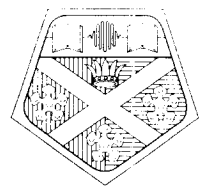


# STRATHCLYDE PAPERS ON GOVERNMENT AND POLITICS



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## *WHATEVER HAPPENED TO REGIONAL GOVERNMENT?:*

*Developments in Regional Administration  
in Britain since 1979*

*by*

*Brian W Hogwood*

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**By**

**Brian W. Hogwood  
(University of Strathclyde)**

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**Department of Government  
University of Strathclyde  
GLASGOW G1 1XQ  
Scotland U.K.**

**WHATEVER HAPPENED TO REGIONAL GOVERNMENT?:  
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**BRIAN W. HOGWOOD**

**Abstract**

This paper examines changes in the regional structure of government departments and other public sector bodies in Britain in the 1980s and early 1990s. It considers those features of government policy, such as lack of interest in regional planning, which would imply a reduced emphasis on administrative regionalism, as well as those developments, such as reallocation of functions from local government, which might require a regional tier. The announcement of new integrated regional offices under the Department of the Environment is assessed, as is the abolition of regional health authorities. Other factors, such as Next Steps agencies, are identified as resulting in changes to existing regional structures. A general trend to having separate administrative bodies for Scotland and Wales is identified. It is concluded that while there has been a decline in councils and authorities which include representatives of interests in the regions, the use of regional structures by government departments has not declined and is being re-emphasised by change.

This is a revised version of a paper prepared for presentation at ESRC Research Seminar on Regionalism and Devolution, University of Strathclyde, Glasgow, 15 September 1993.

## **INTRODUCTION: AN EPITAPH FOR ADMINISTRATIVE REGIONALISM?**

### *Reasons for expecting a decline in administrative regionalism*

Given the Conservative government's relative lack of interest in regional matters it might be expected that a paper concerned with administrative regionalism in Britain in the mid 1990s must be an epitaph for the decline of this feature. After all, the Conservative government formally abolished one of the most visible features of regional planning in 1979, the Regional Economic Planning Councils. Further, since 1979, the Conservative government has reduced spending on and coverage of traditional regional policy. Such a decline in emphasis on the regional dimension might be expected to have produced a decline in the use of an administrative regional level, and a further decline in the use of standard regional boundaries for administrative purposes, even from the low and variable usage found by Hogwood and Lindley (1982).

A second reason for expecting a reduction in administrative regionalism is the substantial privatisation of public sector industries and utilities, especially since 1983. Many of these had important regional levels. While many have retained such regional structures, they are now in the private sector.

Another major theme of the Conservative government, especially since 1987, is the introduction of decentralised delivery structures to replace previous national or regional structures. Examples here would be the establishment of NHS Trusts, and of Training and Enterprise Councils, which took over many of the functions of the Manpower Service Commission, which had a strong regional structure.

### *Reasons for expecting a continuation or increase in administrative regionalism*

However, there are other reasons for expecting a continuation or even increase in some aspects of administrative regionalism.

1. The basic span of control argument that for large-scale delivery or monitoring organisations concerned with a large number of local outlets actually delivering the policy it is impracticable to control these from a single undifferentiated point in Whitehall. When combined with geographical issues involving physical monitoring of service delivery, this implies geographical decentralisation of regional units and not simply regional 'desks' in Whitehall.
2. In addition to the above administrative or control imperative, it is important to remember that a regional level can have an important representational role. It may be impractical for eighty locally based bodies to put points to Whitehall

departments either individually or in a single meeting, whereas between six and a dozen regional representatives can meaningfully do so. A regional level can therefore perform a feedback role for Whitehall. It will be important to explore this issue in policy areas where the government has 'decentralised' service delivery to locally based bodies.

3. Although many public sector industries and utilities have indeed been privatised, in the case of the utilities a regulatory organisation has been established. It will be important to see whether these have retained a regional structure.

4. The government has removed a number of functions from local government, notably in education, some of which have in turn been passed on to non-departmental public bodies. If this is related to the span of control argument advanced under 1 above, we would expect a regional dimension to develop in these bodies.

5. Perceptions of the appropriate level for policy delivery can change either as existing locally based bodies are considered to be too small (police, waste disposal) or national bodies are considered to be too remote (arts).

6. Although outwith the scope of this paper, one consequence of local government reorganisation in the mid 1990s is that there will be an increase in the number of joint local authority bodies delivering services covering an area wider than the top-tier directly elected local authorities.

7. The development of Next Steps agencies, which have greater autonomy in determining their internal administrative structures, may indeed lead to a move away from previous regional boundaries (which were in any case often incompatible even within the same department), but such experimentation is unlikely to lead to the disappearance of a regional tier altogether.

8. Some European Community programmes require packaging at a regional rather than local or national level and this might be one factor promoting the use of regional offices, though many of the programmes are focused on areas smaller than the standard regions. If this were a strong factor we would expect it to have led to standardisation of regional boundaries.

It is clear that the issue of decline, maintenance or even reinvigoration of administrative regionalism is not one that can be resolved by *a priori* arguments, but requires empirical investigation.

## **REGIONAL PLANNING AND REGIONAL POLICY**

The incoming Conservative government abolished the Regional Economic Planning Councils (REPCs), with the exception of that for Scotland, which continued as the Scottish Economic Council. For a study of the operation of REPCs, see Lindley (1982). However, Regional Boards, consisting of civil servants, have continued in England, albeit with the 'Economic Planning' part of their title omitted. These Boards have as their remit

'to provide for the co-ordination of inter-departmental activities. They also keep in touch with bodies such as standing conferences of local authorities & the regional councils of the Trades Union Congress & the Confederation of British Industry.' (Glanville, 1993).

There has also been a significant change in the boundaries of the regions of the Regional Boards. The Regional Economic Planning Boards conformed to the boundaries of the Standard Regions (see map 1). The Regional Boards now follow the boundaries used for the Regional Directors of the Departments of Environment (DoE) and Transport (DT). That is, there is one Regional Director in each region jointly for both the Department of the Environment and the Department of Transport (see map 2). The change in boundaries occurred between 1986 and 1987. For this paper it was not possible to update in full the analysis of regional boundaries in Hogwood and Lindley (1982), but given their finding that the only use of the South-East 'standard region' was by the REPCs/REPBs, it would appear that the only remaining function of the standard regions is to provide a framework for reporting most (but not all) of the data in the annual HMSO publication *Regional Trends*. (Oddly, *Regional Trends*, 1992, still refers to standard regions which 'coincide with the Economic Planning Regions').

London has a special status in these arrangements (which is all the more important since the abolition of the GLC); there is a London Regional Office, based in the Department of the Environment, which 'has a similar role to that of the Regional Boards . . . , but also deals with Government policy for London on such matters as planning, housing policy, housing action trusts, & urban affairs' (Councils, Committees and Boards, 1993).

It is worth noting that not all the component parts of the Departments of Environment and Transport themselves use the Regional Board regions. Examples not using these regions include Property Holdings (DoE), the

Inspectorate of Pollution (DoE), PSA Building Management (DoE), Coastguards (DT), Surveyor General's Organisation (DT), and Traffic Area Offices (DT). For some functions of the DoE which do use the Regional Board regions, there are sub-regional divisions (e.g. housing), which seem to be concerned with span-of-control matters rather than definition of coherent subregions.

Regional policy has undergone a number of major changes since 1979, with the main changes in 1984, 1987 and 1993. The total resource commitment to traditional regional policy has been substantially reduced, with some major features, especially automatic regional grant, abolished outright. Secondly, reflecting (though not without distortions) the changing distribution of relative unemployment, there have been reductions in eligible areas in the 'old' problem regions of Scotland, Wales, North, North-West, and increases in coverage in the West Midlands and, from 1993, even the South East. What are the regional administration implications of this? Obviously, regional offices in the 'old' depressed areas have a smaller number of cases and lower budget to process. Hogwood (1982) pointed to there being two types of regions as far as the Department of Industry was concerned. This distinction has now been removed, since all Department of Trade and Industry (DTI) regions will now have a regional policy caseload. DTI regions are shown in map 3. They differ from the Regional Board regions in the inclusion of the High Peak district of Derbyshire in the North West, in a different division between an East and a South East Division, and the lack of a separate London region.

The picture up to mid 1993 therefore appeared to be one of acceptance of the need for an administrative tier for some infrastructure and regional industrial purposes, a recognition of some need for administrative coordination, but antagonism to regional government and councils reflecting regional interests and to regions as a focus for planning. Certain trends in the use of regions also emerged. East Anglia was clearly not seen as a viable administrative region. Cumbria was seen as belonging to a North West Region rather than a Northern region along with the North East. Above all, the difficulties over dividing up the South East and the treatment of London which were identified in Hogwood and Lindley (1982) clearly remained. It is also clear that the proliferation of regional boundaries even within the department primarily responsible for regional coordination continued.

However, in a little noticed reference in its 1992 General Election manifesto, the Conservative Party did refer to the desirability of improved arrangements for regional offices of government departments. In a statement at

the beginning of November 1993, Mr John Selwyn Gummer, the Secretary of State for the Environment announced changes which were designed to bring about a 'single budget' for urban regeneration and development and new integrated regional offices in England (*House of Commons Debates*, 4 November 1993, cols. 515-17). From April 1994, a single budget for regeneration and development would combine twenty separate programmes worth £1.4bn. The Secretary of State for the Environment would be accountable to Parliament. He would chair a new ministerial committee for regeneration which would oversee the budget.

From April 1994, the existing regional offices of the Department of Transport, the Department of Trade and Industry, the Department of Employment and the Department of the Environment would be brought together. (Note the absence of the big spending Departments of Social Security and of Health, the funding bodies under the Department for Education, and the regional arts, sports and tourist bodies under the Department of National Heritage.) These new integrated offices would administer the single budget and would be responsible for other departmental programmes currently operated by individual departments. Each office would be headed by a senior regional director who would be accountable to the Secretary of State for the Environment for the single budget. However, illustrating the way in which the doctrine of ministerial responsibility can be contorted even when programmes are not delivered through a single ministry, 'Ministerial responsibility to Parliament for programmes that are not in the single budget will be unchanged.' The regional director of the new integrated office would be responsible to the relevant Secretary of State for programmes carried out by his office, other than the new 'single' budget (which would continue to be one of a number of budgets).

The Secretary of State's statement appeared to envisage the emergence of an integrated perspective which commentators on the regional planning experiments of the 1960s argued had not taken place (Hogwood and Keating, 1982). 'Local needs, rather than departmental interests, will be the prime consideration.' (*HC Deb.* 4 November 1993, col. 516). In reply to a question the Secretary of State confirmed that the intention was that 'For the first time, there will be coterminous regions for the Departments, and that is a vital change. It has always seemed ridiculous to me that different Departments had different regions. That made any sort of planning almost impossible.' To achieve this in practice would be remarkable, since as noted above it was never achieved in the heyday of regional economic planning. (Indeed, Mr Gummer's use of the *p*-



word - planning - is worth noting given the way it had been expunged in 1979. Even the Department of Environment does not use coterminous boundaries for its different functions, and as noted later, the picture is potentially complicated by the development of Next Steps agencies with responsibilities for their own managerial structures. The implementation of integrated offices with coterminous boundaries is therefore a matter for further research, rather than the assumption that the government has discovered some miraculous new device for integration which will take effect on 1 April 1994.

Mr Gummer's statement stressed that his announcement 'signals an important shift from the centre to the localities', and is replete with reference to how these and other government initiatives could make it easier for 'local people, business men, local authorities and training and enterprise councils to talk to Government'. Labour's initial reaction in anticipation of the announcement was to stress the extent to which the new regional offices would represent a further tightening of government control over local authorities and activities previously carried out by them. Jack Straw's formal response in Parliament stressed government controls on spending on the localities, but was less negative about the new administrative arrangements than the pre-announcement 'reaction' had implied. On the same day as the Mr Gummer's announcement in Parliament, the government announced at a press conference that more ministers were to be appointed as having special responsibility for particular 'regions', representing a further continuation of a development when Mr Heseltine, while Secretary for State for Environment, declared himself as minister with special responsibility for Merseyside. However, these newly announced responsibilities were for particular cities or conurbations, were not coterminous with the new integrated regional offices, and in no way implied a direct line of ministerial responsibility for those integrated offices.

## **PRIVATISATION, REGULATION AND REGIONAL STRUCTURES**

A number of major utilities with regional structures have been privatised since 1979. However, this has not led to the total disappearance of regional structures in the public sector concerned with those utilities. There are two aspects to related regional structures: regional structures within the regulatory bodies and regional structures in consumer councils. The extent of regional structures in both cases can be expected to reflect whether the industry was originally

privatised as a national monopoly or as a set of regional monopolies. The practice has been to set up a separate regulatory office for each privatised industry, rather than a single regulatory body covering all of them, and this increases the chances that the widely differing regions used by the nationalised utilities would continue to be reflected in the post-privatisation regulatory arrangements.

The first major utility to be privatised was telecommunications. British Telecom was privatised as a single national unit, and this is reflected in the lack of a regional structure to the Office of Telecommunications (Of tel). There are, however, statutory Advisory Committees on Telecommunications for Scotland, Wales and Northern Ireland.

British Gas was also privatised as a national monopoly, though it initially retained an internal regional structure. Again, the Office of Gas Supply (Of gas) has a national structure. The former national and regional gas consumer councils were all replaced by a single Gas Consumers Council, though 12 of its up to 21 members are appointed for their familiarity with the special requirements and circumstances of different areas of Great Britain, and are known as Regional Councillors. The Council has offices in each of the 12 British Gas regions. In December 1993 British Gas announced that it would be abolishing its regional structure, leaving no regions for the Gas Consumers Council to map on to. In the same month the government announced that it would be abolishing British Gas's domestic monopoly; industrial supplies were already subject to competition.

The privatisation of the electricity industry involved selling of the regional distribution companies individually, and not surprisingly, the Office of Electricity Regulation (Of er), reflects this in its own regional structure of 14 regional offices, situated in each regional company's area. There is also a office for Scotland as a whole. This regional structure is also reflected in the continuing existence of 14 regional electricity consumers' committees, as a well as a National Consumers' Consultative Committee, which, apart from the chairman, consists of the chairpersons of the regional committees.

The arrangements for the regulation of the privatised water industry in England and Wales differ from those outlined above in that there are two regulatory bodies involved. The Office of Water Services (Of wat) is concerned with pricing, competition and consumer issues. Of wat itself does not have a regional structure. However, the 10 Customer Services Committees, which are staffed by Of wat and whose members are appointed by the Director-General of Of wat, are based on the regional water company areas. Water quality and

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environmental issues are the concern of the National Rivers Authority, which has 10 regional offices dealing with regional water company areas.

One nationalised industry which has lost its regional structure prior to privatisation is British Coal, which has now run down so much that it no longer requires a regional management tier.

This review of the impact of privatisation has indicated that privatisation has not led to a systematic termination of a regional level of activity in the public sector. For all except Oftel, a regional level within England remains important in regulation or consumer matters. However, this regional tier uses different boundaries for each industry.

### **FUNCTIONS REMOVED FROM LOCAL GOVERNMENT**

A number of functions relating to education have been removed in whole or in part from local authorities, with funding being channelled through new bodies appointed by central government. This section examines the extent to which a regional level has been found necessary.

Higher Education was removed when polytechnics and certain other colleges were given corporate status and funded through the Polytechnics and Colleges Funding Council (PCFC), which operated only in England. In April 1993, following the granting of university status to the former polytechnics, the PCFC and the University Funding Council were both wound up, and separate Higher Education Funding Councils were set up for each of England, Wales, and Scotland. The Higher Education Funding Council for England does not appear to have a regional structure.

From April 1993 Further Education Colleges in England and Wales have been given corporate status, and Further Education Funding Councils have been set up for England and for Wales (further education in Scotland comes directly under the Scottish Office). Prior to reorganisation there already existed Regional Advisory Councils for Further Education in England. In 1993 these were in the process of being replaced by 9 Regional Councils for Further Education and Training with executive functions. An article in the Times Higher Education Supplement in 1992 stated that a consultation paper issued by the Department for Education proposed 9 regional committees for further education based on the Departments of Environment and Transport regions, implying a deliberate move towards standardisation of regional boundaries.

However, the Regional Councils as actually set up do not conform to the DoE/DT boundaries. Instead, the regional groupings appear to be the same as the former Regional Advisory Committees.

Since the Education Reform Act 1988 schools under local authority control have had the possibility of opting out and becoming grant-maintained schools directly funded by central government. By October 1992 472 schools had received approval to leave local authority control, and the government has a target of 1,500 grant-maintained schools by April 1994 (*The Times*, 31 October 1992). This compares with a total of approximately 4,800 secondary schools in the United Kingdom in 1990/91 (*Social Trends*, 1993, 39). Initially, these grant-maintained schools have been funded (in England) directly by the Department for Education. However, the Education Bill 1992 provides for the establishment of a Funding Agency for Schools (and a corresponding agency in Wales), responsible for distributing funds based on the number of pupils. It is likely that the agency for England will have to establish some kind of regional structure, given the number of clients.

While the shape of the new education administration is still emerging, the indication is that the removal of functions from local government is likely to lead to an increase rather than a decline in the use of regional structures.

This paper is primarily concerned with the regional structures of central government departments and other central government appointed bodies, and so has not covered joint local authority bodies which could be considered to operate at a regional level. The bulk of the activities and assets of the former metropolitan counties and the Greater London Council went to the boroughs or joint local authority bodies or were sold off, and did not go to central government appointed bodies. The most important exception was London Regional Transport.

The current review of local government in England has three potential implications for regional structures. The first arises from the general, though not universal, practice of drawing regional boundaries to be compatible with those of local authorities. None of the recommendations so far announced have implications for the need to redraw the boundaries of the Regional Boards or any other major set of regional boundaries. Given the method by which remaining areas of the country are to be covered, that is largely on a county by county basis, no major changes with implications for regional boundaries are expected.

A second potential implication arises if the establishment of unitary authorities leads to a substantially larger number of councils being involved in

the delivery of services currently provided by counties. Government departments may feel the need to strengthen or adapt their regional level.

The proposed changes, if they are implemented, will undoubtedly lead to an increased use of joint local authority bodies. What is unclear is whether central government may become more involved in bodies responsible for delivering services above the level of unitary authorities, and whether new regional structures will emerge as a result. The particular cases of the police and waste management are discussed later in the paper.

## **DECENTRALIST INITIATIVES**

Given that the term decentralisation appears to have positive normative connotations for some, it is important to stress that here I am simply referring to certain decisions being taken within organisational units covering a smaller area than previously without intending any implications in terms of democratic accountability or control by local citizens. There have been important developments in education, employment and the National Health Service (NHS), involving central government initiatives to establish units with responsibility for the delivery of services at a lower level than the previous level and receiving funding directly for this purpose. The implications of the establishment of grant-maintained schools for a regional level were discussed in the previous section.

The former Manpower Services Commission was the most important non-departmental public body with a regional structure. Has its disappearance meant a decline in a regional level of administration? In October 1987 the Manpower Services Commission was split, with the employment services aspect being put back into the Department of Employment (see discussion of Employment Services Agency as a Next Steps Agency below). The remainder continued as the Training Commission until December 1988, when it too was put back into the Department of Employment as the Training Agency, which became part of the Training and Enterprise Directorate within the Department of Employment in November 1990. In December 1988 the government announced in a White Paper *Employment for the 1990s* that it would be carrying out a major reform of the UK training system, involving the establishment of a network of Training and Enterprise Councils (TECs) in England and Wales (the rather different system in Scotland is discussed below).

As Vere (1993, 36) points out, the TECs 'represent a hybrid of different public and private sector organisational and contractual models'. Each TEC is a company limited by guarantee, headed by a Board consisting of leading business persons from the area. However, the initial staff of the TECs came from seconded civil servants from the Department of Employment; there is now substantial recruitment direct from the private sector. TECs are not counted by government as public sector bodies even though their staff includes seconded civil servants. Although TECs were set up in stages, coverage of the country was complete by the summer of 1991, and each TEC has a monopoly in its area. The Department of Employment was active in ensuring that a single group of employers came together in each locality (Vere, 1993, 45). Each TEC has an operating contract with the Department of Employment, which specifies funding in a number of blocks relating to government-defined programmes.

With a total of 82 TECs, coordination between department and Councils is potentially an issue. Responsibility for the management of contracts with TECs is with the regional offices of the Department of Employment. At national level there is a National Training Task Force, consisting of representatives of the key interests, and with responsibility for advising ministers on training programmes. The TECs set up a representative body of their own, known as G10, with ten representatives from the regions, to present the views of TECs to ministers.

The new Scottish structure is rather different. The Scottish staff of the Training Agency were removed from the civil service and combined with existing non-departmental public bodies, the Scottish Development Agency and the Highlands and Islands Development Board, to form Scottish Enterprise, Highlands and Islands Enterprise and 13 Local Enterprise Companies (LECs). These have a wider remit than the TECs, since they include local economic development functions. As with TECs, each LEC has a unique geographical area. The existence of Scottish Enterprise and Highlands and Islands Enterprise at a level equivalent to that of English regions is another important difference. Some involved in TECs would prefer to have an intermediate body in England and Wales of a similar kind rather than contracting directly with the Department (Financial Times, 19 August 1992).

Since 1990 the most significant changes in the operation of the National Health Service since its formation in 1948 have been taking place. The most obvious aspect of this has been the formation of 'self-governing' trusts, covering one or more large hospitals or related services which cease to be directly under the control of regional and district health authorities (health boards in Scotland). The development of trusts has been actively encouraged by

central government, which has invited applications in a series of 'waves': 57 trusts were set up April 1991, and by April 1992 a total of 161 had been established. It is the government's clear intention that all hospital and related services should be covered by trusts: by April 1994, 90 per cent of acute and community health services will be provided by NHS trusts(*HC Deb.*, 21 October 1993, col. 398).

Trusts have to enter into contracts to provide medical services at an agreed volume and cost with district (not regional) health authorities (not necessarily just the one in whose area they are located). Health authorities may also purchase services from the private medical sector. The health authorities are provided by the government with funds on a modified population basis. This purchaser-provider distinction is an important new development. It introduces a more market-like flavour. However, it is still very much a managed market. At least during the transitional phase central government has issued guidance that there should be no disruption of traditional patterns of funding. The continuation of a bureaucratic framework at regional level in England for scrutinising the activities of district authorities and trusts emphasises that the state is not withdrawing. In the first three years trust hospitals were scrutinised by six 'zonal outposts' of the national management team. There was speculation that the role of Regional Health Authorities would become redundant in the new purchaser-provider regime, though initially they were reprieved.

The historic problems of the relationship between population, funding and provision in London were not left to market resolution but were treated as political issues to be resolved at ministerial level. The need for a special review of London hospitals emphasised the absurdity of having London carved up, right into the centre, by four different regional health authorities.

In October 1993 it became clear that the reprieve for regional health authorities has been a temporary one. Virginia Bottomley, the Secretary of State for Health announced that she proposed to abolish regional authorities once the necessary legislation had been passed, which was expected to be by April 1996 (*HC Deb.*, 21 October 1993, cols. 398-400). The regional health authorities would be replaced by eight regional offices headed by a director responsible to the chief executive of the NHS Management Executive, which would remain within the Department of Health. (The Executive is not to become a Next Steps Agency.) These regional offices would also replace the existing outposts and inherit their responsibility for monitoring trusts.

As an interim measure the number of regional health authorities was to be reduced from 14 to eight with effect from April 1994. The boundaries of these

eight regions would be aligned with the management executive's new regional structure. However, these regions will not be coterminous with the new 'integrated' regions announced by the Secretary of State for the Environment. For example, there would be separate North Thames and South Thames health regions.

Authorities at district level would remain, but the Secretary of State planned to introduce a power to enable district and family health services authorities to merge. To retain some form of non-executive link between health authority and trust chairmen and ministers, the NHS Policy Board would be restructured to include additional non-executive members, each covering one of the eight new regions. 'These regional policy board members will provide a channel of communication to and from Ministers.'

One important problem which may involve a role for the regional level is future large-scale capital funding, since this cannot be handled within a framework of annual district-trust contracts.

Thus the existence of distinct regional health authorities is to come to an end, but a regional level based on a smaller number of regions will continue to be an important feature of the NHS Management Executive. The abolition of the regional health authorities is significant, since it removes one of the more paradoxes of the national health service - a 'national' service, but one administered through separate regional authorities. Given that it is doubtful that the members of regional health authorities had much substantive input into major decisions, their disappearance involves a less dramatic loss of local 'representative' input than might seem at first sight (see Haywood and Elcock, 1982). One interesting issue for implementing the change is the extent to which the non-civil-service staff of the health authorities will be integrated into the new regional offices of the NHS Management Executive.

## **CHANGING VIEWS ON 'APPROPRIATE LEVEL'**

Views about the appropriate level for coordination of the delivery of public policies undergo periodic reappraisal, with central government taking the view that some national services are better delivered at a disaggregated level, and other more locally based services better delivered at a more geographically aggregated level. The implications of decentralisation with respect to education, training and health have already been discussed.



Central government has taken a view that fewer, larger police authorities are desirable. Further, bringing it within the remit of this paper, it has taken the view that the the role of central government in appointing police authorities should be increased, to the extent that they would cease to be sole or joint local authority bodies to being dependent on central government nominations for half their membership. Some Police authorities, such as Thames Valley and West Mercia are clearly already 'regional' by any international standard. The government drew back in its 1993 statement from prescribing the number and boundaries of the smaller number of authorities it would clearly prefer. Local government reorganisation, insofar as it leads to the abolition of county councils which form the basis of existing police authorities, will provide an opportunity for redrawing police authority boundaries. An additional regional dimension is provided by the existence of regional crime squads.

Another area where central government wishes to see collaboration above the level of current county councils is waste management, where issues clearly arise which cannot be handled within county boundaries. This emphasis is in the opposite direction to the splitting up of county councils which would result from the current review of local government. It is likely that special regional level arrangements for waste management will emerge, whether in the form of joint local authorities or central government appointed regional bodies or pseudo-private corporations.

The previous two examples are of central government bodies pressing for reorganisation at a higher level of aggregation than the present top tier of local government. The arts provide an example in the opposite direction, but also pointing to a strengthening at regional level. Although the original Arts Council strategy has not been fully implemented, there has been an important increase in the regional level. The former 12 Regional Arts Associations in England have been replaced by 10 Regional Arts Boards, which are funded by the Arts Council, and also the British Film Institute and the Crafts Council.

## **THE IMPLICATION OF NEXT STEPS FOR ADMINISTRATIVE REGIONALISM**

From 1988 the government has been establishing Next Steps agencies. While some of these were already freestanding departments or units, others involved separating out blocks of activity from existing departments (see Hogwood, 1993, forthcoming). An important feature of the Next Steps initiative is that agency chief executives should have freedom to develop their own managerial

structures. Some of the largest agencies with multiple nationwide outlets are large enough to have an intermediate regional level. This, combined with managerial discretion, has the potential for further proliferation of regional boundaries.

Following the establishment of the Social Security Benefits Agency in April 1991, the number of regions was cut to three 'territories', covering Scotland and Northern Territory, Wales and Central England Territory, and Southern Territory. The Employment Service set up a modified regional structure when it was formed by merging the JobCentre network, part of the former MSC, and the Unemployment Benefit Service. This regional structure differs from that of the Training, Enterprise and Education Directorate also in the Department of Employment.

## **PATRIATION OF FUNCTIONS TO SCOTLAND AND WALES**

Hogwood and Lindley noted that there was a clear pattern of Scotland, and to a lesser extent Wales, being used as a regional unit. One important development since 1979 is the increasing extent to which Scotland is used not simply as a regional unit of a British-wide department or body but as the basis for a separate body from England. A similar, slightly less dramatic, trend has occurred for Wales. An important difference between Scotland and Wales is that many of the new Scottish bodies have remits substantially different from the nearest corresponding English body, whereas the new Welsh bodies are more likely to be clones of the English body or arrangements. The list of functions where this has occurred is substantial and varying, involving in some cases programmes with large expenditures.

*Housing:* In April 1989 the existing Scottish Special Housing Association, already under the Scottish Office, was merged with the activities in Scotland of the Housing Corporation to form Scottish Homes. At the same time the activities of the Housing Corporation in Wales were handed over to a body called Housing for Wales.

*Nature Conservancy:* In 1991 the Nature Conservancy Council was split into three bodies for Scotland, Wales and England. The following year the Countryside Commission for Scotland and the Nature Conservancy Council for Scotland were merged to form Scottish Natural Heritage.

*Training and Enterprise:* When training was the responsibility of the former Manpower Services Commission, the Scottish and Welsh Offices were

### *Whatever happened to Regional Government?*

formally sponsoring departments along with the Department of Employment. The Manpower Services Commission itself was, though, a British body, and Scotland and Wales were regions within in. In April 1991 the functions of the existing Scottish Development Agency and Highlands and Islands Development Board were merged with the activities in Scotland of the Training Agency (the part of the Department of Employment which had inherited the training functions of the Manpower Services Commission). The resulting structure within Scotland is of Scottish Enterprise (with a smaller staff than the Scottish Development Agency), which contracts with Local Enterprise Companies, which have a much wider remit than the Training and Enterprise Councils in England and Wales. Scottish Enterprise covers most of Scotland, with Highlands and Islands Enterprise covering the remainder (one Local Enterprise Company overlaps the areas of Scottish Enterprise and Highlands and Islands Enterprise). In Wales the Welsh Office is the sponsoring department for Welsh TECs, but their activities were not merged with those of the Welsh Development Agency.

*Higher Education:* In April 1993 separate Scottish and Welsh Higher Education Funding Councils were set up, involving major transfers of budgets to the Scottish and Welsh Offices. The former non-University higher education sector had been the responsibility of local authorities in Wales, while in Scotland the major 'central institutions' had been the direct responsibility of the Scottish Office. The traditional university sector had been funded on a British-wide basis by the University Grants Committee and later by the Universities Funding Council Arts: As part of the 'taking stock' review by the Conservative government after the 1992 General Election, the government announced that responsibility for the arts in Scotland would be transferred to the Scottish Office. There already was an Arts Council for Scotland, but it was a committee of the Arts Council for Great Britain with delegated powers.

Ignoring the political and financial aspects, from a purely administrative point of view, devolution or even independence for Scotland and Wales would now be a less complex task than it would have been before 1989. Or to put it another way, the administrative inconvenience to England would be lessened.

### **CONCLUSION**

The Conservative government has remained consistent in its antagonism to elected regional governments. In abolishing the Regional Economic Planning Councils and the Regional Health Authorities, it has removed symbolic sources

of representation of interests in the regions, though, given the modest impact of the members of those councils and authorities, the symbolic aspect of their disappearance is more important than their impact on the policy process. In each case, bureaucratic mechanisms at regional level have remained.

For the first fourteen years of the Conservative government, the words 'economic' and 'planning' seemed to have disappeared from the official vocabulary, but the word 'regional' clearly had not. Regional Boards of civil servants with a remit to coordinate still existed, albeit with boundaries in the South-East of England which did not match regional economic planning criteria. The Standard Regions were now even more an artificial statistical category than before, though some individual regions, such as the West Midlands, were commonly used for administrative purposes.

The announcement by the Secretary of State for the Environment in November 1993 saw a re-emphasis on coordination within the central government machinery on matters relating to physical and economic infrastructure. Though far from all embracing in its coverage of government departments and the regional bodies they sponsor, it would, if fully implemented, represent a greater degree of practical coordination of activities and alignment of regional boundaries than was actually achieved under the substantially more ambitious economic planning emphasis of the 1960s. It will be important to study whether the development of an integrated budget with a regional director responsible to a single minister for its administration will in practice lead to a reduction in the vertical lines of communication to departmental headquarters and an increase in communication and coordination at regional level, albeit on a limited range of government activities.

A number of other developments which have had impacts on regional structures have been discussed. The privatisation of utilities has led to the emergence of a regional level in some regulatory bodies. Developments involving the removal of education functions from local government are leading to new regional structures. New organisational structures for delivering training services and health care both involve a regional dimension. Developments in policy areas as diverse as policing, the arts and waste management all point to a strengthening of a regional role. The Next Steps agencies provide new scope for idiosyncratic regional structures, but it is worth noting that the larger ones do consider it necessary to have a regional structure. However, where the opportunity for aligning regional boundaries has arisen, it has not been taken, with the important exception of the integrated offices, which are only one of a number of sets of regional structures.

Scotland's distinctive status (and to a lesser extent that of Wales) has been emphasised by developments which have led to Scotland not simply being treated as a region within a British structure but as having its own 'national' bodies paralleling English ones, and in some cases involving regional structures within Scotland.

For advocates of elected regional governments, the period since 1979 may have been a frustrating one. However, the boring kind of regional administration not merely survives but, by being tested against opportunities when it could have been abolished, has shown that it has uses for central government.

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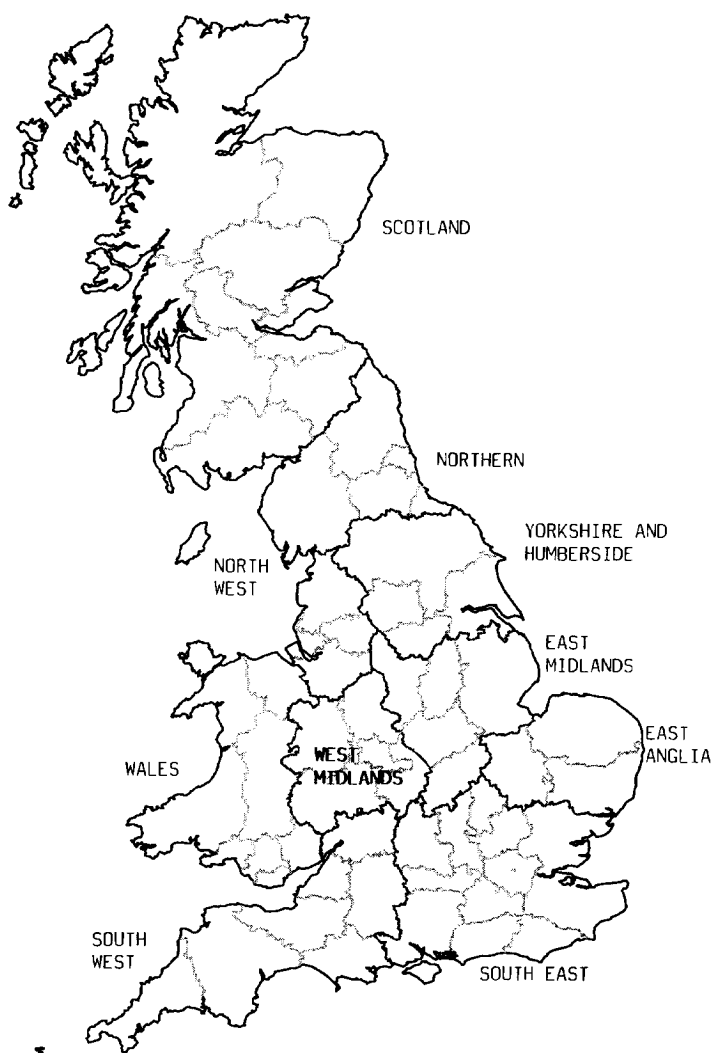
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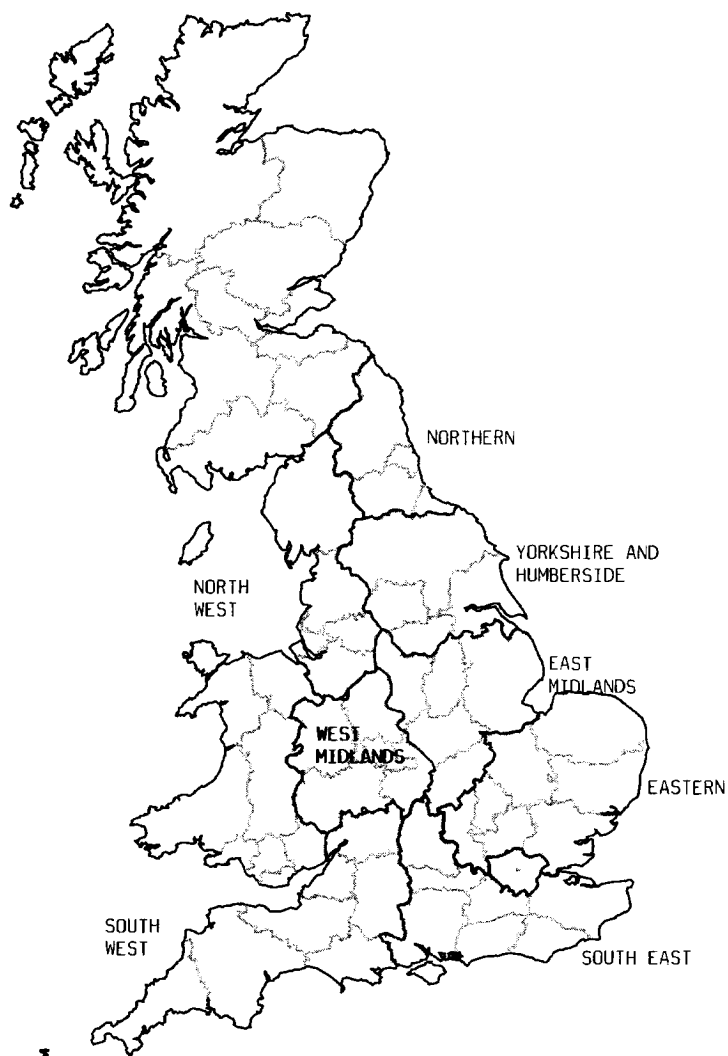
MAP 1

STANDARD REGIONS



MAP 2

REGIONAL BOARD REGIONS  
DEPARTMENTS OF ENVIRONMENT AND TRANSPORT REGIONS



MAP 3

DEPARTMENT OF TRADE AND INDUSTRY REGIONS

