. However, the ODPM retains responsibility for issuing RPG, which incorporates the Regional Transport Strategies (RTSs). 'Transport 2010' set out national priorities for investment with targets, to provide greater certainty for planning purposes. The Government, however, has acknowledged that these targets will not easily be met and stands

accused of failing to tackle the root cause of the nation's transport problems through traffic demand management.

The transport responsibilities of the GOs include scrutinising RTSs and Local Transport Plans (LTPs) and the lead role in Multi-Modal Studies (MMSs). The Highways Agency (HA) has outposts in each English region and staff in the soon to be disbanded Strategic Rail Authority (SRA) have been designated to work with regional bodies.

In the West Midlands the Local Government Association, in its role as Regional Planning Body, took the lead in preparing the RTS, which aims to integrate the planning of major schemes, identify transport investment and management priorities and provide a long-term framework for development and local transport plans. To encourage co-operation between organisations to deliver the RTS the Assembly had established a 'Regional Transport Forum' (RTF), comprising Assembly members and co-opted transport stakeholders. Its technical work was assisted by staff in local authorities, the HA, SRA, GO, Birmingham Airport and the RDA.

At the sub-regional level, LTPs are the principal mechanism for delivering regional transport priorities, but institutional arrangements for preparing and delivering LTPs differ across the region. A joint LTP covers the metropolitan districts, which are served by a Passenger Transport Executive (PTE). It co-ordinates rail services and specifies fares and service levels in conjunction with the SRA but has lost its powers to regulate buses and integrate bus and rail services. Beyond the metropolitan area there are no single bodies responsible for all aspects of public transport.

## **Assessing existing institutional structures**

Stakeholders presented a range of views on existing arrangements.

### **National and regional responsibilities**

National priorities dominate the pattern of transport expenditure and the scope for amending national plans to reflect regional priorities was limited. The transfer of transport responsibilities from the DTLR was seen by some to have resulted in a loss of coherence between transport, spatial planning and environmental policy. The RTS was drafted by the RPB as part of RPG, but transport resources are allocated via government agencies and local authorities and there is no regional transport funding 'pot'. LTPs are not always connected with the regional framework. There is limited policy co-ordination between national, regional and sub-regional levels.

### **Setting regional priorities**

In 2002, the RDA and Assembly had taken the lead in preparing a document setting out the region's transport priorities. It was seen as long overdue, providing a common message to central government and transport funders and operators. Some stakeholders, however, criticised its 'broad brush' approach and the inclusion of 'wish lists' to meet the demands of local authorities.

As a voluntary body the Assembly finds it difficult to take and impose difficult transport decisions. For some stakeholders the outcome was that the region had failed to orchestrate a genuine regional perspective, create 'winning coalitions' and present a concerted transport voice in Whitehall.

Improved opportunities for dialogue at the regional level had helped reconcile conflicting views, but underlying conflicts had not been resolved. Many of the region's transport priorities seemed conurbation focused, and have limited resonance in many rural areas.

### **Regional structures for preparing transport policies**

Developments in institutional arrangements were encouraging new forms of collaboration, leading some stakeholders to observe that the region is slowly building its governance capacity. The GO's