



The English Regions and the European Union

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Sub-national involvement in EU policies and politics is an established feature of the European integration process. Over the course of several decades, interaction between different levels of government within and beyond the nation state has become a defining characteristic of the EU (Marks et al 1996). The roles that sub-national authorities have carved out in the EU bear testament to the practical necessity of drawing them into policy-making and implementation, and to their own activism. Above all, the creation and successive reforms of the Structural Funds gave the regions an integral part in the effective functioning of a key EU policy. The growing impact of European integration upon the sub-national tier in turn led to increasingly vociferous demands for formal institutional representation and more extensive participation during the 1980s and 1990s. This long-standing issue of strengthening the sub-national tier's position in the EU policy process was most recently raised in the Commission's White Paper on the future of European Governance (European Commission 2001). With the EU now entering another period of major institutional and policy reform, the regional question remains highly salient.

For the 9 English regions, involvement in the EU presents them with a wide array of challenges and opportunities. Since the emerging English regional tier is in an early stage of development, responses to those challenges and opportunities have considerably varied across the nine regions. What is clear is that all nine have had to rapidly adapt in order to engage with the 'European issue'. This paper focuses on the broad changes in institutions and the handling of European policy in the English regions since 1991. We cover developments in two regions – North West and South West England – in some detail, though our analysis is also informed by the practices of other regions among the nine.

The paper is divided into two phases. The first section examines the emergence of a 'new English regionalism' between 1991 and 1997. It considers the extent to which EU policy, particularly the Structural Funds programmes, helped to encourage and consolidate an indigenously driven regionalism which sought 'local' solutions to the problems of regeneration and economic development (Burch and Gomez 2002: 769). The second section takes in the changes which followed Labour's election victory in 1997. It argues that the new government's programme of constitutional reform was the key factor in determining how the English regions became more deeply involved in the handling of EU policy. The paper follows an institutional approach to analysis and changes are examined across four different 'dimensions' of institutions (Bulmer et al, 2002: 5-6). Thus we look at

- change in the *systemic dimension*: affecting the constitutional rules and the framework of the state and government;

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- change in the *organisational dimension*: affecting the formal structure of offices and key positions, and including the distribution of formal authority and resources of money and staff.
- change in the *regulative dimension*: affecting rules, guidelines and operating codes and also the capacity for strategic guidance (i.e. the means to ensure that tasks are fulfilled and that forward thinking is undertaken).
- change in the *process dimension*: affecting the processes whereby business is handled, information distributed and policy decisions determined; and including the networks established to fulfil these tasks.

We also look at change in the *cultural* aspects of institutions – the norms and values affecting activities across all these dimensions. Clearly there are accepted values about how processes should work, who should be involved in this or that activity, what rules should apply and so forth and these are subject to change.

The Emergence of "New English Regionalism": 1991-97

Prior to 1997, regional involvement in European Union policy making was very much a 'bottom up' development. In some regions key actors began to organise themselves to respond to the challenges of economic regeneration and in particular to the opportunities presented by European funding programmes. In effect, nascent political systems began to emerge, directed towards broadly conceived economic development objectives. The pattern of this activity, the extent of involvement and the pace at which these regional political systems materialised varied according to local conditions. Some regions, notably the northern regions and the West Midlands, which received comparatively high levels of European funding, were quick to organise themselves to exploit the new opportunities that had arisen (Gomez and Burch 2002). In those regions where rather lower levels of funds were available, there was less incentive to become engaged on the European issue.

It is important to acknowledge the significance of the structural funds in encouraging the emergence of sub-national governance in England. The requirements for formulating and implementing the spending programmes had a significant administrative impact and a more modest regionalising effect. Indeed, a 2003 report on cohesion policy implies that administrative changes demanded in the implementation of European programmes have sometimes appeared to absorb more of the Commission and Member States' attention than the content and strategic priorities of the actual funding programmes (European Commission 2003: 7). Two principles introduced in the 1988 and 1993 reforms to the European Regional Development Fund – partnership and programming – highlight this point. The partnership concept, incorporated in the 1988 Framework Regulation, codified a Commission commitment to the inclusion of sub-national actors that had existed since the foundation of EU regional policy in the 1970s. It required tripartite consultation between the Commission, Member States and designated sub-national authorities in the formulation of development plans, the implementation of programmes and the monitoring and evaluation process. Power to designate and to take key decisions about the programmes rested with central governments. But the partnership principle clearly encouraged sub-national participation and assisted the creation of new, regionally focused, policy communities (Bache 1998: 103). The programming concept complemented partnership by setting out a procedural map for the negotiation of multi-annual plans and there were, in particular, two aspects of this which encouraged the emergence of regional players and structures. Firstly, implementing authorities had to be consulted by the Commission and member governments during this complex and lengthy process. Secondly, the 5-year time frame of

the plans ensured continuity and stability for the participants in the funding process. The series of reforms to the ERDF between 1988 and 1993 thus provided one of the significant drivers for regional engagement, albeit with varying outcomes across the English regions partly depending on the scale of the funds allocated.

Alongside the galvanising effect of European funding programmes, a wellspring of change had already begun to rise in certain English regions at the end of the 1980s. Local elites in parts of northern England and other 'peripheral' areas had long complained about inter-regional economic disparities and the failure of national policy to address them. Dissatisfaction eventually prompted action as elites in the North East, North West, and Yorkshire and Humberside began to explore alternative routes to dealing with regeneration and attracting financial support. This 'new English regionalism' had practical and pragmatic roots and began to emerge from the bottom-up. With the exception of the North East, it lacked popular foundations (Burch and Rhodes 1993: 3-4; Burch and Gomez 2002: 769). But it did represent the start of a tentative process of growing regional awareness, giving tangible expression to the case for reform and providing a platform to take that case forward.

In effect in the early nineties two trends came together: a more regionally focused EU funding policy coupled with a bottom-up regional awareness and concern. This was the critical moment from which the new pattern of English regionalism began to emerge. The pattern of change thereafter is spasmodic but persistent and it is manifested across all institutional dimensions.

Systemic change

Changes in the structure of the state affecting the English regions were minimal before 1997. Regionalism was not encouraged by successive Conservative governments which had gradually reduced the powers of local authorities while simultaneously enhancing the authority of the centre and QUANGOs (Stoker 1996). In territorial terms, London's dominance of the economic and political map of the UK continued unabated. European Union policy-making was tightly controlled from Whitehall and UK governments acquired a reputation as an efficient but very often obstructive player in the European integration process. Even where developments in the EU's Structural Funds regulations stipulated that regional players should participate in decision making and delivery processes, central government maintained a powerful role as gatekeeper (Bache 1999).

Despite the deeply entrenched dominance of the centre in the UK system, one development retrospectively stands out during the 1990s in the emergence of English regional structures. The creation of nine Integrated Regional Offices, later to become Government Offices for the Regions (GOs), in April 1994 was part of the Major government's manifesto pledge to strengthen the coordination of policies at regional and urban levels (Mawson and Spencer 1995: 14). On the face of it, the GOs initiative served to bolster the centre's presence on the ground at regional level. It would be overstressing the case to suggest that the GOs reflected a shift in values on the part of decision makers at the centre. The evidence is that the interests of the regions remained secondary and were often seen as non-problematic. Yet the establishment of the GOs unintentionally aided the development of regionalism in at least three ways. First, it linked the notions of integrated policy and regional delivery in the minds of Whitehall decision makers. Second, it encouraged the development of regionally focused interest networks. And third, it gave a push to regional identities by finally establishing what were to become accepted as the

standard boundaries for the English regions. These effects were marginal in impact to begin with but they constituted a shift in the principles underlying state organisation at the sub-national level. In effect, the first steps had been taken towards more extensive changes that were to follow later in the decade.

Organisational change

The creation of the Government Offices also provided the principal organisational innovations before 1997. At the outset, the GOs brought together the regionalised functions of four central government departments (Environment, Employment, Transport and Trade and Industry) and they were quickly joined by Education. Their authority and budgets were limited, testament to central government's caution about decentralisation. However, important posts of Regional Directors were created, and were typically filled by senior grade civil servants, though only two were recruited direct from Whitehall. They were allowed some freedom to organise their offices to reflect local specificities. Overall 2979 civil servants were employed in the new Offices in 1994² settling down to 2,155 by 1997. Financial resources for the GOs centred on the Single Regeneration Budget, which initially unified 20 programmes across five departments and amounted to £1.4 billion in 1994-5 (Mawson and Spencer 1995: 15), which by 1997 had risen to £5.2 billion. Initial hopes that the new offices would open up the delivery of government programmes to local actors proved to be unrealistic, at least in the early stages (Hogwood 1995). Yet over this period the practice of inter-departmental co-ordination and the idea of working with a shared regional budget put down roots in both the organisation of programme delivery and the Whitehall administrative culture.

The European functions of the Government Offices mainly revolved around their role in the Structural Funds programmes. Consequently it was the GOs in those regions which were in receipt of the larger amounts of funds that were initially the most engaged in relation to European issues. They played a key role in co-ordinating the regional input into and in drawing up the Single Programming Documents (SPDs) for the 1994-98 round and were designated as the managing authority for ERDF programmes under Objectives 1, 2 and 5b (Wells 1995: 11). The granting of Objective 1 status to Merseyside led to the creation of a separate Government Office for the area. Despite the GOs' involvement in the formulation of the SPDs, the final product tended to reflect the preferences of the centre more than those of regional actors (Wells 1995: 12; Bache 1998: 99). The presence of the Department of Trade and Industry and Department of the Environment in the GOs certainly allowed more effective coordination of Whitehall's input into the ERDF programmes at the regional level. However, there is also evidence that indicates a change in the centre-region balance of power resulting from the Government Office initiative. In the North West and Yorkshire and Humberside, for instance, the GO acquired a reputation for helping to pull together the sub-regional interests. The European Secretariat for ERDF in both regions exercised a good deal of autonomy in determining how the programmes were to be implemented and they quickly and effectively adapted to the 'partnership' culture that was an operational requirement of the exercise. In more general terms, the day-to-day relationships between GO officials and other regional players together with the GOs' practice of seconding personnel from local government and other economic and social partners promoted a process of learning with and about each other which was focussed on a regional perspective rather than local or national ones. So, while the centre continued to hold sway over policy, a subtle shift in emphasis towards the regional tier had begun. This shift was more substantial in some regions than in others.

² This total includes staff on temporary promotions.

A related set of organisational changes is also evident in the civil society component of the emerging regional polity. Specifically this period saw the formation of regionally based groupings drawing together the voluntary and private sectors and others from the public sector. Again, the Structural Funds were significant here. For the European Commission, the formulation and delivery of ERDF development strategies was heavily dependent on information exchange with sub-national actors. To fulfil this demand sub-national bodies had to develop more of a regional focus and began to concentrate more lobbying and information gathering capacities at that level (Burch and Gomez 2002: 772). A further indicator of the increase in sub-national lobbying activity was the opening of 17 sub-national offices in Brussels during early 1990s (John 1994: 739). Individual cities, local authorities and local authority-related organisations were first onto the scene. Regional organisations tended to 'piggy-back' on their efforts (Burch and Gomez 2002).

Again, however, the patterns and extent of activity varied across the regions. In the North West, for instance, a North West Regional Association, drawing together all the local authorities in the region, was formed in 1992. It, along with business interests, in 1994 formed the North West Partnership, an umbrella body drawing together all North West focused interest organisations including those covering the voluntary sector, trade unions and further and higher education (Burch and Holiday 1993; Jones and McLeod 2002: 181; Giordano: 2002; 86). In the South West, in contrast, interests remained organised largely on a sub-regional basis reflecting the inherent division between Cornwall in the far south west, the middle South West of Devon, Somerset and Bristol and the outer south west of Dorset and Gloucestershire. Both regions had problems about identity and boundaries, but in the South West these concerns were more acute and there was less incentive for players to come together at the regional level.

Process Change

A similarly varied (across regions), limited but persistent pattern of change can be detected in the processes for disseminating information, handling business and reaching decisions at regional level in England. First it must be recognised that in general regional input into public policy making was restricted to a very limited range of issues such as inward investment and urban and economic regeneration and that this input was intermittent and dependent on central government seeking it. Regions were not in any substantial sense an integrated part of the UK government's policy processes. Second, in regard to regional input into the UK's European policy making, this was largely restricted to the regional development parts of the structural funds. Again the pattern of involvement varied across regions according to the size of the structural funds allocated. Even on these matters representatives of interests in the more engaged regions were largely drawn into the processes for formulating the CSF and allocating funding through membership of the Programme Monitoring Committees (PMCs). This more regionalised process for handling structural funds issues had begun to emerge from about 1991 onwards. While in keeping with the requirements of the EU, the process was very much run from the centre downwards. However, significant roles were played by central government's civil servants in the region initially through their separate department's regional outposts and, from 1994, through the integrated GOs. In essence, over the period from 1991 to 1997 this policy process was established and had begun to bed down and to operate over a long-term basis in most of the major structural funds regions. The position of regional players in this process, though it firmed up over the period, remained tenuous and largely dependent on EU requirements. Over-time it became clear that regional input could be helpful and constructive. The distribution of information concerning the formulation of structural funds

negotiating strategy (a matter for the DTI) and the final decisions re the CSF for each region largely by-passed regional players. Indeed, the processes for involving them in these matters tended to be consultative rather than decision taking.

These more regionalised policy processes engendered new networks of players. These players were drawn, if rather haphazardly, into the information web from central government and the GOs, and into shaping the handling of policy. These networks, as well as engaging civil servants from central and regional level, also drew in representatives from interests such as business and local authorities. Yet again the pattern of networks and the extent to which they were developed varied across the regions. Moreover, these new networks operated at elite level and away from the gaze of the public and the media. Importantly there was a self-reinforcing effect to the whole set of developments. As the members of this newly galvanised regional elite worked together they developed shared understandings and a collective sense of purpose. This in turn helped to further establish the processes they were engaged in and to cement the personal linkages that increasingly helped to hold the network together. Of course the pattern varied across England according to the magnitude of the Structural Funds allocated to the region, the attitudes of key players, especially in the GOs, and the extent to which interests within the region were able to operate with a regional focus. In effect, regions fell into two categories: those with the most developed regional processes and networks (The NE, NW and Merseyside, Y&H, and WM) and those with the least (EM, SW, SE, EE). In this as in most other instances, London was a special case, both in its limited degree of overt regionalisation and its extensive degree of access to key policy making points and personnel.

Regulative change

Operating practices also changed largely in order to accommodate the new forms of organisation and more regionalised processes of policy making. Many of the changes along this dimension concerned the least formalised type of regulation: understandings about how things should operate and who should do what. These tended to build up over the period amongst those participants from the public and private sector at both national and regional level that were drawn into the operation of the new structures. Of course the creation of the GOs from the regional arms of the founder departments meant that it was necessary to produce internal guidance about how the offices should operate, who should do what, how co-ordination could be ensured and the form of linkages to Whitehall and how these should operate. Beyond this, and specifically concerning Structural Funds, the really significant changes in rules and guidelines, covering both the creation of spending frameworks and the allocation of funding, were made by the EU. These centred on the requirement of partnership and the regionalisation of planning frameworks and funding allocations. All member state governments were required to follow the relevant guidelines, though in the English case, the exact interpretation of these guidelines did have a Whitehall spin put upon them. Nevertheless, the broad thrust of these requirements substantially originated in the EU (Regulation 2052/88 EEC).

The capacity to provide strategic guidance and initiative remained at the national government level, though the GOs ability to provide some resource towards this task and to give it a regional focus had been enhanced. The extent to which this was exploited depended on how the GO interpreted its role in the region and, in turn, how responsive regional actors were. The partnership principle as applied to the Structural Funds was more easily developed in some regions than in others depending in part on the extent of prior experience in applying the concept. In the North West the partnership principle was

already well established at sub-regional level. There had already been a number of partnership based regeneration schemes especially in relation to Greater Manchester which tried to tie them in to larger schemes such as two bids to host the Olympic games which were developed from 1985 onwards (Cochrane, Peck and Tickell 2002: 99-101). This experience was built on and expanded out into the wider territory of the region. In the South West there was less of a sense of regional identity and less experience of partnership approaches. Despite the existence of a GO for the South West the area really retained its sub-regional character throughout the period up until 1997 (Bridges 2002: 97). Unlike the North West the experience gained from the local level was not transferred upwards. A further factor in determining the extent of regionally based initiative was the attitude of civil servants in regional offices. The appointment of a Whitehall civil servant to head the North West GO from its inception was in part designed to overcome the tendency, as perceived in Whitehall, that staff in the separate departments of the region had 'gone native'. What was emerging was not so much codes or rules but a set of attitudes and working practices which gave more scope to the regional level and which were gradually becoming more and more established over time. What was not yet clear was the extent to which this new regionalised approach would be allowed by the centre to develop further and be drawn more fully into a wider range of policy making.

The creation of regional institutions: 1997-2003

Labour's victory in the 1997 general election heralded a series of far-reaching constitutional changes and marked a distinct break with the past in the UK's approach to European Union policy. Key manifesto pledges to move ahead with devolution to Scotland, Wales and Northern Ireland and to create a Greater London Authority were fulfilled while the incoming government's positive attitude towards the EU paved the way for more constructive engagement on European issues. The launch of the devolution process precipitated an intensive period of institution- building and adaptation. It also gave 'critical momentum' to the development of English regional governance (Burch and Gomez 2002: 776). Yet the English regions outside London found themselves left behind as the UK began 'to reinvent itself internally' (Morgan 2002: 807). New institutions – Regional Development Agencies and consultative Regional Chambers – were established in Labour's first term but they fell some way short of the expectations of English devolutionists. Elites in some regions were quick to exploit the political opportunity space offered by Labour's decentralisation initiative and to build on the new institutional architecture. Others adopted a more cautious approach. Several regions, for instance, chose to persist with local government bodies as the region's chief political forum. As a consequence, structures and processes for handling European policy greatly varied across the English regions, although the general pattern post 1997 was one of gradual adaptation as the new institutional players came to terms with the European agenda. European policy, particularly the Structural Funds, continued to be an important push factor in the changing picture of regional governance. But after 1997 constitutional change in the UK became the primary driving force behind the emerging English regionalism.

Systemic change

The most significant change in the structure of the state was the creation in 1999 of nine Regional Development Agencies, one for each English region plus London. On paper, the range of powers accorded to Agencies was modest. The White Paper in which their responsibilities were set out was studiously vague about their European policy functions (Department of the Environment, Transport and the Regions 1997: 45). The document

suggested, for instance, that the Agencies should play a leading role in a new round of Structural Funds programmes but did not lay down clear guidelines about the powers that they might exercise in that area. However, the roles that the Agencies were to play in economic regeneration – they were tasked with drawing up regional economic development strategies – inevitably drew them into the European funding process.

The government also created 8 Regional Chambers alongside the RAS and an elected Mayor and 25-member regional assembly for London (Department of the Environment, Transport and the Regions 1998). The eight Regional Chambers, being consultative only, with hardly any powers and resources and with members appointed by central government, can be judged to have had only a marginal impact on the structure of the state. They were established on a voluntary basis and were tasked with scrutinising the activities of the Development Agencies. Many of the new Chambers quickly redesignated themselves as Regional Assemblies, though they were un-elected and their membership was appointed largely from amongst local authority councillors. The creation of a Greater London Authority (GLA) and Mayor was, however, an important change in the structure of the state. It underlined the already privileged position of London in English policy making and gave London decision makers new powers and extra resources which could be used to lobby and influence Whitehall (Pimlott and Rao 2002). The other English regions were denied such powers, although the May 2002 White Paper proposed that they can, if opinion is supportive and a substantially unitary system of local government exists or emerges in the area, move to directly elected Regional Assemblies. If such changes do take place they would constitute a systemic change of some significance (Cabinet Office/Department of Transport, Local Government and the Regions 2002). While the White Paper offers a very limited menu of powers for the elected Assemblies, such a development could in time legitimise an expansion in the policy functions devolved down to the regional tier. However, the likelihood is that only one region, the North East, will pursue this path, though others may follow later.

The RDAs and Assemblies were designated to cover the areas in keeping with the already established GO boundaries. The reform thus finally established standardised English regional areas and boundaries. Indeed there was only one slight alteration from the pattern established in 1994: the re-incorporation of Merseyside into the North West.

Devolution to Scotland, Wales, Northern Ireland and London had little direct systemic impact upon the rest of English regional governance. The limited process of administrative decentralisation that got underway during the government's first term bore testament to the long-standing commitment among certain Labour politicians to regionalisation and to the acceptance of new thinking about economic development policy. But devolution drove home the potential benefits of administrative decentralisation to poorer English regions. Politicians, officials and interest groups in several regions took a keen interest in the activities of the devolved administrations, and some, such as the North East, went on to look at ways of strengthening links with them. It also offered advocates of English regionalism the opportunity to re-address 'the English question'.

Organisational change

Organisational change was a major feature of the post-1997 regional landscape in England. New organisations were created whose form and functions had not been fully specified at the outset and which therefore needed time to sort out their remits and roles. To some extent these organisations were left to determine their own internal structures,

operating procedures and, even, external relationships. Government Offices (GOs) retained the lion's share of authority in the evolving regional governance system, reflecting the tight control that Whitehall continued to exercise over the regions after 1997. But the creation of the RDAs and, to a lesser extent, the RAs marked the start of a subtle shift in authority as the new organisations began to exercise their modest range of powers. Across the English regions, the paths followed by the Agencies and Assemblies diverged as their individual approaches were adapted to the handling of European business and their other statutory and non-statutory responsibilities. Although this process is still unfolding, it is already clear that the organisational dimension of English devolution is characterised by considerable variety.

The principal organisational change to the GOs after 1997 was the incremental expansion in the numbers of staff, departments involved and functions undertaken. Central government's concern to promote coherence and consistency in the formulation and delivery of different policies – branded as 'joined up government' – prompted some re-thinking about the role of the GOs. Recommendations contained in the 2000 Performance and Innovation Unit (PIU) report led to a series of government decisions to expand the number of Whitehall Departments represented in the GOs (Performance and Innovation Unit 2000). By 2002, nine 'sponsor' departments were present in the GOs, and the number of staff based in the Offices had reached 3040, an increase of 600 on 1997 levels (Cabinet Office/Department of Transport, Local Government and the Regions 2002: 29). Of most significance for the handling of European policy was the incorporation of a MAFF (now Department of the Environment, Food and Rural Affairs) presence from April 2001. Ongoing reform of the EU's Common Agricultural Policy in favour of more inclusive rural development, with increased funding earmarked for a range of measures identified in regional plans, meant that the GOs took on a range of new functions in the rural policy sphere. The European dimension of environmental policies also impacts upon the work of the GOs. Implementation of EU Regulations on waste management, for instance, requires coordination at regional level. More broadly, the joined up government initiative has prompted a number of Government Offices to reorganise their European policy arrangements in an effort to ensure that different funding streams, both EU and non-EU, complement each other and that the targets set and actions pursued in different policy areas are mutually compatible (Cabinet Office 1999). In this respect, one effect of European Union policy appears to be to act as a driver for more effective internal co-ordination.

Management of the Structural Funds remained the dominant European Union related activity of the Government Offices after 1997. Across the board, the GOs again played critical roles in the negotiation of Single Programming Documents (SPDs). The emergence of the Assemblies and RDAs and the scope for more concerted regional level activity that they offered strengthened the GOs' position as the pivot point between regions and Whitehall departments, particularly the Departments of Trade and Industry (DTI) and Transport, Local Government and the Regions (DTLR) – later re-named the Office of the Deputy Prime Minister. In the North West, for example, stronger cohesion among the partners ensured that collaboration with the GO on the SPD was more formalised than had previously been the case (Burch and Gomez 2002: 773). On the implementation side, the GOs retained their status as the designated managing authority for European funding programmes, responsible for providing the Secretariats for the programmes and for administering applications for funds.

Organisational changes in the handling of the Structural Funds tended to be determined by the level and type of EU funding available to a region in the 2000-06 programmes. In the South West, the designation of Cornwall as an Objective 1 area led to the establishment of a 'partnership' office in Truro, staffed by three Government Office officials and officers from the local authority. The Secretariat for the programme is, however, based in Plymouth. In the North West, Merseyside's Objective 1 programme continued to be handled largely independently of the overall North West effort and is run by a Government Office Secretariat based in Liverpool. An important development after 1997 occurred in the UK's European Social Fund (ESF) programme when the decision making process was significantly altered to give greater scope to the GOs and their regional partners in the operation of the programme. If a pattern has emerged here, it is that the expansion of the GOs' responsibilities vis-à-vis European funds has enabled them to become 'more deeply integrated' into regional governance structures (Burch and Gomez 2002: 773).

The lack of clarity about the European policy functions of the RDAs produced considerable regional variations in their internal structures. Most Agencies assigned staff to handle those aspects of Structural Funds programmes for which they were responsible, although the numbers of staff involved were dependent on the type and extent of European funding. However, the Government's decision to hand over to the RDAs the strategic control of Structural Fund programmes by January 2001 provided a strong incentive for RDAs to develop their European activities. Several reorganised their internal arrangements and took on new staff in order to perform this strategic function. Many simultaneously set up programmes to ensure that European issues were 'mainstreamed' across the work of the Agency. The North West Development Agency, for instance, appointed a European operations manager to fulfil these functions and a small team of officials to take forward the development of a regional European strategy. Yorkshire Forward followed a similar path, appointing a strategy team housed in its Strategy and Policy Directorate. All RDAs saw an expansion in the size of their European policy teams and refinement of their internal operations (Gomez and Burch 2002).

Differences in organisation were also a feature of the way that the Regional Assemblies developed. Here too, European issues, including funding programmes, had a significant part to play. In several regions, Assemblies were treated by Government Offices as the source from which local authorities and the 'economic and social partners' were drawn so as to take part in compiling the Single Programming Documents for the 2000-06 round of Structural Funds. This status as the vehicle for drawing together a diverse array of interests at regional level provided a platform for some to expand their European activities. Several either established European policy sub-groups or became involved in new regional forums on European policy. In the North West, the Regional Assembly established a European Affairs 'Key Priority Group' comprising local authority politicians and officials and business representatives to examine European issues on the Assembly's behalf. In the North East, an Assembly Europe Group was charged with carrying out similar tasks. In both regions, one or two policy staff based in the Assembly Secretariat were assigned both to service this machinery and to deal with issues ranging from work on the Structural Funds programmes to the coordination of regional events concerning the European Union. Across the board the Regional Chambers Fund has provided the means for Assemblies to expand their policy operations by taking on new staff.³ Accordingly, in those regions with

³ The Regional Chambers Fund was created in 2001 to provide £15 million over 3 years. Its purposes were to strengthen the scrutiny function of the Chambers/Assemblies and enable them to further develop their

the highest receipts of Structural Funds, the number of dedicated European policy staff has risen during the last year or so (Gomez and Burch, 2002).

In other regions, however, the Assemblies have been more peripherally involved in European policy. Where local government associations (LGAs) dominate the regional political map, the role of the Regional Assembly has tended to be that of a forum for discussion or an umbrella for initiatives that involve a broad coalition of actors. In the West Midlands, for instance, the LGA assumed the lead role in coordinating a range of regional European policy initiatives through a 'Portfolio Management Group' of 10 local authority members. A broad based European and International Policy Forum is run under the auspices of the Assembly, though it is serviced by staff from the LGA. In a similar vein, the East Midlands Regional Assembly took on responsibility for the European Strategy Forum, but the staff that service the Forum are based in the East Midlands Regional Local Government Association (EMRLGA) Secretariat. In the South West, which lacks an LGA, the Assembly has no dedicated European affairs group and only one policy officer who deals with European issues as one among several duties. The point here is that it is difficult to discern consistent patterns in the way that Assemblies organise their European activities.

The launch of the Development Agencies and Assemblies triggered a good deal of activity in Brussels as they sought to establish representations close to the heart of EU decision-making. Inevitably, the composition, structure, membership and staffing levels of Brussels offices varied from region to region. In most cases, RDAs and RAs sent their 'own' officials to Brussels, often through jointly funded posts. Few regions, however, have proved able to pull together existing sub-regional representations into a single presence. Only the South West currently operates an office headed by an official that represents the region as a whole. Most have settled for co-location arrangements in which regional officials work alongside officers from local authorities and the economic and social partners. Finance is provided by 'partnerships' of organisations with lines of accountability varying according to the terms of the partnership agreement and their management structures (Gomez and Burch 2002). Annual budgets for operations in Brussels range from £25,000 for the South East's representative to £500,000 each for the West Midlands and London. Staffing levels vary from the four full time officials who run the East of England's office to the 8 full time staff and 3 secondees of the West Midlands' operation in Brussels.

The dominant theme of organisational change since 1997 is a more substantial governmental presence in the regions but with great diversity in the way that operates in relation to European issues. Regional differences in receipts of Structural Funds have clearly been a factor in accounting for the way organisational structures have developed. So too are variations in the management of relationships between the new organisations, local authorities and other sub-regional interests. Such diversity is perhaps testament to the degree of autonomy that regional and sub-regional players have been able to exercise in designing the new architecture. But it is also an outcome of the lack of clear direction in English regional governance. It will take time to prove which of the organisational changes since 1997 will turn out to be the most enduring and effective.

Process change

strategic functions. Each of the Chambers/Assemblies would receive £500,000 per annum, with a further £1 million per annum set aside for the English Regions Network, the collective organization for the Chambers.

Procedures for handling European policy in the English regions are very much 'under construction'. Change has been driven from above, most visibly through the Structural Funds regulations and the practice of engaging with Brussels and London on European issues. It has also originated from below as regional players have identified the need to examine a wider range of European issues and have adapted existing processes to cope with a rapidly evolving European agenda. Although there are some common developments in the processes of policy making, principally those relating to the Structural Funds, there are also wide variations as regions have adopted tailor-made solutions to the handling of European business. The overall picture is therefore a fuzzy one. Moreover, Whitehall still maintains responsibility and tight control over the processes of policy making so far as European issues in general are concerned. Engagement in, responsibility for and control over access to these processes remains firmly in the hands of central government, but regional players have begun to take some advantage of the limited opportunities available. They are beginning to develop a voice even if the voice is listened to only intermittently. Again the pattern of this engagement varies enormously across the regions.

Administration and management of European funding programmes has continued to centre on the Programme Monitoring Committees (PMCs), part of the statutory requirement for 'partnership' under the Structural Funds regulations. Representatives from the Assemblies and RDAs appear to have been straightforwardly slotted into this machinery, taking up seats on the PMCs. In the North West, for example, the Assembly's role in bringing together economic and social partners enabled it to secure representation on both the Objective 1 and 2 PMCs. Beneath the PMCs, the networks of working groups that sprung up around specific components of each programme have also taken on a stronger regional hue. With the emergence of a regional tier whose primary functions related to economic development there arose the need to devise processes to ensure congruence between Structural Funds programmes, regional economic strategies and other regional and sub-regional initiatives.

Growing awareness of the broader relevance and implications of European Union policy and legislation coupled with the potentially significant impact of eastern enlargement of the EU also compelled regional and sub-regional players to consider creating 'overarching' European policy machinery. On paper, the PMCs appeared well placed to carry out these tasks. However, they tended to focus on the operational side of the programmes, leaving space for higher-level machinery to develop. Several regions approached this problem by establishing strategic policy groups, albeit with differing compositions and remits. In the South West, the European and International Vision Group (EIVG) comprising representatives from a wide range of sectors was given a similar remit. Other regions opted for rather smaller and less representative groups in the belief that tighter knit groups would be more adept at taking strategic decisions. The North West, under the initiative of the RDA, established a European Strategy Group (ESG) comprising officials from the RDA, RA, Government Office, including the DEFRA representative, the PMCs and an academic advisor (Burch and Gomez 2002: 772). The Group meets several times a year on an ad hoc basis. In the North East, the European Management Board brings together 9 officials from the GO, Assembly and One North East (Development Agency). All 9 regions, including London, now run overarching European policy forums in one form or another.

Beyond the processes that are emerging in individual regions, collective activity among the nine regions has also gathered momentum. Regional Directors from the Government Offices hold regular meetings, often in Whitehall, with European policy being

one among several subject areas dealt with by the group. Inevitably, this agenda has been dominated by discussion about Structural Funds issues. European policy managers from the RDAs also hold meetings two or three times a year, though an ongoing review of the workings of this group may see it become more informal in its operations. Co-ordination between the Regional Assemblies – achieved through the English Regions Network – is at a somewhat more advanced stage, encouraged by the provision of £15 million over three years from the Regional Chambers Fund. European affairs often feature on the agenda of the network which has examined the Interreg III programme, met with Commission officials and discussed best practice in the handling of Structural Funds. The development of such activity seems likely to continue to accelerate as regional players come to terms with the huge policy implications of eastern enlargement of the EU and its concomitant impact on funding.

Processes for linking regional institutions to Whitehall are a key factor in ensuring that the new structures of English governance bed in smoothly. By definition, Government Offices are plugged into several Whitehall departments and have long-established formal and informal procedures for communication and information exchange. European funding teams in the Government Offices, for instance, have frequent contact with DTI officials, although there are few formal meetings. The traditional informality of the Whitehall administrative culture has continued to be a feature of GO-Whitehall relations. However, the establishment of the Regional Coordination Unit (initially in the Cabinet Office, now in the ODPM) in 2000 was intended to strengthen co-ordination within and across the GOs and provide clear reporting lines to a 'Head' department.⁴ The RCU has little direct involvement in European policy in the regions. Its purpose is to ensure that targets for the delivery of Structural Funds and other European policies are met, that central government departments and the GOs effectively coordinate on EU issues and that the GOs are involved in the policy process at the centre.

Much of the communication between the other regional institutions and London has tended to be conducted on an ad hoc basis. The Government Offices are supposed to act as a formal interlocutor between the region and Whitehall but circumstances frequently arise in which the preference is for direct contact. The type and frequency of contact and the personnel involved vary according to the issue and to the central lead. European policy officials in the RDAs mostly connect into the DTI, though they also have regular contact with ODPM. Linkages between the Regional Assemblies and central government departments have also evolved without the presence of a procedural framework. The types and frequency of interaction between regional politicians and officials and the centre appear to be determined by the activism of the former and by individual relationships. On European issues, the DTI and ODPM are again the principal points of contact. The implementation of regional strategies and central government's attempt to join-up the delivery of policies at regional level is likely to see an increase in the use of formal processes to link together the different tiers of government.

A significant knock on effect of both organisational and processual developments post 1997 has been to change the nature of regional lobbies, the focus of their activities and the way they operate. What John Tomaney (2002: 728) has termed 'quiet regionalization' has accompanied the more visible process centring on the Agencies, Assemblies and Government Offices. The generation of regional strategies on a wide

⁴ Originally located in the Department of the Environment, Transport and the Regions, the base of the RCU subsequently switched to the short lived DTLR. It is now housed in the Office of the Deputy Prime Minister.

range of issues has prompted other government departments, agencies and NGOs to adapt their structures to reflect their involvement in the preparation and implementation process. On European policy, the implementation of European Regional Development Fund programmes, the European Social Fund and Community Initiatives are the primary drivers behind this element of the regionalisation process. Reorganisation of the administration and management of the programmes has forced those bodies that seek funding to work with the new regional institutions. The outcome has been that administrative decentralisation in England has provided political opportunity space for sub-regional interests, while European Union policy has offered them a rationale for filling that space.

A recurrent tension running through these developments has been the relationship between sub-regional interests, particularly local authorities, and regional institutions. Reconciling the interests of an extensive and diverse range of actors involved in economic regeneration policy, European funding programmes and the raft of other issues that are played out at regional level has proved to be a difficult exercise. Those officials responsible for the delivery and monitoring of Objective 1 and 2 programmes have had to strike a balance between procedures that are sufficiently open to the input of the 'partners' and the need to make reasonably expeditious decisions about proposals for projects. Similarly, the organisers of the strategic European policy machinery have been under pressure from local government and other sub-regional interests to include them in the membership of those forums. Both examples highlight two problems in the regionalisation process. Firstly, local government has a vested interest in safeguarding its position in economic regeneration policy and the delivery of services. Partly in reflection of this in several regions, in response to the May 2002 White Paper, shire councils are actively opposing any transfer of powers to the proposed elected regional institutions. Secondly, competition for scarce financial resources is inherently political. The resultant pressure for inclusivity does not necessarily lend itself to effective strategic action. Change in the processual dimension is likely to be a prominent feature of the evolution of English regional governance.

Regulative Change

The development of formal and informal rules, regulations and guidance relating to English regional governance has been slow. Unlike Scottish, Welsh and Northern Irish devolution, the limited process of administrative decentralisation to the English regions has not been accompanied by the drawing up of codes of conduct for relationships between the different tiers of government. With much of the decisive authority for policy making and implementation still resting with Whitehall there has been little need for the formal statements of competencies and dispute settlement rules and that are set out in the devolution Concordats and Guidance Notes. Instead, the emphasis has been on the informal and organic development of procedures for linking together institutions in the region and the centre that is in keeping with the UK's administrative culture. Nevertheless, a small number of rules and regulations have emerged in the handling of European business. They stem from three sources: European Union regulations, changes in Whitehall and agreements between the new regional institutions.

The Structural Funds regulations continue to account for many of the formal rules that govern the handling of European policy in the English regions. Preparation of the 2000-06 round of programmes saw stricter enforcement of rules, especially those associated with the partnership and programming concepts, by the Commission than had previously been the case. For instance, the strategic objectives included in North West's Objective 2 SPD had to be re-drafted at the Commission's insistence in order to comply

with amended rules. Greater sensitivity about fraud in the EU following the 1998 reports into maladministration by the Commission resulted in heightened sensitivity about the uptake and expenditure of funds. For instance, the delivery of the programmes is now subject to more rigid controls on the eligibility of projects for funding. Beyond the specific terms of the Structural Funds regulations, other EU legislation has also had a more significant impact on the English regions. One area that has proved particularly problematic in the 2000-06 round of regional development funding has been the more stringent application of state aids rules. Here, regional players and central government must pay close attention to the compatibility of spending proposals with what has become one of the most highly regulated areas of EU activity.

At the intra-regional level, formal frameworks governing relationships between the new organisations established after 1997 and other regional players have been agreed. This followed some uncertainty about the exact responsibilities and division of powers between the RDAs, Assemblies, GOs and other agencies and interests. The North West Regional Concordat, agreed in 2001 outlines the aims and responsibilities of the Development Agency, Regional Assembly and Government Office, a set of 'common' objectives and a number of guidelines about 'joint working'. Similar concordats between the Assembly and a variety of other agencies that have policy delivery responsibilities are currently under negotiation. At a more advanced stage is the West Midlands which has in place a detailed regional concordat laying out the roles and responsibilities of the four key organisations – the Regional Assembly, LGA, Government Office and the RDA – across 16 issue areas. On European policy, the Concordat identifies the lead authorities on the Structural Funds programmes and the region's strategic machinery (European and International Policy Forum) together with the functions of the institutions in relation to the Brussels Office management structure (West Midlands in Europe). Elsewhere, the formal distribution of responsibilities between regional institutions is materialising in the work programmes attached to European strategy documents. The North East's European Action Plan, for example, allocates a wide range of tasks to each institution.

Capacity for strategic guidance is still located at the centre, but a more substantial role is being played by regional institutions. However, the settling down of the new organisations – RDAs and RAs – into the existing regional landscape meant that initially, in some regions there was a weakening of the focus of regional efforts with a further proliferation of central government inspired and appointed agencies. It was only once this new pattern of regional provision had been sorted out through such devices as regional concordats and other forms of agreement about who does what and with whom has the strategic capacity of regional players begun to clarify. The position is a strengthened set of resources at the regional level, though how and to what effect these are deployed varies significantly across regions. The most together regions in terms of developing detailed and practical regional European strategies have been the North East and the East of England, though substantial progress has also been made in the North West and Y&H.

Conclusion

There was considerable variation in the way that English regions became engaged on the European issue in the pre-1997 'phase'. This variation in part reflected differences in the pattern of regional emergence across the nine. A pragmatic 'new English regionalism' emerged in some areas. This emphasised economic concerns, was confined to core elites and reflected the specific characteristics of each region. It developed in tandem with the

creation of integrated Government Offices in the regions. However, the timing, scope and impact of change in English regional governance was significantly driven by the Structural Funds and thus by the European Union.

Much of the substantive change over the period originated at the regulative level with the new obligations imposed on central government and regional authorities by the Structural Funds regulations of 1988 and 1993. Important changes in processes and organisations within the regions were a direct result of ERDF decision-making requirements. The programming concept helped to both develop and consolidate the regional tier by creating a clear focus for the activities of regional players. Formal requirements to operate on the basis of partnership also exerted a powerful regionalising effect by forcing those actors involved in delivering Structural Funds programmes to devise new ways of working with sub-national interests.

The nascent regionalism of the 1991-97 period was more fluid than in a fully established system, but became more established as time passed. Networks with a regional focus and remit began to emerge, though the pattern varied significantly across regions as did the extent to which they had access into the state structure at regional level. Much activity was confined to relatively small sets of regional players, but important contacts were struck and durable alliances were made. Another crucial development was the recognition of regional boundaries, though the standard region was still contentious *vis-à-vis* alternatives such as the city region. Nevertheless, increasingly organisations were being given a regional focus.

At the centre, the notion that the regional tier matters and has some utility began to be accepted, even if how it mattered was not entirely clear within central government. There was a gradual realisation, if limited, of the potentiality of the regional tier in the administration of policies. Moreover, it began to be understood in Whitehall that in matters of economic regeneration regional economic elites had some contribution to make. Yet, despite the creation of the GOs and the tendency for some of those sent to occupy them to 'go native', Whitehall remained firmly 'in charge'. There was little enthusiasm at the centre for the idea of a developed regional tier and central government's relationship with the regions remained primarily consultative and rather token at that. Real power and the idea of its legitimate location was maintained in London.

Overall, this was a period of modest change in the *organisation* of both the public and private sectors at the regional level. Europe can be seen during this stage as one of the key drivers of these changes. This reflected the task that was set (largely by the EU) for regional actors: to produce strategies and to engage in partnership. Moreover it was increasingly legitimate in some areas, the North mainly, to see regions as part of the landscape and to think and act in terms of them. This was reflected in the regional re-branding of some national and local institutions such as the BBC and the Chambers of Commerce. Central government had begun to engage in the new process, largely in relation to structural funds but also increasingly on other matters such as urban regeneration and land use planning.

In the second phase, post 1997, developments are more central government led with new institutions and competencies being established, but the impact of European initiatives on the emerging English regional landscape remains significant. The critical changes from which other changes have followed have been along systemic and organizational dimensions. Systemic change is not substantial but in the case of RDAs

and London Authority had at least initially led to a weakening of the position of English regions *vis-à-vis* national policy makers. These initiatives effectively divided the centre's effort in the regions and strengthened the privileged position of the London metropolis in relation to national policy making. While it is true to say that significantly more resources were placed in the regions, it needed time for the new arrangements to settle down and to accommodate to the varied regional architecture that had emerged prior to 1997.

This was accompanied by a more region focused approach from within central government and by its officials in government offices. This shift in attitudes was by no means universal, but it was evident in a number of developments such as the greater emphasis on co-ordination of regional effort in Whitehall, the increased interest in regional solutions to economic problems on behalf of the Treasury and the DTI, and the strengthening of regional offices on a longer-term basis. So while the operation of Whitehall was still not really regionally focussed, the regional input was more evident and more accommodated than had previously been the case.

Structural funds continued to drive European policy in those regions with the largest allocations. But other aspects of European policy began to have a regional involvement – notably rural policy and environmental policy. Also European policy (more broadly), especially as a result of the implications of enlargement, was becoming an increasing matter of concern and interest for regional players. Europe remained an important source of regional initiative, but post 1997 other forces were also driving change.

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