



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



## Devolution Briefings

### *Decentralisation and Devolution in England* *Assessing the Implications for Rural Policy: A Case Study of the West Midlands*

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#### Key Points

- The Regional Development Agency's engagement in rural economic issues, DEFRA's participation in the Government's Regional Office, the appointment of a Rural Accord Group and Rural Affairs Forum and the rural proofing of policies point to a more purposeful approach to rural issues. Nonetheless, fragmented responsibilities hinder the co-ordination of rural policy-making and implementation.
- Regional structures and processes are less well developed than other policy areas and there is uncertainty about the objectives, priorities and proliferation of strategies and funding arrangements surrounding rural policies.
- Anxieties that regional government would neglect rural interests coloured stakeholder views on the 2002 English Regions White Paper. In the event of an elected regional assembly being established it must ensure that rural interests are fully integrated into the region's strategic priorities.
- Rural stakeholders called for more direct regional and local control over decision-making and resources, but only a minority favoured elected regional government. While acknowledging their marginal benefits, most stakeholders preferred incremental rather than more radical change.
- The minority favouring elected regional government were sceptical that it would have sufficient powers and resources preferring, instead, an assembly with powers comparable to those of the Scottish Parliament or Welsh Assembly.
- The White Paper envisages an increased role for regions in co-ordinating policy-making and delivery. However, Whitehall has yet to define the respective roles of national, regional, sub-regional and local government bodies and, even following the creation of elected assemblies, most policy, resources and influence will remain with central government.

#### **Will Labour's regional agenda improve rural 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 have enhanced regional governance in recent years. The 2002 White Paper *Your Region, Your Choice: Revitalising the English Regions* brought forward proposals for further administrative decentralisation to unelected regional bodies (Track 1) and elected regional assemblies (ERAs) (Track 2). Where ERAs are

established unitary authorities will replace the existing two-tier system of local government. The Government anticipates that Track 1 will make policy-making and delivery more efficient and ERAs will enhance people's quality of life, improve regional economic performance and make regional governance more effective and accountable. Drawing on the views of twenty members of the West Midlands Rural Affairs Forum, these claims are examined by exploring existing institutional arrangements for rural policy making and delivery and how far these might be improved by the proposed changes in the White Paper.

## **Rural policies**

The EU does not possess a specific rural policy *per se*, but the Common Agricultural Policy is significant for rural economies. Payments to West Midlands' farmers in 2000-2001 alone amounted to £209m, dwarfing other programmes targeted on rural areas. CAP reforms involve a shift from production subsidies to direct payments to farmers and environmental and rural economy measures; the *English Rural Development Programme* (ERDP) is evidence of this transition. Some rural areas also qualify for EU regional assistance, including parts of the West Midlands' Objective 2 area. Domestic rural policy is the responsibility of the Department for the Environment, Food and Rural Affairs (DEFRA), though other government departments are also directly involved.

DEFRA inherited the White Paper *Our Countryside: The future, a fair deal for rural England* (ERDP), and measures to maintain and enhance the countryside. These are reflected in DEFRA's Public Service Agreement (PSA) Targets, including improving productivity in less favoured rural areas and people's access to services. PSA targets are intended to 'trickle down' to the regional level where GOs, RDAs and their partners are expected to work together to achieve them. In 2002 the Government published its *Strategy for sustainable farming and food: Facing the future*, to stimulate change in farming practices and Lord Haskins' 2003 *Review of Rural Delivery* has recommended radical reforms, including decentralising key decisions over service delivery to regional and local levels.

## **West Midlands region**

80% of the region is open countryside and a fifth of the 5.3m population live in rural areas. Only 3% of rural employment is in agriculture. Some rural areas have strong functional linkages with the region's major urban areas and are among its most prosperous. Conversely, the west and extreme north of the region are remote and sparsely populated with low wage and skills levels. Both Regional Planning Guidance (RPG) and the region's Economic Strategy reflect these geographical distinctions. RPG limits development in areas neighbouring the conurbation and encourages regeneration and diversification in less favoured rural areas. The Economic Strategy, too, stresses increasing productivity in economically weaker rural sub-regions.

## **A miscellany of stakeholders**

Working with government agencies and other regional stakeholders the GO co-ordinates central government programmes in the region. 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 executive 'outposts' in the region - the Rural Development Service, Countryside and Environment Agencies, English Nature and the Forestry Commission - to administer its policies. The RDA's responsibilities

include the Rural Priority Areas and Market Towns initiatives and the region's Rural Recovery Plan.

The unelected Assembly acts as a counterbalance to the RDA, by making it regionally accountable and has recently become the Regional Planning Body. It does not possess executive powers and relies upon its co-ordinating and influencing roles to deliver its objectives. A Regional Concordat facilitates co-ordination between the 'core' regional bodies, while a Rural Accord, involving the GO, RDA, Assembly, Environment and Countryside Agencies, is designed to foster a common approach to rural issues. In 2002 the GO appointed a Regional Rural Affairs Forum to share stakeholder views and provide a sounding board for ministers. The Forum also acts as source of advice for the Assembly.

At the sub-regional level Local Strategic Partnerships play an increasingly important part in delivering services for rural communities. There are numerous other bodies in the region concerned with rural issues - the Council for the Protection of Rural England, Country Land and Business Association, National Farmer's Union, Sustainability Round Table and the Rural Community Councils - many of which are members of the West Midlands' Rural Network.

### **Assessing existing institutional structures**

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

#### **Box 1: Views on current arrangements**

##### ***Capacity***

- Regional structures and processes for rural policy are less well developed than other policy areas.
- Uncertainty surrounds institutional responsibilities for rural policy making and delivery.
- There is an emerging consensus around a regional 'rural agenda', but how far institutional structures and priorities are aligned with this agenda is unclear.
- The responsibilities of the GO in relation to the region and Whitehall are equivocal and the contribution of the Rural Affairs Team is criticised for being too DEFRA orientated.
- The RDA's role in rural affairs is valued, but links between its activities and the broader rural agenda should be more transparent.
- The Regional Rural Affairs Forum lacks a clear remit, is inadequately resourced and dominated by government bodies.
- Connections between the Rural Affairs Forum and the Rural Accord Group are ambiguous and the relationship between the Forum and the Assembly raises particular concerns.
- The activities of the Rural Accord Group lack transparency and its failure to set prioritised objectives means that it is difficult to judge its effectiveness.

##### ***Complexity of delivery***

- There is bewilderment about the multiplicity of initiatives and inflexible funding regimes and confusion about how the region's numerous strategies fit together, hindering effective delivery.
- Co-ordination between government initiatives for rural areas is perceived to be deficient.
- Partnership working has increased but has not always resulted in a more 'joined up' approach to delivery.

##### ***Rural interests marginalised***

- The region is perceived as urban focussed and rural priorities need to be acknowledged and addressed.

### **The Devolution White Paper: How far might it assist in delivering better policies for rural areas?**

The Devolution White Paper sets out two ‘tracks’ of policy. Track 1 proposes a further process of administrative decentralisation, with incremental change to existing arrangements applied in all regions. The existing Assembly will co-ordinate and integrate regional strategies and prepare the region’s statutory spatial strategy. The GO will chair a Regional Board, comprising regional public-sector bodies, monitor RDA activities and manage the region’s input to Whitehall spending reviews

Under Track 2 some regions will have the opportunity to move towards an Elected Regional Assembly (ERA). The three northern English regions are set to vote on the introduction of ERAs in autumn 2004. An ERA would draft regional strategies and ensure they are aligned with regional priorities. Its financial resources would be limited and, though having some role in allocating regional resources, it would rely primarily on influence to deliver its policies. Its rural remit would include delivering rural regeneration programmes, actively engaging with the Rural Affairs Forum, leading implementation of the regional element of the ERDP and ensuring that countryside, landscape, recreation and rural issues are addressed in regional strategies.

It was widely accepted that neither Track would solve the rural challenges facing the region. Stakeholders were divided, however, on which Track offered the best solution. The majority favoured Track 1, believing that an ERA would neglect rural interests and lead to greater bureaucracy and confusion. Stakeholders preferred incremental adjustments, while acknowledging their marginal benefits. A minority favoured Track 2 in the hope that an ERA’s powers would be enhanced over time. The boxes below summarise stakeholder views on the potential advantages and problems that the two tracks might bring.

#### **Box 3: Views on Track 1**

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

- Was already encouraging greater co-operation between regional bodies and integrating 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 was seen as beneficial.
- The Rural Affairs Forum will remain outside the Assembly, leaving rural issues on the ‘outside track’.

##### ***Enhancement of the Government Regional 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 is assisting in co-ordinating central government’s activities in the region, but its capacity to ensure that agencies dovetail their operations to meet the needs of rural areas is contested.
- Scepticism that the GO’s enhanced role in the spending review process will lead to tangible outcomes.

#### **Box 4: Views on Track 2**

***The predominant opinion was that an ERA would threaten rural interests and these anxieties influenced stakeholder views on Track 2.***

- Given its limited powers and resources, most stakeholders believed that an ERA would lack the capacity to tackle the rural issues facing the region.
- Rural representation on an ERA and the perceived dominance of urban interests were recurrent themes.
- Some critics viewed an ERA as merely introducing an additional layer of bureaucracy.
- An ERA would involve a ‘round up’ of existing politicians with parochial views and interests and business and voluntary sectors stakeholders would lose their Assembly seats to elected politicians, undermining partnership working.

***The minority of stakeholders favouring an ERA offered the following views:***

- An ERA is the only way of securing democratic legitimacy and transparency in regional policy-making.
- It offers the possibility of greater co-ordination and integration, by transferring responsibility for writing and ensuring consistency between regional strategies to a single, rather than a range of regional bodies.
- It would fill a gap by providing a strong co-ordinating body to drive forward and deliver the region’s rural agenda.
- There is a preference for something akin to the Scottish or Welsh model - the lack of resources available to an ERA would limit its capacity to develop and deliver its own policies - but Track 2 offers a first step to a more powerful body in the future.
- An ERA might be able to influence government departments and agencies, but the practical value of ‘influence’ over resources remains ill defined.
- The effectiveness of the Rural Affairs Forum would be enhanced by its incorporation in the Assembly.
- The ‘rural proofing’ of regional strategies was viewed positively, but its impact on rural delivery was uncertain.

#### **Recommendations**

The proposals in the White Paper have the potential to bring about improvements in rural policy making and delivery. For these to be realised, however, the following actions are required.

### Box 5: Recommended actions

- Flexibility in EU, national and regional policies is required to ensure they are aligned with the diverse needs and priorities of rural areas.
- Actions are required to incorporate mainstream programmes in the proofing of rural policies at all levels of government.
- Rural policy and delivery mechanisms have emerged incrementally and DEFRA should review and clarify its rural policy remit at the national, regional and local levels and undertake a realistic assessment of the resources required for delivery.
- Though reliance on networked forms of governance is vital, there is an outstanding need to clarify the responsibilities, relationships and accountabilities of bodies taking forward rural related policies and programmes at the regional level.
- Streamlining the multiplicity of funding regimes and reflecting regional priorities in national and regional spending programmes is essential.
- A coherent set of regional priorities and objectives for rural areas should be defined to inform national and regional spending programmes and targets.
- Improved tracking of regional and sub-regional public expenditure in rural areas is required to ensure that priorities are matched by spending allocations.
- The activities of the Regional Rural Affairs Forum need to be supported by dedicated resources.
- Bodies responsible for rural policy delivery should be made more accountable to rural interests through the GO's Regional Board and the Regional Rural Affairs Forum.
- In advance of an ERA the Assembly should establish a dialogue with key bodies responsible for delivering rural services.
- Consideration should be given to transferring the Rural Affairs Forum to the Regional Assembly.
- The roles and the relationships between the Rural Affairs Forum and the Rural Accord Group require clarification.
- The GO's Rural Affairs Team should take a stronger lead in co-ordinating and monitoring the activities of bodies responsible for rural delivery in the region.
- The RDA's role in rural economic affairs might usefully be extended.
- In the event of regional government being established rural communities should be reassured that an ERA would take full account of their interests.

This *Devolution Briefing* was written by Graham Pearce and Sarah Ayres, Aston Business School, Aston University, Birmingham. It draws on research carried out in Autumn 2003 with the support of the ESRC's Devolution and Constitutional Change 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.

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