

Governance and Governing in the Post-Referendum North East

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PREFACE

In 2005, we were awarded funding by Northumbria University to undertake an independent study of governance in the North East of England. The initial impetus for this research was our view that the time was right to revisit some of the themes in our earlier study of governance, *'Who Runs the North EastNow?'* (Robinson, Shaw et al, 2000).

Since the publication of that report in 2000, many of the structures of governance have changed and new organisations have been established. In addition, policy debates have moved on. In particular, regional devolution suffered a major setback when the Government's proposals for an elected regional assembly in the North East were decisively rejected in a referendum held in 2004. A pan-regional initiative, the Northern Way, has been launched and the concept of City Regions has come to the fore. We wanted to take into account these changes and see what progress — if any — has been made in developing more inclusive, more responsive and more integrated governance in the North East.

The new research aimed to go further than the original study by capturing the views of a wide range of key regional stakeholders on the effectiveness of current institutional arrangements and decision-making processes in the region. Towards the end of 2005 (and a year on from the referendum on the question of an elected regional assembly), we therefore conducted in-depth interviews with 30 people who are involved in running the region and its institutions. This sample of key stakeholders covered the main regional governance organisations, local government, other public sector bodies, the private sector, the voluntary and community sector and other civic organisations. We would like to thank all our interviewees for their valuable contributions to this research.

This report sets out the range of views and viewpoints raised in the interviews, locating these opinions with reference to an examination of how the region's governance has changed since 2000. The study thus aims to show both how governance 'looks' in the North East and how it actually 'works'.

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1. INTRODUCTION

In 2000, our report, *'Who Runs the North East...Now ?* provided a detailed review and assessment of governance arrangements in the North East of England (Robinson F, Shaw K, et al 2000). The report highlighted the greatly increased complexity of contemporary governance structures, resulting in fragmentation and confusion. Skelcher sums this up well:

'Quangos, partnerships public-private alliances, and voluntary sector bodies have developed their role in the governance of the locality and the delivery of local public services. The 'image' of an all providing and politically authoritative local authority does not match the reality of a complex, fragmented and confusing local public policy arena.' (Skelcher, 2003, p 3)

Our research also revealed the scale of the 'democratic deficit' in the region, in which many public services - the services paid for by the taxpayer - were managed and provided by a bewildering collection of unelected, quasi-public organisations. Some of these were classic quangos, others quango-esque hybrids governed by board members who were appointed by the Government or other institutions, or who were selected by existing board members. Members of these boards couldn't be removed by the electorate, however badly they were performing or however unpopular their actions. Moreover, they often operated as 'closed' organisations, lacking transparency and unwilling or unable to allow the public access to a wide range of relevant information about their activities.

The report also highlighted concerns about governance in the 'elected' state--secretive government, paternalistic local authorities, low turnouts in local elections, and MPs and councillors unrepresentative of the characteristics and diversity of the electorate (Robinson, Shaw et al, 2000, pp 33-51).

In 2000, the simple answer to the question, 'Who runs the North East?' was: 'predominantly, middle-aged (or older), mainly middle-class men' (Figure 1).

Figure 1

Who ran the North East in 2000 ?

Parliament

26 of the North East's 30 MPs were male. Most were in their 40s and 50s, were university educated and had professional backgrounds.

Local government

76.6% of councillors were men. The average age of the region's councilors was 56; only 3.3% were aged under 35. Only 2 out of 25 council leaders were women.

NHS

The one area where there were clear signs of improvement. 43% of non-executive appointees to Health Authorities in the region were women, 44% on NHS Trusts were women and 41% on Primary Care Groups. 6% of members of both Health Authorities and PCGs were disabled.

Regional Governance

Of the 13 Board members of One North East (RDA) only 3 were women. The Average age was 52. Only 12% of the members of the North East Regional Assembly (Regional Chamber) were women. Two thirds were councillors nominated by local authorities.

Education

Only one of the 17 FE Colleges had a female Chair. Of the members of FE Colleges' governing bodies, 27% were women, 2% from ethnic minority communities, 24% aged under 45. The governing bodies of universities were even less representative, with 19% women and only 14% under 45.

Police Authorities

73% of the members of the region's three Police Authorities were men; almost all were aged over 45. Three of the 51 members were from ethnic minority groups.

Training and Enterprise Councils

Most members of TEC Boards were businessmen. Only 9 of the 72 Board members on the region's TECs were women. Three-quarters were aged 45 to 65. There were no ethnic minority members or people with disabilities.

Housing Associations (RSLs)

74% of Board members were men. Three of the 16 housing associations surveyed had no women on their Boards. Only 15% were aged under 45.

Regeneration (SRB) Partnerships

68% of the members of the Boards of regeneration partnerships in the North East were men. 4% were from ethnic minority groups, 1% were disabled. 33% were aged under 45.

Cultural Bodies (Northern Arts and Culture North East)

67% of the Northern Arts board were men; 50% of Culture North East were men; 33% of the Northern Arts board, and 44% of Culture North East, were councillors.

(Source: Robinson, Shaw et al, 2000)

About three-quarters of the people elected, selected or appointed to run the region's public institutions in 2000 were men. Younger people (aged under 45) were largely absent from the formal decision-making structures and processes, and younger women, in particular, had little involvement in running the region's institutions. In addition, few people from black or ethnic minority communities were involved in running the region's public services - though it is important to bear in mind that the North East had (and still has) a small black or ethnic minority population. In view of the high incidence of disability in the region, a legacy of heavy industry, it was surprising that few disabled people were members of the boards of the unelected bodies, although there was a relatively large number of disabled people serving as local councillors.

In short, the people who ran the region's affairs in 2000 were clearly not representative of the diversity of the region and its people.

Five years on from the original study, we have revisited some of the report's main findings and looked at how the region's governance has changed in relation to structures, processes, and patterns of representation. Such a review is particularly timely given a number of important recent developments, including:

- the 'No' vote in the 2004 referendum on an Elected Regional Assembly;
- the development of the pan-regional Northern Way initiative;
- the growing interest in City Regions as a spatial frame for governance;
- the increased role for regions in funding allocations for economic development, housing and transport;
- the formal separation of the Association of North East Councils from the North East Assembly;
- The Government's interest in 'New Localism', which is likely to involve re-organising local government in Shire County areas, and the continuing emphasis on moving power down to communities and neighbourhoods;
- The development of Local Area Agreements;
- Government plans to 'regionalise' the Police Service, Fire and Rescue Services, together with yet more re-organisation in the Health Service.

This report begins with a discussion of the first of these developments, the 'No' vote in the referendum on an elected regional assembly. We look at why

people rejected the proposed assembly, and the consequences of that result on the region's institutions. Following that, we move on to examine the shape of governance in the North East and point to continuing weaknesses in terms of fragmentation, lack of accountability and unbalanced representation. We also capture concerns about the lack of leadership in the region. This account draws particularly on our interviews with people involved in governing the region, and also on research on structures and processes. We conclude that some things have changed since 2000—but much has stayed the same. And democracy is still at a low ebb in the North East.

2. THE REFERENDUM ON AN ELECTED REGIONAL ASSEMBLY: THE RESULT

Figure 2: The North East Referendum outcome

Electorate	Votes Returned	Unadjusted turnout	Valid votes	Adjusted turnout	
1,899,742	906,367	47.7%	893,829	47.1%	
Maximum turnout: Alnwick 57.4%					
Minimum turnout: Middlesbrough 42.1%					
'Yes' votes	%	(as % of electorate)	'No' votes	%	(as % of electorate)
197,310	22.1	(10.4)	696,519	77.9	(36.7)
Maximum 'Yes': Derwentside 29.8%					
Minimum 'Yes': Darlington 12.9%					
Local government options					
Durham			Northumberland		
Option A (Single council) 50.6%			Option A (Single council) 43.8%		
Option B (Three councils) 49.4%			Option B (Two councils) 56.2%		

Source: (Rallings and Thrasher, 2005 p 3)

The crushing 'No' vote in the North East referendum (see Fig. 2) destroyed the Government's plans for elected regional assemblies. It was especially a blow for the Deputy Prime Minister, John Prescott, a long term advocate of regional devolution:

'I do not know why the referendum was lost – there is a range of reasons. I have probably spent more time than anyone else defending the proposal and listening to people's views in markets, streets, and in debates. I gave some of the reasons which included worries about too many politicians and cost. Europe was mentioned from time to time, as if the proposals were a Euro-plot. All those factors played a part. I do not think that there was one major reason. I cannot therefore really give an answer to the question "why". All I need to know is that I did not convince people and that I was emphatically defeated'. (John Prescott, quoted in Tickell et al, 2005 p 2).

When we explored this issue in the interviews, many of the respondents commented that they not been surprised by the No vote, since they had been well aware of declining support for the proposals as the campaign progressed:

'I saw the writing on the wall quite early on, every ordinary person you spoke to was voting no'.

But they were surprised, even shocked, by the *scale* of the No vote, and several had expected that the result would be close. Several respondents were personally disappointed by the No vote, and saw the referendum result as a 'missed opportunity'. Even some of those who said they voted No, perhaps because of the limitations of what was on offer, felt disappointed.

Three main reasons were cited to explain why the region had voted No.

Firstly, 'the general anathema people have towards politics and politicians'. People didn't want more politicians, certainly not the 'usual suspects' – meaning the region's existing politicians who were thought likely to sit on the new Assembly. As one respondent noted:

'...there was a clear antipathy displayed against politics and politicians. Those of us who are political activists may have been astounded at the depth of ill feeling. This has moved beyond apathy and cynicism to a real heartfelt loathing of politicians and the chattering classes and a depth of scepticism towards any policies. There is no trust among electors in those they elect, all motives are suspect and all policies are believed to be made to benefit a few'.

Secondly, the proposed Assembly wasn't allocated sufficient powers: 'the referendum was lost on the day that the White Paper was published'. It was viewed as a poor 'offer', and people weren't convinced by promises of more powers being devolved at a later stage – 'jam tomorrow'. There was 'too much governance for too little power' – which would lead 'to a costly talking shop'. According to one interviewee who voted No:

'I was originally in favour, but once I saw the limited powers on offer, I was very disappointed and disillusioned'.

Thirdly, the Yes Campaign was viewed as being weak: 'it failed to articulate the benefits of an elected regional assembly to the public'; and it 'only related to those already interested – the anoraks'. The campaign was also

considered to have been weakened by lack of leadership, and by the limited involvement of the Labour Party and regional MPs. Celebrity endorsement by 'people with their own agendas' may also have 'turned some people off'. For some, the Yes Campaign 'lost its initial lead and failed to build momentum'. Indeed, the Yes Campaign was said to have been actually 'stronger before it became a campaign'. As one 'activist' concluded:

'The campaign was amateur, unfocussed and lacked rigour. The arguments remained arcane, academic and theoretical, lacking a clear vision which could catch the lay imagination. It became disastrously celebrity driven and elitist and was therefore unable to use existing (non-celebrity) expertise and networks, consequently failing to build a grassroots base. The celebrities were by and large controversial figures, turning as many people off as they attracted'

The credibility of the Yes campaign was not helped by the ODPM's mistake in underestimating the cost of potential local government re-organisation in County Durham in the 'official' government information leaflet. The mistake cost an extra £110,000 of taxpayers money to rectify - as a new leaflet had to be delivered to 220,000 households in County Durham – and provided the No campaign with what was effectively an 'open goal':

'It's typical of politicians to massively underestimate the costs of re-organising government. We've seen it here, we've seen it in Scotland and we'll see it with the assembly...It's another example of politicians talk, we pay' (A spokesman for The North East Says No, quoted in The Northern Echo, 17/9/04)

The interviews also revealed concerns about the likely dominance of Tyneside interests, and some concerns about the proposed Assembly's inevitable urban orientation, potentially marginalising rural areas and issues. Combining the Assembly referendum with a question about proposals for local government reorganisation may also have confused matters and reduced support. Some respondents also saw the No vote as resulting from people taking the opportunity to 'give the Government a bloody nose'. One respondent also commented that 'the timing was all wrong – after such a long lead-in, the climate just didn't feel right'. Another argued that:

‘It is virtually impossible to judge a good time for a political event since its result may run the risk of being influenced by external factors. In the case of this particular debate we had the final cost of the Scottish Parliament building and the publication of MPs expenses’.

More widely, many saw the referendum result as illustrative of the condition of politics and the political process: ‘people didn’t really understand the issues’; indeed, ‘they weren’t in a mood to understand’. As one respondent colourfully commented:

‘for voters the issues were very unclear, it was the equivalent of trying to nail a blancmange to the ceiling’.

It could even be taken as indicative of the region’s resistance to change: ‘it’s the region that likes to say no ... the region is insular – not prepared to try something different’.

These views are largely confirmed by the results of two Economic and Social Research Council (ESRC) projects looking into the North East referendum. In the first, Rallings and Thrasher of the University of Plymouth draw upon the results of a MORI survey of public opinion in the North East conducted soon after the November 2004 referendum.

Their headline findings ‘paint a bleak picture of current prospects for regional government in England’:

- There was strong dissatisfaction with Government policy and scepticism towards politicians in general. This was particularly reflected in the view that the North East was treated unfavourably compared to other regions of England in relation to levels of Government spending
- Even in the Labour-dominated North East, a majority of Labour party members who voted, voted ‘No’
- Two thirds of respondents had very little understanding of the issues around the referendum. Indeed, even 60% of ‘Yes’ voters knew nothing about or had never heard of the existing Regional Assembly

- The No campaign was seen as the more effective – even amongst ‘Yes’ voters
- Voters who were uncertain of the outcome of proposed changes took the ‘safe’ option and voted ‘No’. This tendency was reinforced by the likelihood that those who were most likely to vote were likely to be suspicious of change. In the referendum, there was an 80% turn out of those aged 55 and over, and of those voting, 67% voted ‘No’. In the 18-34 aged group while less than a quarter bothered to vote, the Yes/No split was much more evenly split (Rallings and Thrasher, 2005).

A second ESRC project on media attitudes during the referendum campaign was undertaken by Tickell et al (2005). The research suggested four broad reasons for the ‘No’ vote in the North-East. These were:

the limited powers on offer - the ‘Yes’ campaign was forced into developing a rather confusing message that an elected assembly would change things significantly now, but that there would also be ‘jam tomorrow’, a longer term process in which regional powers would gradually develop.

the nature of the local campaigns - the ‘No’ campaign concentrated on a simple, clear message: an elected assembly would cost you more and would increase the number of (self-serving) politicians. This was graphically illustrated in the appearance of the ‘No’ campaign’s large (plastic) white elephant. In contrast, the ‘Yes’ campaign went for a more elite-orientated campaign developed through the media; they didn’t focus on more grass-roots or street-level campaigning that would enthuse and involve ‘voters on the ground’

the timing of the vote – this issue was viewed as crucial to the eventual outcome. Since the referendum was very slow in arriving – it eventually took place towards the end of the last Labour administration - this served both to reinforce voters’ scepticism that the Government wasn’t really committed to regional devolution, and perhaps allowed Labour voters to use the referendum (as in by-elections) as a relatively safe mechanism through which to register their discontent with the Government. The research also

highlighted how the longer voting period associated with postal ballots impacted differently on the two campaigns. The 'Yes' campaign's focus on the early part seemed to be less effective than the 'No' campaign's focus on the later part.

the tone of media coverage – the coverage of the campaign in the regional media clearly changed in tone as the referendum got nearer (and the merits of the respective campaigns became clearer). Early support for the idea was gradually replaced by a more negative stance. In the case of the Newcastle Journal, this was reflected in a conversion from supporting the principle of elected assemblies to a rejection of the proposals (Tickell et al, 2005 pp 1-3).

3. IMPACTS OF THE REFERENDUM RESULT

Some of our interviewees felt that devolution remains something that will have to be looked at again – it is ‘unfinished business’. Indeed, some said that, following the referendum, people have actually become *more* interested in governance issues and are now talking about the pros and cons of regional devolution. As Sanford points out, the issue of the future role of the existing (un-elected) North East Assembly has seldom been out of the letters pages of the local press over the last year, with the referendum result focusing

‘far more public attention on the existing assembly than had ever happened before, and appears to have led to some public confusion as to why a regional assembly still existed when it had been rejected in a referendum’ (Sanford, 2006 p 24).

However, several interviewees considered that the referendum result would not see a return to ‘business as usual’ and had brought the devolution agenda to a halt, and even that ‘it takes an elected regional assembly off the agenda for 10-15 years’ (although one respondent pointed out that Scottish and Welsh devolution wasn’t supported first time round). Another respondent saw the referendum result as an opportunity, however, for institutions to work together in new ways – ‘drawing a line’ under a ‘flawed proposal’.

There was a strong feeling that, prior to the referendum, the region’s institutions – and the Government – were preparing for the advent of an elected regional assembly. Then came the shock of the No vote, and that has left considerable confusion about how best to respond. The problem, as several put it, was that there was ‘No Plan B’. The No vote, together with the lack of a Plan B, is said to have left a ‘void’ or ‘vacuum’. In particular, there is felt to be an absence of regional leadership, and ‘no space for regional debate’, because the anticipated elected assembly hasn’t been established. The New Local Government Network has captured this climate of uncertainty, arguing that:

‘The way that local and central government work with regional bodies over the forthcoming months will set a pattern of relationships that will endure for many years to come. It is vital that they get this right.

Whether the legitimacy of regional working comes to focus on the RDAs and GOs or on the aggregation of local interests in the regional assemblies, will have huge implications for both the regions themselves and the nature of governance in the UK' (Robinson, E, 2004 p 1).

The interviews also explored the impact of the referendum result on the main regional governance institutions: The RDA (One North East); Government Office for the North East; and the North East Assembly. The institutions which Pearce has called the regional 'Troika' (2005 p 15). Some respondents also passed comment on the current state of local government in the region.

One North East

Several respondents welcomed the fact that One North East has sought to 'step in to the vacuum', and take on a leadership role, since the referendum. One said that the RDA had been 'emboldened, and now sees an opportunity to take the lead in the region'. This is clearly the stance adopted by the agency itself. At One North East's 2005 AGM, the RDA chairman told delegates that:

'The issue of regional leadership was highlighted particularly with the outcome of the regional referendum last November and we have been keen to provide the powerful voice that the region needs on matters that effect our economic prospects' (Margaret Fay, quoted in *The Journal*, 22/10/05 p 16)

Another respondent argued that while the RDA has been 'upfront' about assuming leadership, 'it could have been debated a little more ...' Some thought the RDA now has a responsibility to fill that void, but others felt it could not do that legitimately because it is an appointed agency of Government, not answerable to 'the region'. In a similar vein, in his national study of regional governance, Pearce argues that there is still

'...a question mark about RDAs' legitimacy, as bodies capable of developing fresh solutions to regional policy issues or as quangos accountable for delivering national policies' (Pearce, 2005 p 16).

One view was that it hasn't been easy for the RDA to do this, as it was 'continually under pressure to show regional leadership – to go local – as well as needing to respond to the agenda of Ministers'. Indeed, one of the main criticisms of the RDA's role was that it was an agency of central government, not of the region:

'the RDA has little autonomy – it is driven by the Treasury's productivity model and hamstrung by many central targets'

They dance to the Government's tune ... its part of Government. The RDA Board should be appointed by the region, not the centre'

'It's an emanation of the DTI'

One respondent saw the assumption of leadership as an example of the agency being 'puffed up and self-important ... with delusions of grandeur'. Another described the RDA as being 'over-sensitive -- it needs to be more confident and able to take criticism'.

Government Office for the North East

The point was repeatedly made that GONE can't fill the leadership void because it is the voice of the Government, not the region. Government Office for the North East (GONE) was viewed by most respondents as just a creature of Government. Hence, 'its role is to do what Whitehall wants', and 'it is the glorified mouthpiece of Ministers'.

One respondent commented that while GONE does try to 'face both ways', it really is just the voice of the Government, so 'at least that saves the train journey to London'. Furthermore, few thought that GONE really represents the region's interests to Government:

'They might say they lobby for the region, but I've never seen much evidence of that'

GONE is generally seen as effective and, especially now that it has representatives from more Government departments, it provides some coherence. But

‘It’s one thing delivering on the centre’s agenda and another thing to develop a coherent strategy for the region – that’s still absent’.

Most saw GONE as benign and competent, if limited in its role. However, there were those who saw the region as being like a colony and not particularly well regarded by the centre or its agencies:

‘The region is like a colony – but it’s not producing the wealth anymore so it’s not a lot of use – a bit of a waste of space really’.

And although Pearce argues that ‘Government Offices have been encouraged to be more active in representing their region’s interests in Whitehall’, his research confirms that ‘tangible evidence that these efforts have secured significant policy impacts has yet to be fully tested’ (Pearce, 2005 p 16).

North East Assembly

Most respondents felt that the existing North East Assembly had been very adversely affected by the referendum result and was now ‘too weak to provide regional leadership’.

It had been undermined by the No vote; it now lacks credibility and legitimacy, and more than that, has little capacity, leadership or drive. The Assembly itself had ‘No Plan B’ and has struggled to come to terms with the outcome of the referendum. There were some very harsh judgements such as:

‘The Assembly expected a Yes vote and went to sleep’;

‘It has the feel of a toothless tiger, now struggling to work out what it’s for’;

‘It’s seen as a place for failed politicians’

One respondent said that the referendum result had left behind ‘embarrassing features of the landscape, principally the Assembly’. Others pointed to the Assembly’s public profile: ‘people say, oh is it still going?’ and ‘why is there

one when we voted against it?' The Assembly keeps having to justify and defend itself; it will clearly have to work hard to gain credibility:

'The Assembly now has to prove its value to the public and show that it's worthwhile, responsive and effective'

There were also some who felt that the Assembly has been seriously weakened not just by the referendum vote but also by the separation of the, now independent, Association of North East Councils (ANEC). That 'splitting off' is regarded in different ways. For some, it is a case of senior local authority politicians walking away from the Assembly after the vote was lost; for others it was seen as a necessary clarification of roles, with ANEC now able to effectively represent local government interests. But the split is regarded as having served to weaken further the Assembly's political clout and also to reduce its capacity.

The appointment (in late 2005) of a new Director for the North East Assembly, and the recent request from the Communities and Local Government Minister requiring Regional Assemblies to 'review fitness for purpose, to streamline structures and procedures and to employ best practice in delivery' (Miliband 2005), provides an opportunity for the Assembly to remind the region that it still has powers and responsibilities, and that it has a role in ensuring regional accountability. As one respondent noted, 'It has to come up quickly with a strong *raison d'être* and needs strong and imaginative leadership'.

These views on the North East Assembly are similar to those captured in Pearce's national study:

'..their lack of democratic legitimacy restricts Assemblies from providing an authoritative regional perspective and, though charged with a co-ordinating role, they are unable to forge policy or delivery mechanisms in an autonomous way. Assemblies also comprise disparate territorial and sectoral interests and, because the "real business" of sub-national government is often seen to take place elsewhere, Assemblies have not always found it easy to attract politicians of the right calibre' (Pearce, 2005 pp 16-17).

Local Government

Local Government in the region was generally seen as both relatively powerless and lacklustre. Respondents noted that its role had been downgraded; 'it is controlled by central government which tells local authorities what to do'. Several respondents said that councillors and council leaders were of low calibre, and that there was a lack of vision (this issue is covered in more details in Chapter 7). Criticism was also made of the two tier system in Northumberland and County Durham, rivalry between local authorities, and the small size of many councils – who were viewed as 'not big enough to provide "critical mass" '.

But some respondents did make the point that the local authorities have democratic legitimacy; as one put it:

'The local authorities are the only democratic players left standing'.

The interviews with regional stakeholders confirmed that there was confusion, rather than clarity, about what is happening – and what may happen – to institutional arrangements. Some expected that the referendum result will mean a reassertion of centralisation. Some saw a continuing 'creeping regionalisation' or 'regionalisation by the back door' (for example, through the new regional funding allocations and regionalisation of the Police, Fire Service, and Learning and Skills Councils). Some thought that, sooner or later, Government will want to tackle the 'unfinished business' of reform of two tier local government, while others felt that think there was little enthusiasm to go through that difficult process and that this issue is now firmly 'back in the box'.

4. GOVERNANCE IN THE NORTH EAST

The Problem of 'Cluttered' Governance

Our interviewees were critical of current governance arrangements and structures in the North East. The most commonly expressed view was that governance in the region is confusing and far too complicated: 'there is 'too much clutter'. Criticisms of governance in the region included the following comments:

- it was too fragmented;
- it lacked co-ordination;
- there was a bewildering variety of funding streams;
- too many initiatives at all levels;
- too many strategies;
- the lack of vision;
- it's 'unbelievably bureaucratic';
- the lack of accountability;
- too many organisations;
- too many quangos;
- too many Councils and Councillors;
- a lack of 'coterminosity';
- too frequent structural changes, undermining continuity.

Only one of the respondents felt able to keep up with the complexity, having sat on many of the organisations himself. Others felt simply unable to keep track:

'We have hugely complex governance ... it's difficult to get your head around it'

'You'd need to be a real "anorak" to fully understand what they're all doing and how they interface with each other'

'It's hard to keep track of who the hell's on what ...'

The issue of fragmentation was raised by several respondents. One example of this was the lack of integration between the 'economic' and 'social' aspects of regeneration, with the RDA leading on the former and Government Office on the latter. Mention was also made of the tensions between the approach developed by the RDA in the Regional Economic Strategy and that adopted by the North East Assembly in the Regional Spatial Strategy. According to one respondent,

'Strategies need to be integrated. But who's actually doing that, who's taking the lead? The spatial strategy, planning, housing, transport, economic development -- all need joining together'.

There was also a recognition that governance arrangements had actually grown even more complex and fragmented over the last five years. Indeed, apart from recent plans to rationalise Police forces, Learning and Skills Councils, Fire and Rescue services and Primary Care Trusts, the predominant trend was to create new, additional, organisations, initiatives, and joint-working arrangements. As Stoker has argued:

'New Labour has not disappointed governance anoraks in its willingness both to add new institutions to British local governance and contribute to the overall complexity of the system of multi-level governance' (Stoker, 2004, p 154).

As Figure 3 confirms, in nearly every sector of governance in the North East the picture is now more complex (and complicated) than it was in 2000, with a seemingly inexorable growth of new structures and initiatives. This growth occasionally reflects local or regional pressures (such as the separation of ANEC and the Assembly), but the main pressure comes from an interventionist central government committed to modernising local public services, reshaping the role of sub-national organisations, and empowering neighbourhoods.

While these interventions may be genuinely aimed at tackling area-based deprivation, for example, the absence of a coherent and integrated strategy

for the roles and responsibilities of the different levels of sub-national government only serves to increase complexity and fragmentation. Such developments have particular relevance for local government as New Labour's continued commitment to both tackling social exclusion and empowering local people, is likely to see the role of elected local authorities under pressure from other alternative service providers and from resident-led decision-making at the neighbourhood level.

Figure 3 The Congested State in the North East

Sector	New Developments in Governance since 2000
Housing	Arms-Length Management Organisations; Large Scale Voluntary Transfers; Housing Market Renewal Pathfinders; Tees Valley Living; Housing Regeneration Companies; North East Housing Board
Local Government	Local Strategic Partnerships; Elected Mayors; Local Area Agreements; Family and Children's Trusts; Local Enterprise Growth Initiative
Regional Government	Association of North East Councils (now separated from the North East Assembly)
Community Safety	Crime and Disorder Partnerships; Local Criminal Justice Boards; Drug Action Teams
Economic Development	Sub-Regional Partnerships; The Northern Way; City Region Development Plans.
Regeneration	New Deal for Communities; Neighbourhood, Management; Neighbourhood Wardens, Single Community Programme; Urban Regeneration Companies; Town Centre Companies
Education and Training	Learning and Skills Councils; Academy Schools; Excellence in Cities Action Zones
Arts, Culture and Tourism	Arts Council England (North East); UK Film Council – Northern Film and Media; North East Museums, Library and Archives Council; North East Tourism Advisory Board
Health	Strategic Health Authorities; Primary Care Trusts; Care Trusts; Foundation Trusts; North East Ambulance Service; Acute Patient Advice and Liaison Services.

What is also telling is that our respondents are people significantly engaged in the processes of governance, who recognised that if they could not keep track, there was little hope of the general public knowing who does what. It was suggested that that results in alienation from governance. As one respondent put it:

‘people find it hard to connect decision-makers with their decisions – this militates against active citizenship and may lead to low turnouts’.

For one respondent, the whole approach to governance needed changing:

‘..the heavy institutional architecture of the region was designed in a previous era, to manage decline. You need a lot of governance to manage decline. In this sense the region still has the feel of a former East European communist state about it. Now what is needed is a structure able to promote economic growth. For that, we need governance with a lighter touch ... slimmer and leaner ... more streamlined’.

Partnership Working

Given that partnership working is now a central feature of governance arrangements, we also asked respondents about their views and experiences of partnerships.

Some were convinced that partnership ‘works’ and were able to cite good examples. The advantages of partnership working included: wider participation leading to better decisions; a way of building consensus; a demonstration ‘that we stick together and show a united front’; and a process which breaks down the ‘silo mentality’. A successful partnership needs: ‘shared commitment to a manageable vision; engagement with communities; and consistent membership’. Some said that partnership working has improved over the years and there is now less parochialism. It was said that the region has coherence and there’s a disposition for people to work together.

However, most respondents seemed to feel there was rather more rhetoric than reality about partnership:

‘The region is better at spinning a good story about partnership working than the reality. Most partners that come to the table are there to defend their power base, not do things differently’

‘People are sincere in their commitment to improve things. But in the North East people look at what partnerships can do for them – they don’t realise you need also to give something up – you need to bring something to the table’

‘It’s always easy to get people round the table when there’s money available’

The ‘game’, as one called it, is based around achieving consensus and ‘there’s a few unholy alliances – but working towards an agreed end’. The view was expressed that there are too many partnership bodies. One respondent said that, while there was a need for partnerships at both the strategic and delivery levels, there are too many at the middle level, the ‘go-betweens’ (for example, too many Primary Care Trusts, and Learning and Skills Councils). This respondent sought a ‘bonfire of the go-betweens’. Another said that, while there was ‘partnership overload’, there was an underdevelopment of regional level partnerships able to co-ordinate policies and implementation.

This critical view of partnership working is shared by Pearce in his work for the ESRC Devolution Programme (on Regional Governance). He argues that:

‘while partnerships have intensified interactions they are rarely able to exert a major influence over policy outcomes. Reliance on partnerships raises complex issues about inclusivity, transparency and accountability. Such issues are not unique to the regional tier, but ambiguities in the Government’s approach to regionalisation gives them a special resonance; the consequences of contradictory pressures to encourage stakeholder participation and a desire to deliver national priorities’ (Pearce, 2005, p 19).

As well as *partnerships*, we were also made aware of looser *networks* operating in the region. Some were relatively formal: for example, regular meetings of Chief Executives from local authorities or from other agencies across a sub region, or meetings held by groups such as the Northern Business Forum. Others were less formal, but still organised: for example, regular lunch meetings convened by the editor of a local newspaper and meetings set up by the Agent of the Bank of England. In addition, there is informal networking at events where people involved in the region’s governance will come across each other. Some respondents also referred to the importance of corporate entertainment and golf, providing opportunities for

meeting, networking and, perhaps, making deals and taking decisions. One respondent concluded:

‘I’m not sure we were ever very good at formal partnerships – but we have got good networks’.

Some respondents felt that, for all its complexity and fragmentation, governance in the region works well enough. One said, ‘we make the best of a slightly bad job’. There was thus a certain pragmatism: ‘you just have to deal with the structures as they are’. One commented that it helps that ‘everyone knows each other in the North East’, so things get done, and that ‘institutions work as well as they need to’. And, while many bemoaned the structural complexity, a few said that there should be less concern about structures and more of a focus on ‘doing things’. One respondent summed up the views of many:

‘Partnership here usually means the group of usual suspects working to achieve a consensus. This approach tends to work reasonably well, most of the time’.

A Democratic deficit?

Many of the institutions in the region continue to be governed by people who are appointed or selected, not elected. For some, that means there is a democratic deficit – and it matters. Within this view, democracy is a matter of principle; it is not negotiable:

‘It’s a matter of principle that institutions should be democratically elected ... we’re a democracy – it weakens the state to have non-democratic institutions’.

‘... as a rule, people who make the decisions should be able to be removed by the voters’.

Respondents holding views like this said that there were still too many quangos and therefore too little accountability. Reference was made to a study of quangos in the North East which estimated that 80% of the £12.5bn of public spending in the region was allocated by over 100 quangos and government agencies, with only £2.5bn spent by elected local authorities. It

was also pointed out that there were more 'quangocrats' in the region (1,770) than elected councillors, MPs, and MEPs put together (1,314) (Foote-Wood, 2002). As Stoker confirms,

'Broadly speaking New Labour has left the world of local quangos unchanged, in large part because the agencies are focused on delivering a service that is valued by New Labour' (Stoker, pp 158-159).

However, many of our respondents were not particularly concerned about this issue and, indeed, some felt that selection can work better than election. From this perspective, election was not viewed as an important principle. In some cases this stemmed from criticism of the calibre of elected local politicians, allied to a view that a selected board was likely to be more effective:

'There are advantages in the RDA board not being elected – just look at the calibre of many local councillors ...'

'I'm not a great believer in elections. I'd prefer someone who had the skills, rather than someone who's popular or can talk up the voters ...'

'It doesn't bother me whether they're elected or appointed – often a voluntary or appointed board can be more focused and driven – and also more diverse ...'

Some said that while it was important that public organisations should be accountable, that didn't have to be through the process of election. It was unclear what they saw as an alternative, but it appeared largely to be about 'upward' accountability to Government. And, for some, local democratic accountability is just not an important issue:

'A lot of people are less concerned about governance than about the quality of service provision and delivery'.

'It doesn't matter if the public don't know about governance in the region – so long as organisations are getting on and doing the business'.

It was also said that one of the advantages of an appointed body is that it can harness the expertise of business people 'who don't wish to stand for election'. The wider issue of business involvement was also explored in some detail and is discussed in the next section.

5. BUSINESS INVOLVEMENT

Several respondents talked about the involvement of business people in public life. Generally their involvement was valued: they can 'bring a different focus ... a set of skills and expertise different to the other sectors'. Several pointed out that only a small number of private sector people get involved, because many are too busy running their businesses, or have little interest in regional affairs, or they find the public sector too slow and frustrating. Some said that the 'branch plant economy' of the North East means that there are, in any case, few senior private sector people with interests focused on the region.

Involvement can be a frustrating experience:

'What business people find difficult is the level of discussion, long time scales, lack of clarity about achieving results. You need the resilience of an elephant and dogged determination...'

'Business people find the structures bewildering ...'

Respondents referred to the 'narrow band' of business people who have the time and inclination to get involved. 'There's a group of them that you see everywhere'. One described them as

'... the self-selecting few – mainly bored, retired businessmen who like to make their mouth go ...'

Another disparagingly characterised those who do get involved either as 'maverick entrepreneurs'; or 'rich people who want to get a gong'; or 'public sector figures who re-invent themselves as business leaders'.

It was said that economic restructuring and, in particular, the loss of company headquarters or regional offices from the North East, had reduced the pool of senior business people. Consequently, the business people who are involved tend to be from smaller, family concerns based in the North East. However, several respondents pointed out that the RDA and other organisations are now trying to draw in and involve other active people from the private sector, including senior figures from the bigger businesses in the region, and thus go beyond the band of usual suspects.

One respondent made the point that these senior people, running big businesses in the North East but perhaps little involved in public life, are actually hardly known, even invisible. And 'if you go for people with the time, you tend to get people who are at the end of their careers or retired – there's a real problem getting younger business leaders involved'.

It was also said that modern selection processes based on Nolan guidelines significantly discouraged business people from getting involved in public affairs:

'Nolan puts some business people off. Some usual suspects refuse to *apply* for posts as they expect to be *asked* to join ... they don't want to risk being turned down'.

'Many business leaders are rather fearful of putting themselves through such a process only to be rejected, without explanation, by some piddling civil servant'.

'... they fear they might be knocked back – and that's not good for their egos'.

One respondent said organisations faced a difficult choice – between adhering to Nolan procedures which are 'off-putting', or going for straight selection, 'which would be criticised'. Some pointed out that practice was uneven, with appointments to the RDA Board having to conform to Nolan principles, while University governing bodies, for example, can 'select who they want'.

6. GOVERNANCE BY THE 'USUAL SUSPECTS'

Most of our interviewees felt that public affairs in the North East are still run by more or less the same group of 'usual suspects' and little has changed since 2000:

'It's all still pretty incestuous – everywhere you go you see the same faces ...'

'In the North East we're creatures of habit, and we tend to 'recycle' people who've served on other boards'

There was a good deal of consensus about who the 'movers and shakers' are, the most visible or best-known 'usual suspects'. Respondents mentioned the chairs and chief executives of the main public institutions, various prominent 'quangocrats', some leading business people (some well known, others 'invisible' to the public) and some Council leaders. Some mentioned others as well, people who are perhaps less obvious but certainly influential, in some cases powerful. The landed gentry in Northumberland were mentioned, as were the Bishop of Durham, a football club chairman, and a local newspaper editor.

It was interesting to note that many 'usual suspects' seem primarily to operate sub-regionally (and the lack of regional-level people is also discussed when we explore leadership issues in the next section). It was said that the character of these sub regional networks differs:

'If you asked people on Tyneside who are the ten most important people there, you'd get different lists from different people. On Teesside, people would come up with the same list'.

There is bound to be some change of personalities over time. It is recognised that there is a generational turnover. Some respondents thought that this process is producing greater diversity, but others felt it was making little difference:

'Different people – but same backgrounds ...'

'It's still the same kinds of people ... some have gone away and been replaced by other utility players – handy people who'll sit on things'.

‘... just gradual replacement of the gerontocracy ...’

And generational turnover could be seen as problematic:

‘the new people lack an awareness of the region’s past history’

And that could mean there is a danger that we don’t learn lessons from the past.

Many respondents did think that there had been an increase in the proportion of women involved in the governance of the region. One respondent, for example, said:

‘There’s been a slight improvement in the representation of women on boards and in senior local authority positions’.

Examining the gender profile of a number of governance organisations in the region confirms that there have been some improvements in women’s representation on a number of bodies. As Figure 4 highlights, there have been some improvements in the elected sector (MPs and Councillors), amongst regional governance bodies (One North East and the Assembly) and amongst appointed agencies including the region’s Learning and Skills Councils and the Arts Council England (North East) Board. Some of the new appointed bodies, notably the three Local Criminal Justice Boards and New Deal for Communities partnerships, have a high proportion of female members, and the representation of women on the boards of NHS organisations remains impressive.

There is also some evidence that women’s involvement in senior management positions within local and regional governance bodies is also improving, with women being appointed as the new Directors of both the Association of North East Councils and the North East Assembly as well as to Chief Executive and Assistant Chief Executive positions within several North East local authorities.

Figure 4 Women's Representation in North East Governance (%)

Arts Council England (North East) Board (formerly Northern Arts)

33% (2000), now 38%

Culture North East Board

50% (2000), now 42%

Northern Film and Media Board (set up since 2000)

33% (2005)

Newcastle Gateshead Housing Market Renewal Pathfinder (set up since 2000)

17% (2005)

Local Criminal Justice Boards (set up since 2000)

57% (2005)

One North East Board

23% (2000), now 26%

Sub-Regional Partnerships (set up since 2000)

12% (2005)

Government Office Board (set up since 2000)

27% (2005)

North East Housing Board (set up since 2000)

18% (2005)

North East Assembly

12% (2000) now 16%

University Governing Bodies

19% (2000), now 20%.

Learning and Skills Councils (comparison with former Training and Enterprise Councils)

12% (2000), now 36%

Police Authorities

27% (2000), now 26%

Strategic Health Authorities (some structural change since 2000)

43% (2000), now 37%

Primary Care Trusts (some structural change since 2000)

41% (2000), now 41%

Hospital Trusts (some structural change since 2000)

44% (2000), now 40%

Urban Regeneration Company Boards (set up since 2000)

8% (2005)

New Deal for Communities Partnerships (set up since 2000)

48% (2005)

North East Museums, Libraries and Archive Council (set up since 2000)

29% (2005)

Regional Sports Board (re-organised in 2003)

33% (2005)

North East Tourist Advisory Board (set up since 2000)

41% (2005)

Parliament (MPs)

13% (2005), now 20%

Local Government (Councillors)

24% (2000), now 28%

While these improvements are welcome, they still leave women in the minority in all but one of the sectors under review. Indeed, in many of the new organisations set up since 2000, there is a very uneven gender balance (Northern Film and Media, Government Office Board, North East Museums, Libraries and Archives Council, Sub-Regional Partnerships, Regional Sports Board, and Urban Regeneration Companies).

In the area of urban regeneration, there is an interesting contrast between appointed bodies such as the region's two URCs (in Sunderland and Middlesbrough), and the four resident-led NDC programmes (in Newcastle, Sunderland, Hartlepool, and Middlesbrough). In the former, only 8% of board members were women, in the latter, just under 50% were women. The contribution of women as 'community leaders' is reflected in the membership of local regeneration partnerships and also that bodies (such as URCs) that draw upon business sector involvement are likely to have a dominance of male board members. In this way, the lack of diversity amongst one particular group is 'transferred' into governance by the nature of the appointment process to a particular board. A similar point can be made about those organisations that draw upon elected councillors for part of their membership.

One female respondent said the North East was becoming 'less sexist', with changes in the way people talk to each other and work together, but others expressed doubts:

'There are a few more women ... But, for women, culturally nothing has changed ... the women's perspective is still not coming through ... we need more thinking women'.

While many respondents saw – and welcomed – greater involvement of women, they felt that little or nothing had changed in respect of other aspects of diversity. Respondents identified the under-representation of young people, BME communities and disabled people in the region's governance:

'All the minority groups are left out. Organisations pay lip service to diversity ... minority groups are consulted, but still kept at arm's length from real power'.

One saw it as an aspect of the culture:

'The North East is a welcoming region unless you're poor, black or homosexual'

Another said that 'anyone without economic or political clout' is left out and their voice not heard. One respondent simply said:

'The region is chronic at equality and diversity'

Another respondent talked of

'... self-perpetuating exclusion – where people who haven't been involved lack experience and have no way of getting any ...'

An examination of BME involvement in governance organisations (even bearing in mind the relatively small BME population in the region) confirms their virtual absence from boards and decision-making bodies in the region. Ten of the organisations studied had **no** BME representative on their boards, in three areas there was some BME involvement - but this had actually reduced since 2000 - and in the other areas, including local authority members, the percentage remained under 1% of the total. Only in the Arts

and Cultural sectors, and within the NHS, was there anything approaching a level of BME representation that reflected the composition of North East society. While more limited information is available, it can also be argued that there has been no real lowering of the age profile of those involved in governance. For example, the average age of MPs in the region is now 54 (it was 53 five years ago), with only 3 MPs aged under 40. While the average age of local councillors is now 58 (it was 56 in 2000), with only 12% under the age of 45 – compared to 16% five years ago (Employers Organisation for Local Government 2004).

There also still seem to be real difficulties in responding to the diversity 'agenda'. Some struggle with the concept. For instance, one respondent disliked the 'tick box mentality; you end up with tokenism'. She said that the most important thing was to get the best people – and 'if that means middle aged men, so be it'. Others also were critical of a policy of diversity which can simply be tokenistic. That seemed to be particularly an issue in relation to BME representation. This was compounded further by there being only a small group of BME activists – usual suspects – which organisations keep drawing on to 'represent the sector', with little recognition of the diversity of the BME sector and the consequent difficulties of 'representing' it. One respondent said that BME interests can be 'doubly marginalised' as a community voice and as ethnic minorities, then only brought in as a 'tick box exercise'.

Not everyone felt that the recruitment of the usual suspects to run things was necessarily a problem:

'Having usual suspects can mean they have lots of overlaps and can bring things together. They know how to make things work and have a lot to offer. They can stitch things together and so overcome fragmentation ...'

It may be that the way governance is organised and operates tends to favour continuity of the usual suspects, the same kinds of people:

'We get the people we deserve who can work in the bureaucratic environment. It's hard to get others who are different'.

7. REGIONAL LEADERSHIP

The new Regional Economic Strategy for the North East has identified 'leadership' as a key issue affecting the region's development (One North East, 2005). It is evidently closely connected to questions about 'who' runs the region, and 'how' it is run.

There was a little discussion in the interviews about corporate leadership. One respondent suggested, for example, that the RDA is the only body able to lead the region; it has the staff, capacity and resources and is able to 'pull the region together'. Another said that leadership should come from the local authorities, 'but they find that difficult – they get worried about politics and fear being opposed'. One said that the former Tyne and Wear Development Corporation was a good example of corporate leadership, with clear objectives and substantial powers.

But most of the discussions were concerned with the leadership of individuals. Several sought to define leadership or, rather, good models of leadership:

'... it's about making difficult decisions'

'The role of leadership is to give shape to, and articulate, visions ...'

'Leadership is about being bold – not spreading the jam thinly - determining priorities, concentrating investment ... making brave decisions and sticking to them'.

'... it's about presence, ambition, determination, attitude ... the ability to get through bad patches ... and realise that if you can't change other people's attitudes you have to change your own'.

'The world will follow a person who knows where they're going'.

Many thought there was a problem with leadership in the North East, though that 'problem' was formulated in a variety of ways. For some, it was an absence of high profile regional leaders, people like T. Dan Smith in the 1960s or Sir John Hall in the 1980s:

'... there's no vision and passion – not like T Dan Smith. I can't think of a respected Local Authority leader now who has the ear of Ministers'.

'Dan Smith was visible and available – unlike current Council leaders'

'There aren't any key figures now like John Hall who could express confidence in the region and inspire people to believe we can do things'.

'There are few people whose opinions count politically and who are also well known to the public'.

It was not just a matter of profile but also vision. Thus, one respondent commented that the old local authority leaders had been 'absolute dictators – people good at getting and keeping power but no idea what to do with it'. Another talked of the old leadership style of remoteness – 'looking down from a hill far away'. The newer local authority leaders are not necessarily seen as better at leadership: 'a new generation of leaders who are just administrators – they have no vision or passion'.

The interviews brought out a lot of criticism of councillors, council leaders and, more generally, politicians in the region:

'... the quality of the local political class is pitiful ...'

'... the public hate the lot of us – they think we're all crooks and they can't be bothered to vote ...'

'... there are very few quality local government leaders. We tend to have a number of powerful bureaucrats instead of political leaders ...'

'The North East doesn't have a single local politician who can articulate a vision for the region'

Only Middlesbrough's elected mayor (Ray Mallon) was recognised for his leadership qualities. He has 'helped revive interest in local politics' and takes people with him and risks unpopularity. 'Whatever you say about him, he's bloody effective'. But respondents noted that Middlesbrough's mayor is an exception and, in any case, is a local rather than regional leader. One respondent commented:

‘there’s no-one who’s special at the regional level. They’re all nonentities ...’

The region’s MPs were also criticised for failing to provide regional leadership or speak for the region, with the most competent of them being drawn to the national political stage. Many are now from outside the region and are said to be ‘managers, not people of vision’. In fact, several respondents felt that the region is neglected both by the Government and its MPs:

‘In 1997 we had half the Cabinet here – what good has that done the North East?’

While several condemned the whole ‘political class’, others described a more mixed picture:

‘Some local authority leaders are strong – they’ve been around and aren’t going to be flattened by officers. Others can’t grasp the complexity of the argument or challenge officers ...’

Some said that the nature of governance in the region holds back the development of leaders:

‘The de-politicisation of public policy making through quangos tends to militate against strong political leaders emerging. Leaders have to spend too much time having to stitch together the fragmented governance networks rather than leading ...’

‘... leadership is fostered by structures which actually have power. Giving greater power to local authorities would mean the emergence of leaders – devolving power to local authorities would help attract people who want to do things’.

To put it another way, leaders can’t emerge independently; strong institutions are needed to support the development of leaders. Respondents pointed out that ‘leadership in the region is very public sector’. ‘Most of North East leadership is found in the public sector’. Respondents were, generally, unimpressed by politicians in both local and central government and also by senior bureaucrats. Some thought the answer was to change structures to foster the development of leaders, perhaps by having more elected mayors.

Others thought that the role of leaders needed to be reconsidered; one said that leaders now need to

‘... be nearby, acting as a coach, being appreciative, building the capacity of the organisation to do well, bringing people from different parts of the organisation together ...’

Another said that the region is ‘unkind to anyone who sticks their head above the parapet and fails’; so we need to be ‘kinder to leaders – more supportive and enabling’. This remark was perhaps echoed by another respondent’s observation:

‘... Prima Donnas don’t last long in the region ...’

Perhaps the whole idea of leadership should to be reconsidered:

‘The North East doesn’t need a heroic leader leading us forth. But we need a range of people with leadership qualities like tact and vision. We don’t need a leadership academy but do need to nurture people and give them space. We need to move potential leaders from a project focus to having a strategic focus’.

While many did think that leadership is ‘an issue’ for the region, a few doubted its importance or disagreed with this analysis. For example, one said that it ‘seems to be a bit of a thing – hear it widely said there’s weak leadership’. Another saw this ‘concern with leadership an obsession in the North East’ and felt the region had enough effective leaders, including local authority leaders. This respondent went on to say that he did not subscribe to the idea of ‘producing a North East Hitler to take us to the Promised Land’. That suspicion of leaders was at least hinted at by others.

And some respondents thought about leadership outside the confines of politics and public policy. It was pointed out that leaders can be thought of as role models – and the highly visible ‘leaders’ in that sense are the region’s football stars, ‘sports icons’.

8. REFORMING REGIONAL GOVERNANCE

At the time of the interviews, there were developing (and often confusing) debates about city regions, core cities, Local Area Agreements, elected mayors, and the Northern Way.

Many respondents referred to the views being expressed by the Communities and Local Government Minister, David Miliband. Much of this debate was seen as a consequence of the referendum result and a search for other ideas and another way forward – a different route to devolution, perhaps largely at the neighbourhood level rather than regional. But there was confusion about much of it, differing interpretations and, as one put it, ‘people are scrabbling around for ideas’. For some, changes are seen as inevitable because powers have to be devolved to make the system work better. Others, however, thought that ‘the Government isn’t really interested in sub-national government’.

On the whole, there seemed little enthusiasm for the pan-regional Northern Way initiative (Northern Way Steering Group, 2005). People said it would ‘bring few extra resources’: ‘it was a trivial response to a serious problem ... a classic case of the Emperor’s New Clothes’. Some felt that the Northern Way is, in any case, primarily ‘about Manchester and Leeds ... the North East is just an afterthought’. One recent critical review of the initiative shares this view and asserts that

‘... the key spatial issue remains, as it has from the outset, whether and how the government wishes to improve east-west transport links, especially between Leeds and Manchester, and whether, in addition the government would back further investment in these two cities and the corridor between them’ (Goodchild and Hickman, 2006, p 131).

Other commentators have criticised the failure of the Northern Way’s original business plan to adequately address the sustainability agenda (National Trust, 2005), while there are also concerns that the pan-regional focus will gradually unravel, as business development, planning, and housing aspects are ‘absorbed piecemeal in to regional GO and local rescaling initiatives and in addition, into processes of negotiation with central government. Other than

for its initial grand vision, the Northern Way will be gradually forgotten.’ (Goodchild and Hickman, 2006, p 131)

Our interviewees were much more interested in the development of the city region concept, an increasingly popular option for both central government and some local authority networks (ODPM, 2006; New Local Government Network, 2005; Local Government Association, 2006).

There was a good deal of support for bringing together local authorities across a city region to co-ordinate functions such as transport, economic development and housing. It was pointed out that there already are such alliances, for example the Newcastle Gateshead Initiative, the Stockton-Middlesbrough Initiative and joint boards such as the Tyne and Wear Passenger Transport Executive. It was also suggested that the Government may use Local Area Agreements as a ‘Trojan Horse to create groupings of local authorities’.

For one advocate of the city region approach, ‘city regions would be the place where policies are made and joined up’. He went on to argue that new partnership arrangements could involve

‘a city region board comprising local authority leaders, the RDA and stakeholder representatives from business, the voluntary and community sector etc. There may also be some mileage in creating a city-region “manager” role - something like Bob Kiley in London – that would provide focus and executive leadership’.

This issue of the governance of the city region is also taken up in the ODPM’s recent document, *A Framework for City Regions*, which argues that:

‘In the short term there are strong arguments for semi-statutory partnership arrangements, of which there are a variety of models available...There would be a new emphasis at a regional level on ensuring the most effective linkage between the selected City-Regions and those areas lying outside their immediate ambit. This would be an important task of the existing regional agencies....moves towards formal city-regional governance structures should remain a longer-term

option, depending upon the experiences with more immediate arrangements' (ODPM, 2006, p 8).

However, several of our respondents expressed reservations about the ability of local authorities to work together, citing the experience of rivalries, parochialism, competition for resources and, more specifically, conflict over new house building allocations within the Regional Spatial Strategy.

To many, partnerships centred on particular functions which required co-ordination across a city region were acceptable and sensible. But changes of boundaries, creating new city region authorities, were not popular. And the idea of city region elected mayors was supported by a few, but rejected by most of the respondents. It was recognised that a case could be made for creating a governance structure to formalise city regions, but most felt it just was not feasible or desirable. One pointed out that there was no one like Ken Livingstone in the North East who could be an effective elected mayor for a city region.

But the main criticism of new local authority boundaries and elected city regional mayors was that it would not work, either geographically or politically. It was hard to imagine Newcastle and Gateshead becoming a single city region authority and perhaps even harder to imagine Ashington or Easington feeling part of a Tyne and Wear City Region governed by a mayor based in Newcastle. Furthermore, creating city regions in Tyne and Wear and in Tees Valley left the significant problem of creating new governance arrangements for the extensive rural areas of the region. This issue has been recognised in a recent report from the Local Government Association, which, while it supports the idea of giving big cities more freedoms and powers, is also keen to ensure that any changes also benefit the wider region, including smaller towns and the rural areas:

'We recognise the value of the 'city regions' concept but fear that it can appear quite exclusive and does not reflect the reality of the many areas in England that do not have a readily identifiable 'core' city. It would be more appropriate to talk about the devolution of powers to sub-regions, which would include city regions, but could also include

areas that have different patterns of development. Any devolution of powers should also reflect the important social and environmental roles that towns and cities play' (LGA, 2006 p 5).

One respondent felt that, while change was needed, it should respond to local conditions and requirements – not 'one size fits all'. The concept of a 'variable geometry' of governance structures was suggested, 'based on what works best at what level'. That view is shared by the New Local Government Network, who have recently argued that City Regions should be 'formed voluntarily, not through external, top-down imposition', and that there should be no 'uniform model of a City Region' (NLGN, 2005).

9. CONCLUSIONS

Five years on from the report *Who Runs the North East...now?*, our latest research confirms that many of the problems we highlighted in 2000 still characterise the governance of the North East today. Little has changed as regards fragmentation, complexity, problems of accountability and the lack of democratic legitimacy. There has been no ‘bonfire of the quangos’ and, in some ways, governance has become even more complex and harder to understand, even for individuals who are part of the governing ‘class’. As one respondent noted:

There are too many governance agencies, governance is too complex and you just can’t keep track of all these quangos and partnerships ...I don’t know what they do or how they fit with each other ...’

There are some signs of improvement in relation to representation and inclusivity, particularly in relation to women’s involvement in some areas of governance. However, it is important not to overstate the extent of the change – women’s involvement is still too low in many areas of North East public life, while representation of BME communities and young people remains desperately poor.

In our interviews we were struck by the general level of dissatisfaction with current governance arrangements. The majority of respondents felt that democratic accountability is weak, there is felt to be inadequate leadership, and the region is still governed largely by the ‘usual suspects’.

But, that said, the region’s main governance institutions seem to be perceived by our interviewees as working reasonably well, and working together in ‘pragmatic’ partnership. The emphasis here seems to be on organisations ‘muddling through’ in a difficult environment or ‘making the best of a bad job’.

This view was also linked to the emergence of a more pragmatic acceptance of the ‘mixed economy of governance’ within which both elected and appointed organisations played a role. While it was acknowledged that

'governance' should always involve 'democracy' in relation to area-based representation and decisions over key welfare services, it was felt that appointed agencies could also play a role in areas where expertise and speed of decision-making were necessary. This emphasis on appointing (as well as electing) local and regional decision-makers, also reflects disappointment with the 'calibre' of local councillors, coupled with a realisation that appointed boards may, in practice, develop inclusive approaches to board representation more effectively than directly elected bodies. Indeed, this may allow a number of economic and social 'partners', including the voluntary and community sectors, a stronger voice in decision-making than is actually available through the elected sector.

Such a view is also reflected in the wider debates on both 'governance' and 'civic engagement' (Humphrey and Shaw, 2004, Federal Trust, 2003), which acknowledge the limitations of the traditional process of voting and also emphasise the importance of enhancing civic involvement and accountability. From their study of civic engagement in Northern Ireland, McCall and Williamson argue that:

'Governance requires input from a wide range of actors, including non-governmental organisations, in an attempt to achieve policy goals. Social partnerships, involving statutory tiers, and the voluntary and community sectors, representatives and active citizens, are central to this concept of governance and have social as well as economic priorities' (McCall and Williamson, 2001, p 368)

Undertaking this research a year after the November 2004 referendum, we were able to capture the *uncertainty* felt by many of the people we interviewed. This partly relates to the absence of any coherent 'Plan B' following the No vote, and the subsequent leadership 'vacuum'. However, the uncertainty - and lack of clarity about future developments - is also influenced by the differing interpretations of what a city-region agenda entails, and a genuine confusion about what the Government's emphasis on 'New Localism' might actually mean in practice. As Sandford argues:

'The policy approach to city-regions has been confined so far to rhetoric and occasional suggestions. Nothing concrete has been produced by ODPM as a response to the failure of the policy on elected regional assemblies' (Sandford, 2006 p 38).

Within this climate, a number of the region's main governance agencies are, understandably, looking cautiously towards the future:

- GONE is awaiting the findings of a Treasury review of Government Offices which is rumoured to favour a 'leaner', more 'streamlined' organisation
- One NorthEast will need to assess its role within any city region framework, particularly in terms of linkages with any new partnership bodies and in relation to what a city region focus will mean for the existing Sub Regional Partnerships
- The North East Assembly is coming to terms with the split from ANEC and is looking to redefine and refocus its role in line with the realities of post-referendum governance
- Local Authorities are awaiting government proposals on city regions, on the abolition of two-tier structures in the Shire Counties, and on devolution to neighbourhoods
- Regionalisation is awaited for the Police and the Fire and Rescue Services and major changes are also likely to be pushed through in secondary education.

In a wider context, our recent research on governance in the North East can also be linked to debates on 'multi-level governance'. This increasingly important perspective is associated with writers such as Pierre and Stoker, who argue that:

'Today, the role of the government in the process of governance is much more contingent. Local, regional and national political elites alike seek to forge coalitions with private businesses, voluntary associations and other societal actors to mobilise resources across the public-private border in order to enhance their chances of guiding society towards politically defined goals. Governing Britain – and indeed any other advanced western democratic state – has thus become a matter of multi-level governance' (Pierre and Stoker, 2000, p 30).

This focus on 'governance' reflects the increasing complexity and fragmentation of 'government', which now appears 'multi-layered' (Leach and Percy Smith, 2001, p 5). There is a general agreement that the 'new government' as opposed to the 'old government' involves: networks and partnerships; covers a plurality of organisations – state, private and civil society organisations that pursue common goals/deliver public policy; is about the state 'steering' (by setting the rules of the game) rather than 'rowing' (by direct delivery); and involves joint-working underpinned by characteristics such as resource exchange, interdependence, trust, diplomacy, and reciprocity.

The emergence of a more fragmented system of multi-level governance chimes with several features of governance in the North East. Hence governance arrangements in the region place a premium on partnership and inter-agency working *across* organisational boundaries and *between* levels of governance (Townsend, 2005). In this sense, the greater complexity of multi-level governance sees regional agencies having to rely on 'informal co-ordination' and pragmatically 'muddling through' on the basis of trust. Thus, rather than see the existence of the 'usual suspects' in the North East as a problem, the existence of individuals and personal networks that cut across institutional boundaries and governance levels may be regarded as one of the most important pre-requisites for successful collaboration within a multi-level governance system.

However, a strong theme running through many of the interviews was recognition of the limited autonomy of sub-national organisations when faced with the realities of central government power:

'If there had been a Yes vote, there would have been some control in the region. Now, instead, it's back to complicated governing with too much central control. Lots of funding streams, lots of government targets and micro-management'.

'...Regional Governance needs to involve fewer bodies who possess more autonomy from the centre'.

'Councils now merely deliver what central government decides. There is a lack of local powers'

'The RDA tends to dance to the government's tune'.

A more nuanced view of the relationships between the centre and the region was provided by one respondent:

'Different attitudes to regionalism are shown by different government departments. The Treasury and ODPM want to give regions more power. Others -- Education, Work and Pensions -- don't want to. While others -- DTI, Transport -- tend to take a middle position'.

For some commentators, the language of 'networks' can sometimes underplay the hugely superior resources available to central government, while an excessive focus on the numbers of agencies comprising the 'multi-level governance' arena can lead to an underestimation of the underlying power of central agencies to utilise their considerable resources in shaping policy outcomes.

Thus, for Wilson, multi-level *governance* and multi-level *participation* are not 'identical' and what exists is less multi-level 'governance' than multi-level 'dialogue':

'Actors from a wide range of agencies participate and there is a plethora of formal meetings, but this does not necessarily mean that they significantly influence decision-making outcomes.... The vast majority of agencies in a given policy area might be consulted but not all will exercise decision-making influence. An excessive focus on the numbers of agencies comprising the local governance universe can lead to the underestimation of the underlying power of central agencies to utilise their considerable resources in shaping policy outcomes' (Wilson, 2003, p 335).

Despite the emphasis on de-centralisation and the rhetoric of multi-level governance, it can be argued (in relation to the North East) that central government retains a powerful grip on this existing regional governance bureaucracy, be it with respect to regional strategies (through statutory guidance), public service delivery and management (through nationally

determined performance targets and public service agreements) or through funding regimes.

This view is shared by Pearce in his ESRC study of Governance within the English Regions. In discussing Government plans for devolving power he argues that:

'Some observers view these developments as evidence of the emergence of a more flexible, multi-tiered form of governance, built around regional networks and strategies in which regional actors are able to exert greater influence over policy-making and implementation...however, this is difficult to reconcile with the view that, rather than relinquishing power, central government has employed the regional tier to expand and deepen its influence' (Pearce, 2005, p 15).

Sandford also interprets developments in regional policy since the 2004 referendum as strongly suggesting 'that one of the effects of the North-East 'no' vote has been to transfer the impetus of regional policy away from the Office of the Deputy Prime Minister into the Treasury'. And the new regional agenda seems to be less about 'democratic renewal' and more about a Treasury-inspired 'efficiency' programme for the public sector:

'The Treasury has become increasingly concerned through 2004-05 at rising levels of public spending, and has reacted to allegations of public sector waste from the Opposition in Parliament. It instituted the Gershon efficiency review, and is constantly seeking means to reduce public spending on officials and bureaucracy. This requirement can be perceived in the latest reforms proposed for the NHS and the policing White Paper. It is also one of the drivers behind the agendas of Local Public Service Agreements and Local Area Agreements. Devolution of power, in this reading, is a means to efficiency rather than being a desirable end point in its own right. The broad assumption by Government appears to be that bigger is better, that larger units will spend proportionately less on administration than smaller units' (Sandford 2006, p 10).

There is a clear sense within this debate of the difficulties, tensions and challenges involved in actually 'governing' the North East within a centralised political system. From this perspective, it is clear that central government remains unconvinced by arguments for regional devolution and that major

policy decisions and resource allocations will remain the responsibility of the centre. The Government's declining interest in the regional tier and the lack of any coherent view of what the regional level should contribute to governance, means that, in practice

'English regions remain administrative conveniences through which central policy can be delivered and tweaked, at the pleasure of central officials, to adapt to local circumstances' (Sandford, 2006 p 71).

To conclude: the failure to establish an elected regional assembly – and the subsequent rise of 'administrative regionalism' - may have a damaging longer term impact on the continued commitment of key stakeholders to the governance of the region. As Pearce argues:

'...if the regional tier is to provide a platform for modernising service delivery, improving economic performance and encouraging stakeholder involvement, central government needs to adopt a more orderly approach by re-assessing regional institutional roles, relationships between government tiers and the links between policy fields. In the absence of such measures, *public bodies operating in the regions, and their social and economic partners, may become increasingly sceptical about their participation in a tier of governance that has limited capacity for action*' (our italics). (Pearce, 2005, p 20)

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