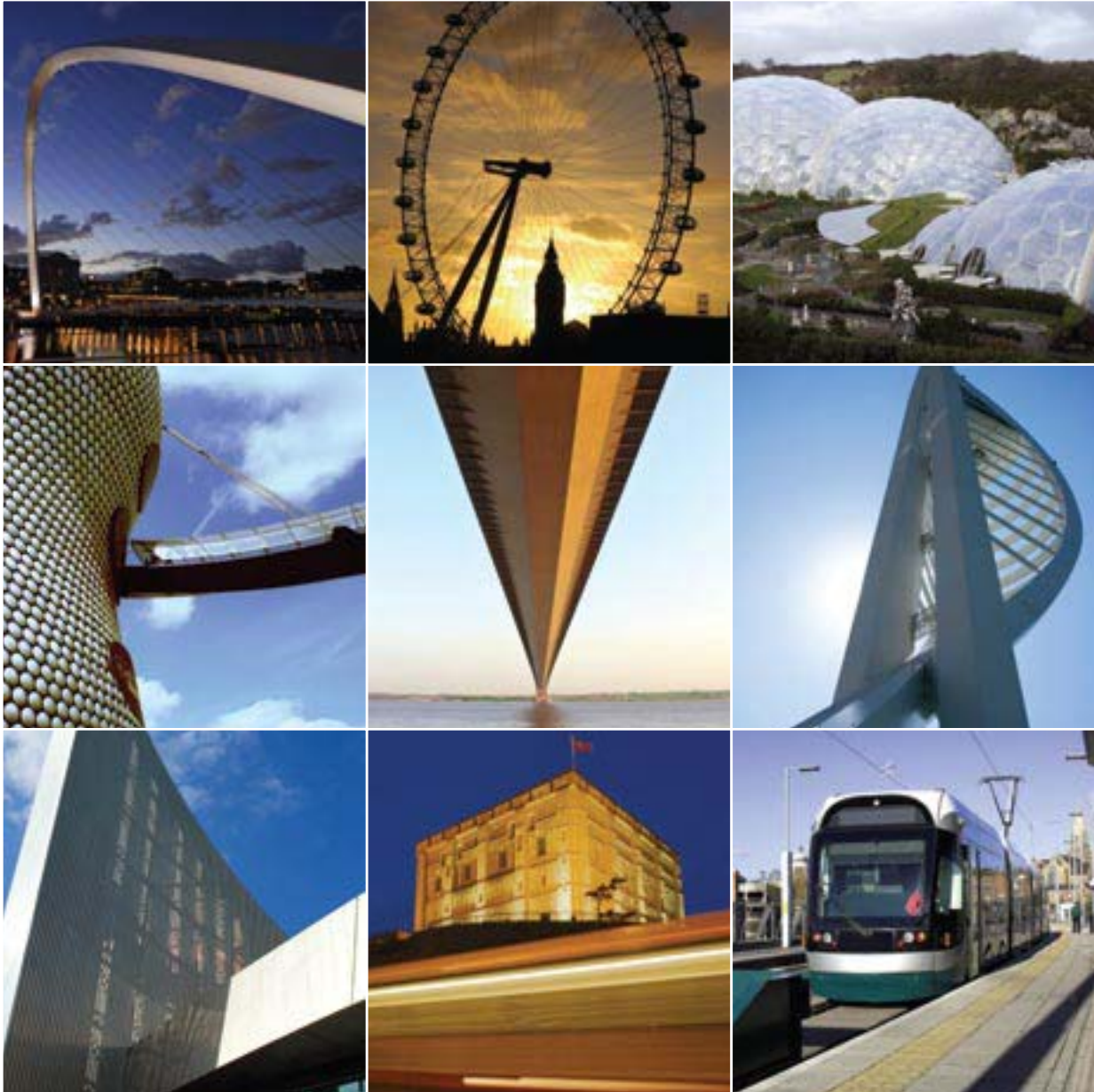




Regional Accountability

The Government's response to the Modernisation Committee's
Third Report of session 2007-08



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Third Report of session 2007-08

Presented to Parliament
By the Lord Privy Seal, Leader of the House of Commons
and Minister for Women and Equality
By Command of Her Majesty
July 2008

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Introduction

1. The Government welcomes the report from the Modernisation Committee on Regional Accountability¹, which responds to the Government's July 2007 Green Paper *Governance of Britain* which suggested regional policies in England should be subject to parliamentary scrutiny. As the Committee notes, since then the Government has also published its *Review of sub-national economic development and regeneration (SNR)* which made proposals for local authority scrutiny of the regional tier. The developments in regional accountability at national and at local level need to complement each other, to recognise the existing lines of accountability and to avoid duplication and confusion.
2. The Government's objectives in developing mechanisms for greater English regional accountability at parliamentary level include:
 - establishing a significant, effective and visible vehicle for promoting regional democratic accountability;
 - filling the gap in political regional accountability faced by Regional Development Agencies (RDAs) and other bodies at regional level;
 - allowing some involvement from all Members of the relevant region, while respecting existing principles for the composition of committees;
 - giving powers to the committees which are consistent with effective conduct of business by the House and within the regional institutions; and
 - recognising the impact on the House (in terms both of resource implications and Members' time and priorities).
3. The Government agrees with the central proposals for regional select committees, that they should meet less frequently than other select committees in order to ensure proportionality of scrutiny and to ensure they are workable for the House of Commons. These new committees would be accompanied by occasional meetings of grand committees organised on a regional basis, which would provide the opportunity for all Members from each region to participate in regional scrutiny.
4. The Government intends to bring forward detailed proposals to the House in the autumn, including standing order changes to establish the select committees and to provide for the proposed regional grand committees.

¹ 'Regional Accountability' (HC 282), published 10 July 2008.

Is there an accountability gap?

The Committee concludes that there is clear evidence of an accountability gap at regional level. Although RDAs and other agencies have a central line of accountability to Ministers, who are in turn accountable to Parliament, many of their activities in the regions are not subject to regular, robust scrutiny. More should be done to monitor the delivery of services in the regions, to complement national lines of accountability. (Paragraph 14)

The accountability gap is twofold, arising from a lack of accountability within the regions as well as to Parliament. The remit of this Committee is to consider the work of the House of Commons. Although changes to accountability structures within the regions may also be desirable, such arrangements are a matter for the Department for Communities and Local Government and the Department for Business, Enterprise and Regulatory Reform, along with the relevant departmental select committees. (Paragraph 15)

5. The Government agrees that democratic accountability of the RDAs and other regional bodies needs to be developed. Clear mechanisms for enhanced parliamentary scrutiny will provide the opportunity for informed public debate, scrutiny and accountability of the work of Government in the regions. As the Committee indicates, the structure established needs to take into account the existing lines of accountability for RDAs and other bodies through national departmental Ministers. And, as the Committee notes, the development of such structures at the parliamentary level will take place alongside developments at local level being taken forward as part of the SNR consultation process.

Remit for Parliamentary scrutiny

Parliamentary scrutiny of the regions could encompass a number of bodies whose work is organised at regional level. RDAs must be the chief focus, in the light of their significant budgets and the central role they play in co-ordinating the economic and strategic activity of each region (set to increase once regional assemblies are abolished), but Members of Parliament will also wish to take account of the activities of other agencies and bodies working at regional level and their contribution to regional strategies. (Paragraph 23)

We do not consider it desirable to constrain the scope of Parliamentary scrutiny by prescribing a list of organisations that fall within or outside the remit of regional accountability to Parliament (e.g. Strategic Health Authorities, Learning and Skills Councils, Arts and Sports Councils, etc.). Parliament should be empowered to decide for itself (through the committee system proposed in the next part of the Report) which bodies are suitable as the subject of an inquiry, although Members will have a duty to ensure that such scrutiny is conducted in a manner that does not interfere with existing lines of accountability to the relevant Secretary of State and departmental select committee at national level. (Paragraph 24)

6. The Government agrees that a key focus for the work of committee-based regional scrutiny should be the Regional Development Agencies and the Regional Economic Strategy (in due course to be the new Regional Strategy envisaged under the SNR). As the Committee notes, regional scrutiny will need to include the work of other regionally-oriented bodies, within other Departments or the agencies of other Departments, whose budgets and impact within the regions are equivalent to that of RDAs. It is clearly right that the select committees will want also to examine these other bodies in their own right. The Government agrees that it would not be helpful to specify a precise list of bodies within the remit of regional accountability. Such a list might need continuous variation as administrative structures changed. But, the key principle should be that committees would be looking at the development or implementation of policies where there is a regional aspect to decision-taking and delivery. This might be where funding or prioritisation is set on a regional basis or where bodies are organised on a regional basis.

7. Regional committees therefore should not concentrate on the purely local impact of nationally set policies, except where agencies are contributors to the delivery of the Regional [Economic] Strategy. Such an approach would maximise the danger of cutting across existing accountabilities – at both local and national level – which the Committee rightly identified. It would also maximise the scope for overlap and confusion with the work of the existing departmental select committees. Arrangements need to recognise the existing lines of accountability and responsibility within national bodies.

Effective regional accountability

We conclude that the most effective way to strengthen regional accountability to Parliament is to establish a system of regional grand and select committees. Select committees provide a focus and a consistency of effort that would not be present if regional accountability were purely dealt with in grand committees, which are primarily forums for debate. There should be one grand and one select committee for each of the administrative regions in England with the exception of London. As London already has a measure of devolved government and accountability to elected representatives, it is likely to require somewhat different arrangements, which should be considered in the light of experience with the other committees. (Paragraph 45)

8. The Government agrees with the central conclusion of the Modernisation Committee that there should be established a select committee for each English region. The Committee notes that, as investigative bodies, select committees would be able to provide the form of effective accountability through evidence taking and reporting of conclusions and recommendations which other forms of committees could not. The Government agrees also with the Committee that it would be right to accompany the select committees with regional grand committees for the reasons given in paragraphs 46 and 47 of the Report.
9. As the Committee notes, London is different from the other regions, because of the special governance arrangements already in place in the form of the Mayor of London and the London Assembly. The Government agrees that there is a case for leaving London out of the initial arrangements put in place for regional committees, subject to further consultation with the Mayor of London, London MPs and other interested parties and, more importantly, in the light of experience of the operation of the committees for the other regions.

Grand committees

The system of regional select committees we propose can offer only a minority of members in a given region the opportunity to exercise regular and detailed scrutiny. This is why we recommend that up to two regional grand committee meetings should also take place in each session for each of the eight regions. Meetings should be held either in Westminster or in the relevant region. This will allow more members to engage in scrutiny, further enhancing regional accountability. (Paragraph 48)

Regional grand committee meetings should take the form of a general debate (or a series of short debates) and questions to the relevant Regional Minister, to ensure his or her accountability to Parliament. The membership of regional grand committees should consist of all Members of Parliament from a given region, as well as any members of the relevant regional select committee who represent seats outside the region. This format would enable Members to question Regional Ministers on a wider range of subjects than those covered by a particular regional select committee inquiry. (Paragraph 49)

10. The Government agrees with the Committee's proposals for regional grand committees for each of the eight English regions outside London as a means of providing an opportunity for *all* MPs in the relevant region to participate and to promote accountability of the Regional Minister. Such Committees would meet annually, or occasionally twice if the need arose. The Government believes that meetings should generally take place away from Westminster and in the relevant regions. Meetings would take place under the same basic arrangements as for the other Grand Committee. The business would usually comprise Oral Questions to the regional minister and a general debate, though there would be the opportunity also for statements. The Government agrees that the membership of the grand committees should include any members of the relevant regional select committee who represent seats outside the region.

Effective regional select committees

Regional select committees should have a small membership of up to 10 members (compared to departmental select committees of up to 14) and a quorum of no more than 3, to ensure that they are functional and do not have an adverse impact on Members' other commitments. The expectation that regional committees will hold far fewer meetings than the average departmental select committee (described later in this Report) will also help to ensure that the new committees do not place an excessive burden on Members' resources. (Paragraph 53)

The membership of regional select committees should be constituted in the same way as that of existing select committees and should therefore reflect the political composition of the House. Members could be nominated from outside the relevant region, but we would expect committees always to choose a Chairman representing a constituency from within the region. (Paragraph 57)

11. The Government agrees with these recommendations. The relatively small size of such committees, with the possibility that smaller regions might have a smaller membership, should be appropriate for the kind of activity the House will expect them to undertake. It will also help to reduce the impact on other committees and services of the House.
12. Membership of regional select committees should reflect the party balance in the House as a whole, as for other select committees (including those for Scotland, Wales and Northern Ireland). It is also right that, while the House will expect almost all proposed nominations from the Committee of Selection to be from within the relevant region there should be freedom to nominate from outside the region. It would be expected that the chairman of each committee would be from within the region, though this decision would – as for other committees – rest finally with the committees themselves.

We would expect regional committees to establish close working relationships with locally elected representatives. However, we do not consider that membership of regional select committees would be constitutionally appropriate for anyone other than an elected Member of Parliament. (Paragraph 60)

13. The response to this recommendation is dealt with together with the response to the associated recommendation at paragraph 68 of the Committee's Report below.

We have given serious consideration to the option of limiting the number of meetings regional select committees can hold in each session by means of the standing orders. Although we have concluded that an arbitrary limit would not be appropriate, we expect regional select committees to meet significantly less frequently than departmental select committees. We make these recommendations in the interests of establishing proportionate scrutiny and facilitating Members' attendance and involvement. We trust that the committees themselves will be capable of planning an appropriate programme of work in the light of these recommendations. This position should be reviewed at the end of the current Parliament. (Paragraph 63)

14. The Government agrees that in establishing regional select committees there would be a clear expectation that they would meet significantly less frequently than departmental select committees. As the Committee notes, this would be important both for ensuring that the additional scrutiny is proportionate and to facilitate Members' involvement (as well as to ensure that pressure on House services remains manageable). The Government accepts at this stage that setting a precise limit on the number of meetings might not be appropriate, though by way of

illustration, if each committee met on average once (or once for the purpose of taking oral evidence) in each period between parliamentary recesses then there would be around 50 meetings per year. The Communities and Local Government Committee in 2007 flagged the idea of a limitation on the number of meetings a year. This conclusion would need to be reviewed in the light of the operation of the committees.

Regional select committees should have power to travel within the UK and we expect that each committee will hold the large majority of its meetings within its region. In this context, we hope that the committees' meetings will help fulfil the House's objective of improving engagement with the public. As such, they should be advertised in good time and take place according to a regular programme. (Paragraph 66)

15. The Government agrees with this conclusion. Regional select committees – and indeed regional grand committees – could play a significant part in the wider aim of seeking to make the work of Parliament more accessible and relevant to the wider public.

We hope that regional select committees will wish to develop good relationships and regular liaison with local authorities and other regional bodies. This will help them to take advantage of local knowledge, to co-ordinate scrutiny activities and to reduce the prospect of clashing inquiries or duplication of effort. (Paragraph 68) [see also recommendation from Paragraph 60.]

16. The Government agrees that it would not be appropriate for local authority members to sit as full 'members' of a regional select committee. But, given the specific role envisaged for local authorities in the SNR, it is important that there is the opportunity for liaison between the national and the local levels to ensure that their respective scrutiny is proportionate and complementary and does not lead to duplication. Consideration therefore should be given by the committees to setting local authority representatives a clear role. Committees would be expected to conduct a wide range of informal meetings and contacts with local authority representatives, in addition to the opportunities for formal evidence. Local authority representatives (perhaps nominated on a cross-party basis through the relevant Local Government Association regional structures) could act as a vehicle for liaison between the regional committee and the local authorities on regional matters.
17. As the Committee's discussion (paragraph 67) suggests, provision could also be made in the Standing Orders for committees to hold formal meetings with local authorities or local authority scrutiny committees or, perhaps more appropriately, groups of councillors from across the region. This might be done by adapting the power currently given to

the Welsh Affairs Committee to hold occasional meetings with committees of the National Assembly for Wales, to one where elected councillors from across the region could be invited to attend and participate in meetings.

The members and Chairmen of regional select committees will have a duty to be alert to the activities of departmental select committees and plan their activities accordingly. Regional select committees must not cut across the work of departmental select committees. The new committees should enhance the valuable work of the existing select committee system, and have a responsibility to avoid, as far as possible, any conflict. (Paragraph 72)

We do not consider it appropriate for all eight Chairmen of the new regional committees to sit on the Liaison Committee, which is already a large committee of 31 members. Instead, we consider that one of their number should be chosen by the House to attend meetings, by means of a motion tabled in the names of all the Chairmen of regional select committees. It would be for the Chairmen to consult among themselves between meetings to arrive at common views. This should be reflected in an amendment to the temporary standing order governing Liaison Committee membership. (Paragraph 73)

We have recommended that regional select committees should be established because we have identified an accountability gap at regional level. As such, the activities of regional select committees should complement the scrutiny work undertaken nationally by departmental select committees in Parliament and locally by local authority scrutiny bodies. In order to fill the gap we have identified, the members of regional select committees will therefore need to ensure they recognise and respect these existing scrutiny activities, as well as the obligations of regional bodies to their central lines of accountability. (Paragraph 74)

18. The Government agrees with these general conclusions about the need for regional select committees to accommodate their work alongside that being carried out by the other select committees of the House, in a way which does not conflict with or duplicate that work. It must also recognise the obligations of the public bodies with which they deal in terms of their own lines of accountability to national ministers and to Parliament.
19. The Government agrees that it would not be appropriate for all the regional committees to be represented directly on the Liaison Committee, but that representation should be by a single chairman chosen under an appropriate system to be set out in Standing Orders.

20. The Government considers nonetheless that the task of chairing a regional select committee would be a significant one, with potentially high regional visibility. The role should therefore be remunerated.

Our evidence has demonstrated that many of the English administrative regions do not have nor consider themselves to have a single identity. Whilst we do consider it appropriate to align the new regional select committees initially with the administrative regions, as these serve as an organisational template for many bodies and agencies, we strongly encourage the committees to reflect the diverse local identities that go to make up their region. We hope that committees will evolve practices such as meeting in different places within their regions in order to do this. We propose that the effectiveness of the geographical area represented by regional committees is reviewed at the beginning of the next parliament. (Paragraph 77)

21. The Government agrees that it will be important for the new select committees to recognise the diversity of their regions, including by ensuring that they meet in different places within their region. The Government agrees that all aspects of the operation of the new committees should be reviewed in due course, but it does not envisage that such a review would conclude that committees be established with boundaries different from the standard administrative regions.

Accountability of Regional Ministers

We recommend that Regional Ministers should answer oral Questions about their activities and the exercise of their responsibilities at sittings of the relevant regional grand committees and on a regular rota basis in Westminster Hall. (Paragraph 79)

22. The Government agrees that the establishment of regional committees within the House can make a valuable contribution to promoting scrutiny of the work of Regional Ministers. Ministers may well be called to give oral evidence to the relevant regional select committee and are likely to play a leading role in the relevant grand committee meetings.
23. The Government agrees that the Grand Committees would be an appropriate venue for an Oral Question slot for Regional Ministers. Questions to Regional Ministers would follow the same rules and principles as underlie other parliamentary questions. Oral Questions to be tabled to Regional Ministers for Grand Committee meetings would therefore be in respect of matters for which they are responsible – that is, their activities in their capacity as Regional Ministers (including

on contacts they may have had with regional bodies). The Regional Ministers do not cut across the work of the national departments responsible for specific policies and are therefore not responsible for the exercise of departmental responsibilities within that region. Notice would be required for such Questions in the same way as for Oral Questions at other Grand Committees.

24. The Government does not consider that it would be appropriate to have Oral Question periods for Regional Ministers in Westminster Hall since this would be disproportionate and would remove time available in Westminster Hall for other business.

Resource implications

Regional committees require adequate resources to operate properly and to represent a real improvement to regional accountability. We have included an estimate of the required resources with our report. Given the significant budget allocated to RDAs and other agencies working at regional level, for which they are not currently adequately accountable, we do not consider the cost of regional committees to be excessive. This estimate assumes that regional select committees will meet far less frequently than departmental select committees, as we have recommended. If levels of activity were to increase beyond this, a steep rise in costs would be likely. (Paragraph 82)

25. The Government notes the estimated costs of the proposed system contained in the Annex to the Committee's Report, which are expressed as likely minima and are based on assumptions which inevitably have to be somewhat uncertain. It is noted in particular that the estimate for the select committees envisages an average of 6 meetings a year for those committees. It is right that efforts should be made to keep costs to a minimum but at the same time it is right to recognise that the scale of costs envisaged is a proportionate response to the levels of expenditure of RDAs and other regional bodies and activities to be subject to scrutiny. The Government agrees that the actual costs should be monitored and taken into account in any review.

Experimental period

We believe that regional select committees have the potential to bring about a significant improvement in regional accountability. Nevertheless, there are practical challenges in their creation, including:

- *the risk of disrupting existing departmental select committee business;*
- *the potential to distract public bodies and agencies working in the regions from their core activities and central lines of accountability;*
- *the possibility of duplicating scrutiny work already being undertaken in the regions;*
- *the additional burden on Members' time and workload;*
- *increased demands on House resources, including staffing, printing and publication costs, availability of rooms for meetings and office accommodation.*

In order for regional committees to operate effectively, the House must take account of these challenges and accept the need for an initial transitional period. We therefore recommend that the arrangements recommended in this Report should be implemented at first on a temporary basis until the end of the present Parliament. After that time, there should be a review of the operation of regional committees to decide their future. (Paragraph 84)

26. The Government agrees with this conclusion. The factors identified by the Committee as potential challenges in introducing regional committees (particularly the select committees) are real. It is for these reasons that it will be important that the committees, when established, understand the clear expectations of the House as to how they will carry out their work and the level of activity at which they should work.
27. The Government agrees in particular that the new committees – both select and Grand – should be established on a temporary basis initially, with the relevant standing orders to be reviewed at the end of the current Parliament or perhaps after two years.

Conclusion

We have identified a clear accountability gap at regional level. Effective scrutiny of RDAs and other agencies operating in the English regions is lacking, both locally and in Parliament. Select committees have proved themselves a good model for conducting effective scrutiny, and we have therefore recommended that a system of regional select committees should be established. We also recommend that a grand committee should be held up to twice a year for each region, in order to allow more Members to participate in scrutiny of the key bodies in the regions they represent, as well as the relevant Regional Minister. We do not expect the activity levels of regional select committees to match those of the existing departmental committees. Indeed, we would emphasise that the new committees have a clear duty not to cut across the work of existing scrutiny bodies, both in Parliament and in the regions. To ensure that the system is operating effectively, we have recommended a review at the end of the present Parliament. (Paragraph 85)

The objective of improving regional accountability goes hand in hand with that of improving engagement with the public. If the new committees do not succeed in this objective, they may quickly lose credibility. We hope that Members of Parliament will work positively towards improving regional accountability within the new structures we have proposed. (Paragraph 86)

28. The Government agrees with these conclusions. These proposals in the Committees' Report and endorsed in this response would represent a significant step forward in providing for a parliamentary tier of accountability for regional institutions and government regional activity in England. They will involve the establishment of a range of new regionally-constituted and regionally-focused committees, often meeting in their own region. The structures outlined should provide Members with real ability to increase democracy and accountability in their region, while at the same time improving engagement with the public.



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