



St Chad's College Durham University

From 'Regionalism' to 'Localism': Opportunities and Challenges For North East England

A Summary Report to the Millfield House Foundation

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Executive Summary

1. Since coming to power in May 2010, the coalition government has embarked upon a wide-ranging programme to reform and restructure devolved governance in England. 'Regionalism' is out, and regional institutions are being abolished. 'Localism' is now regarded by the government as the best approach to shaping and delivering public services and promoting economic development.

2. For many people in the North East, the demise of regional institutions and the restructuring of governance may well be of little interest. These changes do matter, however, as they will affect the allocation of resources to the region and shape its future development. Furthermore, the North East needs to have a voice and that voice needs to be heard in Whitehall, Westminster and beyond. It is evident that the loss of the regional structures presents challenges not only for organisations in the North East but also for the government. The abolition of the Government Office for the North East means that the government no longer has a substantial group of people serving as its 'eyes and ears' or acting as a 'critical friend' based in the region, while interdepartmental co-ordination could prove to be more difficult.

3. In January 2011, the Millfield House Foundation agreed to support Professor Keith Shaw (Northumbria University) and Professor Fred Robinson (St Chad's College, Durham University) to look at how the end of regionalism and the growth of localism will impact upon the North East. The research sought to develop a balanced and informed critique of what is happening to governance in the North East, identify vital issues that need to be addressed and recommend approaches to tackling them. There was a particular concern to consider how to maintain an effective voice for the region and identify what may be done to avoid the North East being marginalised by the centre or poorly governed through inadequate institutional arrangements within the region.

4. The project aimed to engage policy makers and practitioners from the outset in identifying and framing the questions that need to be addressed. This approach allowed for an explicitly practical focus to the work and helps to ensure that the research findings are of direct relevance to policy development. The project also aimed to bring forward realistic proposals before new arrangements are 'set in stone' and influence the shape and character of the emerging institutional framework

5. A central element of the research was a series of three round table meetings convened in May 2011. These were held in Newcastle upon Tyne, Durham and Stockton-on-Tees, and involved over 60 invited stakeholders from all sectors and areas across the North East. Following these events, a fourth round table meeting was held in London in July 2011. This brought together a number of senior civil servants from a range of government departments, including people with departmental responsibilities specifically for the North East (or the wider North of England). A group of key stakeholders from the region also took part in the London meeting.

6. Themes that emerged from the North East Round tables included:

- Considerable regret over the loss of key regional institutions.
- Concerns about the North East becoming more politically isolated.
- Recognition of the loss of an effective voice to present the region's case and insufficient channels of communication to get messages to the centre.
- Awareness of the loss of resources, particularly in relation to the RDA, and the loss of strategic thinking and analytical capacity.
- A strongly held view (particularly in the south of the region) that nostalgia should be avoided at all costs. It was important to be realistic—and also not forget that the 'old' system was itself flawed.
- Participants also recognised there were a number of opportunities within the localist agenda.
- There was great interest in the Local Enterprise Partnerships (LEPs), and speculation about their remit, e.g. will they be narrowly focused on economic issues or take on a broader agenda?

- Awareness of the new opportunities for innovation at the sub-regional level, and potentially fewer constraints under the new arrangements.
- Acknowledgement that there may be a welcome shift from 'grant coalitions' to 'coalitions of the willing', based on mutual benefit rather than being driven by structures and funding.
- Recognition that there are some advantages in developing more direct links with government departments rather than having to work through the regional tier.

7. In considering these issues, the London round-table discussion (between civil servants and regional stakeholders) acknowledged that:

- The government has moved away from regional structures and will not be moving back to a political/economic view based on regions. Departments will now increasingly look to the LEPs. A key message from the round table meetings in the region was that the North East recognises this, and is moving forward.
- A key issue is: what is most appropriately done at which spatial level? Some things are best done at the local level – and localism can be flexible and liberating. But in other cases there may still be a need for regional/sub-regional co-ordination to focus scarce resources efficiently.
- Creating new structures is not on the agenda, but the region needs to know that it will be able to interact effectively with others (for example, working with other regions to develop sectors such as offshore energy). In turn, that kind of response needs to be able to mesh with national strategies.
- LEPs provide a great opportunity for economic and labour market development, but have limited resources and are not a panacea. It was recognised that LEPs need to develop according to local needs: they are not 'owned' by central government. If LEPs are narrowly focused on the economy, where is the space for developing policies and interventions concerned with 'social' issues?
- The nature of the relationship between the local level and Whitehall under the new arrangements is still evolving. Whitehall wants to have a supporting role, providing advice and feedback rather than providing top-down guidance or direction.
- It was suggested the Peer Assist Process, which had been successful in Tees Valley, could be a useful mechanism to help develop new collaborative approaches. In their discussions, LEPs may wish to explore the possibilities with government departments.

8. Practical suggestions from the roundtable events included:

- Creating an informal network of Whitehall civil servants who have responsibilities in the North East, and who will continue to meet.
- Considering options for developing dialogue within the North East. The 60+ stakeholders involved in the regional round table process appeared to have an appetite to meet again to discuss the future of the area. While there is nervousness about creating 'new' structures, there is a commitment to the North East 'getting on' and 'doing things for ourselves'.
- The use of a Peer Assist Process could add value by providing a 'critical challenge' to local economic strategies. LEPS may wish to take the lead and explore possibilities with government departments.
- Where organisations feel that joint-working and collaboration above the sub-regional level continues to add value, they should feel able to develop such arrangements themselves. Existing regional networks could be harnessed to bring organisations together in new and creative ways.
- A political voice for the North East could be developed further through the establishment of an all-party parliamentary group. There was some support for the suggestion that such a group might best be focused on the wider North (covering the former Northern Way regions).
- The North East's five universities could play a greater role, possibly helping to convene an experts' group that directly contributes to maintaining the region's analytical capacity or acting as convenor of a regional 'sounding board'.

9. Completion of the work supported by the Millfield House Foundation does not mean the end of our involvement in these debates and activities. Several practical arrangements are still being developed and considered:

- The London round table brought forward a proposal that civil servants with a remit specifically to engage with the North East, should meet together with other civil service colleagues with an interest in the North East. We were pleased to be able to offer St Chad's College in Durham as a location for their first meeting, which took place in mid September 2011.
- It is planned that such meetings will take place on a regular basis, providing an opportunity for light touch coordination, to discuss issues in the locality cutting across different government departments and perhaps, in the future, providing an

opportunity for North East stakeholders to present their views directly to the relevant civil servants.

- We are continuing to explore the idea of a voice for the region. We do not want to develop just a talking shop or cut across other existing arrangements, such as the Association of North East Councils (ANEC) or, for that matter, the LEPs. But there does seem to be real benefit in having an inclusive forum that can provide a North East regional view, even in the absence of key regional structures.
- If such a forum is to be established, there is a need to decide on its structure, governance, composition and remit. To explore this further, we are working with the North East Institute for Local Governance, which serves to make connections between the public sector and the region's universities. The Institute will be arranging a conference in the autumn where we will present the findings from our research and discuss the options for a regional forum.
- We can also begin to look at other ways of strengthening the region's voice, such as the idea of an all-party parliamentary group for Northern England.

10. We will be producing further papers on this research and intend to continue to contribute to the development of the North East's response to localism. This summary report therefore represents a stage in an evolving process; the shift from regionalism to localism is work in progress and there is much to be done to ensure that the North East is not marginalised or disadvantaged.